



Introduction

Thailand in the ASEAN Region

Thailand is a resource-rich, open-market economy of 57 million people and is the only country in Southeast Asia which has never been colonized. Although Thailand has been largely governed by a succession of military leaders since becoming a constitutional monarchy in 1932, it has, until recently, remained remarkably stable. Thailand's progress towards a sustainable democratic system was slowed by the February 1991 coup which ousted the second civilian government. The military promised an early return to democratic processes. Elections held in March 1992 were followed by a period of serious political unrest with demonstrations resulting in injury and loss of life. Currently efforts are underway to restore the democratic process. The role of the military in political life remains considerable.

Since the mid 1980's, Japan has played a dominant role in Thailand's development. It accounts for approximately 52 percent of the total foreign investment, acts as a major source of technology and is Thailand's principal development assistance donor.

Thailand's strong economic position and the likelihood of continuing high levels of foreign investment suggest sustained economic growth for the foreseeable future.

Canada and Thailand

Canada considers Thailand to be one of the most important emerging countries in the ASEAN region. Canadian's involvement with Thailand dates from the years of the Colombo Plan in the 1950's, with diplomatic relations established in 1961. Over the years, Canada's interest in the region has broadened and relations with Thailand now include a full range of activities: political, economic, commercial and development.

Canada's relations with Thailand strengthened considerably as a result of Thailand acting as Canada's dialogue partner within ASEAN during the period 1985-1988. On-going co-operation

between the two countries continues to address areas of regional and international concern, such as multi-lateral trade negotiations, Asia Pacific Economic Co-operation (APEC), regional security and international environmental issues.

Survey Overview

This survey reviews the nature and scope of trade and economic relations between Canada and Thailand over the last decade. While this study is set in the context of Canada's economic relations with the ASEAN Region, the focus is on bilateral relations, agreements and initiatives rather than the international and multilateral fora in which Canada and Thailand are both active participants.

Section 2 describes the current macro-economic environment of Thailand and the prospects for sustained economic and industrial growth in the short term.

Section 3 provides an overview of Canada-Thailand commercial relations against the background of Thailand's global trade position and explains the evolution of trade between the two countries in terms of volume and composition. This section also summarizes Canada's export marketing efforts in Thailand as well as its export financing facilities and record.

Section 4 focuses on Canada's bilateral development assistance program in Thailand and highlights its major orientations. Also included is a brief overview of related programs underwritten by the Canadian International Development Agency (CIDA) and other agencies such as the International Development Research Centre (IDRC).

Section 5 identifies the agreements and arrangements currently in place between Canada and Thailand which provide a basic infrastructure for the continued expansion of economic and commercial relations. In addition, a number of economic initiatives currently under way in the sectors of co-operation highlighted in the Economic Co-operation Agreement as well as provincial government initiatives in Thailand, are identified.