

Trade pacts may lead to legal changes

NGOs oppose threat to Thai sovereignty

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Thai negotiators working on the Thai-US bilateral free trade area agreement insist that Thailand will only amend existing laws if doing so is found to be in the national interest.

But non-governmental organisations want authorities to reject outright any calls by Washington to amend Thai laws to protect the country's sovereignty.

The free trade area (FTA) agreement with the United States is one of several currently under negotiation under the government's policy to strengthen the country's trade ties overseas. A deal with Australia has already taken effect, while other talks are in progress with India, Japan, Bahrain and other countries.

The FTA strategy has proved controversial, however, with some activists arguing that liberalisation will open some sectors to greater competition, thus hurting domestic producers.

As a result, legal amendments under the FTA framework have become a hotly debated topic. Academics note that amending laws would be time-consuming and complicated because approval from parliament is needed.

Based on US FTA negotiations with other countries such as Chile and Singapore, it is believed that Washington will likely insist that Thailand amend certain laws and change regulations in order to open up its markets.

For example, the US sought a longer protection period for the pharmaceutical industry and demanded that its counterparts extend the patent rights on drugs beyond the 20-year requirement set under the Agreement on Trade Related Intellectual Property Rights (Trips). Thailand's patent law conforms with Trips, which was negotiated under the World Trade Organisation.

Chutima Bunyapraphasara, deputy director-general of the Trade Negotiations Department, said at a recent seminar on FTA agreements that the philosophy of trade negotiations was not to touch upon issues that would lead to legal amendments.

``But, an exception may be made in the Thai-US FTA agreement talks because of the vast market that would become more readily available for Thai exports. The value of Thai exports in this market is about US\$14 billion annually. It is seven times bigger than the

value of exports to Australia, which since Jan 1 has had in effect a bilateral free trade area agreement with Thailand," Ms Chutima said.

Responding to concerns that Thailand, as a relatively small country, would lose out in FTA negotiations, Ms Chutima said the country could terminate the talks at any time if it believed it had nothing to gain from an agreement.

Chanida Chanyapate, deputy director of Focus on the Global South, an NGO that monitors the impact of globalisation, said that basically, Thai law should reflect the needs of Thais as set by members of parliament who are elected by the general population, and should not be interfered with by outsiders.

"Thais should have the right to participate in deciding whether the government should amend certain laws," Ms Chanida said.

She did not agree with the Thai trade negotiating team's policy to keep information confidential, saying that Thailand was not a private corporation and therefore, the process should be transparent.

"Trade negotiators have said that the government must keep everything a secret, otherwise counterparts will find out the negotiating strategy. I don't think this is a very good excuse," she said.

Dr Teerana Bhongmakapat, an economics lecturer at Chulalongkorn University, said not only laws related to intellectual property protection, but also those related to banking and telecommunication must be reviewed under the Thai-US FTA framework. Unfortunately, Thailand has considered these areas as sensitive and has been reluctant to commit to the General Agreement on Trade in Services (Gats).

The third round of FTA talks between the two countries is scheduled for March in Hawaii, the same venue as the previous rounds.