



Report of the 2nd round of negotiations on a Free Trade Agreement between the European Union and Thailand

22 to 26 January 2024, Bangkok

The 2nd round of negotiations on an EU-Thailand Free Trade Agreement took place in the week of 22 January 2024 in Bangkok. This round built upon the positive kick-off round held in September 2023. Constructive discussions took place on the full range of areas under the scope of the future agreement, with 20 negotiating groups meeting during the week. The respective negotiating teams were led by Mr Christophe Kiener (Directorate General for Trade of the European Commission) and Ms Chotima Iemsawasdikul (Ministry of Commerce of Thailand).

The negotiating groups started consolidating text, on the basis of the draft proposals tabled by the EU, in several chapters - including Trade in Goods, Trade remedies, Services and Investment, Technical Barriers to Trade, State Owned-Enterprises, and Small- and Medium-Sized Enterprises. In areas which are newer to Thailand, such as Government Procurement, Energy and Raw Materials, or Sustainable Food Systems, discussions focused on providing additional clarifications, in order to pave the way for advancing towards text-based work as of the next round.

All negotiating groups will carry out intersessional work to prepare the ground for further engagement in text-based negotiations during the 3rd round, which is planned to take place in the week of 17 June 2024 in Brussels.

Details per negotiating area

Trade in Goods

The negotiating group agreed to work on a consolidated common text and completed discussions on provisions concerning the scope of the chapter, national treatment on internal taxation, customs valuation, and preference utilisation. The two sides also converged towards a common understanding on the provisions of import and export restrictions, standstill, and import licensing procedures, and discussed other provisions under the scope of the chapter.

The negotiating group examined bilateral trade and tariff data exchanged prior to the round, and clarified issues concerning different tariff structures and current applied tariff rates.

Rules of origin

The negotiating group engaged in discussions on the basis of the text proposal tabled by the EU. The negotiating group identified potential areas of convergence which will be further explored during the upcoming rounds of negotiation.

Customs and trade facilitation

The negotiating group held discussions on the full scope of the text proposed by the EU, making substantial progress on several provisions, including by reaching agreement on the articles concerning issues such as risk management, post-clearance audits, authorised economic

operators, customs brokers, customs valuation, review and appeal, and relations with the business community.

Trade remedies

The negotiating group had a very fruitful discussion and reached agreement on several provisions. Further discussions are needed on a few outstanding issues, such as the public interest test, the lesser duty rule in the anti-dumping/anti-subsidies section, or the period for consultations in the global safeguard section.

Specific measures concerning the management of preferential treatment and Mutual Administrative Assistance

The negotiating group discussed on the basis of the EU text proposals, aiming at clarifying the respective approaches on the objectives, scope, and structure for the provisions. Both sides started to identify areas of convergence and divergence, including with respect to their placement and legal format.

Technical Barriers to Trade

The negotiating group had very productive discussions, reaching agreement on a number of articles, including those concerning the objectives and the scope of the chapter, and provisions on standards. Both sides concurred on the importance of a chapter which aims at reducing the existing non-tariff barriers, such as excessive administrative and financial burden for manufacturers and exporters as regards certificates of conformity, test reports or diverging standards.

Sanitary and Phyto-sanitary (SPS) matters

Both sides confirmed their common intention of including a comprehensive SPS chapter in the agreement. The negotiating group engaged in text-based discussions, on the basis of the proposal tabled by the EU, focusing on provisions related to the objectives of the chapter, its scope, definitions, relations to the WTO SPS Agreement and trade facilitation. Both sides shared information on their respective relevant systems and exchanged views on the rationale for various provisions included in the text and how they could work in practice.

Services and investment

The negotiating group started consolidating text and reached a better understanding of each side's positions. In the areas where there is more convergence (particularly on entry and temporary stay of natural persons for business purposes, domestic regulation, and international maritime transport services), the negotiating group was able to agree on substantial parts of the texts. Progress was also made in the consolidation of text in several other areas, such as such as general provisions, investment liberalisation, cross-border trade in services, financial services and capital movements. In areas of divergence, both sides agreed to continue consultations and discussions.

Government Procurement

The negotiating group held detailed discussions, in a constructive and positive spirit, although there was no text consolidation at this stage. Both sides further clarified their respective approaches and provided additional details on domestic rules and procedures for government procurement. Both sides will exchange further information intersessionally in order to prepare the ground for starting work on text consolidation at the next round.

Intellectual Property (IP)

The discussion on the IP chapter continued based on the EU's text proposal. All sections were covered: general provisions, copyright and related rights, trade marks, designs, patents and undisclosed data as well as provisions on the enforcement of IP rights. Both sides identified areas

of convergence in the EU proposed text as well as the main concerns and divergences based on applicable IP frameworks. Areas that require more in-depth technical discussion were also identified.

On geographical indications (GIs), both sides continued to exchange views on the basis of the text proposal tabled by the EU and discussed the EU's proposal on working arrangements. A preliminary alignment of positions was identified on a certain number of areas. The work will continue before the next round with a particular focus on the modalities for the exchange of GI lists.

Competition and subsidies

The negotiating group was able to make substantial progress on the section on anticompetitive conduct and merger control, reaching overall agreement on most of the text. With regards to the section on subsidies, the negotiating group made progress in clarifying the respective objectives and identifying common elements with a view to engaging in text-based discussions in the next round.

State-owned enterprises (SOEs)

Good progress was made on the State Enterprises, Enterprises Granted Special Rights or Privileges and Designated Monopolies chapter, and the negotiating group was able to agree on substantial parts of the texts. Provisions on scope and definitions will be further discussed in the next round.

Energy and Raw Materials (ERM)

The negotiating group held constructive exchanges. Discussions focused on clarifying the main elements of the text proposal tabled by the EU, in particular regarding the scope of provisions on dual pricing, import/export monopolies, as well as environmental impact assessment and off-shore risk and safety.

Digital Trade

The negotiating group worked on text consolidation, on the basis of EU's text proposal, reaching agreement or broad convergence on substantial parts of the texts, including with regard to provisions on personal data protection, open government data, electronic authentication and electronic trust services, conclusion of contracts by electronic means, cross-border data flows, online consumer trust, and electronic invoicing. On the issues where different perspectives exist, both sides agreed to continue discussing and, where possible, exploring potential options for consideration in preparation for the next round of negotiations.

Trade and Sustainable Development (TSD)

The negotiating group carried out a full second reading of the EU text proposal, and engaged in an in-depth discussion on that basis, aiming at deepening the understanding of each side's objectives and priorities. Both sides agreed to aim at concluding the phase of clarifications ahead of the next round, to pave the way for starting text-based negotiations by then.

Small and Medium-sized Enterprises (SMEs)

The negotiating group engaged in text consolidation on the basis of the EU proposal, and reached agreement on a large part of the text. Further discussions will take place in the next round on the

provisions on information sharing. Both sides also delivered presentations on their respective trade information platforms.

Sustainable Food Systems

The negotiating group held discussions on the basis of the EU text proposal, with both sides concurring on the importance of increasing awareness and strengthening cooperation towards achieving sustainable food systems. Both sides concurred on aiming at starting work on text consolidation at the next round, once internal consultations will be more advanced.

Transparency and Good Regulatory Practices (GRP)

The negotiating group continued discussion on both chapters, with the common objective to facilitate mutual trade through transparent and predictable legislative environment, both in Thailand and in the EU. In this respect, both sides agreed on the importance of measures such as fair access to information, transparent legislative processes, or the possibility for economic operators to appeal against decisions of public authorities.

Dispute Settlement

The negotiating group engaged in constructive discussions, on the basis of the text proposal tabled by the EU, identifying areas where there is convergence in principle and areas where further internal deliberations are needed. Discussions on the section on mediation, the rules of procedure and the code of conduct will continue intersessionally.

Final Provisions and Exceptions

Building on the exchanges held intersessionally, the negotiating group held in-depth discussions on the basis of the EU's text proposals, and was able to agree in principle on several parts of the provisions on general and security exceptions.