



REPORT OF THE PRESIDENT'S EXPORT COUNCIL:

Reflections on Commercial Engagement in the Indo-Pacific
and Recommendations for Strengthening the U.S.-Thailand
Commercial Relationship





The President's Export Council is a federal advisory committee established by Executive Order of the President to advise the President on matters related to U.S. export trade. This report was prepared by the Presidentially appointed members of the Council. The views expressed in this report do not necessarily reflect those of the Administration or individual members of the Council. The International Trade Administration provided design services for this report.

Cover Photo - U.S. Secretary of Commerce Gina M. Raimondo poses with members of the President's Export Council in Bangkok, Thailand.



June 11, 2024

The Honorable Joseph R. Biden
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

As part of the President's Export Council (PEC) mandate to provide advice and recommendations to expand exports, we actively evaluate U.S. economic interests and relations around the world. As one of the fastest-growing regions in the world, members of the PEC determined that U.S. commercial relationships in the Indo-Pacific merited particular attention.

Together with Secretary Raimondo, we led a delegation of nine PEC members on a fact-finding trip to Thailand in March 2024. The focus on commercial diplomacy was welcomed by our hosts, and this trip presented a unique opportunity to highlight the model of public-private partnership that is embodied by the PEC.

We are extremely grateful to our hosts for the warm reception our delegation received in Thailand. Members of the PEC delegation came away with a deeper understanding of our shared values with Thailand, an appreciation of the power of people-to-people connections, and a mutual eagerness to unlock the very real potential for growth in our commercial relationship.

This report describes our findings and sets forth our recommendations for strengthening commercial ties with Thailand, which are critical to the economic security of the United States. We look forward to continuing our work with the U.S. Government to promote this bilateral relationship to support future economic growth in the United States.

Sincerely,



Mark Ein, Chair
President's Export Council



Rosalind Brewer, Vice Chair
President's Export Council

Table of Contents

01 Trip Overview

03 Opportunities in the Indo-Pacific Region

04 Commercial Diplomacy: An Effective Public-Private Model

06 Deepening the U.S.-Thailand Commercial Partnership

08 Recommendations

- Trade and Foreign Direct Investment
- Trade Process Barriers
- Digital Infrastructure
- Creative Economy
- Physical and Industrial Infrastructure
- Digital Finance, Tourism, and Cybersecurity
- Education and Workforce Development
- Human Capital 2030 and Cultural Exchanges

15 Conclusion



TRIP OVERVIEW



Members of the President's Export Council meet with Prime Minister Srettha Thasivin.

The President's Export Council (PEC) serves as the principal national advisory committee on export trade. The Council advises the President of government policies and programs that affect U.S. trade performance; promotes export expansion; and provides a forum for discussing and resolving trade-related issues among the business, industrial, agricultural, labor, and government sectors.

Recognizing the Administration's goal to advance resilience, sustainability, inclusiveness, economic growth, fairness, and competitiveness in the Indo-Pacific region and to better understand the potential for collaboration among the fourteen partner countries of the Indo-Pacific Economic Framework for Prosperity (IPEF), members of the PEC traveled to the region in March 2024.

Led by U.S. Secretary of Commerce Gina Raimondo, PEC members traveled to Bangkok, Thailand from March 13-15. The focus of this official visit was to identify opportunities for both countries to strengthen commercial relationships broadly, with a particular focus on manufacturing, supply chain resiliency, the digital and creative economy, and clean technology.

Meeting with Thai Prime Minister Srettha Thavisin was a highlight of the trip and provided an opportunity to outline the United States and Thailand's shared economic priorities and to discuss areas of cooperation. During the trip, PEC members met with a wide range of senior Thai government leaders who are responsible for key parts of the Thai economy. This included a meeting with the Minister of Digital Economy and Society Prasert Chanthararuangthong to discuss opportunities for collaboration in the digital and creative economy, artificial intelligence, and cybersecurity. PEC members also received a detailed briefing about the Thai government's economic development strategy from Minister of Commerce Phumtham Wechaiyachai. With now former Deputy Prime Minister and Minister of Foreign Affairs Parnpree Bahiddha-Nukara, members of the PEC had a discussion focused on strengthening diplomatic and commercial ties through IPEF. Additionally, advisor to the Prime Minister and Thai Trade Representative M.L. Chayotid Krikadon highlighted actions taken to improve the ease of doing business and shared the government's priority sectors for investment. These interactions provided PEC members with a strong sense of Thailand's economic growth strategy and areas of shared interest with the United States.

Additionally, the delegation met with key stakeholders in the semiconductor industry to discuss ways to strengthen global supply chain resilience and cooperation between the United States and Thailand. Finally, in furtherance of creative economy engagement, members of the PEC visited the set of *Alien*, a large-scale American television production filming outside of Bangkok.

Separately, some members of the PEC also joined a first-of-its-kind Presidential Trade and Investment Mission to Manila, Philippines from March 11-12, 2024. Led by Secretary Raimondo, PEC members and other senior executives from prominent U.S. businesses and non-profit organizations met with President Ferdinand R. Marcos Jr. to discuss cooperation and joint efforts to strengthen commercial relationships between the United States and the Philippines and to build resilient supply chains across the Indo-Pacific.

OPPORTUNITIES IN THE INDO-PACIFIC REGION

The Indo-Pacific region, spanning from the United States Pacific Coast to the Indian Ocean, is one of the most vibrant and economically dynamic in the world. Home to nearly two-thirds of the world's economic growth and more than half the world's population, the region continues to develop rapidly, creating new opportunities for growth and business investment¹. For U.S. businesses, this region presents strategic opportunities to access growing markets with strong consumer bases. The U.S. Commerce Department estimates that the region already supports some 3 million U.S. jobs and is the source of nearly \$900 billion in foreign direct investment in the U.S. economy².

Beyond robust economic performance and attractive consumer bases, the region also holds strategic value for U.S. businesses seeking to diversify and reinforce their supply chains. Through IPEF, the Biden-Harris Administration has advanced a regional supply chain agreement to strengthen supply chain resilience in the region. The Administration is further enhancing the attractiveness of the region to U.S. businesses through IPEF priorities such as advancing fair business practices, promoting clean economies, improving regulatory and tax transparency, and combatting corruption. These and other efforts, combined with the region's economic dynamism and favorable demographics, reflect a strong positive trajectory and the degree to which the Indo-Pacific is growing as an essential commercial partner for U.S. businesses. Enhancing these ties promotes U.S. exports and inward investment to the United States from the region, supporting U.S. job growth at home.

¹ <https://www.commerce.gov/news/fact-sheets/2024/02/two-years-indo-pacific-strategic-results-strengthening-indo-pacific>

² Ibid.

COMMERCIAL DIPLOMACY: AN EFFECTIVE PUBLIC-PRIVATE MODEL



Mark Ein, Chair of the President's Export Council, delivers remarks during a meeting in Bangkok, Thailand.

At its core, commercial diplomacy is the intersection of economic interests and diplomatic efforts, aimed at promoting trade, investment, and business relationships between nations. Moreover, this facilitates business, government, and civil society participants in building connections and partnerships, exchanging best practices, and stimulating innovative thinking. For U.S. companies, sustained and effective commercial diplomacy can (1) reduce foreign trade barriers, (2) provide advocacy support, (3) facilitate export transactions, (4) minimize threats to U.S. firms, and (5) improve opportunities and the business operating environment.

Commercial diplomacy has long played a crucial role fostering and enhancing the relationship between Thailand and the United States. This strong legacy of commercial diplomacy has served to strengthen bilateral ties, advance U.S. global competitiveness, advance shared economic objectives, and deepen understanding and trust between

Thailand and the United States, laying the foundation for broader cooperation on various fronts. During our visit, it was clear that U.S. engagement at this critical time was appreciated and eagerly welcomed in Thailand.

Modern commercial diplomacy can take many forms, including joint initiatives and public-private partnerships in the area of education and workforce development, which were frequently referenced during the PEC trip as valuable channels. One example is the existing international Academic Partnership Program led by the U.S. Embassy in Bangkok in partnership with the Thai Ministry of Higher Education, Science, Research, and Innovation. By facilitating student exchanges, joint research projects, and academic collaborations, Thailand and the United States nurture a skilled workforce equipped with the knowledge and capabilities needed to drive innovation and economic growth. This human capital becomes a valuable asset for businesses operating in both countries, enhancing their competitiveness and market potential.

Another example of commercial diplomacy in action is the effort by a leading U.S. women's healthcare company to identify barriers that prevent women's full economic participation, develop and produce healthcare products that remove those obstacles, and educate women and girls about the benefits of a deliberate approach to healthcare. In this case, commercial diplomacy efforts also shape government policy to ensure the broadest possible access to essential medical services and products.

The trip to Thailand exemplifies the significance of public-private partnerships in addressing complex issues and seizing opportunities. The diversity of the delegation led by Secretary Raimondo showcased how government entities, private enterprises, and academic institutions can unite, leveraging their respective strengths to make a meaningful impact. The diverse range of partners brought together complementary assets: the policy support and regulatory frameworks provided by the public sector, the innovative solutions and resources from private companies, and expertise and research from academia. This synergy not only facilitated effective problem-solving but also highlighted the depth and breadth of collaboration necessary for sustainable development and progress.

DEEPENING THE U.S.-THAILAND COMMERCIAL PARTNERSHIP



Members of the President's Export Council visit the set of the television series *Alien*, which is in production in Bangkok, Thailand.

The Treaty of Amity and Commerce of 1833 began a partnership between the United States and Thailand that has developed and strengthened over time. In 2003, the United States designated Thailand a major non-NATO ally, making it just one of two treaty allies in Southeast Asia. The United States and Thailand cooperate across a vast range of issues, including education and culture, public health, business and trade, democracy, as well as security and military cooperation.

The current state of the trade and commercial relationship between the United States and Thailand is strong and growing. Thailand is our 18th largest goods trading partner, with approximately \$72.1 billion in total (two-way) goods traded during 2023. Two-way trade in services with Thailand totaled an estimated \$4.7 billion in 2022. At approximately \$15.8 billion, U.S. investment in Thailand is bringing significant benefits to the Thai economy and Thailand's citizens and consumers, including creating millions of high-paying jobs for Thais.

Deepening the U.S.-Thailand Commercial Partnership (continued)

U.S. direct investment in Thailand is led by manufacturing, professional, scientific, and technical services, and wholesale trade. In addition, Thailand has invested \$2.5 billion in the United States, generating tens of thousands of jobs. That investment has also generated \$260 million in U.S exports.

Attracting investment from the United States and deepening overall economic engagement has been a priority since Prime Minister Srettha Thavisin entered office. In the few months after his election in August 2023, he visited the United States twice, meeting with government and industry leaders to promote investment into Thailand and to identify opportunities to draw the U.S. and Thai economies closer together. Recent investment announcements by major U.S. companies underscore the opportunities to further strengthen commercial relations with Thailand.

Several organizations aimed at economic cooperation are helping to advance bilateral ties, including the American Chamber of Commerce in Thailand, which represents over 650 member companies from diverse sectors, and is one of the leading international business associations in Thailand. Thailand is also a member of the Asia-Pacific Economic Cooperation Forum (APEC), Association of Southeast Nations (ASEAN), and a partner country for IPEF, all of which contribute to strengthening U.S.-Thailand economic cooperation.



Members of the President's Export Council gather before meeting with Prime Minister Srettha Thasivin.

RECOMMENDATIONS



Secretary Raimondo is joined by members of the President's Export Council for a meeting with Minister of Digital Economy and Society Prasert Chanthararuangthong.

Building upon long-standing commercial and economic cooperation, the PEC recommends action in the following areas to further strengthen the U.S.-Thailand trade partnership:

Trade and Foreign Direct Investment

The pathway to unlocking the full potential of U.S.-Thailand economic relations lies through addressing the nuanced barriers to trade and facilitating foreign direct investment (FDI). An environment conducive to trade and FDI not only catalyzes economic growth but also fosters a partnership built on sustainable and equitable development principles.

Recommendations:

- **Pursue an Economic Agreement that Facilitates Trade with Thailand:** Engage in bilateral discussions aimed towards negotiating an economic agreement with Thailand. Such an agreement should benefit both parties by removing trade barriers and fostering equitable growth.
- **Prioritize Labor Standards:** The United States should emphasize the importance of labor rights and worker protections in Thailand. This should include technical cooperation to improve Thailand's enforcement of labor laws.
- **Encourage FDI with a Focus on Technology and Sustainability:** Advocate for U.S. investments in Thailand's technology and green energy sectors, emphasizing the mutual benefits of sustainable development and innovation. This approach should highlight the strategic importance of Thailand as a key partner in Southeast Asia and the potential for U.S. businesses to contribute to Thailand's economic goals.
- **Balancing Growth and Responsibility:** To uphold a partnership centered on sustainable and equitable development principles, it is crucial to recognize the impact FDI initiatives could have on the region and promote community-informed policy recommendations. These recommendations should be tailored solutions for mitigating socioeconomic and environmental impacts in line with local contexts, including investments in technology such as carbon dioxide removal (CDR), greenhouse gas removal (GGR), and carbon capture and storage (CCS) for CO₂ removal and storage projects. These technologies can drive transformative investments that will be pivotal in reducing emissions regionally and globally, significantly contributing to global efforts to combat climate change. This approach also showcases dedication to advancing local initiatives and community priorities while supporting Thailand's Long-term Low Greenhouse Gas Development Strategy.



Members of the President's Export Council pose outside the Thai Ministry of Commerce.

Trade Process Barriers

Streamlining trade processes and overcoming customs barriers are essential steps towards facilitating smoother trade between the United States and Thailand. Addressing these challenges can significantly enhance the efficiency and effectiveness of bilateral trade, benefiting businesses and consumers in both countries.

Recommendations:

- **Implement Digital Customs and Trade Facilitation:** Collaborate on initiatives aimed at digitalizing customs procedures to expedite trade processes, reduce costs, and enhance efficiency. This includes mutual recognition of electronic documents and streamlining regulatory processes for smoother import-export operations.
- **Engage in Regulatory Cooperation to Ease Trade Flows:** Establish bilateral working groups to align standards and regulatory requirements, minimizing trade frictions and facilitating smoother access for goods and services. This cooperation could extend to sanitary and phytosanitary standards, enhancing trade in agricultural products.

Digital Infrastructure

In an era where digital connectivity is a key driver of economic competitiveness, robust digital infrastructure stands as a cornerstone of Thailand's ambition to become a digital hub. Collaborative initiatives in this area can empower innovation, facilitate economic growth, and ensure security against evolving cyber threats.

Recommendations:

- **Invest in Critical Digital Infrastructure Projects:** Support the development of Thailand's 5G networks, data centers, and broadband connectivity, focusing on areas that enable Thailand to advance its digital economy ambitions while ensuring equitable access across urban and rural areas.
- **Cybersecurity Partnership for Digital Resilience:** Initiate joint cybersecurity programs that focus on protecting critical digital infrastructure, establishing data/AI governance, sharing threat intelligence, and developing cybersecurity talent through workshops and training programs. This partnership could also explore the development of a bilateral framework for incident response and cooperation.

Creative Economy

The Thai government views the creative economy as an essential mechanism for driving growth in the overall economy and as a means to maximize Thailand's worldwide soft power potential. In this regard, in October of 2023 Prime Minister Srettha Thavisin announced a focus on 11 sectors including food, sports, festivals, tourism, gaming, literature, art, design, fashion and film.

Recommendation:

- **Support Collaborations with Thailand on Creative Economy Initiatives:** The long and close U.S.-Thailand relationship provides the foundation upon which the United States can further partner with Thailand to deepen ties related to the creative and cultural sectors of both markets. Both countries should continue to collaborate on myriad aspects of the creative economy – sports, tourism, food, fashion, film – to deepen the U.S.-Thailand strategic relationship while growing both economies.



Secretary Raimondo is joined by members of the President's Export Council for a meeting with Thai Deputy Prime Minister and Minister of Commerce Phumtham Wechayachai.



Members of the President's Export Council gather before meeting with Prime Minister Srettha Thasivin.

Physical and Industrial Infrastructure

Physical and industrial infrastructure development is crucial for underpinning Thailand's economic growth and diversification. Strategic investments in these areas can significantly contribute to Thailand's long-term sustainability and resilience, offering fertile ground for innovation and collaboration.

Recommendations:

- **Promote Sustainable Infrastructure Development:** Encourage U.S.-Thai collaborations in building sustainable and resilient infrastructure, such as smart cities, green transportation networks, and renewable energy projects, which align with Thailand's sustainability goals and offer opportunities for U.S. technology and expertise.
- **Support Industrial Diversification Efforts:** Facilitate U.S. investments in sectors identified by Thailand as growth areas, including electric vehicles, smart electronics, semiconductor manufacturing, and biotechnology. This could involve providing expertise, technology transfers, and joint ventures that leverage U.S. innovation to support Thailand's industrial strategy.

Digital Finance, Tourism, and Cybersecurity

The sectors of digital finance and tourism present vast opportunities for growth and innovation within Thailand's economy. Ensuring these sectors develop within a secure cybersecurity framework is vital for fostering trust, inclusivity, and resilience, paving the way for substantial economic benefits.

Recommendations:

- **Advance Digital Finance to Foster Economic Inclusion:** Work together to develop regulatory frameworks that encourage innovation in digital finance while ensuring consumer protection and financial stability. This could include supporting small businesses, fintech startups and promoting digital payment solutions that enhance access to financial services for underserved populations.
- **Leverage Digital Technologies to Boost Tourism:** Partner on digital tourism initiatives that utilize AI, data analytics, personalization and digital marketing to attract tourists and enhance the tourist experience and improve operational efficiency. Efforts should also focus on sustainable tourism practices that preserve Thailand's cultural and natural heritage, while contributing to the recovery and growth of local communities.
- **Joint Efforts in Strengthening Cybersecurity Across Sectors:** Establish comprehensive cybersecurity measures for the digital finance and tourism sectors, including establishing protocols for data protection, fraud prevention, and emergency response to cyber incidents. Promoting a secure online environment is crucial for building trust in these key economic sectors.



Members of the President's Export Council meet with the Joint Standing Committee on Commerce, Industry and Banking.

Education and Workforce Development

Education and workforce development are foundational to fostering innovation and sustaining economic growth. Initiatives aimed at enhancing STEM education, upskilling the workforce, and digital literacy are pivotal in preparing Thailand's workforce for the future, highlighting the importance of international collaboration in this domain.

Recommendations:

- **Boost STEM and Digital Education Initiatives:** Enhance support for STEM education programs that are critical for developing a skilled workforce capable of driving future innovation. This includes technical and vocational training, funding for lab equipment, teacher training, and curriculum development that integrates practical technology use.
- **Expand University Research Partnerships:** Foster deeper collaborations between U.S. and Thai universities in areas of mutual interest such as robotics, AI, and environmental sciences. These partnerships can involve student and faculty exchanges, joint research projects, and the creation of innovation hubs that support startups and technology transfer.

Human Capital 2030 and Cultural Exchanges

The development of human capital and the promotion of cultural exchanges are instrumental in building deep, lasting ties between the U.S. and Thailand. Through targeted initiatives that enhance educational opportunities and foster mutual understanding, both nations can enrich their partnership and cultivate a vibrant, shared future.

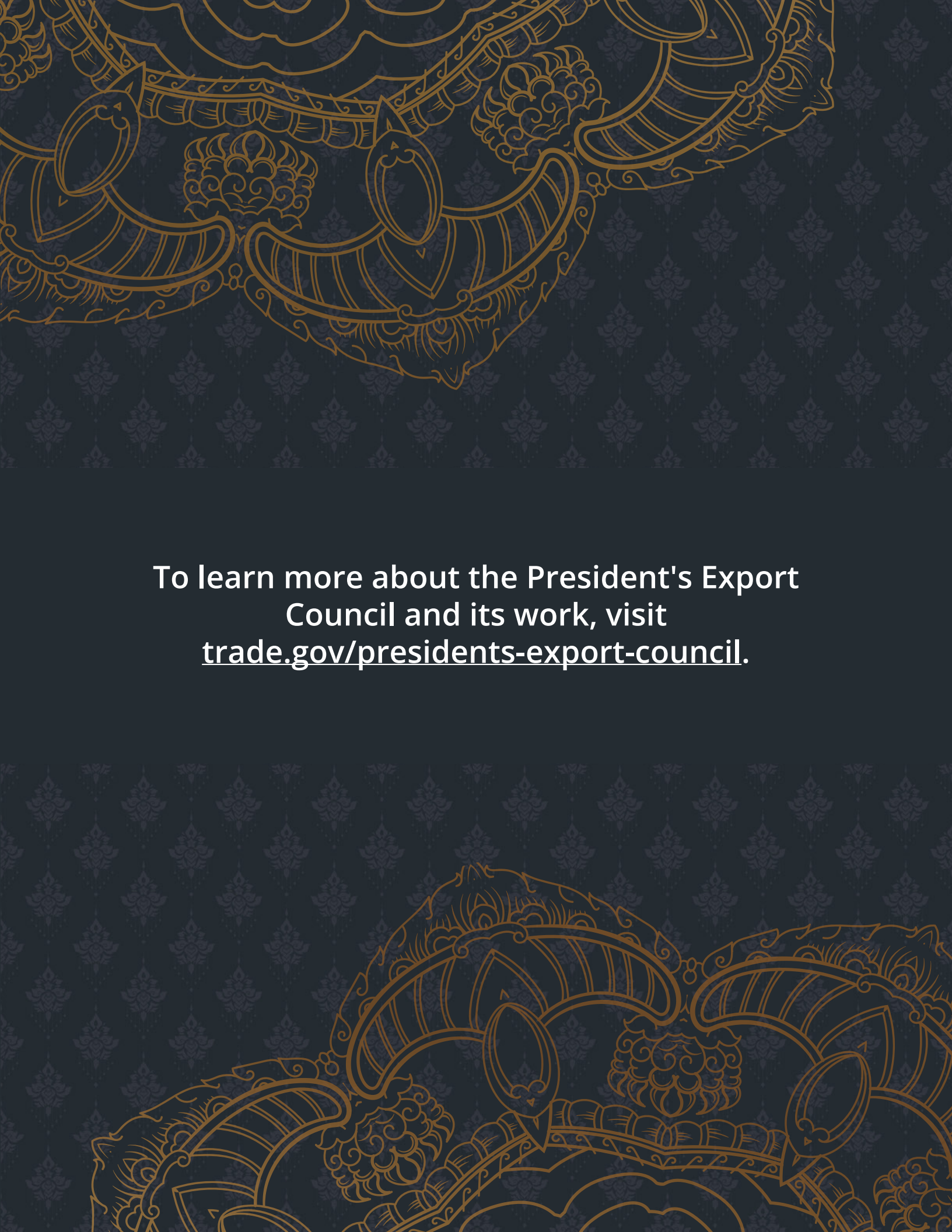
Recommendations:

- **Launch the Human Capital 2030 Initiative:** Implement comprehensive programs aimed at improving and modernizing education quality from K-12 to higher education, enhancing university ties, focusing on vocational training, and upskilling for the digital economy. Special emphasis should be placed on creating opportunities for women and underrepresented groups in STEM fields.
- **Enhance Cultural and Educational Exchange Programs:** Leverage existing academic partnerships like the International Academic Partnership Program to expand funding and support for similar programs that facilitate cultural exchanges, including scholarships for Thai students to study in the United States, internships for Thai professionals in U.S. companies, and collaborative cultural projects that deepen mutual understanding and respect between the two nations.

CONCLUSION

The members of the PEC who traveled to Thailand are very grateful to their hosts for the outstanding hospitality and the diverse range of government and private sector leaders who generously provided their time to meet. The visit was enlightening, informative, and productive. The Prime Minister's message that Thailand is "open for business" rang true throughout the visit. The PEC members on the trip saw first-hand the power of commercial diplomacy and public-private sector engagement to further not only this important relationship, but others in the strategic Indo-Pacific region at this critical time. By implementing the recommendations contained in this report, the U.S. Government can leverage the insights and expertise of the private sector and foster a multifaceted and collaborative approach to enhancing the dynamic partnership between the United States and Thailand across key economic, technological, and cultural domains.





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