

Framework Agreement for Partnership and Co-Operation (PCA) between EU and Thailand

Short overview


This Partnership and Co-Operation Agreement is a framework agreement, signed on 14 December – master version as at 3 October. There was a minor amendment at 20 October.

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> Framework Agreement on Comprehensive Partnership and Cooperation between the European Union and its Member States, of the one part, and the Kingdom of Thailand, of the other part 

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3 Oct 2022 text <https://data.consilium.europa.eu/doc/document/ST-11910-2022-INIT/en/pdf>

The PCA is a framework agreement which needs fleshing out.

The PCA can be seen as:

- An interim step towards FTA content, offering the opportunity to develop or test positions due to similar subject matter in many instances
- A wider framework with additional aspects of the overall relationship.

A selection of three sources:

(i)- law firm commentary

<https://www.wfw.com/articles/new-thailand-eu-partnership-cooperation-agreement-a-step-towards-a-free-trade-agreement/>

“The PCA, a legally binding international agreement, effectively renews the legal foundation of the parties’ relationship and indicates intent from the EU to support Thailand in enhancing its economy and attracting greater business activity and diverse foreign

investment. Moreover, the PCA is a progressive step in Thai-European trade negotiations, which had previously been on hold for several years.

“Crucially, the agreement has potential to provide the necessary framework upon which the parties could reach a comprehensive free trade agreement (“FTA”); if successful, Thailand would become only the third ASEAN nation to partner with the EU in a FTA. The PCA will update the 1980 EU-ASEAN Cooperation Agreement, which currently governs cooperation between Thailand and the EU.”

(ii) EU official

<https://www.consilium.europa.eu/en/press/press-releases/2022/12/14/indo-pacific-the-european-union-and-thailand-sign-partnership-and-cooperation-agreement/> -

“This agreement will enhance the political dialogue on issues of global concern and will give more scope for mutually-beneficial cooperation in a wide number of policy areas, including the environment, energy, climate change, transport, science and technology, trade, employment and social affairs, human rights, education, agriculture, non-proliferation, counter-terrorism, the fight against corruption and organised crime, migration and culture. It will frame EU - Thai relations in the years to come.”

(iii) local press

<https://thainews.prd.go.th/en/news/detail/TCATG221216143516568> - Thailand National News Bureau (exact URL can't be found), alternative – The Nation <https://www.nationthailand.com/thailand/general/40023121>

“The PCA covers various cooperation areas, including political, economic, social and environment. “It provides a forward-looking framework for advancing cooperation in a more concrete and orderly manner,” the ministry said.

“Thailand is expected to benefit from knowledge-sharing sessions, policy consultations, capacity-building activities as well as the exchange of experts.

“According to the ministry, the PCA can also be instrumental for Thailand in bringing about better management and higher standards. The cooperation under the PCA will also serve as a basis for and create an environment conducive to the resumption of Thai-EU Free Trade Agreement (FTA) negotiations.”

Some takeaways (from WFW)

<https://www.wfw.com/articles/new-thailand-eu-partnership-cooperation-agreement-a-step-towards-a-free-trade-agreement/>

“Moving forward, those tracking the PCA’s progress alongside broader Thai-EU relations will be paying close attention to the following areas:

- **No individual investment protections (yet):** Generally, cooperation agreements do not grant individual guarantees or rights to EU investors operating in Thailand (and vice versa). Rather, they merely detail areas of common focus and collaboration between the two governments. Similarly, full-scale tariff reduction and protections for important company assets like intellectual property are usually left for FTAs and investment protection agreements. Companies interested in the EU-Thailand relationship have much to cheer, but they will likely have to wait for a future treaty to realise concrete individual benefits;
- **Changes to investment dispute resolution:** As is often noted, investment dispute resolution may be moving away from traditional forms of arbitration.⁵ The EU-Vietnam FTA’s companion Investment Protection Agreement, for example, foregoes traditional investor-state dispute resolution in favour of a permanent standing nine-member tribunal, which will hear investor disputes as requested. The agreement includes an appeals mechanism (rare for investment arbitration) and encourages pre-dispute consultation and mediation. The system is fairly untested, so its impacts are not yet clear. A future agreement with Thailand could include a similar mechanism;
- **Improved investment in renewable energy generation:** Southeast Asia is seeing explosive growth in renewable energy production and Thailand is no exception. Climate change is a key area of cooperation in the EU-Thailand PCA – the text will likely mirror the EU-Vietnam PCA, with the parties committing to improve the energy performance of their economies and promoting a transition to a low-carbon future.⁶ We expect the agreement to generate more EU investment in Thailand’s renewable energy space, especially in solar and wind projects. Additionally, the EU is currently weathering a stiff energy shock sparked by Russia’s invasion of Ukraine and the global sanctions on Russian oil and gas exports. It is already looking to Southeast Asia for replacements.⁷ With the PCA’s arrival, Thailand will play a more important role in the EU’s energy future; and
- **Spurring green production in Thailand:** Thailand’s primary exports to the EU include machinery, electronics and transport equipment, miscellaneous manufactured articles and food products.⁸ The EU, which aims to make Europe the world’s first climate-neutral continent by 2050, regularly introduces new sustainability requirements for products entering the EU market. These will impact trade from Thailand, requiring Thai exporters to supply deforestation-free products or reduce carbon-intensive operations to access EU consumers.⁹ The PCA will likely increase this trend, helping to green Thailand’s supply chains.

Headings extracts from PCA

Based on 3 Oct 2022 text <https://data.consilium.europa.eu/doc/document/ST-11910-2022-INIT/en/pdf>

TITLE III: COOPERATION ON TRADE AND INVESTMENT ISSUES

ARTICLE 9 – General Principles

ARTICLE 10 - Sanitary and Phytosanitary Issues

ARTICLE 11 - Sustainable Food Systems

ARTICLE 12 - Technical Barriers to Trade

ARTICLE 13 - Customs Cooperation and Trade Facilitation

ARTICLE 14 - Anti-Dumping

ARTICLE 15 - Investment

ARTICLE 16 - Competition Policy

ARTICLE 17 - Services

ARTICLE 18 - Intellectual Property Rights

ARTICLE 19 - Digital Trade

TITLE IV COOPERATION IN THE AREA OF FREEDOM, SECURITY AND JUSTICE

ARTICLE 20 -Rule of Law

ARTICLE 21 -Gender Equality and Empowerment of Women and Girls

ARTICLE 22 Protection of Personal Data and Privacy

ARTICLE 23 Judicial and Legal Cooperation

ARTICLE 24 Consular Protection

ARTICLE 25 Cooperation on Migration

ARTICLE 26 Humanitarian Cooperation

ARTICLE 27 Combatting Organised Crime and Corruption

ARTICLE 28 Cooperation in Preventing and Combatting Money Laundering and the Financing of Terrorism

ARTICLE 29 Cooperation in the field of Drugs Policy

TITLE V

COOPERATION IN OTHER SECTORS

ARTICLE 30 Human Rights

ARTICLE 31 Cooperation in the Financial Sector

ARTICLE 32 Macroeconomic Policy Dialogue

ARTICLE 33 Good Governance in the Area of Taxation

ARTICLE 34 -Industrial Policy and MSME Cooperation

ARTICLE 35 - Facilitating Business Cooperation

ARTICLE 36 - Cooperation on Information and Communication Technologies

ARTICLE 37 Science, Technology and Innovation Cooperation

ARTICLE 38 Climate Change

ARTICLE 39 Energy

ARTICLE 40 Transport

ARTICLE 41 Tourism

ARTICLE 42 Education and Culture

ARTICLE 43 Environment and Natural Resources

ARTICLE 44 Ocean Governance

ARTICLE 45 Agriculture, Livestock, Fisheries and Rural Development

ARTICLE 46 Health

ARTICLE 47 Employment and Social Affairs

ARTICLE 48 Statistics

ARTICLE 49 - Civil Society

TITLE VI
MEANS OF COOPERATION

ARTICLE 50 -Resources for Cooperation

ARTICLE 51 Cooperation in the Development of Third Countries

TITLE VII
INSTITUTIONAL FRAMEWORK

ARTICLE 52 - Joint Committee

TITLE VIII
FINAL PROVISIONS

ARTICLE 53 -- Future Developments Clause

ARTICLE 54 - Other Agreements

ARTICLE 55 - Fulfilment of Obligations

ARTICLE 56 Facilitation

(done 8 Feb 2023)