

**AGREEMENT ON BILATERAL COOPERATION BETWEEN THE  
GOVERNMENT OF AUSTRALIA AND THE GOVERNMENT OF THE  
KINGDOM OF THAILAND, DONE AT CANBERRA ON 5 JULY 2004  
[2004] ATNIF 09**

**Documents tabled on 4 August 2004:**

**National Interest Analysis**

**Text of the Proposed Treaty Action**

**Annexures:**

**Consultations**

**Country political brief**

**Country fact sheet**

**List of other treaties with that country**

**List of treaties of the same type with other countries**

## **NATIONAL INTEREST ANALYSIS: CATEGORY B TREATY**

### **SUMMARY PAGE**

#### **Agreement on Bilateral Cooperation between the Government of Australia and the Government of the Kingdom of Thailand, done at Canberra on 5 July 2004 [2004] ATNIF 09**

##### **Date of Tabling of Proposed Treaty Action**

1. 4 August 2004.

##### **Nature and Timing of Proposed Treaty Action**

2. The Agreement was signed on 5 July 2004. It will enter into force when Australia and Thailand exchange diplomatic notes pursuant to Article 8. It is expected that this exchange of Notes will occur once Thailand has passed any necessary enabling legislation which will give the terms of the Agreement the force of law in Thailand.

3. The Agreement will, upon entry into force, terminate the Agreement on Economic Cooperation [1990] ATS 29. The Agreement on Economic Cooperation is now outdated and overlaps with the provisions of the proposed Thailand Australia Free Trade Agreement.

##### **Overview and National Interest Summary**

4. Australia and Thailand have long-standing and established links in a number of bilateral sectors. A decision to conclude a Free Trade Agreement has broadened and deepened the scope of the trade relationship between the two countries. The Agreement on Bilateral Cooperation takes the non-trade dimension of the bilateral of the relationship to a new level through a more formal expression. The Agreement is designed to broaden and deepen links in other bilateral areas including the political, economic, social and security fields. The Agreement establishes a framework to increase dialogue and cooperation with Thailand through the development of closer ties between government agencies through information exchange, consultation and the implementation of specific joint projects. The Agreement also encourages the conclusion of further agreements and arrangements between the two countries.

## **Reasons for Australia to Take the Proposed Treaty Action**

5. The Agreement is designed to stand alongside the proposed Thailand-Australia Free Trade Agreement (TAFTA) and, whilst placing no new specific obligations on Australia, would enhance cooperation and consultation across political, social, security and economic sectors not covered by the TAFTA.
6. The areas of bilateral cooperation covered in the proposed Agreement include security and law enforcement, economic, investment and technical areas not covered by the TAFTA, environment and heritage, natural resource management in agriculture, science and technology and energy, information technology and telecommunications, civil aviation, public administration and public sector reform, immigration, education, culture, social development and tourism.
7. The Agreement would allow Australia and Thailand to identify new initiatives and potential areas of mutual interest, in addition to furthering information exchange and intensifying existing dialogue. It would establish regular Ministerial level consultations between the Parties. A Joint Commission on Bilateral Cooperation would be established to review progress of areas of cooperation and make further recommendations. In doing so, it would take account of the outcomes of annual Thailand-Australia Senior Officials' Talks.

## **Obligations**

8. Article 1 of the Agreement outlines the main objectives of the Agreement in providing a framework for deepening and expanding bilateral cooperation and intensifying cooperation and consultation between the parties, including political, security, economic, social, educational, cultural and technical cooperation.
9. Under Article 2, Australia and Thailand shall endeavour to exchange information and intensify existing dialogue, in addition to identifying new initiatives and other potential areas of mutual interest. Linkages between national government agencies and the implementation of specific projects will be encouraged, in addition to promotion of private sector participation in relevant areas of cooperation.
10. Article 3 sets out a list of principle areas of cooperation under the Agreement. This includes political and security issues, economic, investment, and technical areas that are not covered by the Thailand-Australia Free Trade Agreement, environment and natural and cultural heritage, science and technology, energy, information technology and telecommunications, civil aviation, public administration and public sector reform, immigration, education, culture, social development and tourism, natural resource management in agriculture and other areas as mutually agreed upon by the Parties. The list is not exhaustive and may extend to include other areas of cooperation where mutually agreed by the Parties (Article 3(4)).
11. Article 4 of the Agreement provides for cooperation on matters relating to security and law enforcement and provides in particular for Parties to consult on further cooperation on a range of matters that affect their common security interests. This includes terrorism, arms control and disarmament, transnational and organised crime, the illicit trade in narcotic drugs, illegal immigration and human trafficking and mutual legal assistance in criminal matters and extradition.
12. Article 5 provides that the Parties shall cooperate on consular issues in accordance with the Vienna Convention on Consular Relations. Cooperation shall include the protection of rights and interests of nationals of each Party and earliest possible notification of, and consular access to, detained and/or arrested nationals of each Party. The Parties will also maintain close cooperation under the bilateral prisoner transfer scheme.

13. Article 6 provides for the establishment of a Joint Commission on Bilateral Cooperation, which shall meet at Ministerial level bi-annually to review cooperation and activities under the Agreement. The Joint Commission will review progress made, and make recommendations, concerning the enhancement of cooperative activities, and will take into account outcomes of the annual Thailand Australia Senior Officials Talks and other bilateral consultations as appropriate.

14. Article 7 provides for the automatic termination of the 1990 Agreement on Economic Cooperation between Australia and Thailand [1990] ATS 19 upon the entry into force of the Agreement.

#### **Implementation**

15. No legislation is required to implement Australia's obligations.

16. Obligations under the Agreement will be implemented administratively by relevant agencies and organisations of the Parties, including the Joint Commission on Bilateral Cooperation established under Article 6 of the Agreement.

#### **Costs**

17. There will be no additional costs associated with entry into force of the Agreement.

#### **Consultation**

18. The Agreement was notified to the States and Territories through the Commonwealth-State/Territory Standing Committee on Treaties process, as set out in the consultation annexure.

#### **Regulation Impact Statement**

19. The Office of Regulation Review (Productivity Commission) has been consulted and confirms that a Regulation Impact Statement is not required.

#### **Future Treaty Action**

20. The Agreement does not elaborate procedures for amending the Agreement. Consistent with Article 39 of the *Vienna Convention on the Law of Treaties* (VCLT), the Agreement may be amended by agreement between the parties. The rules laid down in Part II of the VCLT would apply to such an agreement. Any amendment to the provisions of the Agreement would be subject to Australia's domestic treaty process, including tabling before Parliament.

#### **Withdrawal or Denunciation**

21. Under Article 8(1), either Party may terminate the Agreement on six months notice by written notification to the other Party. Article 8(2) provides that revision or termination of the Agreement shall not affect the validity of arrangements already concluded or guarantees given under the Agreement.

#### **Contact details**

Thailand, Vietnam and Laos Section  
Mainland South East Asia Branch  
Department of Foreign Affairs and Trade

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Government of the Kingdom of Thailand, done at Canberra on 5 July 2004  
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Consultation

This Agreement has been done to strengthen and expand bilateral links with Thailand in areas not covered by the TAFTA. The Government of Thailand was consulted in the preparation of the text of the Agreement. Relevant Commonwealth agencies, including all Cabinet portfolios in addition to the Ministers for Veteran's Affairs and Justice and Customs, were involved in, and provided input into, the preparation of the text of the Agreement

State and Territory Premiers/Chief Ministers' Departments have been notified by the Department of Foreign Affairs and Trade (Legal Branch) according to the Commonwealth-State-Territory Standing Committee on Treaties process. There has been no response from States and Territories to notification of the Agreement.

## Thailand Political Brief

### Political Overview

1. Thailand is a constitutional monarchy with a bicameral legislature consisting of an elected House of Representatives and a Senate. Since the early 1980s, there has been considerable reform of Thailand's system of government, which is now one of the most democratic parliamentary systems in Asia. Continuing weaknesses in the system are the prevalence of money and personality-based politics.
2. The Thai constitution was amended in 1997 to reduce corruption and increase the quality of those participating in politics. The new Constitution provided for a significantly changed electoral system, whereby voting was made compulsory and Thailand's previously appointed Senate was transformed into an elected (non-party political) body. The trend to accountability in the Thai political system has been reinforced by the establishment of several new regulatory agencies, including the National Counter Corruption Commission, the Election Commission of Thailand and a Constitutional Court. Although few commentators believe Thai politics will be cleaned up overnight, these generally positive developments provide optimism that the new constitution will, in time, lead to a more accountable political culture.
3. In the 6 January 2001 elections and subsequent second round polls on 29 January, the Thai Rak Thai (Thais love Thai) Party of Dr Thaksin Shinawatra won 248 out of the 500 seats in Thailand's Parliament. Thai Rak Thai merged with the New Aspiration and Seritham Parties and subsequently entered into a coalition with the Chart Thai Party and the Chart Pattana Party. The Government now holds 368 seats, and expectations are that Prime Minister Thaksin will win the general elections scheduled for late 2004 or early 2005.

### Economic Overview

4. The Thai economy recorded strong economic growth in 2003 of 6.7 per cent. Growth is reasonably balanced, with contributions from private consumption, investment (particularly construction) and exports. Private consumption and investment are expected to continue to expand in 2004, due to the recovery of business and consumer confidence, low interest rates and the pro-business, pro-deregulation policies of the government. Analysts are anticipating further strong GDP growth this year in the order of 5.5 to 7.2 per cent.
5. Thailand's export performance in 2003 was a key contributor to improved economic performance, with strong growth to non-traditional markets including Australia. Thailand's ability to maintain strong export growth in 2004 will depend in part on the economic performance of key markets, notably Japan, the USA and EU. Potential risks to Thailand's positive economic outlook include high levels of public debt (around 49 per cent of GDP in 2003), the still fragile state of Thailand's financial, and the potential for external shocks.

### Bilateral Overview

6. Australia's relationship with Thailand is strong and spans trade and investment, defence, police, education, and tourism. In recent years, Australia and Thailand have signed a number of Memoranda of Understanding on issues such as transnational crime, migration, terrorism and social security. In 2003, Thailand was Australia's 12<sup>th</sup> largest export market and our 13<sup>th</sup> largest source of imports. Bilateral merchandise trade was valued at \$5.9 billion, with Thailand enjoying a surplus of \$1.36 billion. Australian investment in Thailand was worth only \$272 million in June 2002, or roughly half the value of Thai investment in Australia. The Thailand-Australia Free Trade Agreement will provide a framework for the expansion of mutually beneficial trade and investment linkages.



# THAILAND

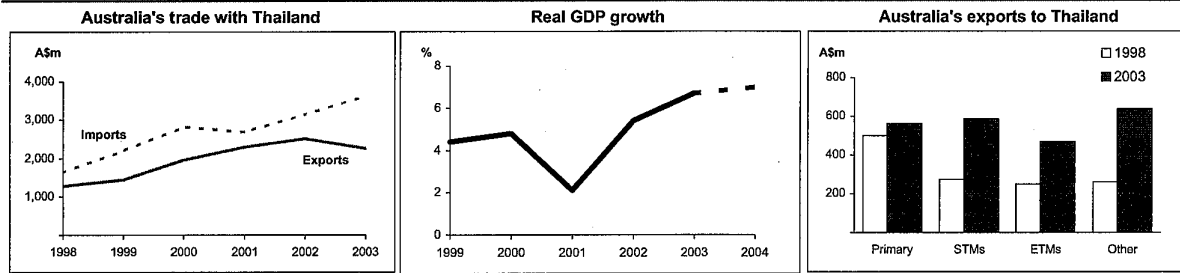
Fact Sheet

## General information:

<b>Capital:</b>	Bangkok	<b>Head of State:</b>	
<b>Surface area:</b>	513 thousand sq km	<b>Head of Government:</b>	H.M. King Bhumibol Adulyadej
<b>Official language:</b>	Thai		
<b>Population:</b>	64.0 million (2003)		
<b>Exchange rate:</b>	A\$1 = 29.3756 Baht (Apr 2004)		

## Recent economic indicators:

	1999	2000	2001	2002	2003(a)	2004(b)
<b>GDP (US\$bn):</b>	122.6	122.7	115.5	126.9	143.2	162.3
<b>GDP per capita (US\$):</b>	1,985	1,967	1,836	1,996	2,230	2,502
<b>Real GDP growth (% change YOY):</b>	4.4	4.8	2.1	5.4	6.7	7.0
<b>Current account balance (US\$m):</b>	12,466	9,328	6,205	7,008	7,975	7,074
<b>Current account balance (% GDP):</b>	10.2	7.6	5.4	5.5	5.6	4.4
<b>Goods &amp; services exports (% GDP):</b>	58.3	66.8	66.0	64.7	65.6	67.2
<b>Inflation (% change YOY):</b>	0.3	1.6	1.7	0.6	1.8	2.2
<b>Unemployment rate (%):</b>	3.0	2.4	3.3	2.4	2.2	2.3



## Australia's trade relationship with Thailand:

### Major Australian exports, 2003 (A\$m):

Aluminium	374
Non-monetary gold	201
Cotton	117
Copper	117
Crude petroleum	106

### Major Australian imports, 2003 (A\$m):

Motor vehicles for transporting goods	750
Heating & cooling equipment	298
Non-monetary gold	168
Prepared seafood	161
Passenger motor vehicles	139

### Australian merchandise trade with Thailand, 2003:

		Total share:	Rank:	Growth (yoy):
Exports to Thailand (A\$m):	2,252	2.1%	12th	-10.4%
Imports from Thailand (A\$m):	3,616	2.8%	13th	15.1%
Total trade (exports + imports) (A\$m):	5,868	2.5%	12th	3.8%
Merchandise trade deficit with Thailand (A\$m):	1,364			

### Australia's trade in services with Thailand, 2003:

		Total share:
Exports of services to Thailand (A\$m):	460	1.4%
Imports of services from Thailand (A\$m):	746	2.3%
Services trade deficit with Thailand (A\$m):	286	

## Thailand's global trade relationships:

### Thailand's principal export destinations, 2003:

1	United States	17.0%
2	Japan	14.2%
3	Singapore	7.3%
4	China	7.1%
5	Hong Kong	5.3%
11	Australia	2.7%

### Thailand's principal import sources, 2003:

1	Japan	24.1%
2	United States	9.4%
3	China	8.0%
4	Malaysia	6.0%
5	Singapore	4.3%
12	Australia	2.1%

Compiled by the Market Information and Analysis Section, DFAT, using the latest data from the ABS, the IMF and various international sources.

(a): all recent data subject to revision; (b): EIU/IMF forecast.

Fact sheets are updated biannually; next update: September 2004

**List of other treaties with Thailand [formerly Siam – renamed 1939]**

- Free Trade Agreement between the Government of Australia and the Government of the Kingdom of Thailand [TAFTA]  
**[2004] ATNIF 10**
- Agreement between the Government of Australia and the Government of the Kingdom of Thailand on the Transfer of Offenders and Cooperation in the Enforcement of Penal Sentences  
**[2002] ATS 22**
- Agreement on Judicial Assistance in Civil and Commercial Matters and Cooperation in Arbitration between Australia and the Kingdom of Thailand  
**[1998] ATS 18**
- Agreement on Economic Cooperation between the Government of Australia and the Kingdom of Thailand  
**[1990] ATS 29**
- Agreement between Australia and the Kingdom of Thailand for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income  
**[1989] ATS 36**
- Agreement on Development Cooperation between the Government of Australia and the Government of the Kingdom of Thailand  
**[1989] ATS 04**
- Exchange of Notes constituting an Agreement between Australia and Thailand to amend the Schedule to the Agreement relating to Air Services of 26 February 1960  
**[1985] ATS 29**
- Trade Agreement between the Government of Australia and the Government of the Kingdom of Thailand  
**[1979] ATS 17**
- Cultural Agreement between the Government of Australia and the Government of Thailand  
**[1974] ATS 33**
- Agreement between the Government of the Commonwealth of Australia and the Government of the Kingdom of Thailand relating to Air Services  
**[1960] ATS 04**



- Exchange of Notes constituting an Agreement between Australia and Thailand relating to Duty Free Entry of Columbia Plan Equipment  
**[1959] ATS 14**
- Exchange of Notes constituting an Agreement between Australia and Thailand regarding the Exchange of Official Publications  
**[1956] ATS 17**
- Agreement between Australia, India and United Kingdom, and Thailand regarding War Graves, and Exchange of Notes  
**[1955] ATS 15**
- Final Peace Agreement between the Government of Australia and the Government of Siam  
**[1946] ATS 13**
- Exchange of Notes extending to certain Mandated Territories the Treaty [between United Kingdom and Siam] respecting the Extradition of Fugitive Criminals of 4 March 1922  
**[1928] ATS 27**
- Treaty [between United Kingdom and Siam] respecting the Extradition of Fugitive Criminals  
**[1911] ATS 09**

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[2004] ATNIF 09**

**List of treaties of the same type with other countries:**

Basic Treaty of Friendship and Co-operation Between Australia and Japan  
[1977] ATS 19

Agreement between the Government of Australia and the Government of the Hashemite  
Kingdom of Jordan regarding Co-operation  
[1978] ATS 21