



# Expansion and Penetration: Influences of the Chinese actors in the Thai Economy in the Post-COVID 19 era

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# **Expansion and Penetration: Influences of the Chinese actors in the Thai Economy in the Post-COVID 19 era**

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## **Summary**

In other words, this research project explains that the widespread of the COVID-19, which reached its peak during 2020 and 2021, and the trade war have not altered or deterred the expansion of Chinese presence in the Thai economy, except the decline in the tourists from China due to the immigration restrictions. Despite the pandemic and the international conflicts, China was still the biggest trade partner of Thailand between 2019-2022. On the contrary, these two phenomena have intensified the growing numbers of Chinese actors, for example, relocated manufacturers and migrated entrepreneurs, according to the statistics of BOI and descriptive data from various sources. In summary, the research project would like raise the argument that the COVID-19 and the trade war could not stop the trajectory of the increase in the Chinese actors' influences in the Thai economy.

## **Introduction**

The primary of this research project is to examine influences of the Chinese actors in the Thai economy, especially after the renormalization of the economy affected by the widespread of the COVID-19 virus. On the one hand, this project can be an updated version of the author's previous work titled "Purchases and Purveyors: Impacts of Chinese Actors on the Thai Economy" (Trin 2020). The project primarily attempts to examine the question of whether and how the outbreak of the Corona Virus has changed the pre-pandemic characteristics of the Chinese actors' influences in Thailand. On the other hand, this project will focuses on different aspects of China-Thailand economic relations. The previous version emphasizes the impacts of Chinese actors as one of the

most impactful purchasers and purveyors of the Thai counterparts. Notably, its main objective is to investigate monopolistic and monopsonistic power of the Chinese actors. The current version shifts the focal point from the utilization of the Chinese actors' power over markets to the flows of economic resources, namely, commodities, capitals, and humans, between Thailand and China. The project, however, present some information of economic flows between Thailand and other countries, particularly the United States of America and Japan, for the sake of the comparison.

Hence, the project will prioritize the contemporary period from 2019 to 2022 in some specific activities, including trades of primary and secondary products, flows of foreign direct investment (FDI), tourism, and higher education. Similar to the previous version, the report employs both quantitative and qualitative methods to investigate and evaluate the Chinese actors' influences in Thailand. The quantitative method, specifically descriptive statistics can provide a general account of the Chinese actors' scale and scope in the specific domains of the transnational flows of resources. Concomitantly, the qualitative method can reveal the real-world situations of these domains and their underpinnings. The project, specifically, examines and analyzes three domains of transnational economic activities, namely, cross-border trades, international investment, and trans-border human movement. The main argument of this project is that the influences of the Chinese actors in different domains of transnational flows of economic resources, represented by the mentioned economic activities, have depended on not only economic factors but also political conditions, such as international conflicts or policies of the host and foreign governments.

The project begins by summarizing the findings, described by the report of the previous version. The description is about patterns and characteristics of the Chinese actors' impacts on the Thai economy in the pre-COVID-19 period, especially between 2015 and 2018 (Trin 2020). In that period, the Chinese actors employed both monopolistic and monopsonistic power to enrich themselves that consequently changed some aspects in the landscape of the Thai economy. In the similar fashion to the previous version, the project specifically chooses to focus on flows of economic resources between China and Thailand

from 2019 to 2022, instead of presenting a general picture of China-Thailand economic relations. These flows can reveal growing influences of the Chinese actors in particular sectors. Then, the project examines trends of exports and imports between China and Thailand in selected products, both primary and secondary goods. The examination of trends in China-Thailand trades can show a degree of the Thai economy's dependence on China as one of the biggest markets for specific exporting goods and one of the largest sources for imported particular products. This examination can also illustrate a status of the Chinese actors as one of the biggest providers of particular goods in Thailand. Next, the project investigates patterns of FDI of the Chinese actors, who have started to divest their funds into some special economic zones, particularly Eastern Economic Corridor (EEC). This investigation argues that the diversion of the Chinese funds has been driven by not only economic factors but also political conditions, especially in the international level. After the international trades and investments, the project explores continuities and changes of mobility of humans across the borders of Thailand and China. Notably, this exploration can answer the question of how the widespread of the COVID-19 has affected the sectors of tourism and education whose incomes have substantially relied on Chinese people. Finally, the project restates its main arguments, presents concluding remarks, and proposes some suggestions for further studies.

## **1. The situations of the impacts of the Chinese actors in the pre-COVID-19 period**

According to Trin (2020), the Chinese actors had some substantial impacts on all three economic sectors, consisting of primary, secondary, and tertiary ones, of the Thai economy. The impacts resulted from the status of the Chinese actors in the Thai economy since they were one of the most influential purchasers and purveyors in Thailand. In other words, the Chinese actors were able to exploit their monopolistic and monopsonistic powers to alter the trajectory of the markets in Thailand. The rise of the Chinese actors as the powerful buyers and sellers had a root in the signing on China-ASEAN<sup>1</sup> Free Trade Agreement (CAFTA) in 2002. CAFTA has served as a foundation of the later bilateral agreements of trade, services and investment between China and Thailand (Liu and

Jayanthakumaran 2016). The series of these China-Thailand bilateral economic agreements have paved the ways for the Chinese agencies to expand their businesses in and penetrate into Thailand's markets.

Historically, the expansion and penetration of the Chinese actors are new phenomena for the Thai society, regarding the facts on China-Thailand relations during the Cold-War era. China and Thailand limitedly formed a diplomatic relation when the Communist Party of China (CPC), based in Beijing, supported the Communist Party of Thailand (CPT)'s insurgencies in Thailand's rural areas, notably in the region of Northeast (Hewison 2018, 118-120). China and Thailand substantially improved their relations during the 1997-8 Asian Financial Crisis (AFC). China assisted the troubled Southeast Asian countries by not depreciating her exchange rate and participating in the program of the ASEAN plus (APT) <sup>2</sup>. These assistances have accordingly changed China's images from the Communist mastermind into the benevolent neighbor of ASEAN's members. In few years before the pandemic outbreak, China has introduced Belt-and-Road Initiative (BRI) which has aimed to improve connectivity of China and other countries by constructing transnational infrastructure networks. Particularly, the BRI has encouraged both China and Thailand to take advantage of the latter's geographical location as the center of the mainland Southeast Asia (Piratorn and Jiranuwant 2018).

The influences of the Chinese actors as monopolistic and monopsonistic actors existed and expanded in three sectors of the Thai economy. Firstly, the Chinese actors dominated markets for particular products in the primary sector (see more details from Trin 2020, 106-111). With the help of the liberalization of Thailand-China trade, Chinese middlemen brought a vast amount of cheaper temperate fruits, such as apples, grapes, and citruses, as well as garlics into Thailand via land transportation. These cheaper temperate fruits and garlics crowded out the local grown products. Specifically, China-origin apples, grapes and citruses, accounted for around 70-85 percent for the quantity of total imported apples, grapes, and citruses in 2018, according to the statistics from UN Comtrade database (2019). The cheaper prices of the China-origin products incentivized Thai consumers to bought goods from the Chinese purveyors. This situation accordingly hurt



some Thai farmers, particularly garlic growers.

Likewise, the Chinese purchasers heavily controlled prices and supply chains of some fruits, particularly durians. In recent years, the Chinese purchasers became the monopsonistic figures in the Thai durian industry. They could directly deal with owners of durian orchards, whose products could be sold at higher prices. This practice consequently enabled the Chinese purchasers to prevent Thai middlemen having an access to durian supplies (Wannarat and Nattapon 2018). The higher price of durians, offered by Chinese purchasers, also encouraged the Thai farmers to change their farms into durian orchards. This change would inevitably enlarged quantities of durians in the Thai market. The expanded numbers of durian farmers and products would enhance the Chinese purchasers' negotiating power in the Thai durian industry. In other words, the higher number of durian orchards in Thailand could increase monopsonistic power of the Chinese middlemen who would have more choices of suppliers.

In a similar fashion to the primary sector, the Chinese agencies were one of the most important sellers and buyers in the secondary sector, especially manufacturing products (see more details from Trin 2020, 113-116; 118-119. On the one hand, the Chinese purveyors used a pricing tactic to penetrate the Thai markets of various manufacturing products, including textile, electric and electronic goods. Because of the lower price of the Chinese products, some Thai entrepreneurs started to import manufacturing goods from factories in China instead of buying from the Thai producers. The Chinese purveyors also opened their stalls in particular provinces, for example, Bangkok and Udon Thani, the regional center in the Northeast, to sell textiles and apparels (Lin and Keeratiporn 2017, 59). Additionally, some of Chinese purveyors attempted to sell their manufacturing products, especially heavy industrial goods like cements and steels, by involving in the construction of the high-speed railway (HSR) project linking Bangkok and Nakhon Ratchasima, a regional center in the Northeast.

Simultaneously, the factories, located in China, became one of the biggest purchasers of Thailand's intermediate products, such as electronic integrated circuits and parts of

computers. The US-China trade war unsurprisingly damaged Thai manufacturers, who produced these intermediate goods, since a demand for these goods from China decreased. The decreased demand for the China-origin goods resulted from the trade policy of the American government which imposed several barriers on imported goods from China. In contrast, The disruption of a supply of Thai intermediated goods could negatively affected the Chinese factories, which needed to purchase these goods to do their businesses, as happened in the case of Thailand's massive flood in 2011 which disrupted production of hard-disk drives. The Chinese factories, hence, needed to import hard-drive disks from Malaysian sources to continue production processes of personal computer plants in China (Abe 2014, 149).

In the tertiary sector, the influence of Chinese agencies as purveyors and purchasers was also clearly manifested via several incidents, although the statistics might not apparently illustrated the monopolistic and monopsonistic power in this sector (see more detail from Trin 2020, 123-127). On the supply side, the Chinese purveyors played a limited role in 'traditional' services in retails, for instance, convenient stores or shopping malls. But they dominated retail activities on an online platform as the platform like Lazada or Shopee became household names for Thai consumers who started to be familiar with online shopping. The domination in the online shopping partially resulted from the policy that tried to promote e-commerce as a part of China-ASEAN bilateral trading activities (see example from Hua 2016, 34.1).

Furthermore, the Chinese purchasers became the key players who was able to determine the situations in some service markers, namely, higher education and tourism. In 2013, Chinese students accounted around 35 percent of total foreign students enrolling in Thai universities (Sukanya 2017). The Chinese businesspersons even took over some Thai universities, e.g., Krirk University and Stamford International University. The inflows of Chinese students into the Thai universities was driven by not only educational reasons but also economic objectives since several Chinese students aimed to grasp commercial opportunities in Thailand after they graduated (Wannachok 2018). For tourism sector, the Chinese tourists was the biggest group of the foreign tourists in Thailand for many years

before the outbreak of COVID-19. Despite some contributions to the Thai economy, the activities relating to the Chinese tourists caused particular troubles for the Thai society. A case in point was “low-cost tourism” that offered the Chinese travelers a low price tourist package in exchange of buying overpriced goods in specific shops. The low-cost tourism inevitably damaged Thailand’s image and overlooked benefits of the Thai people who hardly gained from this activity (Chairirk 2015, 55-58).

Based on this part’s description, the project initially tackles the question of whether the widespread of COVID-19 and the trade war between China and the United States of America have altered the status of the Chinese agencies as one of the most influential purchasers and purveyors in Thailand. This project, however, adds other aspects of cross-border economic resources apart from movement of tradable goods. The project specifically analyses flows of capitals and humans in the new normal era created by the COVID-19.

## **2. Flows of Tradable Goods between Thailand and China**

The flows of tradable goods between Thailand and China did not significantly change by the widespread of COVID-19 regarding to the statistics of trade between 2018 and 2022. Specifically, Details of flows of tradable goods, both export and import, between Thailand and China are derived from the statistics collected by the Center of Information Technology and Communication, the Office of the Permanent Secretary of the Ministry of Commerce and Thai Customs (2023). According to the statistics, China was Thailand’s biggest partner between 2018 and 2022, in terms of values of trade. In this period, the proportion of Thailand’s trade with China to total trade was around one-fifth (20%) to one-fourth (25%). In other words, situations of trades with China could substantially affect trajectory of Thailand’s international trades.

Likewise, Japan and the United States of America were the second-largest and the third-largest trade partners of Thailand, respectively, from 2018-2021. But, in the 2022, the United States of America became the second-largest while Japan went down to the third-largest. The proportions of Thailand’s trade with Japan and the United States of America

were around 10 to 18 percent. Statistically, the proportion of Thailand's trade with the three biggest partners was about 30 to 40 percent in the period of 2018 to 2022. Hence, the economic and trading situations of China, Japan, and the United States of America could have a significant impact on Thailand's economy and trading activities, since these countries accounted for nearly half of Thailand's total trade with the world.

The status of China as the biggest partner of Thailand in recent years, to some extent, reflected the Thai elites' perceptiveness towards changes in international politics and economy. The Thai elites, especially during the military-dominated Prayuth government (2014-2023), perceived China as the benevolent central kingdom because the Chinese government committed to non-interference principle and gave political support to the junta (Cogen 2019, 38). Notably, the Thai elites utilized China to counter the interference of the American government, which occasionally asked the junta to organize the election to give power back to civilians. When the Pentagon decided to scale-down Thailand-U.S. joint military training, the Chinese, on the contrary, enlarged the military exercise. The Thai government under the junta shifted from balancing strategy to being accommodate with China's interests that sometimes compromise the national interest of Thailand.

In addition to the changing relation with the United States of America, the Thai state also adjusted its relation with Japan due to the Japanese government's strategy and Thai people's perception towards the latter. Japan relied on the soft power tactics, which mainly consisted of persuasive methods. Japan, thus, could maintain her friendly and stable image but these tactics prioritized "geographical status-quo" in the regional level rather than recreating Japan as the alternative power, apart from China and the United States of America (Carminati 2020). In contrast, China adopted the soft power strategies in a more active fashion with economic linkages, despite being risky. The Thai state started to cooperate with the Chinese agencies in some areas, such as high-speed railway development, in a higher degree. Furthermore, according to the survey, the sampled Thai people would not support Japan to strengthen her presence in the region since these people realized that China was the biggest trade partner (Saifullah, Narut, and Zakiul 2023). The Thai people explained that the Japanese initiative to counter China's presence could

disrupt peaceful environment and damage Thailand's economy whose revenues increasing relied on the Chinese market.

### ***Thailand's trading relation with China and the World***

**Table 1: Thailand's trade with China** (Unit: million baht)

<b>Activities/Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Trade (China)</b>	2,480,419	2,494,287	3,301,717	3,678,998
<b>Export (China)</b>	902,188	926,646	1,173,761	1,191,875
<b>Import (China)</b>	1,578,231	1,567,640	2,127,955	2,487,122
<b>Trade Balance (China)</b>	(676,043)	(640,993)	(954,194)	(1,295,247)

**Source:** Comprised from the Center of Information Technology and Communication, the Office of the Permanent Secretary of the Ministry of Commerce and Thai Customs (2023)

Table 1 shows details of trading statistics of Thailand-China trade. From 2019 to 2022, Thailand and China needed to impose more strict control measures on borders to contain the widespread of the COVID-19. These measures, however, did not have any negative impacts on Thailand-China bilateral trade, as illustrated by Table 1. The volume of Thailand-China trade substantially increased from around 2.4 trillion baht in 2019 to 3.6 trillion baht in 2022. Similarly, the value of Thailand's export to China gradually increased from around 0.9 trillion baht in 2019 to about 1.2 trillion baht in 2022. Despite the pandemic causing both countries to strictly control the borders, the value of Thailand's trade with and export to China did not decline in any year in the period of 2019-2022. But the value of Thailand's import from China slight decreased from about 1.57 trillion baht in 2019 to 1.56 trillion baht in 2020. The import's values recovered to around 2.1 and 2.4 trillion baht in 2021 and 2022, respectively. From the perspective of Thailand, the concern of her trade with China should be the growing values of trade deficits, which sharply increased from around 0.67 trillion baht in 2019 to 1.3 trillion baht in 2022. In other words, the trade with China might not bring benefits, in terms of gains of foreign exchanges, to Thailand.

Thailand's trade deficits with China resulted from massive amounts of inflows of Chinese

goods. With the help of the online platform, such as TikTok, some Thai purveyors chose to import cheaper Chinese goods to sell it to Thai consumers. These cheaper goods from China outcompeted the Thai products as the Chinese manufacturers, notably in textiles, had lower costs of production and ability to produce in a large scale. The inflows of cheaper goods, consequently, deteriorated revenues of Thai Small-and-Medium Enterprises (SMEs), which had to ‘unfairly’ compete with Chinese goods (*Prachacharthurakij*, April 12, 2023). The leading figure of the Thai SMEs’ association requested the government to inspect whether these Chinese imported goods comply with Thailand’s regulations.

As of April 2023, the top ten Chinese imported goods in the Thai market consisted of (1) electric machines and parts, (2) electric appliances, (3) chemical products, (4) machineries and parts, (5) computers, (6) equipment and parts, (7) irons/steels and products, (8) minerals, metal scraps, and products, (9) metallic products, and (10) vehicles and electronic circuits (*Prachacharthurakij*, April 12, 2023). Briefly, the list of Thailand’s top ten imported goods from China indicated that Thai people bought a huge amounts of manufacturing goods from China, in terms of values. This situation, to some extent, implied that the Thai manufacturers lost their competitive edge against the Chinese counterparts.

Inflows of Chinese goods to Thailand were additionally increased by the introduction of new regulations in other markets, such as the United States of America or European Union (EU). A case in point was Carbon Border Adjustment Mechanism (CBAM) imposed by EU on goods exported to the European market. The EU’s authority has started to enforce CBAM since the first of October of 2023 to importers of six groups of goods, both upstream and downstream ones. These groups of goods include (1) iron and steel, (2) aluminum, (3) cements, (4) fertilizer, (5) electricity, and (6) hydrogens (*Prachachartthurakuj*, December 14, 2023). CBAM makes the imported goods in these groups become more expensive in the European market because CBAM will act like carbon taxes applied to the importers. As a consequence of the application of CBAM, the Chinese manufacturers have shifted their export destinations from European countries to

Southeast Asian ones, including Thailand. The shift in export markets has led to increase in inflows of Chinese manufacturing goods, according to the above list, to Thailand. This situation has worsened Thailand's trade deficits with China.

According to the statistics of the Center of Information Technology and Communication, the Office of the Permanent Secretary of the Ministry of Commerce and Thai Customs (2023), Thailand's exporting goods to the Chinese market were mainly primary products, minerals, intermediated goods like parts and components. In 2022, Thailand's top fifteen exporting goods to China were (1) fruits (fresh, chilled, frozen, and dried), (2) rubber products, (3) plastic pellets, (4) cassava products, (5) computers, parts and components, (6) chemical products, (7) rubbers, (8) woods and wood products, (9) other manufacturing products, (10) coppers, (11) electronic circuits, (12) machineries, parts and components, (13) agricultural manufacturing goods, (14) motorcycles, parts and components, (15) automobiles, parts and components. The values of these fifteen exporting goods accounted for around 77 percent or more than third-fourth of the total value of Thailand's export to China in 2022.

**Table 2: Thailand's trade with the World** (Unit: million baht)

<b>Activities/Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Trade (World)</b>	15,054,049	13,659,853	17,094,524	20,526,714
<b>Export (World)</b>	7,628,400	7,183,567	8,568,939	9,957,072
<b>Import (World)</b>	7,425,648	6,476,267	8,525,584	10,569,641
<b>Trade Balance (World)</b>	202,751	707,300	43,355	(612,569)

**Source:** Comprised from the Center of Information Technology and Communication, the Office of the Permanent Secretary of the Ministry of Commerce and Thai Customs (2023)

Table 2 illustrates details of trading statistics of Thailand's trade with the World. Between 2019 and 2020 when there was no effective way of vaccination against the COVID-19, the value of Thailand's trade with the world market decreased from 15.05 trillion baht to 13.66 trillion baht. Specifically, in the same period, the value of Thailand's export decreased from 7.63 trillion baht to 7.18 trillion baht and the value of Thailand's import

also decreased from 7.43 trillion baht to 6.48 trillion baht. The value of Thailand's trade started to rise subsequently as the value reached 17.09 trillion baht and 20.53 trillion baht in 2021 and 2022, respectively. The values of Thailand's export also rose to around 8.57 trillion baht in 2021 and 9.96 trillion baht in 2022. Thailand's import values simultaneously increased to 8.53 trillion baht in 2021 and 10.6 trillion baht in 2022.

Somewhat similar to trades with China, Thailand's trade balance with the World continually deteriorated overtime. Remarkably, the value of Thailand had a surplus in trade with the world in 2020 when its value reached 0.7 trillion baht. But the surplus got smaller to the level of just 0.43 trillion baht in 2021 before Thailand confronted with a trade deficit, whose value was around 1.3 trillion baht, in 2022. This situation can raise the question of how and why the widespread of COVID-19 has related to the deterioration of Thailand's trade balance with the world. The answer of this question does not relate to impacts of the pandemic but related to a consequence of the effectively recovery from the COVID-19.

Thailand's trade deficit was primarily caused by imports of energies, especially oils, whose prices substantially rose in recent years. In 2022, the value of imported fuel goods increased by 67 percent, compared with 2021 (*Thansetthakij*, October 15, 2023). The value of Thailand's imports of fuels and energies reached around 2.1 trillion baht in 2022. The increase in imported fuels' values resulted from not only rising demands of energies, caused by the normalization of economic activities in various parts of the world, but also the invasion of Russia to Ukraine that worsened the situation of high energy prices (*Prachachartthurakij*, March 6, 2023). The growing deficit of Thailand's trade with the World illustrated that the Thai economy heavily relied on imported resources, particularly oils and fuels. This situation could implicitly pinpoint the Thai economy's vulnerability. After illustrating the bird's eye view picture of Thailand-China trade, the project discusses some specific goods which can reflect some changes in economic relationship between Thailand and China. These goods consist of fruits, material goods, capital goods, automobiles, and military goods.



## ***Fruits***

Between 2019 and 2022, China was the biggest market of Thailand's export of agricultural goods, including crops, livestock, and fishery products. The values of these exports were about 0.19 trillion baht to 0.36 trillion baht, according to the statistics of the Center of Information Technology and Communication, the Office of the Permanent Secretary of the Ministry of Commerce and Thai Customs (2023). Likewise, Japan and the United States of America were the second-biggest and third-biggest markets of the Thai agricultural goods in the same period. As mentioned earlier, Thailand's biggest exporting goods to China were fruits (fresh, chilled, frozen, and dried), in terms of value. In 2022, the value of exports of Thai fruits to China accounted about 14 percent of Thailand's total export to the Chinese market. In terms of the proportion to Thailand's total export of agricultural goods to China, the exports of fruits gained around 46 percent or nearly half of the total value of this kind of export.

A case in point of Thailand's exporting fruits to China was durians, regarded by several people as the king of the fruits. The values of Thailand's exports of durians skyrocketed from about 26.34 billion baht in 2019 to 106 billion baht in 2022. Based on this statistics, the widespread of the COVID-19 had limited or no effects on Thailand's exports of durians. This situation means that durian exports accounted for 29 percent or around one-third of Thailand's total exports of agricultural products to the Chinese market. The top five destinations of Thailand's durians in 2022 were China, Hong Kong, Taiwan, Malaysia, and the United States of American but China gained the lion's share as the market for Thailand's durian exports. In 2022, the value of Thailand's export of durian to China was around 106 billion baht which accounted for 96 percent of the Thailand's total value of durian exports. In other words, nearly all of Thai durians were exported to the Chinese market that consequently made the export of Thai durians become vulnerable to situations in the Chinese market.

The vulnerability of the Thai durians to the situations in China can be obviously seen during the peak of the pandemic, although the value of Thailand's durian exports

increased. As the Chinese government under Xi Jinping employed “zero-COVID” measures that seriously controlled and monitored cross-borders, the Thai durians and middlemen were damaged by these measures. Notably, the zero-COVID measures indirectly forced the middlemen, both Thai and Chinese, to lower their buying prices from durian farmers, in spite of the preexisting agreement of the prices (*Prachachartthurakij*, February 15, 2020). In details, the zero-COVID measures presented a huge cost and risk to the exports of Thai durians and other fruits because of higher logistic costs. Following the strict measures, every truck and container needed to be inspected by the Chinese officers at the borders (*Thansettakij*, April 30, 2022). If the Chinese authorities at the borders found the deflection infection of the corona virus in the exporting durians frequently, the authorities would be able to close the border for Thailand’s exports.

### ***Material goods***

Between 2019 and 2022, the value of Thailand’s imports of material goods from China gradually increased from 534.8 billion baht to 986.23 billion baht, according to the statistics of the Center of Information Technology and Communication, the Office of the Permanent Secretary of the Ministry of Commerce and Thai Customs (2023). Similar to the case of durian exports, the COVID-19 seemed to have limited impacts on material good imports. Unlike the export of Thai durians, China did not gained the lion’s share of this activity since the imports of Chinese material goods accounted for about 22 percent or one-fifth of Thailand’s total imports of material goods in 2022. However, China was still the biggest sources of Thailand’s material goods in this period. The ratios of Japan and Taiwan in material good imports of Thailand were about 13 percent and 7 percent, respectively, in 2022.

According to the report of the Office of the National Economic and Social Development Council (NESDB), the increase of material good import was a result of the rising in global demands of particular products, such as electric and electronic goods. This condition expanded the import of raw material goods, for example, electronic parts, to cope with the production for rising demands. This situation could imply that the increase in

Thailand's imports of material goods from China related to the recovery of the global demand for electric and electronic goods. Even before the outbreak of the COVID-19, Thailand began to import material goods from sources in China and Southeast Asia that had replaced Japanese counterparts (Upalat 2019, 7). In recent years, Thailand has increased imports of material goods than China since her producers have climbed in higher position in global value chains (GVCs).

In contrast, China was not the biggest market of Thailand's material goods, particularly minerals and fuels. In 2019, China imported minerals and fuels from Thailand around 31.61 billion baht and was the fourth-largest importer. But the value of China's imports of minerals and fuels from Thailand sharply decreased to merely 18.38 billion baht in 2022 and China became the ninth-largest importer. In a similar fashion to mineral and fuel exports, Thailand also confronted with the decrease of exports of other material goods, particular plastic pellets, due to the lowered demands of Chinese consumers. The lowered demands were results of the collapse of big Chinese real estate firms, especially Evergrande, and the rising living costs in the Chinese market (Praphasri 2023).

### ***Capital goods***

Between 2019 and 2022, the value of Thailand's import of capital goods from China increased from 534.8 trillion baht to 871.45 billion baht, according to the statistics of the Center of Information Technology and Communication, the Office of the Permanent Secretary of the Ministry of Commerce and Thai Customs (2023). In 2022, the share of imported capital goods from China accounted for around 37 percent of Thailand's total imports of capital goods. This situation, hence, meant that Thailand significantly relied on the Chinese capital goods. But the value of Thailand's export of machineries to China was in the range of around 17 billion baht to 23.65 billion baht in the same period. From 2021 to 2022, Thailand's exports of machineries hardly grew as their values just merely increased from around 23.1 billion baht to 23.65 billion baht or the values just increased only 2 percent.

Simultaneously, Japan and the United States of America were the second-largest and

third-largest sources of Thailand's imported capital goods mostly between 2019 and 2022. Except for 2021, the United States of America was the fourth-largest sources of capital goods while Malaysia replaced the former as the third-largest one. But in this period, Malaysia was mostly the fourth-largest sources of imported capital goods. In 2022, Japanese and American sources accounted for 17 percent and 7 percent of Thailand's total values of imported capital goods, respectively. Statistically, the value of Chinese capital goods in the Thai market was higher than the sum of the Japanese and American counterparts in 2022.

This kind of situation in imports of capital goods in Thailand also happened in other Southeast Asian countries. According to Tanuwidjaja and Santoso (2023), ASEAN members imported a vast amount of electric machineries and equipment as well as other capital goods for specific activities. Tanuwidjaja and Santoso also describes that these countries imported machineries and mechanical appliances from Japan. The imports of capital goods played an important role in creating ASEAN countries' trade deficits with China and Japan. Compared to other countries in the region, Thailand experienced the deepest deficits with China; Thailand's deficit reached 9.8 billion UDS, approximately, in 2022.

Despite the potential of growing trade deficits partially caused by imports of capital goods, Thailand inevitably relied on these imported products from China and Japan. These capital goods were crucial for producing manufacturing goods, which have been among Thailand's most important exports. When demands for these exporting products in foreign markets increased, the factories, located in Thailand, needed to import a higher quantities of these capital goods. For instance, the value of Thailand's import of iron processing machines reached 23.47 billion baht in the first nine month of 2023 (Thamonton 2023). The import of these machines grew by around 4.6 percent, compared to last year. China and Japan were in the top five of the largest sources of these machines, along with Taiwan, Germany, and South Korea. The growth of the imports of these machines related to increases in Thailand's exports of automobiles, especially trucks, whose values reached 297 billion baht in the same period.

## ***Automobiles***

Between 2019 and 2022, the value of Thailand's imports of automobiles and equipment from China increased from 84.48 billion baht to 97.1 billion baht, according to the statistics of the Center of Information Technology and Communication, the Office of the Permanent Secretary of the Ministry of Commerce and Thai Customs (2023). In this period, the peak year of Thailand's import of Chinese automobiles and equipment was 2021 when the value reached 103.84 billion baht. China-made automobiles and equipment accounted for around 22.64 percent of the total value Thailand's imports of automobiles and equipment in 2022 while this ratio had been only 18 percent in 2019. In brief, the proportion of China's automobiles in total imported automobiles in Thailand rose in this period. This situation enabled China to enjoy her status as the second-largest sources of import automobiles and equipment in Thailand.

In contrast, the value of Thailand's imports of automobiles and equipment from Japan slightly decreased from 144.43 billion baht in 2019 to 120.33 billion baht in 2022. Similar to China-made automobiles and equipment, the peak year of Thailand's imports of these goods from Japan was 2021 when the value reached 130.68 billion baht. Japan-made automobiles and equipment accounted for around 27 percent in 2022 but this value had been 30 percent in 2019. This situation, hence, illustrated that Japan-made imported automobiles and equipment faced a substantial decline in both absolute and relative terms. Although Japan were the largest sources of Thailand's imports of automobiles and equipment in the period of 2019-2022, her quantities of imported products and ratios of the market sales got smaller.

To some extent, the rise of China-made vehicles and equipment and the relatively decline of these products from Japan correlated to the growing popularity of Electric Vehicles (EVs) among Thai consumers. Based on the report of Silarom (2022b), the quantity of imported EVs from China was around 59,735 units of EVs in the first-nine months of 2022. This quantity indicated increase in Chinese EVs by 176 percent, compared to the same period in 2021. Because of the growing market in Thailand, some Chinese EVs

producers, such as BYD (Build Your Dreams), GWM (Great Wall Motor), and Hozon Auto planned to relocate some of their production plants to Thailand. These Chinese EVs producers also took advantage of zero rate of import taxes based on China-ASEAN Free Trade Agreement (*Thansetthakij*, October 27, 2021). The Japanese counterparts expressed the opinion that the practice of zero import tax would not led to the fair competition in the automobile market.

However, the losing competitive of Japanese automobile producers in Thailand was derived from not only policies on import taxes but also their inability to compete in the development of EVs technologies. Silarom (2022a) explains that the Japanese automobile producers developed and adapted to EVs production slowly, compared to the Chinese counterparts. The slow development and adaption of the Japanese companies could cause some problems to Thailand since her economy relied on the networks of the Japanese automobile production and assembly.

### ***Military goods***

Between 2019 and 2022, the value of Thailand's imports of military goods from China skyrocketed from around 4.59 billion baht to 52.16 billion baht, according to the statistics of the Center of Information Technology and Communication, the Office of the Permanent Secretary of the Ministry of Commerce and Thai Customs (2023). But the value was quite unstable in this period. For example, this value increased from around 4.59 billion baht in 2019 to 5.63 billion baht in 2020 before decreasing to about 2.93 billion baht in 2021. These unstable values, thus, made the ration of imported China's military goods to the total value of Thailand's import of these goods being fluctuated. For instance, this ratio was just 8 percent to Thailand's imports of military goods in 2020 but rose to 38 percent in 2022. Notably, China was the biggest source of Thailand's military goods in 2022 while the United States of America were the third-largest source, despite being the largest source for many years.

On the contrary to China, the United States experienced a decline of their exports of military goods to Thailand. The value of the former's military good export to Thailand

decreased from 72.76 billion baht in 2019 to 14.58 billion baht in 2022. The share of American military goods to total value of Thailand's imported military goods sharply from 84 percent in 2019 to merely 10 percent in 2022. From 2019 to 2020, the United States of America was the largest source of the Thailand's imported military goods. The turning point was 2021 when China slightly outcompete the American counterpart by the margin and became the largest source. Nevertheless, in the period of 2019-2022, the value of Thailand's imports of military goods reached the lowest point in 2021. This situation was a result of the widespread of the COVID-19 virus which drove the government to cut budgets of military affairs, including purchases of military goods (*Thansetthakij*, January 12, 2022).

The growing values of Thailand's imports of military goods from China correlated with the close ties in military affairs between two countries since the Prayuth government had come to power in 2014. Between 2014 and 2019, the Thai and Chinese militaries organized joint-training programs regularly and settled more than 10 major arm deals, such as submarines and battle tanks (Fulco and Chen 2023). The surge of exports of Chinese military goods to Thailand also indicated the improvement of China's capacity in providing high-tech military equipment with lower prices. In contrast, as recent as May of 2023, the American entity refused to sell F-35 to the Thai Air Force on the basis of training and technical issues (Reuter, May 25, 2023). Some commentators interpreted the refusal to sell F-35 as a sign of declining security relations between Thailand and the United States of America.

### **3. Flows of Capitals between Thailand and China**

The flows of capitals between Thailand and China, particularly capital inflows from the latter to the former, dramatically changed in the closing period of the 2010s. According to Statista (2023), the values of Foreign Direct Investment (FDI) inflows from China varied from about 400 million USD to 1,100 million USD between 2012 and 2018. However, the values of Chinese FDI inflows to Thailand were never lower than 1,200 million USD in the period of 2019 -2022. The peak year of China's FDI inflows to

Thailand was 2020 when its value was 1,882.88 million USD while this value reached the lowest point of 1,271.8 million USD in 2022. Even the lowest value of the period of 2019-2022 was still higher than the peak year of the previous period covering from 2012 to 2018. The total value of China's FDI inflows just illustrates a fraction of the changes in flows of Chinese capitals to Thailand.

Regardless of increase in FDI inflows from China, Japan stills provided a higher amount of FDI inflows of Thailand between 2019 and 2022, according to the statistics of the Bank of Thailand (2023). The values of the Japanese FDI inflows were volatile in this period. In 2019, the value of Japan's FDI inflows was 85.34 billion baht before this value declined to 41.44 billion baht in 2020. The value of the Japanese FDI inflows, nonetheless, rose to around 106.77 billion baht in 2021, but this value went down to the level of 64.43 billion baht in 2022. Likewise, the inflows of the United States of America to Thailand increased from minus 96 million baht to 46.09 billion baht in 2022. However, in 2019 and 2022, Singapore was the biggest provider of FDI inflows to Thailand as it provided more than 100 billion baht of FDI inflows in both years. Remarkably, the values of Singapore's FDI inflows to Thailand were 161.75 billion baht in 2019 and 132.75 billion baht in 2022. These data illustrated that China was not the biggest source of FDI inflows to Thailand since her values of FDI inflows were lower than Singapore and Japan, although the value of China's FDI was rising.

Another aspect of the situation of capitals between Thailand and China can be seen from the statistics of numbers of foreign investors which applied for the promotion from the Board of Investment (BOI). The primary aim of the BOI is to encourage foreign investors to conduct economic activities in Thailand by giving some kinds of promotion, especially tax reduction and exemption for some amounts of time. In 2019, there are 227 Japan-based projects applying for the BOI's promotion of the foreign investors. These Japan-based projects accounted for 23 percent of the total numbers of the foreign projects applying for BOI's promotion. In the same year, Chinese companies applied 203 projects for the BOI's promotion (Board of Investment, 2020). However, the value of the Chinese investment projects, which applied for BOI's promotion, was higher than the Japanese



counterparts in 2019. Specifically, the values of the Chinese and Japanese projects were 261.71 billion baht and 73.10 billion baht, respectively. The value of the Chinese projects was nearly four times higher than the value of the Japanese projects. The value of the Chinese projects accounted for 52 percent of the value of every project of foreign investors applying for the promotion of BOI.

In 2022, there are 293 Japan-based projects applying for the BOI's promotion of the foreign investors. These Japan-based projects accounted for 27 percent of the total numbers of the foreign projects applying for BOI's promotion. In the same year, Chinese companies applied 158 projects for the BOI's promotion (Board of Investment, 2023). The numbers of the Japanese projects was higher than the amounts of the Chinese counterparts by nearly hundred percent. However, the value of the Chinese investment projects, which applied for BOI's promotion, was higher than the Japanese counterparts in 2022, similar to the situation in 2019. Specifically, the values of the Chinese and Japanese projects were 77.38 billion baht and 50.77 billion baht, respectively. Different from 2019, the value of the Chinese projects was higher than the value of the Japanese projects by merely fifty percent in 2022. The value of the Chinese projects accounted for 18 percent of the value of every project of foreign investors applying for the promotion of BOI. The location of the BOI-promoted foreign projects were primarily concentrated in Chonburi and Rayong, the coastal provinces in the East, and Phra Nakorn Sriyudhya in the Central Plain because these locations have had important industrial estates.

The statistics of China's FDI inflows to Thailand and the Chinese projects applying for BOI's promotion in the period of 2019-2022 indicated that the widespread of COVID-19 had limited impacts on the flows of capitals between China and Thailand. When the situation of COVID-19 hit rock bottom in 2020 and 2021, the inflows of Chinese FDI still entered the Thai economy. In this year, the activities of Chinese FDI included manufacturing products, such as rubber tyres and tubes, automobiles and parts, as well as financial services (Aranya and Banu 2021). Different from the Japanese FDI inflows which aimed to maintain their well-established production bases in Thailand, the Chinese counterparts intended to utilize the location of Thailand as a hub to expand their outreach

to market in Southeast Asian countries and other regions (Aranya and Banu 2021). Notably, the Chinese investors could gain from Thailand's location in the center of Southeast Asia to extend their commercial opportunities.

In addition to the location, the Chinese investors allocated their capitals to do specific businesses in several Special Economic Zones (SEZs) in the border towns, such as, Nong Khai, Nakhon Phanom, and Mukdahan in the Northeast, Chiang Rai in the North, Tak and Kanchanaburi in the West, and Songkhla in the South (Aranya and Banu 2021). The SEZs attracted Chinese capitals by presenting well-developed infrastructure, favorable tax practices, and abundant supplies of cheap labors to the Chinese investors. Each SEZ became a hub for particular businesses of the Chinese investors. For example, these investors focused on the production of rubber manufacturing goods in Songkhla SEZ while the electric manufacturing companies mainly operated their production in Nakhon Phanom SEZ.

Furthermore, the situation of China's FDI inflows to Thailand was not only unaffected by the pandemic, but also blessed by trade war between Washington D.C. and Beijing. In the condition of the trade war, the American government imposed a higher rate of import taxes on Chinese goods. For instance, the Trump administration raised rates of import taxes for Chinese furniture and appliance from 10 percent to 25 percent. As reported by Apronrath (2020), the practices of trade war by the American state incentivized the Chinese companies to relocate their plants and factories into Thailand. The relocation to Thailand resulted from the Chinese companies' attempts to avoid the tougher American import taxes. Concomitantly, the Thai government also implemented a set of incentives policies to attract the relocated Chinese capitals. The Thai government, additionally, organized a roadshow to invite the Chinese companies to allocate some of their resources to Thailand. Other Southeast Asian countries, particularly, Vietnam also experienced the similar situation of the relocation of the Chinese firms which wanted to evade the higher rate of American tariffs (Onichi and Cho 2019).

Along with the relocation of the Chinese companies, the trade war encouraged the

Japanese capitals, particularly in automobiles and electronic goods, to inject more investment funds in Thailand (Huang 2019). One of the most important destination of these Japanese companies' products is the American market. In other words, the trade war encouraged both Chinese and Japanese companies to relocate from China to Thailand. The higher rate of import tax, imposed by the American government, on Chinese products made China-origin goods more expensive in the eyes of consumers in the United States of America.

Moreover, the flows of Chinese capitals also occurred in other domain, such as real estate owning and hot-pot restaurants. Between 2018 and 2021, Thailand was the first choices of Chinese investors in residential properties, according to the survey of the top ten destination for living of Chinese buyers (Lee 2023). The flourishing of Chinese investment of residential building not only reflected the closer economic ties between China and Thailand, but also raised the prices of properties and encouraged the construction of high-end residences in Thailand (Prem 2023). The position of Thailand as a favorable location for living, nonetheless, fell to the fourth and fifth position in 2022 and 2023, respectively (Lorenzo 2023). The decline was caused by China's domestic economic problems, such as stagnation, youth unemployment, and lower exports. These problems conditioned the Chinese investors to reconsider about their decisions to allocate funds in foreign countries, including Thailand.

Likewise, some Chinese businesses, particularly small-and-medium enterprises (SMEs), started to open restaurants and convenient stores (Wilawan, 2023). A case in point was the expansion in the numbers of the Chinese-owned Sichuan-style hot-pot restaurants in Bangkok. Remarkably, several Chinese businesspersons owned and operated hot-pot restaurants in Yaowarat, dubbed as the "first China-town," and Huai Khwang, known as the "second China-town." Nowadays, these hot-pot restaurants have become one of the most popular choices for dining out in Bangkok.

#### **4. Flows of Human between Thailand and China**

Similar to other countries where were confronting with the pandemic, the flows of human

across the borders of Thailand and China was negatively disrupted by stricter measures of border controls. Between 2019 and 2022, the numbers of Chinese tourists travelling to Thailand dramatically decreased from 11,138,658 people to just 219,421 people, based on the statistics of the Ministry of Tourism and Sports (MOTS) summarized by *Thai PBS* (December 29, 2022). The peak year of Chinese tourists in terms of number was 2019 when the Thai economy could generate revenues from inflows of these travelers from China to the level of more than 530 billion baht. Similarly, Thailand received around 10 million Chinese tourists in 2018 that generated incomes more than 520 billion baht. The data of numbers of Chinese tourists and the incomes from their arrival explicitly illustrated that Thailand became highly dependent on revenues generated by inflows of Chinese travelers in recent years. Remarkably, Thailand experienced the lowest numbers of the Chinese tourists in 2021 as only 13,043 of Chinese people travel to Thailand. The widespread of COVID-19, hence, damage Thailand's revenues gained from inflows of the Chinese tourists because of restrictions of international travels imposed by both the Thai and Chinese governments.

Due to the importance of the Chinese tourists to the Thai economy, the Thai government repeatedly launch a campaign to invite and incentivize the Chinese tourist to revisit Thailand. Recently, the current Thai government of Srettha Thavisin from Puea Thai Party has just implemented the policy of free visa for Chinese tourists since September of 2023 (*BBC Thai*, September 25, 2023). Srettha even went to welcome the first groups of the free-visa Chinese tourists by himself. The Srettha government also allowed tourists from Kazakhstan to travel to Thailand without visa. The policy of free visa has aimed to stimulate the numbers of Chinese tourists in Thailand by loosening immigration controls. The number of Chinese tourists started to recover even before the free visa policy, but their expenditure per head declined since these Chinese tourists chose to live in Thailand with the cheaper way (*BBC Thai*, September 25, 2023). In summary, Thailand has started to receive a higher numbers of Chinese tourists but not gained revenues back to the pre-COVID level because of declining expenditures.

Apart from the short of expectation in gaining revenues from the Chinese travelers,

Thailand have not met the expected numbers of Chinese tourists because of changes in their behaviors and regulations of the Chinese government. Based on the information of the Thai guide, the Chinese tourists faced hardships from adverse conditions of economic recession, caused by COVID-19, and fewer numbers of low-cost airline services (Head 2023). These conditions have reduced the Chinese tourists' incentives to travel to Thailand. The incentives of Chinese tourists have been also reduced by the movies "No More Bets," which portrays Southeast Asia as a dangerous region (Head, 2023). The movies has led to the fear of the Chinese tourists' fear toward Thailand. Additionally, the Chinese tourists have tended to take a vacation in their countries instead of spending holidays abroad due to the government policies (Thairath, November 23, 2023). These policies includes the promotion of domestic tourism and issues of a new passport in a limited amount. These policies have made traveling abroad become less attractive. In short, the Thai government's policies to attract the Chinese tourists have been partly nullified by the economic conditions and government policies in China.

As mentioned in the previous section, the flows of human from China to Thailand also happens in the form of investment by Chinese entrepreneurs who have sought commercial opportunities in Thailand. For instance, several Chinese entrepreneurs have opened Sichuan-style hot-pot restaurants in particular areas, such as Yaowarat or Huai Khwang, in Bangkok (Wilawan, 2023). These Chinese-owned hot-pot restaurants have enjoyed advantages over Thai competitors because the former can have an access to the Chinese suppliers, who provide ingredients, utensils, and decorations from China with low shipping costs (*Manager*, January 13, 2023). This kind of practices of the Chinese restaurants hardly leads to spillover to the Thai people, who was nearly cut out of the circuit.

However, the owners of these Chinese restaurants need to find some Thai persons as nominees since the foreign-owned entities could not register in Thailand formally (*Manager*, January 13, 2023). Notably, these owners mainly started their restaurants when they had held a tourist visa, not a business one. This kind of situations has been even more intensified in particular provinces, such as Bangkok, Phuket, and Chiang Mai after the

Chinese government has loosened measures on COVID-19 controls. Taking Chiang Mai in the post-COVID-19 era as an example, the Chinese investors have started to open and expand their businesses in specific sectors, namely, hotels-accommodations, tours, restaurants, logistic services, and real estates, according to Panlop Saejiw, the President of the Council of tourist industry in Chiang Mai (Prachachartthurakij, February 6, 2023). These Chinese investors have also received assistances in legal issues from the Thai business partners.

Thailand is stills a popular destination for Chinese students who want to study aboard in higher education level, similar to the pre-COVID situation. A case in point of a Thai university is Krirk University in which Chinese investors have held 49 percent of share, the maximum level allowed by the Thai law. The Krirk University's Chinese students took online courses during the peak of COVID-19 widespread and, then, they have begun to study onsite when some COVID-19 control measures were lifted (Thanyaporn 2023). In 2022, there were 36,060 foreign students in universities of Thailand. In the same year, the Thai universities had 21,906 Chinese students which accounted for about 60 percent of total foreign university students in Thailand. Remarkably, some universities, particularly privately-owned institutions, primarily rely on revenues from the Chinese students' enrollment. For instance, Chinese students constituted nearly 70 percent of total students in Krirk University (Thanyaporn 2023). The Chinese investors' acquisition of the Thai universities has changed the pedagogy practices of these universities. These Chinese-acquired universities have changed the primary language in the classes from Thai to Chinese (Thairath, April 9, 2023). These universities have recruited Chinese students who fail an examination into public universities in China and want to acquire additional economic opportunities and social prestige from the status of foreign graduated.

## **Conclusion**

In conclusion, the project argues that the widespread of the COVID-19 virus has had limited impacts on flows of commodities and capitals between Thailand and China but the outbreak of the virus, on the contrary, disrupted flows of human across the borders of

both countries for a year or couple. Initially, the continuous growth of commodity flows between the Thai and Chinese economies implied that Chinese purchasers, particularly in tropical fruit market, can maintain their monopsonistic power, similar to the pre-COVID situation. The Chinese purveyors can concomitantly can preserves their shares in some commodities, such as material goods and capital goods, and become a new important players in specific sectors, for example, automobiles and parts as well as military goods. The values of China-Thailand bilateral trade continuously grew in this period, along with the widened Thailand's trade deficits with China.

Furthermore, the outbreak of the corona virus, which simultaneously happened as the trade war between China and the United States of America, has not led to the reduction of China's FDI inflows to Thailand. In contrast, there was increase in inflows of Chinese FDI during the times of COVID-19 due to the trade war, which made Chinese goods more expensive in the American market. Different from the pre-COVID era, a higher number of Chinese investors and commercial projects strategically relocated to Thailand to extend their businesses in Southeast Asia. Despite the growing value of China's FDI inflows to Thailand, Singapore and Japan were still among the largest sources of FDI in Thailand.

Moreover, the COVID-19 heavily disrupted the flows of people between Thailand and China since both countries' measures against the pandemic prevented them from traveling across the borders. As expected, the lift of some measures dealing with COVID-19 has recovered human flows, particularly the inflows of Chinese people into Thailand. However, these inflows have been primarily driven by economic and educational opportunities, instead of leisure travel. In several occasions, the flows of human between Thailand and China can be rarely separated from the trans-border capital mobility of both countries. Recently, the inflows of Chinese capitals have begun to cause anxieties among the Thai people, especially the business owners directly competing with newcomers from China.

Finally, the project would like to finish by raising a question of economic relations between china and Thailand in the coming years when we can comfortably manage the

living with COVID-19, regarded as the “new normal” by some commentators. In a specific manner, the report would like to inquire that whether the Chinese actors will have higher power over several markets in the Thai economy or not. This inquiry is based on the facts that these actors from China have expanded and extended their presences in Thailand as we can see increase in values of bilateral trades, FD inflows, and numbers of Chinese immigrants.

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<sup>1</sup> ASEAN is the interstate organizations of the Southeast Asian countries, including Thailand, Indonesia, Malaysia, Singapore, the Phillipines, Brunei, Myanmar, Vietnam, Cambodia, and Laos.

<sup>2</sup> These three countries consists of China, Japan, and South Korea.

[禁無断転載]

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