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Archanun Kohpaiboon

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Faculty of Economics, Thammasat University

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Archanun Kohpaiboon*

Faculty of Economics, Thammasat University

Email: archanun@econ.tu.ac.th

Abstract

This paper discusses *Comprehensive and Progressive Agreement for Trans-pacific Partnership (CPTPP)*, and its implication for Thailand. Absence of the US from the agreement alters the net benefit equation to Thailand dramatically. Preferential market access to the enormous market like the US vanishes where the most controversial issue, the intellectual property right (IPRs) provisions was suspended in CPTPP. Our analysis in this paper shows that the preferential market access would be limited largely because most of the CPTPP members signed FTAs with Thailand. When there is no additional incentive to use newly offered preferential market access, so does that to alter supply chain formation. The remain benefit to Thailand is opportunity to undertake policy reform. Another key finding in this paper suggests the problematic approach how the government manages to harness potential benefit from and overcome controversial remaining in the CPTPP is worrisome. This could incur costs including forgone reform opportunity.

Key words: CPTPP, Thailand, FTA,

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1. Introduction

Until January 2017, The Trans-Pacific Partnership (TPP), the mega free trade agreement (FTA) that covering 40 per cent of global GDP and whose members represent a market of 800 million people was at the centre of global trade talk because its negotiation scope is comprehensive with the most ambitious target among existing FTAs so far. It certainly contained controversial issues whose pros and cons were long debated among members. Many countries including Indonesia, Thailand, and the Philippines expressed interest to join TPP despite presence of opposition. It was originally involved twelve Asia- Pacific countries. They are Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States and Vietnam.

On Jan 23, 2017, US President Donald Trump signed a Presidential Memorandum to withdraw the US from the TPP, one of his first acts. This is due to the fact that as expressed in TPP Chapter 30, at least 6 signature countries constituting 85 percent of aggregate TPP GDP (in 2013) ratify the agreement, and hence the agreement in its present form cannot move forward without the United States because the United States and Japan account for 60 of aggregate TPP GDP, respectively (Petri et al. 2017). Hence, remaining eleven TPP member countries led by Japan, Australia and New Zealand put effort to move forward the agreement without the US, by launching the new agreement, entitled Comprehensive and Progressive Agreement for Trans-pacific Partnership (CPTPP). As the negotiation continues, CPTPP allows members express their concern to be excluded in order to revive the regional trade pact and perhaps induces more countries to join CPTPP including the return of the US. As a consequence, CPTPP reached agreement swiftly in January 2018, starting in May 2017. The formal signing ceremony was held on March 8, 2018 in Santiago, Chile.

The main difference between CPTPP and TPP is that pharmaceutical data protection (i.e. data exclusivity) and patent extension, both of which were strongly endorsed by the US are excluded.¹ As the negotiation continues, CPTPP allows members express remaining concerns in TPP to be excluded. All of these exclusions are done to revive the regional trade pact and perhaps

¹In the legal text of CPTPP, 'suspended' is used to frozen but not removed (the ASEAN Post, 2018)

induces more countries to join CPTPP including the return of the US. As a consequence, CPTPP reached agreement swiftly.

Since the new millennium, Thai government has been long interested to sign FTAs with the others including TPP and CPTPP (the Nation, 2015& 2016; the Diplomat, 2016; Reuters, 2018). This is done with the belief that FTAs would help private firms not to be disadvantageous from other countries in a given export destination. Prior to the withdrawal of the US from the TPP, Thailand had on numerous occasions expressed interest in becoming a member of the TPP despite presence of opposition. The key reason for becoming a TPP member is to benefit preferential access to the US in certain products especially garments and processed foods, although it is likely to be associated with the adverse effect on pharmaceutical industry as well as health care services that was largely derived from pharmaceutical data protection (i.e. data exclusivity) and patent extension.²

Now Thailand also rapidly expresses the interest to join CPTPP, in which the US has not yet joined without clear expected gains from the membership (Reuters, 2018). This is happening amidst concerns/fears by local stakeholders and health-related non-government organizations (NGOs). In fact, the rapid expression was also found in other developing countries in the region, including Indonesia, the Philippines, and South Korea. It is important to note that the CPTPP is a FTA on existing FTAs so that expected gains and costs from its membership are not straight forward. For example, preferential market access offered in the newly signed FTA will take place only when it offers greater market access as opposed to the existing ones earlier. Otherwise, it is unlikely for firms to use the new ones. Another important effect is the effect on investment re-allocation decision in favor of member countries opposed to non-member ones.

Similar to TPP, the CPTPP is another so-called high quality FTAs where negotiation coverages are far beyond market access. Investment liberalization, services liberalization, intellectual property rights (IPR), labor and environment standards, state-owned enterprises (SOEs) and government procurement are included. Each topic is complicated itself and involves a long list of stakeholders so that assessing its net benefit requires a comprehensive analysis. It is very difficult for consensus among these stakeholders to be reached. This would explain why these topics remain controversial in many countries. Therefore, assessing net benefit from these high-

² See studies e.g. Kohpaiboon and Jongwanich (2017b) analyzing TPP and its impact on Thailand.

quality FTA is less likely to be undertaken by simulation experiments using the general equilibrium model (e.g. GTAP).

Against this backdrop, this paper aims to lay out potential benefits and costs from being the high-quality FTA and address controversial areas that must be addressed in performing the net benefit. This is done by using Thailand being a CPTPP member as a case study. The analysis in this paper does not only benefit policymakers in Thailand but also becomes a showcase for others to be used in assessing this high-quality FTA.

The paper is organized as follows; Section 2 presents an overview of FTAs in Thailand and how firms respond to the signed FTAs. Basic economic features of the CPTPP are discussed in Section 3, followed by briefly presenting provisions in the CPTPP (Section 4). Impact of the CPTPP is in Section 5. The final section provides conclusion and policy lessons.

2. FTAs in Thailand and Their Utilization

Until 2001, Thailand benefited from unilateral tariff reduction and success of multilateral agreements in the context of the General Agreement on Tariffs and Trade and the World Trade Organization (WTO). The slowdown of WTO liberalisation negotiation resulted in a switching in political attention and in negotiating resources toward preferential trade agreements and bilateral free trade agreements in particular. It was also accelerated by a significant change in Thai political situation (Sally, 2007). In particular, between 2001 and 2006 Mr. Thaksin's Thai Rak Tha party came into power with a strong mandate. Riding with several supporting factors such as the wake of a deep recession and painful reforms following the Asian crisis, a wave of nationalism, and anti-IMF (International Monetary Fund) sentiment, the government took full charge of policy which meant subordinating the bureaucracy to its will (Sally, 2007). One of the government mandates is to sign FTAs as much as possible to secure preferential market access. This is done with the belief that signed FTAs could make Thai exports remain competitive as well as attractive to multinational enterprises.

Right now, there are 19 FTA deals/negotiations in Thailand, 15 of which were initiated during the Thaksin administration period (2001–2006) (Table 1). These 15 FTAs were largely initiated by the government without consultation with government officials in charge. As argued in Kohpaiboon (2006), there were no clear characteristics of FTA partners such as region/location

and pre-FTA trade. FTA commitments made during this period largely involved tariff liberalisation and market access for goods.

INSERT TABLE 1 AROUND HERE

Between 2006 and May 2011, FTA enthusiasm in Thailand was stalled. The new constitution was promulgated in 2007, replacing an interim constitution promulgated in 2006. Under the new constitution, execution of international trade agreements is subject to parliamentary approval (Article 190) to prevent any rush manner in any international trade agreement without careful studies and public consultations. Article 190 ensures that all international trade agreements must be carefully studied and subject to country-wide public hearings. More time to enact the international trade agreement is now needed compared to that during the Thaksin period. The constitutional amendment would have a significant impact for any FTA to be in effect. The government was far less active in initiating any bilateral FTAs. There was no single bilateral FTA ratified from 2006 to May 2011. During this period, new FTA negotiations are in the ASEAN plus format.³

From May 2011, Prime Minister Yingluck Shinawatra, the younger sister of former Prime Minister Thaksin Shinawatra, paid attention on FTA negotiations again. Negotiations of several FTAs such as those of Thailand–EFTA, Thailand–Chile, and Thailand–Peru were resumed and progressed, all of which were stalled between 2006 and May 2011. In addition, the current administration also launched several FTA talks, including negotiations with Canada in March 2012 and expressing interest to be a member of the Trans-Pacific Partnership (TPP) during the US President’s visit to Thailand in November 2012. This is happening amidst concerns/fears by local stakeholders and health-related non-government organizations (NGOs) (Kohpaiboon and Jongwanich, 2017a).

On May 2014, the Royal Thai Armed Forces led by General Prayut Chan-o-cha, launched a coup d’état, the 12th since the country’s first coup in 1932 against the caretaker government of Thailand. This has stalled all FTA talks involving developed country FTA partners including those

³ The possible exception would be the Thailand–EU FTA which replaced the ASEAN–EU FTA as a consequence of unsolved issues about Myanmar during the negotiations. After the Coup in 2014, Thailand-EU FTA was stalled again.

with the US and European countries simply because these partners expressed a reluctance to have further negotiation with the ruling junta. Nonetheless, the enthusiasm in signing FTAs has been resumed after Dr. Somkid Jatusripitak, the current deputy prime minister on economic affair, is in charge of economic affair. Note that Dr. Somkid was also the key person in Thaksin administration including ministers of finance and commerce from 2001 to 2006.

As illustrated in Table 1, there were 18 FTAs but only 7 FTAs have been into force for a certain period of time. They are the ASEAN Free Trade Area (AFTA), Thailand–Australia FTA (TAFTA), Thailand–New Zealand FTA (TNFTA), Japan–Thailand Economic Partnership Agreement (JTEPA), ASEAN–China FTA, ASEAN–Japan FTA, and ASEAN–Korea FTA. In these 7 FTAs, tariff reduction offered to Thailand covered about 90 percent of product lines by 2010. By contrast, tariff reduction offered by Thailand takes place in gradual step and expresses the policy’s reluctance to trade liberalization. The clear example is in the two FTAs Thailand signed with Japan, i.e. JTEPA and AJFTA. In particular, the first round of tariff reduction Thailand offered under JTEPA was only 31.1 % in 2007 and increased to 97.6% in 2017. It is worse in AJFTA where the first and second tariff cuts were 30.94% in June 2009 and 86.17% in April 2018. Such offers would explain why the later signed FTA, AJFTA, has virtually been unused (Jongwanich and Kohpaiboon, 2019).

With respect to another three FTAs (i.e. the Thailand-Peru FTA, the Thailand-Chile FTA, ASEAN-India FTA), substantial tariff cuts took place just in 2015 and 2016. FTA negotiations between Thailand and India have continued over a prolonged period with bleak prospects. Out of six ongoing FTA talks which had yet to reach any satisfactory conclusion, four stalled due to the 2014 coup.

While Thailand is rather active in signing FTAs by the regional standard, the extent to which firms utilize FTA preferential schemes (FTA utilization) is rather limited and highly concentrated in handful lists of products. From 2006 to 2015 FTA utilization on the export averaged out at 32.6 per cent of total value which includes both preferential and non-preferential exports.⁴ The corresponding figure on the import side was about 13 per cent over the considering period. In addition, products applied for FTA preferential schemes were highly concentrated. For

⁴ To illustrate the use of FTAs, we calculate the ratio of preferential exports to the actual export value. The total actual exports are used in the denominator when calculating the utilisation rates. There is ongoing debate on what the appropriate denominator in calculating the ratio should be when the overall assessment of FTAs is concerned. See Appendix 1 for a full discussion in Kohpaiboon and Jongwanich (2019).

example, top-15 out of 5,000 product lines classified at the HS 6- digit classification accounted for 36.4-77.4 per cent across FTA partners in both export and import (Kohpaiboon and Jongwanich, 2019).

In addition, there has been a growing number of newly launched FTAs in addition to the already signed FTAs. For example, Thailand has at least two FTAs with Australia that have been long in effect (i.e. TAFTA and AANZFTA) and another two on negotiating (RCEP and CPTPP). In theory, the regional wider FTA like AANZFTA would be more attractive to use as opposed to bilateral FTA like TAFTA. The formers allow for members to count imported inputs from other members as original content to compile with rules of origins. This would fit to the increasing importance of global production sharing, in which a production process is fragmented and straddle borders. In practice, they fail to function effectively. For example, in 2015, the total preferential exports to Australia from Thailand amounted to US\$8.2 billion, of which US\$7.8 billion was under the auspices of the TAFTA. While it is far beyond the current scope of the paper to offer full explanation of firms' preference, it casts doubt on the effectiveness of the FTA like CPTPP which has more members and allow for members to count imported inputs from other members as original content to compile with rules of origins. The similar evidence was found in the case of Japan (Kohpaiboon and Jongwanich, 2019).⁵

3. Economic Features of CPTPP

Table 2 presents basic economic features of members of the CPTPP. To provide a comparative aspect, they are compared with the TPP as well as the RCEP. While CPTPP is often classified as one of the mega FTAs in the world, CPTPP is relatively small in size and economic importance as opposed to the TPP and the RCEP. In 2015, CPTPP accounted for only 13.1 and 6.7 per cent of world GDP and population, respectively. External trade of CPTPP economies accounted for one third of the world trade. These figures are the smallest as opposed to TPP and RCEP. They are still smaller when the four new potential members (Indonesia, the Philippines, South Korea, and Thailand) are included. Interestingly, intra-member trade and investment among CPTPP members are far lower than those in TPP and RCEP. This is especially true for intra-

⁵ The pattern observed in India is the opposite due to the fact that TIFTA, which started operating from September 2004, was implemented only few product lines (i.e. 82 products on the early harvest programme) and has not been any progress in negotiations since then. This was in sharp contrast to AIFTA which was in effect with a clear time schedule concerning tariff cuts, i.e. 80% in 2016 for India and the original ASEAN members.

member trade among CPTPP members accounted for only 7.8 per cent. The figure increased to 14.1 per cent when four new potential members were included. The corresponding figures of TPP and RECP were 21.5 and 21.8 per cent, respectively.

INSERT TABLE 2 AROUND HERE

The relative less importance of CPTPP as opposed to the other mega FTAs is due to the fact that two major key players in the world like the US and China are not the members. The US are the major consumer of the world, accounting for 20 per cent of world GDP. On the other hand, China is gaining its economic importance in the world. Obviously, China is one of few countries with continent size of population. The entry of China in the mid 1980s increased noticeably the global workforces. China has been and is the destination of foreign direct investors all around the world so that China plays a key role within global production sharing. Hence, excluding these two players makes the economic attractiveness of the CPTPP drop significantly. Even though there are many countries expressing their interest to join the CPTPP including the four countries mentioned above and the UK the latest (Financial Times, 2018), all of them cannot match their economic importance of the US and China.

The relative importance of CPTPP to Thai economy is moderate. On the export, CPTPP members accounted for 30 per cent of total export of Thailand between 2011 and 2016 (Figure 1). However, the relative importance of each member is highly concentrated in a handful of countries. Japan, Singapore, and Malaysia accounted for the lion share in total export from Thailand to the CPTPP members. Australia is another growing important export destination of Thailand.

While all CPTPP members together accounted for around 30 per cent of total import of Thailand, the concentration is even more. Japan is the most important import source of Thailand, followed by Malaysia. Both countries accounted for 25 and per cent of total import and that from the CPTPP (Figure 2).

INSERT FIGURES 1 & 2 AROUND HERE

4. Provisions in the CPTPP

As mentioned above, provisions in the CPTPP are largely based on those in the TPP. There are 30 Articles in the CPTPP. They can be re-grouped into 6 categories according to its role to the trade and investment liberalization. They are;

1. General rules (Articles 1-Initial Provisions and General Definitions, Article 27-Administrative and Institutional Provisions, Article 29- Exceptions and General Provisions and Article-30 Final Provisions). This category lays down definitions, general rules and how enforcement mechanisms would work.

2. Market access for goods (Article 2-National Treatment and Market Access for Goods; Article 3- Rules of origin and Origin Procedures; and Article 4- Textile and Apparel Goods). The market access for goods category covers tariff cut schedules among member countries, rules of origin governing, and the exception, i.e. tariff cuts and special rules of origin for textile and apparel goods. In principle, trade liberalization in manufactured goods must be undertaken instantaneously after the agreement in effect. Nonetheless, trade liberalization agricultural products is implemented with grace periods. In addition, the rather new feature in the TPP and CPTPP that has not been found in the other signed FTAs is to remove any trade barriers on remanufactured goods (Article 2.6). Remanufacturing is rather new and challenging for developing countries members, but long practiced in developed countries.

3. Rules related to trade facilitation and remedies (Article 5- Customs Administration, Article- 6-Trade Remedies; Article 7-Sanitary and Phytosanitary Measures; Article 8-Technical Barriers to Trade; and Article 28-Dispute Settlement -8, 28). In this category, rules and regulations governing member countries to impose non-tariff measures like sanitary-phytosanitary measures and technical barriers are to minimize the adverse effect of them on trade among member countries. For example, Article 6.4 allows member countries to introduce the so-called transitional safeguard measure (TSM) under a constraint i.e. one year at most (Article 6.4(4)) and uses it in once and for all manner (Article 6.4(5)). In addition, member countries introducing TSM must compensate affected member countries (Article 6.7). Another example is that under Article 7- Sanitary and Phytosanitary measures (SPS), member countries must establish a committee on Sanitary and Phytosanitary Measures (Article 7.5(1)), having a regular meeting among authorities once a year (Article 7.5(5)), and developing a regional disease free zone (Article 7.7). This is to enhance

transparency to the use of SPS measures among member countries. Legal text in Technical Barriers to Trade Article 8 is similar to that in SPS.

4. Service liberalization: in this category, it starts with mode 3 service supply in Investment Article (Article 9) whereas the other modes of service supply are in Article 10-Cross-border trade in services. Rules and regulations related to trade liberalization in three service sectors (financial sector, telecommunication and e-commerce) as well as mobility of business persons are addressed in the separate articles because of their complexity and sensitivity. They are in Articles 10-14, respectively. Basically, the service liberalization approach adopted in CPTPP is negative lists. In some sectors, members can identify non-conforming measures (NCMs) as well as the flexibility to adopt NCMs in certain areas.

5. Rules related to Regulatory Reform: Articles 15-20 are addresses these issues in order to streamline regulatory cumbersome that might restraint market competition. They include government procurement, competition policy, state-owned enterprises as in Articles 15-17, respectively. Issues related to intellectual property protection, labors, and environment also addresses explicitly in Articles 18-20, respectively.

6. Cooperation and Development: there are 6 articles in this category to strengthen the cooperation among member countries as well as to promote inclusive growth. They include Cooperation and Capacity Building (Article 21) Competitiveness and Business Facilitation (Article 22), Development (Article 23), Small and Medium-Sized Enterprises (Article 24), Regulatory Coherence (Article 25) and Transparency and Anti-Corruption (Article 26)

Like TPP, CPTPP members can introduce side instruments with other members on a range of issues. For example, New Zealand has 17 side instruments to CPTPP members individually and 8 instruments where all CPTPP members agreed. This makes liberalization effect of the CPTPP not be straightforward as we can expect from the text.

The difference between the CPTPP and TPP is some provisions that were available in the latter are suspended or otherwise changed in the former, due to the absence of the United States, summarized in Table 5. In the table, there are two columns, the one identifies suspended provisions (Article, Paragraph, and sub-Paragraph) and the other explains the legal texts to be compiled with if it is not suspended. For example, the first suspended text is on Article 5.7 Paragraph 1 2nd sentence, related to custom practice on express shipment (First Column). Column

2 indicates that if it was not suspended, express shipment activities would not be subject to custom duties assessment.

INSERT TABLE 5 AROUND HERE

Among the suspended texts, the first and perhaps most important area is on intellectual property (IP) Article (Article 18). In particular, provisions related to market exclusivity in pharmaceutical products are suspended, including evergreening patent, data exclusivity, i.e. a period of exclusivity for test data relating to the efficacy and safety of medicines (Article 18.50), patent extension. They were one of the most contentious of the TPP negotiations and strongly opposed by NGOs as it could cause their adverse effect on medical expenses incurred to the public as well as put local pharmaceutical firms in a disadvantageous position. Under CPTPP there is no requirement for the member countries to change its data or market protection settings for new medicines, including small molecule medicines, biological medicines (medicines manufactured in or derived from a living system such as plant or animal cells) and medicines that contain a previously approved active ingredient. CPTPP will allow existing domestic policies of the members' countries that provide patent protection for new uses of known products and make patents available for inventions that are derived from plants, giving us flexibility in the future.

The others but relatively less controversial suspended in the CPTPP are custom administration and trade liberalization on express shipment and delivery, setting up Investor-State Dispute Settlement (ISDS) in certain activities (e.g. natural resources, infrastructure services, financial sector), establishing a channel for firms to voice any unfair treatment that national health care authorities operate or maintain procedures for listing new pharmaceutical products or medical devices (Article 26, Annex 26-A). They are to remove discretion in rules and regulations governed by the authority of member country's governments but some like express shipment⁶ and investment agreement grant better market access for multinationals.

What remains in force in the CPTPP is market access of goods and manufacturing ones in particular, service liberalization and regulatory reforms (state-owned enterprises, e-commerce and

⁶ UPS and Fed Ex are the US companies, ranking at the first and second runners up in the couriers and local delivery service providers in 2017. Data are retrieved from <https://www.statista.com/statistics/236309/market-share-of-global-express-industry/>

government procurement). CPTPP members must offer tariff-free on manufactured products from other members instantaneously when the agreement is in effect. Agricultural products trade liberalization can be implemented with certain transition schedules. Rules of origin used in CPTPP are similar to those in TPP. Service liberalization in CPTPP is undertaken through negative list approach where all but few exceptions will be liberalized after the agreement is in effect. In addition, any newly invented services available will be freely traded among the CPTPP members.

In addition, state-owned enterprises (SOEs) Article (Article 17) still remains unchanged from what was discussed in TPP. In particular, subsidization of state enterprises and requires countries to share information about their enterprises with one another. This is regarded as a big step forward in addressing the difficult issue of state intervention in markets. Articles on e-commerce and government procurement were similarly unchanged from the original TPP agreement. The e-commerce Article has broad protections for data created through digital trade and protects the free flow of information across borders, while the government procurement Article opens government contracts to foreign bidders. These disciplines are positive not only for the CPTPP signatories, but also for the global trading system and are largely consistent with U.S. interests.

5. The Effect of the CPTPP on Thailand

Given the limited space, it is unlikely to conduct a comprehensive assessment of being the CPTPP of Thailand. Instead we focus primarily on market access for goods, the often prime benefit claimed by CPTPP proponents and policy makers. As seen below, the associated benefit claimed is grossly estimated (Section 5.1). In addition, two additional issues are selected to illustrate how the government should harness from being the CPTPP. They are intellectual property protection and service liberalization. Although many controversial articles in the TPP were suspended in the CPTPP, some details in intellectual property article are concerned by local interest groups and NGOs (Section 5.2). So far, discussion about service liberalization commitment has not been at the center of the debate in Thailand. Nonetheless, it is worth to elaborate the commitment as its effect could be immense (Section 5.3). At the end of this sub section, we extend the lesson learn from the service liberalization commitment to remanufacturing products trade liberalization.

5.1 Market Access of Goods

As mentioned, market access for goods was highlighted in convincing public to join the CPTPP in Thailand. The associated benefit includes preferential market access to 500 million population market size as well as the favorable impact on Thailand to be well positioned in the global production sharing networks of multinationals. Such benefit is overclaimed mainly because it is overlooked the fact that the CPTPP is a FTA over the existing FTAs. In fact, true market access effect of the CPTPP is conditioned by commitments made in the FTAs signed earlier. For example, Thailand already signed two FTAs (i.e. TAFTA and AANZFTA in 2006 and 2010). In these two FTAs, Australia offered zero tariff preferential access almost all product lines (i.e. 90 per cent) around 2010 (Table 1). It is less likely for being a member of the CPTPP to have substantial trade enhancing effect for Thai exporters on top of these two signed FTAs. Such an argument is applicable for many East Asian economies including Thailand as they signed many FTAs with their trading partners around the world.

Out of 11, 7 CPTPP members signed more than one FTA. They are Australia, Brunei, Japan, Malaysia, New Zealand, Singapore and Vietnam. More importantly, they offered Thailand zero tariff preferential market access in at least one FTA. The case of Australia was discussed above. The commitments offered by Japan and New Zealand are similar to Australia to a large extent. All original ASEAN members offered zero tariffs to each other in 2006 and such commitments have been in effect for many years so that Thai firms already get preferential access to these FTA partners. All in all, the trade-enhancing effect of being a CPTPP member for Thailand would be limited at least for these 7 members.

Some might argue that it is favorable that rules of origin in the CPTPP allow the members to accumulate intermediates sourced from other members in identifying product originality. This might be easier for firms to comply when a FTA involve larger number of members like the CPTPP. In reality, the result just went opposite as revealed the certification of origin (c/o) records documented in Kohpaiboon and Jongwanich (2019). For example, more than 90 per cent of the c/o records of export from Thailand to Australia went through TAFTA. The similar finding is found in the case of Japan, i.e. 99 per cent of total preferential export from Thailand to Japan applied JTEPA. AJFTA has been hardly utilized so far.

For the other 4 members of the CPTPP, the effect is also limited as revealed by the key features of tariff structures presented in Table 3. They are including weighted and unweighted

average of tariffs, and the tariff distribution. The average tariff in these four countries is already low, ranging between 2.4 and 6.9 per cent, suggesting tariff margin that might have would be small. Examining in the distribution of tariffs at the 6-digit HS classification suggests that it is only Mexico that a FTA like the CPTPP has a potential to promote trade where there were nearly 50 and 25 per cent of tariff lines of agricultural and manufacturing products subject to greater than 10 per cent tariff. Nonetheless, the extent to which the CPTPP could promote preferential export from Thailand to Mexico is still conditioned on various factors such as economic fundamentals for bilateral trade, FTAs Mexico signed with other countries in the region and North American Free Trade Area (NAFTA) in particular, and whether Mexico applies side instruments on these high tariff products in slowing down trade liberalization. So far as revealed by the historical trade record in Figures 1 and 2 above, bilateral trade between Thailand and Mexico, accounting for less than 1 per cent between 2011 and 2016, is less likely to be promoted substantially by the CPTPP.

For the other three, most of products are subject to the low level of tariff (e.g. less than 10 per cent). Note that it seems that tariffs of agricultural products of Canada are relatively high but is likely to be overestimated as a consequence of converting specific tariffs to ad valorem tariff equivalent. In addition, as Thailand signed FTAs with Chile and Peru and substantial tariff cuts began in effect by 2015 and 2016, respectively, marginal effect in terms of market access derived from the CPTPP over and above the just signed FTAs could be negligible.

All in all, the trade enhancing effect of the CPTPP for Thai exporters is rather limited. This makes less incentive to utilize the CPTPP preferential scheme. Rules of origin and their possible deterrence effect become less concerned. This is in sharp contrast with the TPP where Thai exporters had eye on preferential market access in foods and clothing to the US market. In this regard, even though one provision in the CPTPP (Article 3.10 Accumulation) allows the CPTPP members to accumulate intermediates sourced from other members in identifying product originality, it becomes irrelevant.⁷ Hence, what has been argued as the core benefit of being in the CPTPP like preferential market access to 500 million population markets as well as the favorable effect on supply chain formation within the multinationals' production sharing network are grossly overestimated.

⁷ This is different from the TPP. Please see the full discussion about how rules of origin matter in utilizing preferential trade schemes in Kohpaiboon and Jongwanich (2017b).

By sharply contrast, market access commitments would have a significant impact on import side for Thailand. This is because so far Thailand has expressed reluctant to deliver market access commitments under the signed FTAs with developed countries, i.e. Australia, New Zealand and Japan. In particular, Thailand offered tariff free access for only 80 per cent of tariff lines to Australia, Japan and New Zealand (Table 4). For example, trade liberalization is complete for nearly 80 per cent of product lines for Australia and New Zealand. Trade liberalization is far from complete in case of Japan where only 53.1 per cent of product lines are subject to zero-preferential tariffs under JTEPA. There are many manufacturing products whose preferential tariffs are high, i.e. great than 30 per cent. Therefore, being the CPTPP member would allow these FTA partners to press stronger pressures to Thailand in opening up market further. Hence, the true benefit in this regard is opportunity of trade policy reform in spite of undertaking through FTAs. Such benefit seems to be longer-term but associated with short-run adjustment costs of firms in import-competing sectors. Crucially, it remains unclear whether Thai government is fully aware of it and what the trade remedies would be for import-competing firms which fail to adjust to the new competitive environment.

In addition, Article 2.4 (Elimination of Customs Duties) in the CPTPP would have immense implication on market access commitments. In particular, Article 2.4 (4)

“An agreement between two or more of the Parties to accelerate the elimination of a customs duty on an originating good shall supersede any duty rate or staging category determined pursuant to those Parties’ Schedules to Annex 2-D (Tariff Commitments) for that good once approved by each Party to that agreement in accordance with its applicable legal procedures. The parties to that agreement shall inform the other Parties as early as practicable before the new rate of customs duty takes effect.”

This would imply that if Thailand offers better preferential access to some of the CPTPP members in different preferential agreements, such offers must be applicable to the rest of CPTPP members. Hence, as Thailand offers zero-tariff preferential access to ASEAN countries (which four are also the CPTPP members), this article would imply that it must be offered to other members of CPTPP. Hence, it is unlikely for Thailand to seek transition period of tariff elimination schedules.

5.2 Intellectual Property Protection

In the CPTPP, many believe that controversial areas in the IP article are completely removed. In fact, concerns remain. In particular, it is on Article 18.7 International Agreements. It requires member countries to ratify or acceded to each of the following agreements. They are Madrid Protocol concerning the International Registration of Marks, Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure (1977), Singapore Treaty on the Law of Trademarks, International Convention for the Protection of New Varieties of Plants revised at Geneva, March 19,1991 (UPOV91), World Intellectual Property Organization/WIPO Copyright Treaty done at Geneva December 20,1996 (WCT) and WIPO Performances and Phonograms Treaty done at Geneva, December 20, 1996 (WPPT). Among these, UPOV91 seems to be at the centre of hotly debate of joining the CPTPP in Thailand.

In principle, UPOV91 is to strengthen protection granted to breeders of new varieties of plants with a hope to encourage investment in developing a new plant variety. This is derived from the fact that breeding new varieties of plants requires a substantial investment of skills, material resources, money and time. According to WIPO (2006), it could take more than 15 years to bring a new variety to the market so that intellectual property protection must be strengthened to give greater incentives for breeders.

Irrefutably, the intellectual property protection is crucial to create more conducive environment for firms undertaking research and development activities like plant breeding. This is especially true for middle-income countries where firms want to strengthen their technological capability. While the main purpose of the UPOV convention including the latest amended (i.e. UPOV91), it is associated with side effects that could have immense adverse effect on local farmers of a country adopts it. The net benefits of the adoption must be systematically analyzed as well as policy measures should be introduced to mitigate any possible side effects.

In the case of Thailand, the debate has been since the new millennium but yet unsettled. The proponent is led by Department of Agriculture, Ministry of Agriculture and Agricultural Cooperatives. Its alliance includes Agricultural Research Specialist Field and Renewable Energy Crops Research Institute (FCRI), Seed Association of Thailand, Thai Seed Trade Association, and Federation of Safe Agriculture. Their support to rectify UPOV91 is shown by the recent attempt to amend the current Plant Varieties Protection Act, B.E. 2542 (1999). As revealed in the press⁸,

⁸ The information presented here is summarized from the following link, https://www.kehakaset.com/articles_details.php?view_item=613

reasons to support UPOV91 are typical arguments to strengthen intellectual property protection, i.e. improving incentives for new investment in a new plant variety. This is important for Thailand whose agricultural production remains crucial for the economy

On the other hand, the opponents are NGOs e.g. BIOTHAI group, FTA watch, which have long interest on side effects of FTAs signed. The main concern is about constraining local farmers to harness bio-diversification in Thailand and the criminal charges when plant variety right is infringed by local farmers. Many new varieties are developed from existing protected varieties, breeders of such a new variety have to pay a license fee to the owner of the plant variety right in the protected variety if the new variety is commercialized. This would become a constraint for local talents to develop a new plant variety. Although private and non-commercial use of a protected variety would not infringe plant variety right (Article 15(1)), the term 'private' is subject discretion to a certain extent. For example, royalties might be charged when they are considered public, e.g. the use of protected varieties in public parks, botanic gardens, or on road median strips. Many growers also save seed from one year's crop (farm saved seed) which is then used to sow the next year's crop rather than buying fresh seed. Growers may use these saved seed of a protected variety for this purpose, and sell the seed harvested from the crop for purposes other than growing another crop (for example, for human or animal consumption) without paying a license fee to the plant variety right owner. This is prohibited under UPOV91. Local breeders and individual farmers could be disadvantageous as opposed to those working for local conglomerates and/or multinationals in seed industries. The strengthening protection simply gives more market power to the big corporates relative to local farmers.

It is also an unsettle issue among academia. For example, Tanit and others (2007) and ThaiPublica (2012) strongly argue that ratifying UPOV will yield net negative effect to Thailand in terms of food security where Somkiat and others (2006) point to that rectifying UPOV could boost R&D investment. Clearly, it is far beyond the scope of the current paper to solve such disagreement, given limited space and the nature of issue complexity. It would take time to fine tune this disagreement. What revealed here is to point the debate far from over as concerns raised by the opponents are not well addressed by the proponents and the government officials. However, rushing to be in the CPTPP simply makes the disagreement worse and reflects the mandate of the government in signing FTAs.

5.3 Service Liberalization

Basically, the service liberalization commitment undertaken in the CPTPP is negative lists approach where all but few exceptions are liberalized among the member countries. Nonetheless, in some sectors, members can identify non-conforming measures (NCMs) as well as the flexibility to adopt NCMs in certain areas. It would imply that Thailand will aggressively liberalize service sectors with few exceptions. In addition, it is unlikely to impose any trade restriction on new services invented elsewhere.

Such aggressive liberalization approach would bring numerous benefits to Thailand as service activities play a crucial role in altering productivity and export competitiveness of products in Thailand. Liberalizing would lower the service cost and improve the quality delivered. It is even true today as more and more service activities become more tradable.

So far Thailand has been conservative when concerning service sectors liberalization. While Thailand complied with commitment set by World Trade Organization (WTO), the overall sectoral openness remains relatively restrictive by the global standard (Gootiiz and Mattoo, 2009). Even though there has been persistent push for further liberalization beyond WTO commitment in regional agreements (various FTAs), policy reluctance is often observed and liberalization takes place in very selective manner (certain supply modes). Among the signed FTAs, liberalization commitment made under ASEAN Economic Community (AEC) is the most advanced. But Thailand is struggling to deliver her commitment in AEC. For other FTAs, the commitments were in line with WTO (Kohpaiboon et al. 2015: Table 11).

Such policy stance toward service liberalization is derived from the policymakers' ideology where activities in the service sector are often regarded as an economic activity like agriculture and manufacturing sectors. The gains from the liberalization mentioned above have been understated. Hence, decision about service liberalization will be undertaken with great care about the adverse effect that might have on indigenous firms. This would raise crucial question about the readiness of the Thai government to shift liberalization approach. Being in the CPTPP, therefore, offers another reform opportunity but could be associated with adjustment costs. Is such consequence well recognized by firms and policymakers?. Whether measures to minimize adjustment costs are well in place is another question to be answered before moving forward.

Such questions can be applicable to remanufacturing goods that any import and export restrictions must be removed instantaneously as a result of being the CPTPP members (Article

2.11). In principle, remanufacturing, the rebuilding of a product to specifications of the original manufactured product using a combination of reused, repaired and new parts. It requires the repair or replacement of worn out or obsolete components and modules. It is regarded as the alternative to recycling to efficiently make use of materials and to minimize landfill. While a number of studies (e.g. Kohpaiboon et al. 2011 and 2012; Chaowanapong *et al.* ,2016 and 2018) point to potential benefit of properly managing remanufacturing products to Thailand, there are strong opposition from many government agencies such as Food and Drug Administration, Ministry of Public Health. In other words, how to govern remanufacturing products is debatable.

6. Conclusion and Policy Lessons

This paper discusses Comprehensive and Progressive Agreement for Trans-pacific Partnership (CPTPP), and its implication for Thailand. This is important as Thailand expresses interest to be a member of the CPTPP in spite of presence of concerns and disagreement. Narrative analysis in the paper shows that the CPTPP is less likely to create substantial market access for Thai exporters and strengthening Thailand's position in global supply chain of multinationals, which is often claimed by FTA proponents. The main reason is Thailand long signed FTAs with 9 out of 11 CPTPP members and trade liberalization committed in them was complete for a certain period. The marginal effect of opening up market as a result of being in the CPTPP would be negligible. While Mexico could be the exception, historical trade records from 2008 to 2016 suggest the limited benefit.

The actual benefit of being the CPTPP member would be trade liberalization of Thailand to CPTPP partners. Such benefit could be associated with short-run adjustment costs on import-competing sectors. Whether such a consequence is well informed publicly and what remedies available can be used to mitigate any possible adverse effect should be at the top of policy priorities while negotiating to be in the CPTPP but so far having been ignored.

The remaining controversial issues in the intellectual property protection is the commitment to rectify UPOV 1991 convention. While debate about the net benefit to Thailand from rectifying UPOV 1991 is far from over, rushing to be in the CPTPP member as the current government is doing simply makes the disagreement worse and is less likely to harness the potential benefit from strengthening intellectual property protection.

Despite not yet concerned publicly, aggressive service liberalization commitment in the CPTPP is in a sharp contrast to the current conservative policy stance. Irrefutably, service liberalization is beneficial to not only the sector itself but also the country's overall export competitiveness of goods to a large extent but switching the approach of liberalization could result severe adjustment for local firms. This can be applicable to other issue like trade liberalization of remanufacturing goods. Making such commitments must be associated with supplement measures to avoid any abrupt changes.

What revealed in this paper points to concerns of the strategy used in signing a FTA in Thailand. It is done in rush manner to grab almost all FTA negotiation opportunities launched worldwide because of fears of exclusion. All stakeholders are not well informed and concerns have not been properly addressed. While there are always studies assessing the net benefit of every FTA to be signed including the CPTPP, their outcomes were often recognized by other stakeholders due to the conflicts of interest. In particular, these studies were often financially sponsored government agencies in charge of completing the FTA deals such as Department of Trade Negotiation, Ministry of Commerce so that there have not been any studies recommending the net negative effect of a FTA. Hence, protest and disagreement in any FTAs are often found and some signed FTAs have hardly utilized.

Three policy inferences are offered from this paper. Firstly, the government should reconsider how to formulate policy stance toward FTA opportunities launched. An issue-based systematic analysis in each controversial issue in the FTA negotiation is needed, instead of FTA-based one. A more neutral organization (e.g. National Research Council of Thailand) must take a leading role in order to produce more neutral research outcomes that are widely accepted by all stakeholders. This is especially true for topics that would have immense impact on people. The fairer the research conducted, the better the policy stance formulated. Secondly, better communication is needed to allow stakeholders to be aware of true consequence. In the case of CPTPP, it is import liberalization that is the main consequence from the market access agreement, not opening up new export markets. Importing competing sectors should be well informed so that they can be aware of the incoming consequence. Finally, some CPTPP's commitments (e.g. market access, remanufacturing, and service liberalization) could incur adjustment costs to locals. Supplementary measures are needed to be launched to minimize the incurred costs.

Table 1: Thailand's FTAs From 1990

FTA	Signed	Effective	Remarks
1. ASEAN	1990	2006	Tariff reduction completed in 2010 for original ASEAN members; 2015 for new members
2. ASEAN-China	2003	2003	Early harvest program was launched to eliminate tariff on fruits and vegetables (HS 07 and 08) in October 2003. China's tariff reduction – 60% in 2009; and 90% in 2010 Thailand's tariff reduction – 33.3% in 2009; more than 90% in 2010
3. India	Oct-03	n.a.	Early Harvest Program was launched to gradually liberalize 82 product items in September 2004. The rest is under negotiation.
4. Australia	Jul-04	Jan-05	Australia's tariff reduction – 83% (2005), 96.1% (2010), and 100% (2015) Thailand's tariff reduction – 49.5% (2005), 93.3 % (2010), and 100% (2025)
5. New Zealand	Apr-05	Jul-05	New Zealand's tariff reduction – 79.1 (2005), 88.5% (2010), and 100% (2015) Thailand's tariff reduction – 54.1% (2005), 89.7% (2010), and 100% (2025)
6. Peru	Nov-05	Dec-11	Tariff reduction between Thailand and Peru – 50% (2011) and 70% (2015). The full text has not been concluded by May 2016.
7. Chile	2006	Nov-15	Tariff of 90 per cent of product lines was cut to zero by November 2015.

(cont.)

Table 1 (cont.)

FTA	Signed	Effective	Remarks
8. Japan	Apr-07	Nov-07	Japan's tariff reduction – 86.1% (2007) and 91.2 % (2017) Thailand's tariff reduction – 31.1% (2007) and 97.6% (2017) Currently, there is a talk for further liberalization known as JTEPA Phase 2.
9. ASEAN–Japan	Apr-08	Jun-08	Japan's tariff reduction – 85.51 % in December 2008; and 90.16% in April 2018 Thailand's tariff reduction: 30.94% in June 2009, and 86.17% in Apr 2018
10. ASEAN–Korea	Feb-09	Jan-10	Korea's tariff reduction – 90% (2010) Thailand's tariff reduction – 81% (2010), 83% (2012), 86% (2016), and 90% (2017)
11. ASEAN–Australia– New Zealand FTA	Feb-09	Jan-10	Australia's tariff reduction – 96.34 % in 2010; 96.85% in 2016 and 100% in 2020 New Zealand's tariff reduction – 82.47 % in 2010; 88.01% in 2016 and 100% in 2020 Thailand's tariff reduction – 73.05% in 2010; 91.11% in 2016 and 98.89% in 2020
12. ASEAN–India	Aug-09	2010	Tariff reduction began in 2010 with target; 80 per cent of tariff reduction by 2016 for Thailand, Malaysia, Indonesia, Singapore, Brunei Darussalam, and India; by 2021 for new ASEAN members.

(cont.)

Table 1 (cont.)

FTA	Signed	Effective	Remarks
13. Regional Comprehensive Economic Partnership (RCEP)	Under negotiation		Initiated by August 2006, known as ASEAN+6; changed to RCEP in 2011; Plan to cut tariff to zero immediately on at least 65% of product lines.
14. Thailand–EU	Under negotiation/Stalled		Initiated by November 2007 under ASEAN–EU; shift to bilateral agreement with individual ASEAN members in 2009; So far there were four meeting from May 2013 to April 2014 but talk has been stalled due to the 2014 coup
15. Thailand–Canada	Under negotiation		Initiated by March 2012 but stalled due to the 2014 coup.
16. Thailand–EFTA (European Free Trade Association)	Under negotiation/Stalled		Initiated by October 2005 but stalled due to the 2014 coup.
17. Trans-Pacific Partnership (TPP)	Uncertain		The Thai Prime Minister expressed interest in TPP during the US President’s visit to Thailand in November 2012.
18. Thailand-Turkey FTA	Just Launched		Launched the negotiation in July 2016

BIMSTEC = Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (which groups together Bangladesh, Bhutan, Burma, India, Nepal, Sri Lanka ,and Thailand); ASEAN = Association of Southeast Asian Nations; FTA = free trade agreement.

Source: Author’s compilation from official data source. Available at <http://www.dtn.go.th/index.php/forum.html>

Table 2
Basic Economic Features of the CPTPP

Countries	Share of World GDP	Share of world population	Share of international trade	Intra-member trade (% of total trade)	Intra-member FDI (% of total FDI)*
CPTPP	13.1	6.7	30.7	7.8	16.9
TPP	37.1	11.0	54.4	21.5	31.0
RCEP	31.6	47.5	58.5	21.8	31.1
Expanded CPTPP	17.2	13.2	41.8	14.1	24.0

Note: CPTPP members consist of 11 countries including Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam;

TPP members are CPTPP and United States;

RCEP members are Australia, Brunei, Cambodia, China, India, Indonesia, Japan, Laos, Malaysia, Myanmar, New Zealand, Philippines, Singapore, South Korea, Thailand, Vietnam;

Expanded CPTPP members are CPTPP Indonesia, Philippines, Thailand, and South Korea.

* FDI in year 2011 (the latest available)

Sources: GDP and population in 2017 are collected from World Bank database.; international trade data in 2016 is from UN comtrade.; FDI (flow) is collected from UNCTAD FDI/TNC database.

Table 3

Statistics of Tariffs of Chile, Canada, Mexico, and Peru in 2016

	Chile		Canada		Mexico		Peru	
Average	6 (6; 6)		4.0 (15.7; 2.1)		6.9 (13.5; 5.8)		2.4 (2.9; 2.3)	
	Agriculture	Manufacturing	Agriculture	Manufacturing	Agriculture	Manufacturing	Agriculture	Manufacturing
0	0	0.8	68.5	78.8	22.2	54.2	52.3	70.6
(0-5]	0	0	5.6	3.5	3.7	7.7	0	0
(5-10]	100	99.2	11.6	10.3	26.1	14.2	42.2	18.2
(10-15]	0	0	5.2	1.3	9.1	16.4	2.3	11.2
(15-25]	0	0	1.0	6.1	33.9	7.3	0	0
(20-50]	0	0	1.9	0	3.1	0.2	0	0
(50-100]	0	0	0.9	0	1.7	0	0	0
>100	0	0	5.1	0	0	0	0	0

Note: the average tariff on the first row is total, agricultural and manufacturing products, respectively.

Sources: World Trade Organization (WTO) database.

Table 4
 Preferential Tariffs Thailand Offered to Australia, New Zealand and Japan (2010 and 2011)

Tariff Bracket	Australia	New Zealand	Japan 2010	Japan 2011
0	79.4	78.3	41.5	53.1
(0-5]	4.0	4.1	22.9	14.7
(5-10]	0.5	3.9	8.4	5.6
(10-15]	0.2	0.2	2.4	3.9
(15-20]	0.7	0.6	6.3	5.6
(20-25]	0.0	0.0	1.4	0.2
(25-30]	0.1	0.1	0.7	0.7
>30	15.0	12.8	16.4	16.2

Note: there are 5,391 products at the 6-digit HS classification

Source: Authors' compilation from tariff schedules, Ministry of Finance.

Table 5
Suspended Provisions in CPTPP

Articles to be suspended	Contents expressed in the text
<p>Article 5 (Customs Administration and Trade Facilitation) Article 5.7 (Express Shipments) – Paragraph 1 (f) 2nd Sentence</p>	<p>It is to facilitate express shipment activities including no assessment on express shipments for custom duties, minimum documents required for goods release. It also requests the member countries to review the amount periodically taking into account factors that is may consider relevant such as inflation rate, effect on trade facilitation, etc.</p>
<p>Article 9 (Investment) (a) Article 9.1 (Definitions), Paragraph 1, (b) Article 9.19 (Submission of a Claim to Arbitration) (c) Article 9.22 (Selection of Arbitrators), Paragraph 5 (d) Article 9.25 (Governing Law), Paragraph 2 (e) Annex 9-L (Investment Agreements)</p>	<p>The core text is about setting up Investor-State Dispute Settlement (ISDS) narrowly applying to violation of private investment contracts with the government or investment authorisations. ISDS The agreement coverage is natural resources that a national authority controls,(e.g. oil, natural gas, rare earth minerals, timber, gold, iron ore) and infrastructure services (e.g. power generation or distribution, water treatment or distribution, telecommunications, infrastructure projects, such as the construction of roads, bridges, canals, dams or pipelines).</p>
<p>Article 10 (Cross-Border Trade in Services), Annex 10-B (Express Delivery Services) Paragraphs 5 and 6</p>	<p>This is to liberalize express delivery services where the state-owned postal services is advantage to other firms due to its monopoly position.</p>
<p>Article 11 (Financial Services); Article 11.2 (Scope) – Paragraph 2 (b)</p>	<p>It is related the application of Investor-State-Dispute Settlement (ISDS) to cross-border financial services.</p>

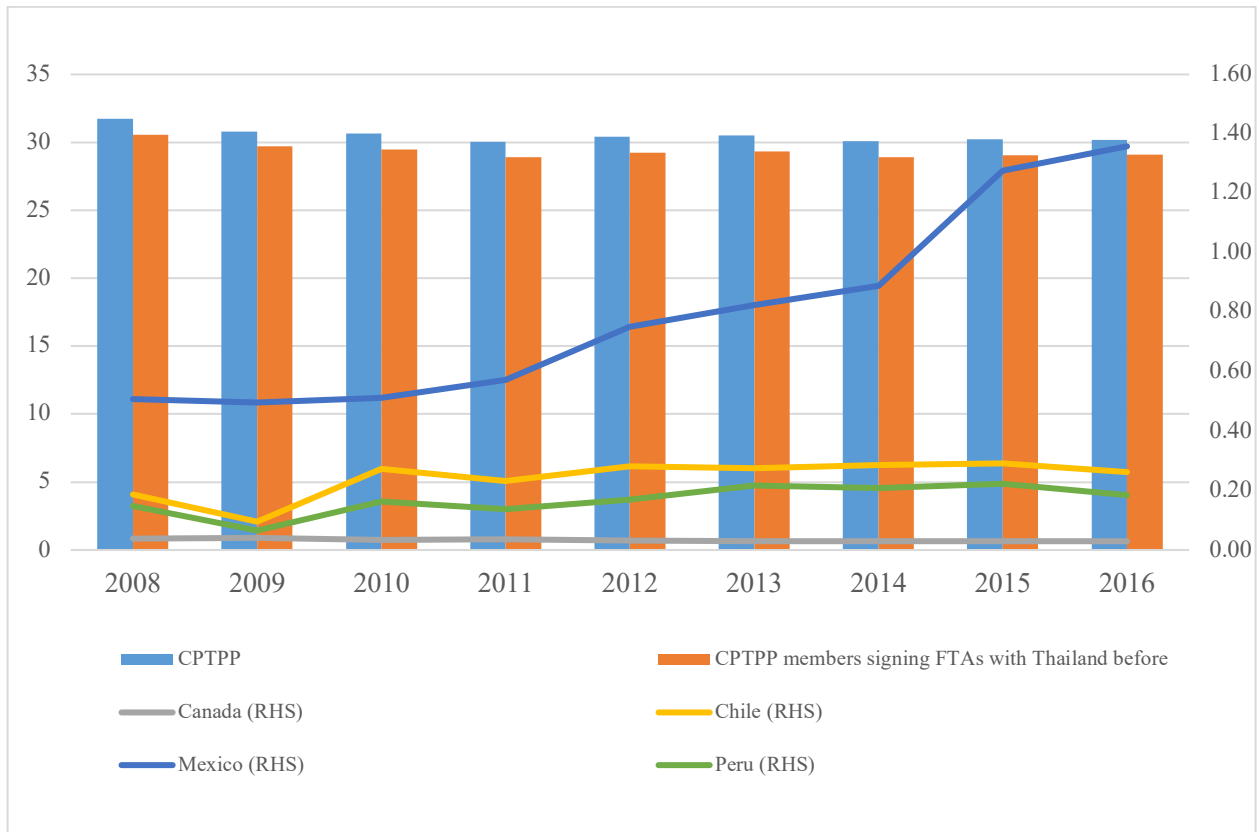
(cont.)

Table 5 (Cont.)

Articles to be suspended	Contents expressed in the text
Article 13 (Telecommunications) Article 13.21 (Resolution of Telecommunications Disputes) – Paragraph 1(d)	This is to set up rules for firms to appeal to or petition the body or other relevant body to reconsider that determination or decision. While the member country government can set up a circumstance where the making of an application for reconsideration is not permitted, it must occur in certain circumstances only.
Article 15 (Government Procurement) Article 15.8 (Conditions for Participation): Paragraph 5 including footnote 1 and Article 15.24 Paragraph 2	It is to guard against any imposition of conditions relating labor rights for participation and specifying timeframe to liberalize government procurement (Initial offer, expanding the offer within three years- Article 15.24(2),
Article 18 (Intellectual Property) -Article 18.8 (National Treatment), All - Article 18.37, Paragraph 2 and 4 (Patentable Subject Matter) - Article 18.46 (All) (Patent Term Adjustment, or Unreasonable Granting Authority Delays) - Article 18.48 (All) (Patent Term Adjustment for Unreasonable Curtailment)	It is related to the availability, acquisition, scope, maintenance and enforcement of intellectual property. The following aspects are suspended; national treatment, additional inventions claims of a known product (new uses, new methods and new processes); inclusion of microorganisms, compensation due to the delay (i.e. granting authority delay and patent curtailment).
Article 20 (Environment) Article 20.17 (Conservation and Trade) – paragraph 5: the phrase “or another applicable law” including footnote 26	It is related to the scope of laws applicable to combat the illegal take of, and illegal trade in, wild fauna and flora, including parts and products thereof. Applicable law includes a law of the jurisdiction where the take or trade occurred and is only relevant to the question of whether the wild fauna and flora has been taken or traded in violation of that law.
Article 26 (Transparency and Anti-corruption): Annex 26-A (Transparency and Procedural Fairness for Pharmaceutical Products and Medical Devices)	It is related to the health-care public authority to recognize the value of pharmaceutical products and medical devices through the operation of competitive markets. The government must set up a channel for firms to voice any unfair treatment that national health care authorities operate or maintain procedures for listing new pharmaceutical products or medical devices.

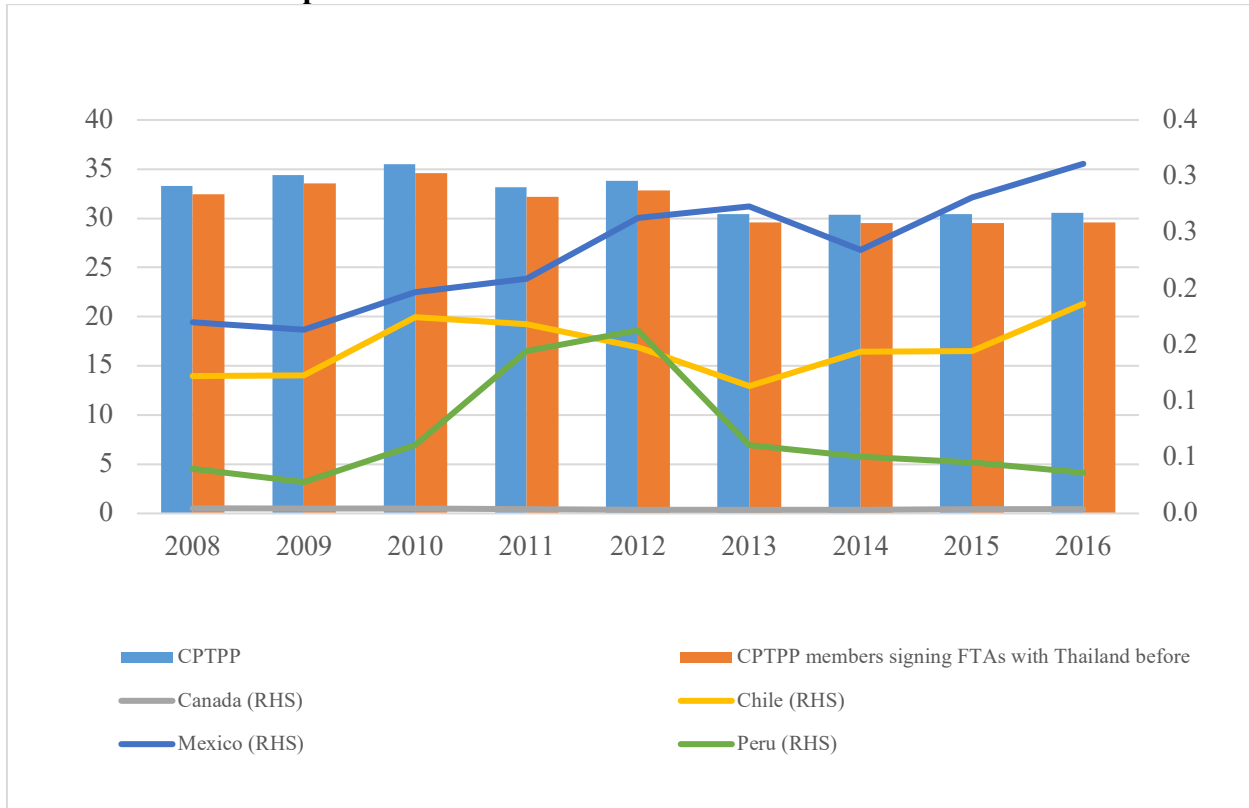
Source: Authors' compilation with the legal text.

Figure 1
Thai Export to the CPTPP Members between 2008 and 2016
(% of total export).



Source: Authors' Compiled with UNComtrade database

Figure 2
Thai Import from the CPTPP Members between 2008 and 2016.



Source: Authors' Compiled with UNComtrade database

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