



# EABC Meeting with the Thai Europe Business Council

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**26 October 2021 | 1200 – 1500**  
**via MS teams**

Version C

# Agenda

- I. Welcome remarks by EABC President, Mr. Jan Eriksson and introduction of EABC participants
- II. TEBC participants Introduction and updates on TEBC priorities & recent activities by Mr. Chaiwat Kovavisarach, Chairman of TEBC
- III. EABC presentation of 2021 Activities, working groups and approaches to an EU TH FTA
- IV. Topics of common interest:
  - A. EU TH FTA; Progress and Status Update
  - B. Regulatory and Legal underpinning
    - Legislation in the interests of both Thai and European economy
    - Foreign business Act
    - Work Permit and Visa reform
  - C. Importance of Fast Track Regulatory Reform
  - D. Exchange of technological know-how, related to industry and manufacturing- Procurement, Investments standards for fair comparability
  - E. Measures and regulation related to European Green Deal policy ; BCG and sustainability; Carbon border adjustment mechanism (CBAM); Remanufacturing
  - F. Facilitation of business travel schemes in EU (in similar fashion as that of APEC business travel card)
- V. Future collaboration and Next Possible Joint Actions
- VI. Appreciation and Closing remarks by Mr. Jan Eriksson

# Welcome by EABC President

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**Mr. Jan Eriksson**



# Introduction and updates on Thai Europe Business Council priorities & recent activities

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**Mr. Chaiwat Kovavisarach**



# The current EABC – our purpose

Since late 2011

Covers: EEA – European Economic Area: includes EU member states; EFTA member states and the UK. Not Eurasian states (EAEU).

Enhancement of Trade & Investment in Thailand and fostering business cooperation between Europe and Thailand.

Uplift Thai economy – more investible, easier trade terms; ease of doing business

Core of EABC = Working Groups and collaborations, reflecting economy-wide coverage, via focus on the main vertical sectors and horizontally.

EABC has long collaborated with others.

- Royal Thai Government at Ministerial, Department and Agency level
- Dialogue and engagement with EUD
- Bilateral European Chambers of Commerce
- Embassies
- European organisations / industry organisations in Thailand, ASEAN, and Europe
- Thailand – Europe Business Council (TEBC) under JSCCIB
- Other chambers in Thailand - JFCCT, Amcham / others

Member of the EU-ASEAN Business Council (EU-ABC), and the European Business Organisation (EBO) Worldwide Network

Our core - an economy-wide focus. MNCs, SMEs and large local / regional companies are our members. SMEs are covered via vertical groups. Cross WG collaboration ('one EABC') for pan-economy engagement.

- Automotive
- Cross Sectoral Issues
- Digital Economy/ICT
- Energy
- Food & Beverages
- Health & Pharma
- Industry
- Insurance
- IPR
- Rail and Road Infrastructure
- Tourism
- Transport & Logistics

# Our Membership Base

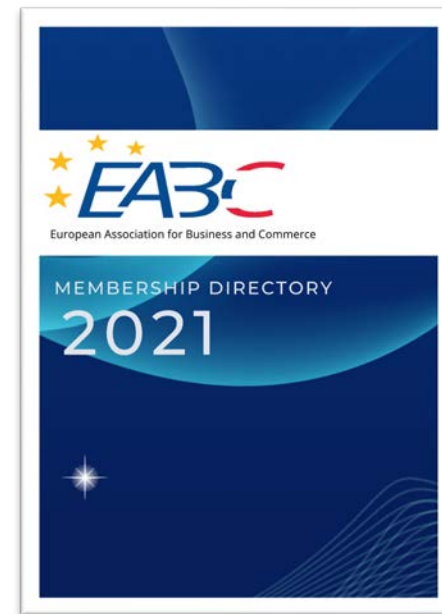
**Current Memberships Members: 119 Companies**

## Sponsorship:

**PREMIUM PLUS+: 3 Companies**

**PREMIUM: 2 Companies**

**ANNUAL: 12 Companies**



*EABC Membership Directory 2021 has now published on our website*



# EABC Partnership 2021

PREMIUM PLUS+

MULTICORE



PREMIUM

IWG International  
Workplace  
Group

UOB

ANNUAL

Pernod Ricard Thailand

LAWTONASIA  
Insurance Brokers

DANONE  
ONE PLANET. ONE HEALTH

DIAGEO MOËT HENNESSY

MPG  
MANAGEMENT PROFESSIONAL GROUP

Roche

docquity

L'ORÉAL  
THAILAND

gsk

Husqvarna

Dextra

# EABC Position Paper 2022



- For many years (2012, 2013, 2015, 2016, 2017, 2018, 2019-2020), EABC has published the European Business Position Paper.
- Holds the key recommendations of 12 EABC Working Groups contribute to strengthening Thailand's competitiveness and enhance its regulatory framework, highlight some game-changing topics.
- Theme: ***“Supporting Sustainable Economic Recovery and Competitiveness in Thailand”***
- The Position Paper will be published and launched early 2022

# EABC Top Set of issues – example

- Economic Recovery
- Thailand 4.0
- Facilitate European –Thailand trade and investment; eliminate trade barriers
- Access to markets/fair competition
- Ease of Doing Business; Fast Track Regulatory Reform; Structural Reform
- Easier movement of skilled people
- Foreign Investment / Services sector liberalisation / FBA Workstreams
- Rule of Law, Good Law making
- Being Digital / Digital Government
- Sustainable Development

[Link](#) to TOP SET

EU – Thailand FTA is an embodiment

# EABC Recent Activities

- Engaging in preparations for a proposed EU-Thailand FTA and EFTA-Thailand, both with Ministry of Commerce in Thailand and (for the EU-FTA) and with the EU
- Development of safe border opening recommendations.
- EABC signed MoU to combat illicit trade (TRANCIT)
- EABC signed MoU on the Protection of IPR on the Internet with the Department of Intellectual Property
- Digital developments in eCommerce Tax, Data Privacy, Data Security and Digital Platforms – including public hearings
- Development of proposals for review of barriers to investment, such as in the FBA, public hearings
- Holding EABC Advisory Council; two times per year



# EABC Recent Activities



SOUTH-EAST ASIA



Technical Meeting on the  
Thailand Memorandum of Understanding  
on the Protection of Intellectual Property  
Rights on the Internet

1 EABC - the  
European Chamber  
of Commerce  
Thailand



Germany's 1<sup>st</sup> Railway 1835 had 1,435 m gauge, 10 km track length.  
➢ Today, Germany's Rail Network has a length of 38,400 km.  
➢ DB Deutsche Bahn Trains cover > 1,000,000,000 km per year  
➢ GTRA brings quality and reliability from Germany to Thailand.  
➢ Best practice: Experience the good quality of German product and service at any time with BTS Skytrain since > 20 years.  
➢ Benefit from the huge wealth of experience and from intensive research and development by German companies and universities.



1835 →

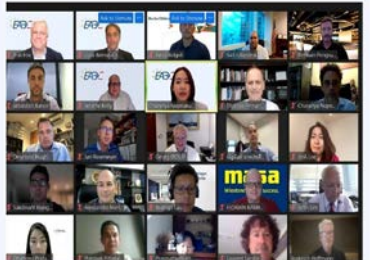




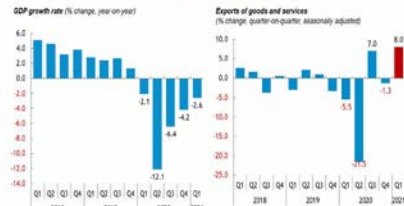
European Affairs



EABC ANNUAL GENERAL MEETING 2021



The impact on the Thai economy was mitigated by recovering global demand and substantial fiscal support



GDP growth rate (% change, year-on-year)

| Year | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2018 | 2.1   | 2.1   | 2.1   | 2.1   | 2.1   | 2.1   | 2.1   | 2.1   | 2.1   |
| 2019 | 2.1   | 2.1   | 2.1   | 2.1   | 2.1   | 2.1   | 2.1   | 2.1   | 2.1   |
| 2020 | -12.1 | -12.1 | -12.1 | -12.1 | -12.1 | -12.1 | -12.1 | -12.1 | -12.1 |
| 2021 | 2.1   | 2.1   | 2.1   | 2.1   | 2.1   | 2.1   | 2.1   | 2.1   | 2.1   |

Exports of goods and services (% change, quarter-on-quarter, seasonally adjusted)

| Year | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2018 | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| 2019 | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| 2020 | -25.5 | -25.5 | -25.5 | -25.5 | -25.5 | -25.5 | -25.5 | -25.5 | -25.5 |
| 2021 | 7.0   | 7.0   | 7.0   | 7.0   | 7.0   | 7.0   | 7.0   | 7.0   | 7.0   |

Source: NISDC

- Co-organizer with EU-ASEAN Business Council (EU-ABC) Business Mission to Thailand
- Co-organizer with TDRI and JFCCT on Fast Track Regulatory Reform (“Guillotine”)
- Courtesy Meeting with Minister of Finance & several engagement on Finance, Digital Economy, Healthcare, and Tax & Customs
- Participating as speaker in various conferences and seminars.
- Public hearings on eCommerce, Data Privacy, Digital Platform Governance, Digital Healthcare and many others

# 2021 Joint EU-ABC/EABC Business Mission to Thailand



On 27<sup>th</sup> September, Mission Trip to Thailand 2021 with Mr. Arkhom Termpittayapaisith, Minister of Finance



On 28<sup>th</sup> September, Mission Trip to Thailand 2021 with Mr. Narapat Kaeothong, Vice Minister for Agriculture and Cooperatives



On 29<sup>th</sup> September, Mission Trip to Thailand 2021 with Mr. Anutin Charnvirakul, Minister of Public Health



On 6<sup>th</sup> October, Mission Trip to Thailand 2021 with Mr. Saksayam Chidchob, Minister of Transport



# A. Towards an FTA

2013 – collated / surveyed, analysed, formed consensus about recommendations

2014 + - negotiations on hold

Continually engaged with policy/regulation for enhanced trade and investment, technology, economic and other advances.

Recently analysed 3 EU FTAs in the region – developed a Chapter Chart to assist with our own preparation. We are fleshing out these chapters.

Regular dialogue with Government (Ministry of Commerce – Department of Trade Negotiations). We are not part of any negotiating team, but offer perspectives, business needs and assist with resolution of issues.

Some background on EABC website [www.eabc-thailand.org/an-eu-thailand-free-trade-agreement/](http://www.eabc-thailand.org/an-eu-thailand-free-trade-agreement/)

# Indicative Topics sources

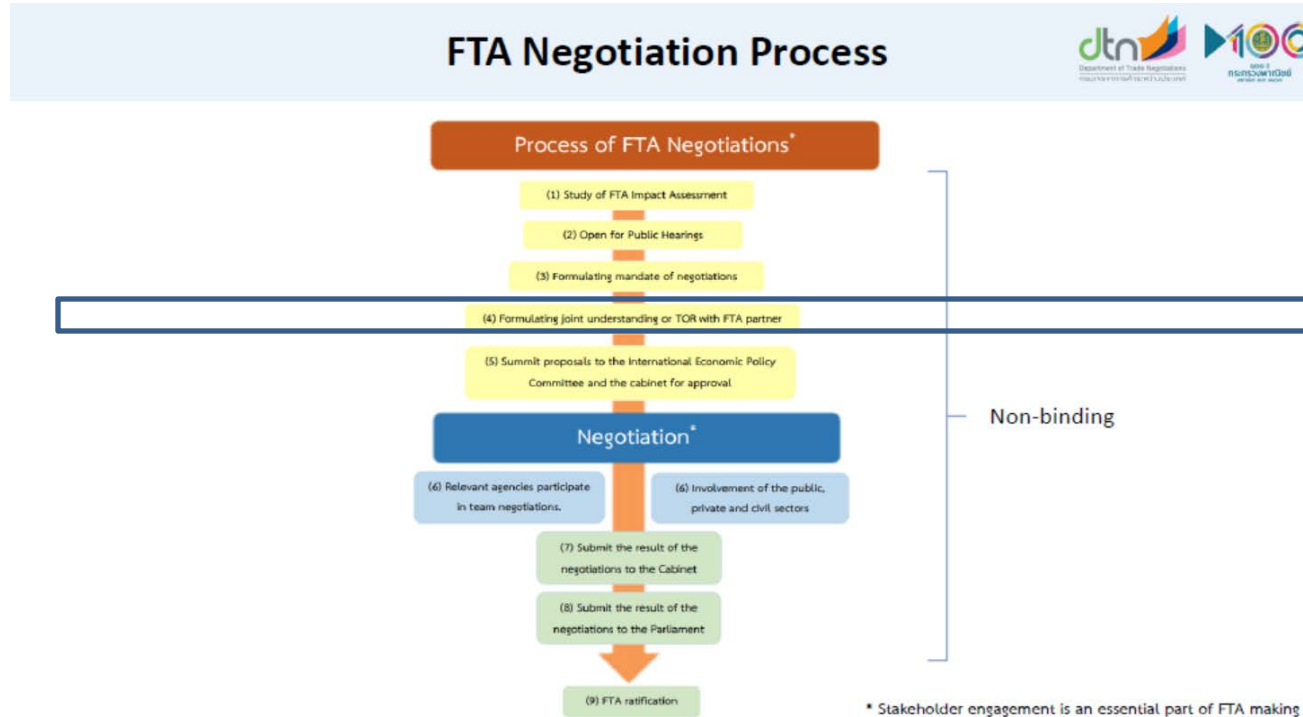
## Reference from Chapters in three other FTAs in ASEAN (Singapore, Vietnam, Indonesia)

| Chapter   | EU-Singapore                                                                                                                                                                                                                                                                                                                                                                                                                                                      | EU-Indonesia                                          | EU-Vietnam                                     |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------|
| Links     | Preamble <a href="#">click here</a>                                                                                                                                                                                                                                                                                                                                                                                                                               | Report of Round 10 meeting <a href="#">click here</a> | Preamble <a href="#">click here</a>            |
| Chapter 1 | Objectives and General Definitions                                                                                                                                                                                                                                                                                                                                                                                                                                | Trade in Goods                                        | Objectives and General Definitions             |
| Chapter 2 | <b>National Treatment and Market Access for Goods</b> <ul style="list-style-type: none"> <li>▪ Annex 2-A: Elimination of Customs Duties                             <ul style="list-style-type: none"> <li>➢ Appendix 2-A-1: Tariff Schedule of the Union</li> <li>➢ Appendix 2-A-2: Tariff schedule of Singapore</li> </ul> </li> <li>▪ Annex 2-B: Motor Vehicles and Parts thereof</li> <li>▪ Annex 2-C: Pharmaceutical Products and Medical Devices</li> </ul> | Rules of origin                                       | National Treatment and Market Access for Goods |
| Chapter 3 | Trade Remedies                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Customs and Trade Facilitation                        | Trade Remedies                                 |
| Chapter 4 | <b>Technical Barriers to Trade</b> <ul style="list-style-type: none"> <li>▪ Annex 4-A: Electronics</li> </ul>                                                                                                                                                                                                                                                                                                                                                     | Trade remedies                                        | Customs and Trade Facilitation                 |

[Reference from Chapters in three other FTAs in ASEAN \(Singapore, Vietnam, Indonesia\)](#)



# A. Towards an FTA



Joint Understanding Document (JUD): aim to finalise by end of this year

# A. Towards an FTA

## Possible issues in the FTA negotiations



- |                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Rules of Origin (ROO)</li><li>• Technical Barriers to Trade (TBT)</li><li>• Customs and Trade Facilitation</li><li>• Trade Remedies</li><li>• Competition</li><li>• Transparency</li><li>• State-Owned Enterprises (SOEs)</li><li>• Small and Medium-size Enterprises (SMEs)</li><li>• Good Regulatory Practices (GRP)</li><li>• Institutional Provisions.</li></ul> | <ul style="list-style-type: none"><li>• Trade in Goods</li><li>• Investment Liberalisation and Trade in Services</li><li>• Sanitary and Phyto-Sanitary (SPS)</li><li>• Investment Protection</li><li>• Government Procurement</li><li>• Intellectual Property Rights (IPR)</li><li>• Trade and Sustainable Development</li><li>• Digital Trade</li><li>• Energy and Raw Materials</li><li>• Dispute Settlement (DS)</li></ul> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Source: Department of Trade Negotiation

## B. Regulatory and Legal underpinning

- Legislation in the interests of both Thai and European economy
- Foreign Business Act
- Work Permit and Visa reform

## B. Regulatory and Legal underpinning

### Foreign Business Act

List 3 reviews have not been effective for their stated purpose, but there is more complexity. We focus on first row.

| Subject                                                                                       | Effect                                                                                                        | Regulatory source                                                                                                                                         |
|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Business activities of entities</b> (eg companies) with more than 49% foreign shareholding | Restricts the business activity of the company using three lists.<br><br>List 3 has unnecessary restrictions. | Foreign Business Act AD 1999.<br><br>Foreign Business Licence (s.7)<br><br>Under IPA (the basis of BOI promotion)<br>Foreign Business Certificate (s. 12) |
| <b>Professions</b> which may not be undertaken by foreigners                                  | Prohibits foreigners (individuals) from carrying out 39 professions. JFCCT has identified 8 of interest       | AD 1979 Decree; April AD 2020<br>Notification groups these into 4 categories                                                                              |
| <b>Professional</b> licensing or permits at sector or individual professional level.          | An additional barrier which is often overlooked by regulatory moves to liberalise professions.                | Various sector or profession-specific laws – eg Engineers Act, Accountants Act, Lawyers Act which typically set up a professional licensing authority.    |



## B. Regulatory and Legal underpinning

### Foreign Business Act Proposal

Suspend List 3 for three years, allow investments in any sector not prohibited by List 1 or List 2 or other sector specific legislation

In that period, permanently remove certain parts of List 3, proposed:

- Logistics, Engineering
- All of item 21 (the catch all), all business support services, accounting, architecture, R&D, Education, insurance, all software development.
- Hotel business, tackle telecoms categories 2 and 3.

At end of three years: suspension ends, the result is a reduced List 3 and investor protection (grandfather status) for investments made in the suspension period.

## C. Importance of Fast Track Regulatory Reform

Bank of Thailand (BoT) 400 recommended changes to laws, and implemented several recommendations about FX, Saved THB 1.1 bn in annualized costs going forward (see next slide). October 2017.

Securities and Exchange Commission (SEC) - training using the “Regulatory Guillotine” concepts and methodology as well as the processes for reviewing existing regulations. Outcome strengthened regulation-making. December 2017.

EoDB (Ease of Doing Business) 10 criteria in the World Bank “DB”

Over five years due to remeasurement & improvements, Thailand moved from 20s to 40s . 21st out of 190 countries for 2020 ranking by improving on some key activity. Work Permit/Visa and gov’t contracts not included in the 10. 2019

Simple & Smart License Project

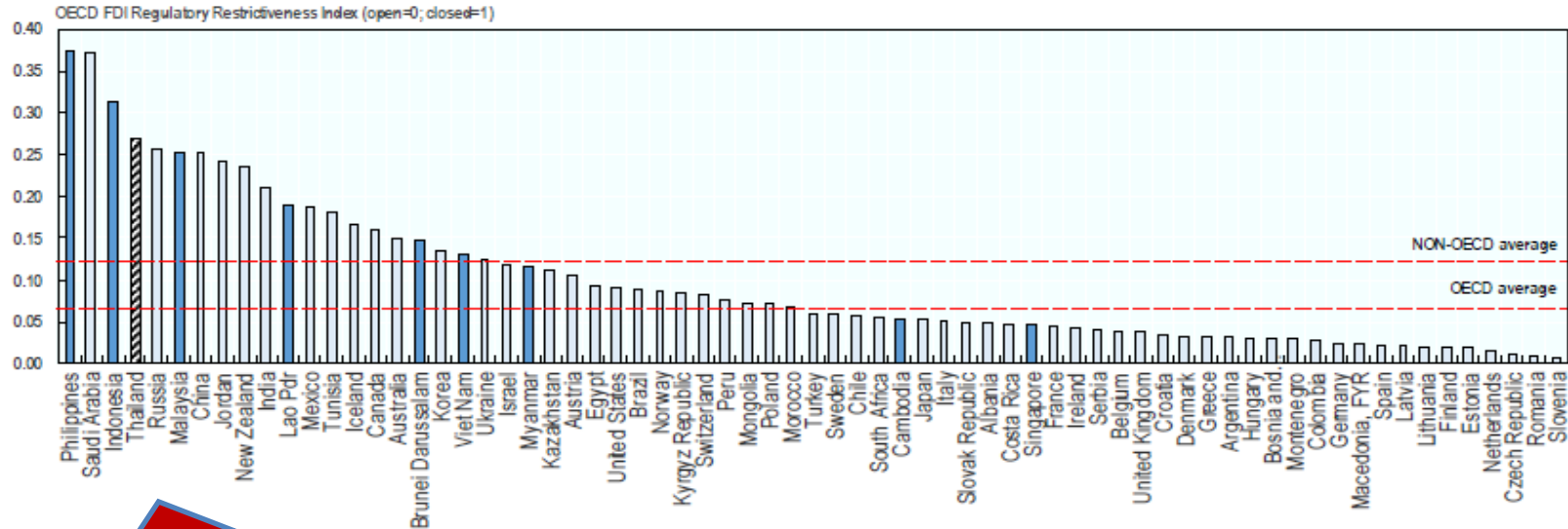
1,085 licenses analysed and full recommendations made (revise/remove/de-duplicate). Estimated saving to business THB 64bn if all implemented. 2018 - 2019



# OECD – IPR (Investment Policy Review)

## Regulatory Restrictiveness Index

Figure 5.3. OECD FDI Regulatory Restrictiveness Index, 2018





## D. Exchange of technological know-how, related to industry and manufacturing

The EABC industry working Group provides a business-driven platform for interactive discussion and formulation of consolidated positions on key manufacturing and related issues facing manufacturers and associated industry suppliers in Thailand and partners and customers in Thailand and abroad.

### **Public Procurement / Tender:**

#### **- Foreign Participation in procurement**

**- Fairness and comparative assessments:** As in all industrialized countries, including Thailand the total cost of investment TOTEX including capital spend CAPEX and operation and maintenance cost OPEX as well as the life span of the infra and system must be considered when investing in infrastructure. Standardised approaches allow for fair comparisons and sound and defensive investment decisions.

**Regular Meeting between EABC and TERBC members related to industry and manufacturing could be effective platform to exchange knowledge, best practices and constructive feedback on policies, technologies and beyond.**



## E. Measures and regulation related to European Green Deal policy

### European Green Deal policy

**Carbon border adjustment mechanism (CBAM)** – Released in July 2021

**Thailand - Bio Circular Green (BCG Model)** – Cabinet approved in January 2021

### Remanufacturing Goods



To prepare Thai business and manufacturers to comply with the EU's trade regulation

## **F. Facilitation of business travel schemes in EU (in similar fashion as that of APEC business travel card)**

APEC Business Travel Card (ABTC) facilitates short-term business travel within the APEC region by streamlining the entry process into APEC economies.

The idea was introduced by TEBC in the previous engagement in August 2020.

The proposed idea is similar to APEC Business Travel Card (ABTC). Thus for the European context this could be a 5 years Schengen visa multiple-entry for Thai businessperson with pre-clearance (like the ABTC) at arrival destinations in Europe to help promote the business with EU and similarly for European business people to visit Thailand.

# Closing remarks by EABC President

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**Mr. Jan Eriksson**



Thank you