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Thailand as 2022 APEC Chair: What to Expect

By Kaewkamol Pitakdumrongkit

SYNOPSIS

Thailand has assumed the APEC Chair for 2022 and unveiled the theme of “Open. Connect. Balance.” How does the theme reflect the country’s interests and what are the likely APEC initiatives during its chairmanship?

COMMENTARY

THAILAND ASSUMED the Chair of the Asia-Pacific Economic Cooperation (APEC) forum on 12 November 2021. This stint will last until November 2022 and coincides with the worldwide COVID-19 pandemic that has damaged all APEC economies.

Whoever helms APEC during this unprecedented time is crucial because it would set the bloc’s agenda which could shape the recovery of the region as well as the world. APEC members’ combined market of 3 billion people gives the grouping economic clout amounting to about 60 percent of the world’s GDP and 47 percent of the global trade.

Enter the Thai Chair: The BCG Model

For the Thai Chair, APEC’s main task is centered upon how to ensure the grouping’s economies achieve the post-COVID-19 recovery in a sustainable and inclusive way. Consequently, Bangkok revealed the theme of “Open. Connect. Balance.” constituting the three areas that it will push forward during its chairmanship.

By “Open”, it means keeping trade open in the rules-based multilateral trading system. “Connect” encompasses the restoration of international connectivity of goods, services, people with the use of digitalisation. This strand also covers the revival of international travel and tourism. As for “Balance”, Thailand seeks to ensure

sustainable and inclusive growth by relying on the Bio-Circular-Green Economic Model (BCG Model).

BCG consists of the bio-economy (i.e., value-added production of renewable biological resources); circular economy (resource reuse and recycling); and green economy (achieving harmony among the economy, society, and environment).

The Thai Chair's theme of "Open. Connect. Balance." echoes the Putrajaya Vision 2040 which envisaged "an open, dynamic, resilient and peaceful Asia-Pacific community by 2040". This Vision can be accomplished by three drivers: trade and investment; innovation and digitalisation; and sustainable and inclusive growth.

Illustratively, the "Open" and "Connect" components seek to revive and foster trade and investment ties in the Asia-Pacific. Also, the "Balance" element strives to obtain sustainable growth and development. Moreover, innovation and digital technology will be capitalised to effectively realise all three parts of the theme.

Thailand's Interests and Likely Actions as Chair

The theme also reflects the country's interests. For example, regarding "Open", Bangkok views trade as a way to recuperate from the COVID-19-inflicted damages and hence wants to boost trade and investment ties via regional frameworks. This is echoed by the fact that it ratified the Regional Comprehensive Economic Partnership (RCEP) on 28 Oct 2021, and is preparing the documents for its accession to the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP).

During its APEC Chairmanship, Thailand will likely explore the modalities of creating the Free Trade Area of Asia-Pacific (FTAAP). The idea of FTAAP was first introduced at APEC in 2004 as part of the grouping's plan to enlarge and deepen Asia-Pacific economic integration.

As APEC is an idea-incubator platform where parties experiment new modalities, the Thai Chair will likely lead the discussions regarding pathways towards FTAAP. One likely approach is to use RCEP and CPTPP as the latter's building blocks. For instance, some RCEP and CPTPP elements could form a basis for discussions regarding the FTAAP agreement.

For "Connect", it reflects Thailand's enthusiasm in border reopening given that [tourism accounts for 20 percent of its GDP and employs about 20 percent of the workforce.](#) On 1 Nov 2021, the government lifted international travel restrictions allowing travellers from 63 countries to enter the country. The authorities are working to scrap the restrictions for sojourners from other countries.

Therefore, it is likely that the Thai Chair will play a leading role in stimulating the talks concerning border reopening among APEC members. The topics may include how to arrive at a common definition of "COVID-19-free travellers"; how to harmonise border control measures and taper regulatory incoherencies; how to further utilise digital technology to ease the international flows of goods, services, and people; and how to provide capacity training assistance to the members which need help in implementing their reopening plans.

The BCG Model for Post-COVID-19 Recovery

Concerning “Balance”, the BCG Model is part of Bangkok’s overarching vision of the bio-economy that enhances the quality of life and is environmentally sustainable. This approach is incorporated into the country’s 20-year National Strategy (2018-2037) which strives to achieve sustainable development (SD).

The country is currently leveraging the model to propel four sectors: agriculture and food, medical and wellness, bio-energy and bio-materials, and tourism and creative economy. Bangkok possesses strength in SD.

The country is making the [fastest headway](#) in Southeast Asia with regard to the implementation of the United Nations’ Sustainable Development Goals (SDG). Also, it desires to promote the SD idea at the international level to elevate its roles in shaping regional economic governance. The ASEAN Centre for Sustainable Development Studies and Dialogue (ACSDSD) is a case in point.

The entity was established in Bangkok in 2019 during Thailand’s ASEAN Chairmanship. It has been directed by a Thai national since its inception. The mechanism’s functions involve facilitating coordination on SD and helping the Southeast Asian grouping accomplish the ASEAN Community Vision 2025 and United Nations 2030 Agenda for Sustainable Development.

ACSDSD has accumulated expertise on SD and the BCG Model via its interactions with diverse entities such as Norway, European Union, and Asia Foundation. As a result, Thailand will likely lean on its expertise on SD and BCG economy during its APEC Chairmanship. For example, the country will likely table new ideas about how to incorporate the BCG Model into the Asia-Pacific post-COVID-19 recovery.

Overall, how Thailand will implement its APEC Chair’s agenda remains to be seen. But the country clearly has high stakes in realising the theme of “Open. Connect. Balance.” Thus, APEC watchers should expect to see the Thai Chair play an active role in these three areas.

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