



# THAILAND

ADVANCING GLOBAL  
CONNECTIVITY

# CONNECTING THE CONNECTIVITY



Thailand is at the heart of networks that connect it to the rest of Southeast Asia and to Europe

## ASEAN AND THE EU SHARE A COMMON APPROACH ON CONNECTIVITY

### MASTER PLAN ON ASEAN CONNECTIVITY 2025 (MPAC 2025) THE ASEAN STRATEGY

Sustainable, comprehensive and rules-based connectivity will contribute to the enhanced prosperity, safety and resilience of people and societies in Europe and Asia

The Master Plan on ASEAN Connectivity (MPAC) 2025 aims to achieve a seamlessly and comprehensively connected and integrated ASEAN that will promote competitiveness, inclusiveness, and a greater sense of Community, through 15 initiatives across five strategic areas



#### SUSTAINABLE INFRASTRUCTURE

Infrastructure Pipeline  
Infrastructure Productivity  
Sustainable Urbanisation



#### SEAMLESS LOGISTICS

Trade Routes  
Supply Chain



#### DIGITAL INNOVATION

Digital Financial Inclusion  
Open Data  
Digital Data Governance



#### REGULATORY EXCELLENCE

Harmonise Standards  
Trade Facilitation



#### PEOPLE-TO-PEOPLE MOBILITY

Tourism Visa Facilitation  
Higher Education

### CONNECTING EUROPE AND ASIA THE EU STRATEGY

#### FOUR PILLARS



#### TRANSPORT

Diversified trade and travel routes linking existing and future transport networks, shorter transit times and simplified customs procedures



#### ENERGY

More interconnected regional energy platforms, modern energy systems and environmentally friendly solutions



#### DIGITAL

Increased access to digital services while maintaining a high level of protection of consumer and personal data



#### PEOPLE-TO-PEOPLE

Advanced cooperation in education, research, innovation, culture and tourism

### EU-ASEAN JOINT MINISTERIAL STATEMENT ON CONNECTIVITY

The Foreign Ministers of Member States of the Association of Southeast Asian Nations (ASEAN), the Foreign Ministers of Member States of the European Union (EU), and the High Representative of the Union for Foreign Affairs and Security Policy and Vice President of the European Commission, held the **23rd EU-ASEAN Ministerial Meeting** via video conference on Tuesday, 1 December 2020

ASEAN and the EU reaffirmed their **commitment to promoting connectivity** within and between their regions. Further practical cooperation between ASEAN and the EU will be strengthened, including through exploring a **possible connectivity partnership**, with due consideration to the EU Strategy Connecting Europe and Asia and the Master Plan on ASEAN Connectivity (MPAC) 2025

# EU & THAILAND TRADE & ECONOMIC CONNECTIVITY AND COOPERATION



## THE EU REMAINS AN IMPORTANT TRADING PARTNER OF THAILAND AND OF ASEAN

### THE EU IS ONE OF THE MOST IMPORTANT SOURCES OF FOREIGN DIRECT INVESTMENT

In **2019**, the EU was Thailand's fifth largest trading partner (behind ASEAN, China, Japan, and the US) accounting for **9.2%** of its trade with the global market

**€19 billion**  
FDI inflows into  
**ASEAN**



**€4.5 billion**  
FDI inflows into  
**Thailand**

### TRADE FLOWS

Trade in goods between Thailand and the EU remained robust in 2020 despite disruptions related to the pandemic

#### GOODS

EU exports  
to Thailand  
**€11.4 billion**

Thailand exports  
to the EU  
**€17.6 billion**

#### SERVICES

EU exports  
to Thailand  
**€4.8 billion**

Thailand exports  
to the EU  
**€5.6 billion**

Trade in services has almost doubled in the past decade and this increasing trend has continued through 2020

*"For years, connectivity has been a buzzword in strategic discussions in the Indo-Pacific region. The pandemic has reinforced the sense how connected and interdependent we are in strategic domains."*

- Josep Borrell, High Representative of the EU for Foreign Affairs



### A NEW TRADE AGREEMENT AND THE WORLD'S LARGEST TRADING BLOC



Thailand is ASEAN's second largest economy; it borders four of the ten ASEAN members, with a combined population of 500 million; and it acts as a gateway within the Indo-Pacific region

The country undeniably plays an important role in Southeast Asia. And - in part through its prominent role within ASEAN - Thailand is an important actor in the entire Asia-Pacific

Thailand has proven itself to be a dynamic force for regional multilateralism through the construction of ASEAN, and more recently of RCEP. The country will continue to shape modern, comprehensive, high-quality, and mutually beneficial trading rules and can do so on a global scale with its European partners

In November 2020, fifteen nations signed the Regional Comprehensive Economic Partnership

The trade agreement will reduce tariffs close to zero and provide for common rules of origin

Supply chains stretch across this economic area that covers a market of 2.2 billion people with a combined size of €22 trillion or 30% of the world's GDP



# TRANSPORT LINKS ENHANCING SEAMLESS LOGISTICS

Thailand is at the centre of Southeast Asia's transportation network. A multimodal system links land to sea to air. This infrastructure facilitates a greater movement of goods, services, people and investment. It connects Thailand within ASEAN, and it connects Thailand to the EU and beyond

Thailand's geographic position puts it at the cross-roads of major trading routes that span from the Pacific Ocean to Europe and place it central in a region that is steadily becoming the engine of global economic growth

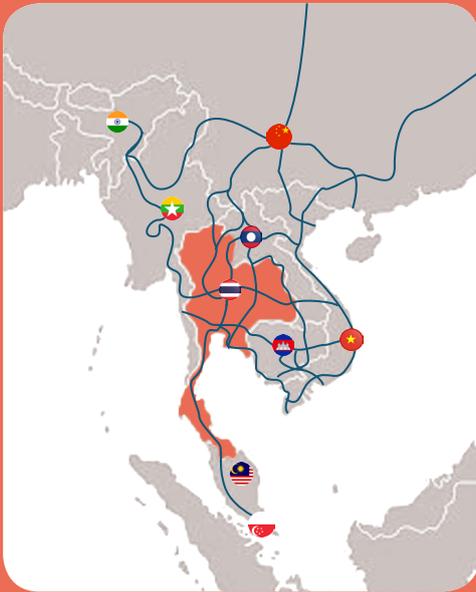


**OVER €45 BILLION** in public investment in between 2015 and 2022

Thailand has played an important role in Southeast Asia and the Indo-Pacific as a hub for transport and connectivity, both internally through the development of urban and rural networks within the country, and externally by linking neighboring countries

A multi-modal and integrated transportation network is a priority for the Thai government, which is carrying out large-scale public investment in transport infrastructure. A high-speed rail line will be constructed connecting Thailand and the Southeast Asian peninsula to China. Expanding and upgrading existing railways will reduce over-dependence on the road network and allow for sustainable mass transit. Key infrastructure projects also include marine transport network development and enhancement of air transport service capacity.

## RAILWAY

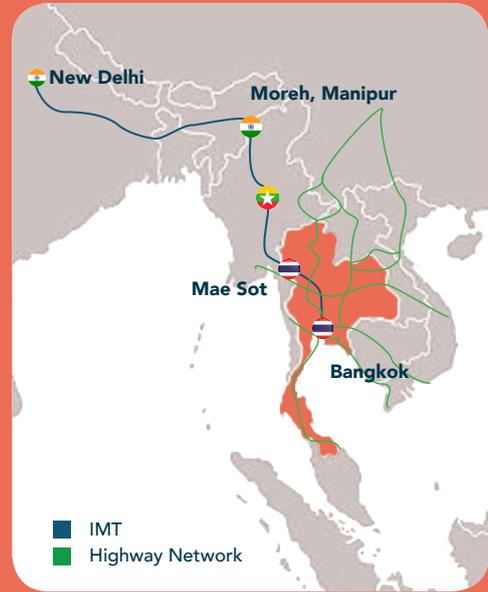


Thailand hosts a rail system spanning 4,952 km of railway lines connect the various regions of Thailand. The Dual Track Railways Initiative and the Thai-China High-Speed-Rail Project aim to enable a better connection with neighboring countries

The Pan-Asia Railway Network further connects Thailand with its neighbouring countries, as well as with Singapore, Viet Nam, China and India

Emphasis is placed on expanding and upgrading its railways and reducing over-dependence on the road network which currently handles 85% of total freight volume and is the primary means of passenger transport

## HIGHWAY



Thailand has more than 465,000 kilometers of roads and a vast highway network connecting each region nationwide. Thailand aims to increase regional cooperation with neighboring and fast-growing countries such as China, India, Vietnam, Malaysia, Singapore, Myanmar and became a major hub of regional road connectivity

The India-Myanmar-Thailand (IMT) Trilateral Highways project, under BIMSTEC, will open a land gate connecting South Asia to Southeast Asia, and promoting connectivity between India and Thailand. The project will boost trade and commerce in the ASEAN-India Free Trade Area. Discussions are ongoing to further extend the highway to Cambodia, Laos and Vietnam



## SEA/MARITIME TRANSPORT

Thailand's coastline does have beautiful vistas. But it is also the host to a strong logistical network and outward-looking markets. Thailand's geographic position puts it at the cross-roads of major maritime trading routes that span from the Pacific Ocean to Europe and the Persian Gulf, via the Indian Ocean and place it central within a region that is steadily becoming the engine of global economic growth

Direct shipping routes connect Europe to Thailand

Thailand is party to the International Maritime Organization's (IMO) Initial Strategy on the Reduction of Greenhouse Gas Emissions from Ships and actively reduces the environmental footprint of its shipping industry

Thailand has also implemented the 2006 Maritime Labour Convention, upholding standards for a highly skilled transport and seafarers workforce



**30 DAYS** TO SHIP A CONTAINER from the North Sea to the Bangkok port



## AIR TRANSPORT

### EU-ASEAN AIR TRAFFIC

The aviation markets in the EU and ASEAN are both regionally integrated, which generates market efficiencies and significant economic benefits for consumers, but also a regulatory convergence guaranteeing passenger security and better environmental standards

The ASEAN-EU Comprehensive Air Transport Agreement (CATA) is currently being negotiated. It would be the first block-to-block agreement at an intercontinental scale and will allow market access, safety, security, air traffic management, social, consumer and environmental protection, and fair competition. This agreement will be crucial in creating the critical mass for the opening of new connections and the re-establishing of those abandoned during the pandemic. CATA would encompass a population of more than 1.1 Billion people and is expected to bring up to 7.9 billion worth of economic benefits



**11 MILLION** Passengers on direct EU-ASEAN flights

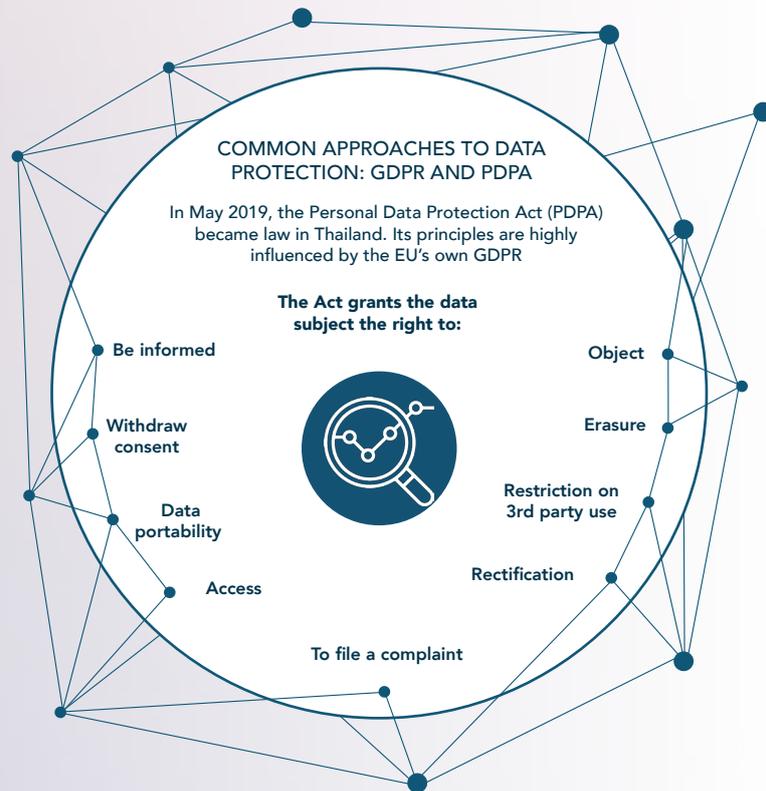
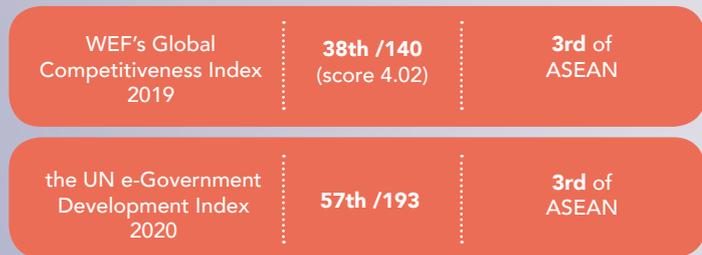


**ASEAN-EU digital connectivity** with a focus on their people, a key enabler to **inclusive growth** and **sustainable development** through cooperation in the areas of digital innovation, digital infrastructure and logistics, digitalisation of manufacturing and services, ICT security, the adoption of technology by MSMEs, and increasing access to digital services, ensuring protection of personal and consumers' data and privacy

EU-ASEAN joint ministerial statement on connectivity, 1 Dec 2020

Digital networks play a crucial role in connecting Thailand to the world. These pathways offer immediate connections between people, provide access for Thai and EU small and medium businesses to global markets and facilitate the complicated logistics of supply chains that connect Europe and Asia

Through efforts such as improving the efficiency of its ICT capacity, carrying out regulatory overhauls and offering e-government services, **Thailand's competitiveness** in terms of **attracting investment in digital industries** has increased, as is confirmed in various international rankings and indices



Thailand has one of the world's largest consumer bases for **e-commerce** and **fintech mobile banking**

According to the Global Digital Report 2019, Thailand has **92 million mobile subscribers**, **133% penetration**, and **55 million active mobile internet users**

The country was ranked top globally for **internet banking service access**, at **74% of the population**, and the **fifth globally for e-commerce**, with **80% of the country's total internet users shopping online**. Only Indonesia, China, Germany and UK ranked higher

## 5G

Thailand is firmly among the **frontrunners** in ASEAN in terms of **adopting 5G technology**, with auctions held in February 2020 having enhanced and accelerated the country's capacity for deep technology such as AI, cloud computing, machine learning and Big Data

## CONNECTIVITY

Thailand is constructing a new **international submarine cable system**, adding to the six operational submarine cable lines to strengthen internet links between Thailand and the Asia Pacific and upgrade the internet capacity around border areas connecting Cambodia, Laos and Myanmar to boost Thailand's leading digital position in the region

## REGULATIONS ADVANCING DIGITAL READINESS

Thailand has **revamped its regulatory framework related to digital activities** during the past few years, such as through the Electronic Transactions Act, Personal Data Protection Act, Thailand Cybersecurity Act and Computer Crime Act to improve the investment climate for the digital industry

## DIGITAL BUSINESS ECOSYSTEM

Thailand is pursuing a plan to provide a **vibrant digital business ecosystem** that supports entrepreneurship and SMEs in the digital economy. Located in of the Eastern Economic Corridor (EEC) at Chon Buri Province, the **Digital Park** houses a state-of-the-art data centre, digital innovation testbed and IoT Institute, aimed at serving digital global players and digital biz innovators

# PEOPLE TO PEOPLE NETWORKS



## PEOPLE-TO-PEOPLE CONNECTIVITY



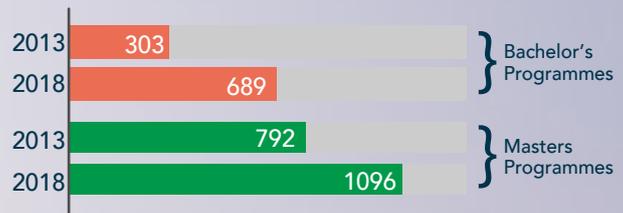
The EU-ASEAN Dialogue in Science and Technology dedicated a webinar to High-Performance Computing (HPC) COVID19-related modelling and diagnostic which has served as a platform for exchange between EU and ASEAN scientists

Thailand's rich cultural heritage and natural attraction make it a favoured destination for foreign visitors. Almost 7 million Europeans visited Thailand in 2019. The EU and ASEAN agree on the importance of promoting mobility through sustainable travel and tourism

## EDUCATION

2119 students from Thailand pursuing higher education in the EU in 2018 [Eurostat]

From 303 students enrolled in bachelor's programmes in the EU-27 in 2013 to 689 in 2018; for masters this figure was 792 in 2013, 1096 in 2018



**ERASMUS +** since 2014 over 800 students and staff from Thailand have received scholarships and almost 600 European students and staff have studied or taught in Thailand

The EU is an important partner for Thailand in the creation of knowledge-sharing networks to promote science and technology cooperation. The EU supports the ASEAN COSTI (Committee on Science, Technology and Innovation) through strategic activities

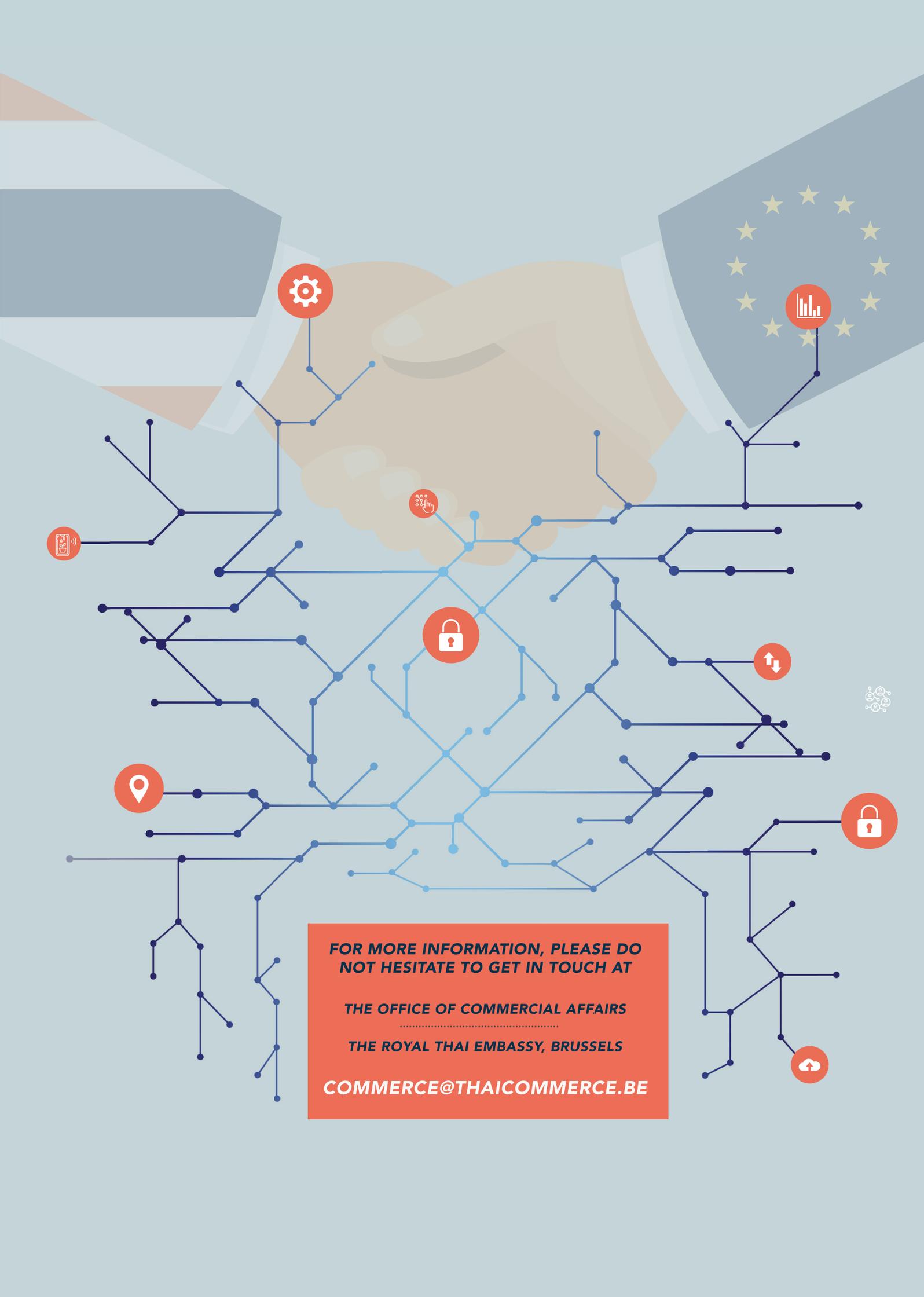
**People mobility in ASEAN aims to support ease of travel throughout ASEAN , reduce the gaps between vocational skills demand and supply across ASEAN and increase the number of intra-ASEAN international students**

**INITIATIVES INCLUDE:**

- Enhance ASEAN travel by making finding information easier and by facilitating visa processes
- Establish new vocational training programmes and common qualifications across ASEAN Member States, supporting higher education exchange across ASEAN Member States



**HORIZON 2020** EU and ASEAN collaborate on research projects in areas including health, food, ICT, environment and nano-technologies



**FOR MORE INFORMATION, PLEASE DO NOT HESITATE TO GET IN TOUCH AT**

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