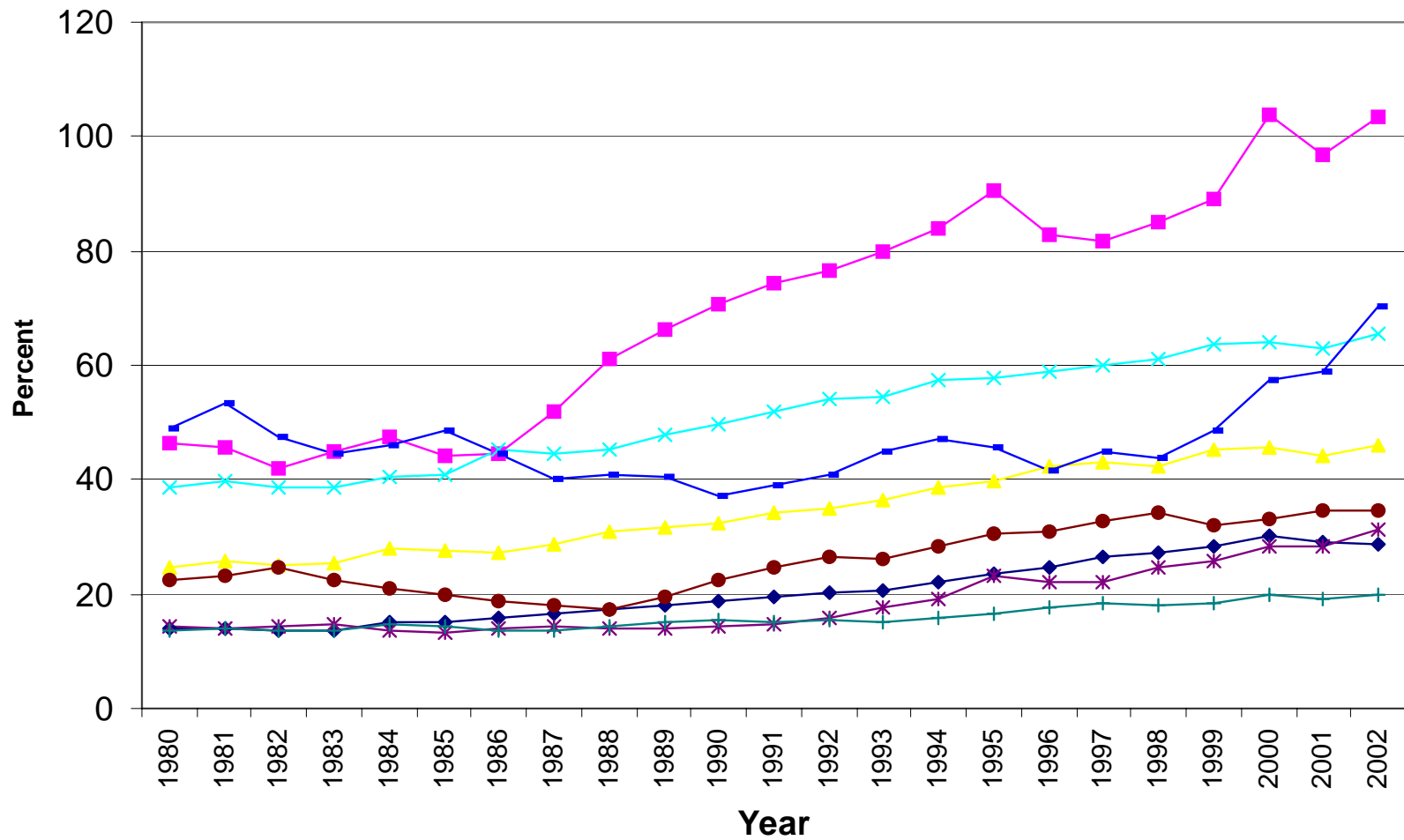


Thailand's FTA Strategy

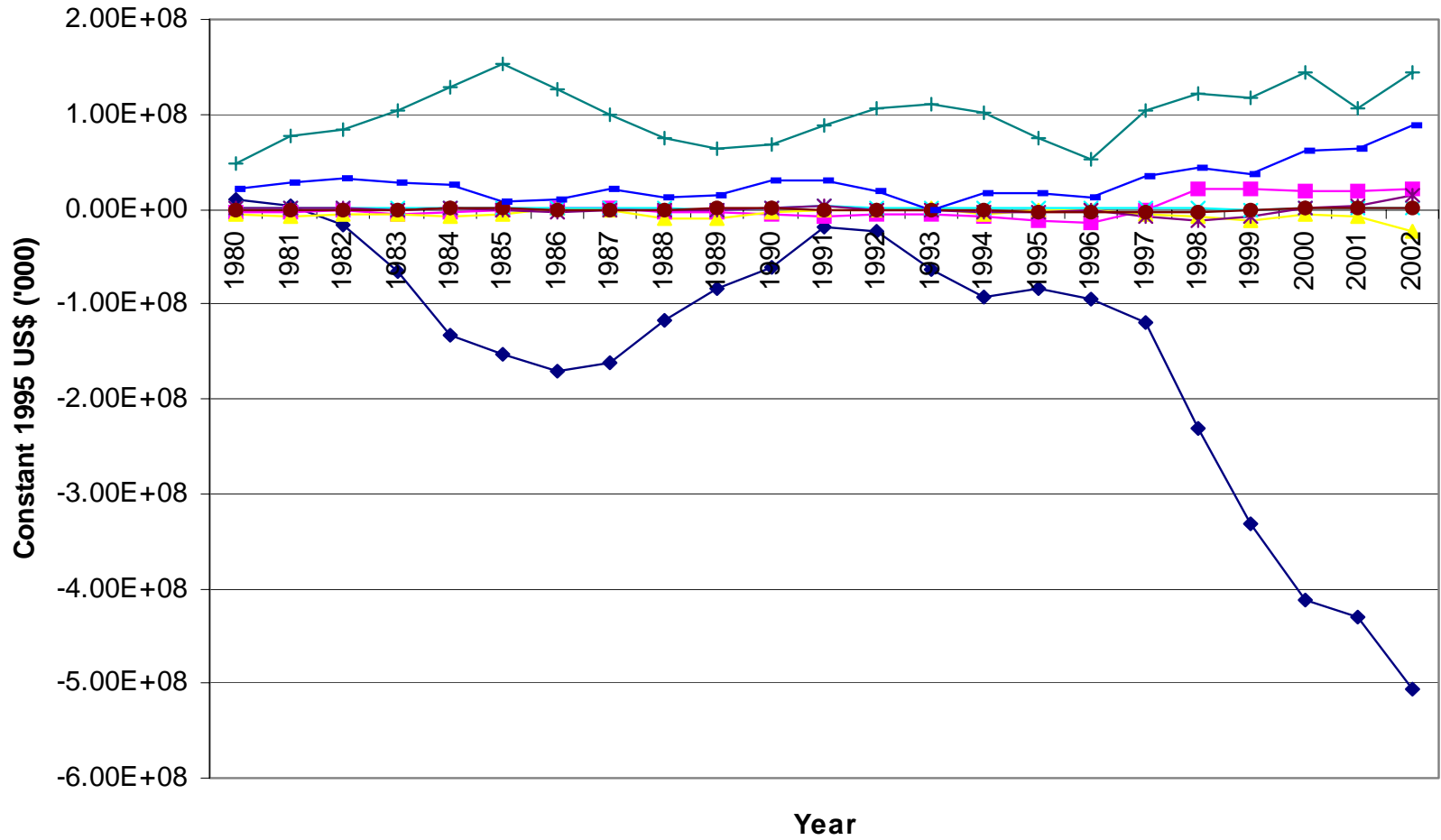
Santi Chaisrisawatsuk

Center for International Economics and Development Studies

Total Trade per GDP

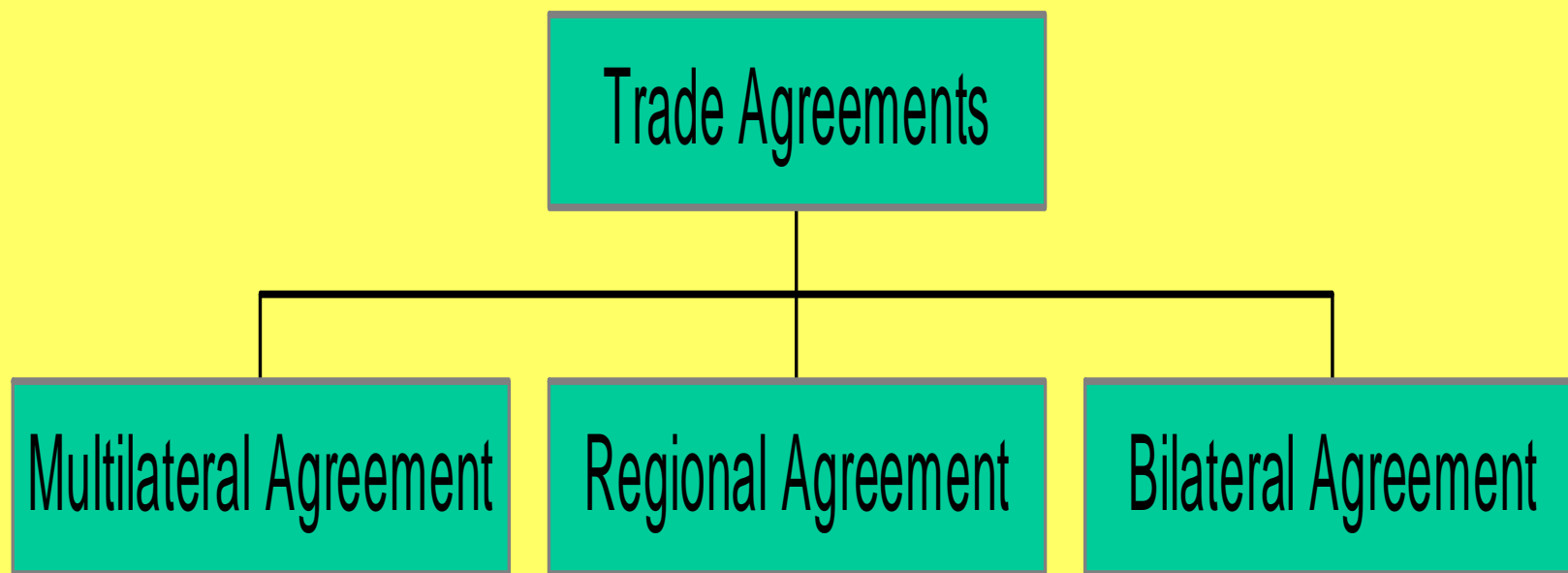


Trade Balance



USA THA AUS NZL IND PER JPN CHN

The Important of Bilateral Trade Agreement



The Important of Bilateral Trade Agreement

- This is a delay in multilateral and regional trade agreement and the implementation of the agreement
- Many bilateral trade agreement are comprehensive
- Trade diversion effects
- A risk of becoming spoke
- losing competitiveness

FTA Strategy

Choosing Trade Negotiation Partners

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graph TD; A[Choosing Trade Negotiation Partners] --- B[Theoretical Approach]; A --- C[Gravity Model]; A --- D[CGE Model (GTAP)];
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Theoretical Approach

Gravity Model

CGE Model (GTAP)

The Gravity Model

$$\ln(T_{ijt}) = \beta_0 + \beta_1^{(+)} \ln(Y_{it} Y_{jt}) + \beta_2^{(+)} \ln\left(\frac{Y_{it}}{\text{Pop}_{it}} \frac{Y_{jt}}{\text{Pop}_{jt}}\right) + \beta_3^{(+)} \text{GSP}_{ijt} + \beta_4^{(+)} \text{RTA}_{ijt} + \varepsilon_{ijt}$$

The Data set

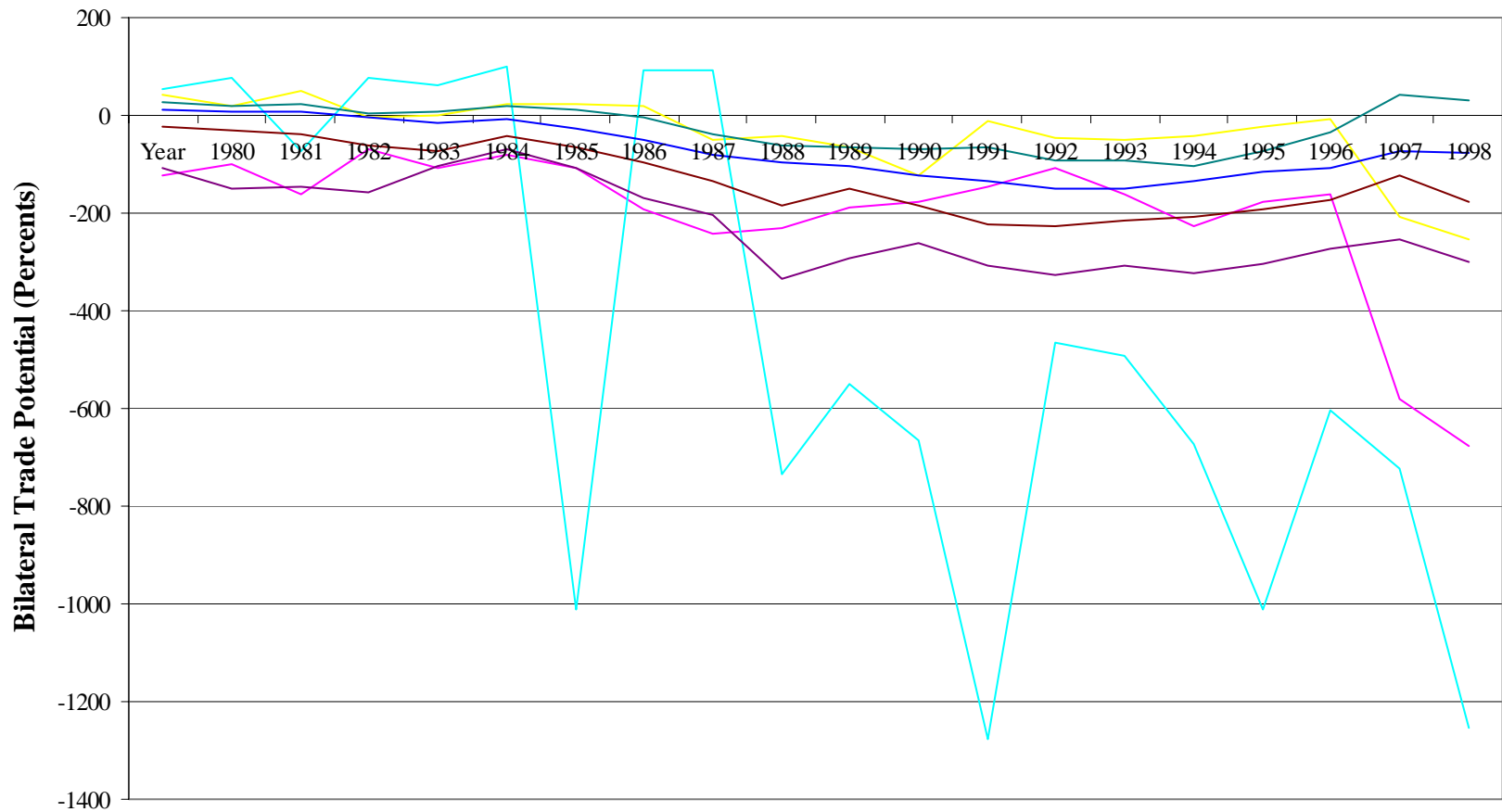
- World development database
- International financial statistics and direction of trade statistics database
- Rose (2003)
- 1948-1999, 12,150 trading partners

Dependent variable: ln(Trade)

Independent variable	One-Way Fixed Effects Model			Two-Way Fixed Effects Model		
	Coefficient	Std. Error	t-Statistic	Coefficient	Std. Error	t-Statistic
Constant	-8.37	0.23	-37.06	-14.88	0.62	-24.16
ln(YitYjt)	0.27	0.01	34.53	0.45	0.02	25.27
ln(Yit/Popit*Yjt/Popjt)	0.34	0.01	28.89	0.23	0.02	13.72
GSP	0.10	0.01	8.96	0.17	0.01	13.32
RTA	0.71	0.04	18.16	0.74	0.04	18.68
R ²	0.4605			0.5169		
Number of observations	234597			234597		
Number of groups	12150			12150		

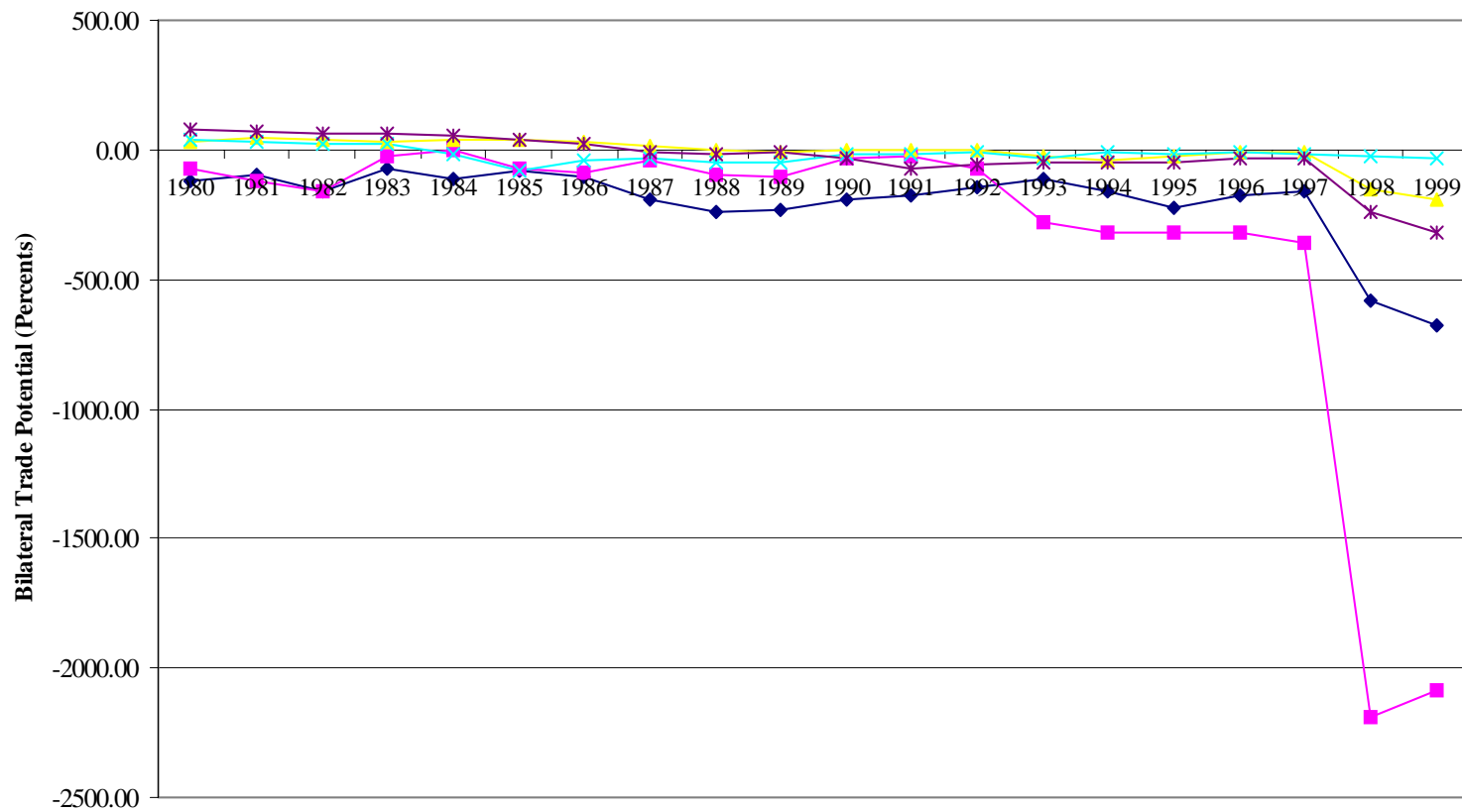
Dependent variable: $\ln(\text{Trade})$

Independent variable	One-Way Fixed Effects Model with Robust Covariance Matrix			Two-Way Fixed Effects Model with Robust Covariance Matrix		
	Coefficient	Std. Error	t-Statistic	Coefficient	Std. Error	t-Statistic
Constant	-15.38	0.46	-33.78	-29.31	0.37	-79.28
$\ln(Y_{it}Y_{jt})$	0.46	0.01	34.16	0.80	0.01	84.86
$\ln(Y_{it}/\text{Popit} * Y_{jt}/\text{Popjt})$	0.14	0.02	7.43	0.12	0.01	8.18
GSP	0.03	0.02	1.20	0.30	0.03	11.33
RTA	0.72	0.07	10.28	1.05	0.07	14.72
Number of observations	234597			234597		
Number of groups	12150			12150		



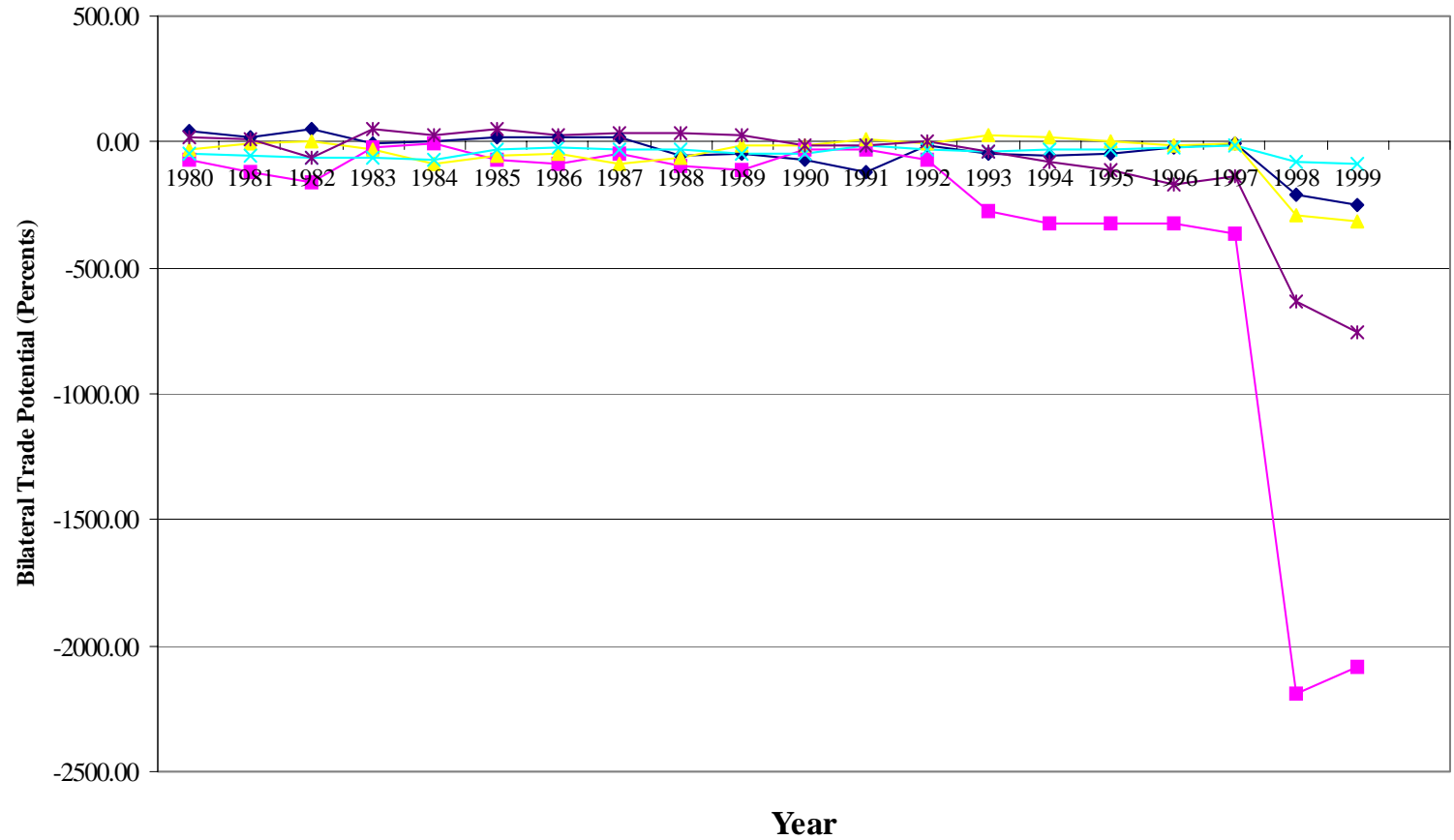
— THA-CHN
 — THA-IND
 — THA-PER
 — THA-NZL
 — THA-AUS
 — THA-JPN
 — THA-USA

CHINA



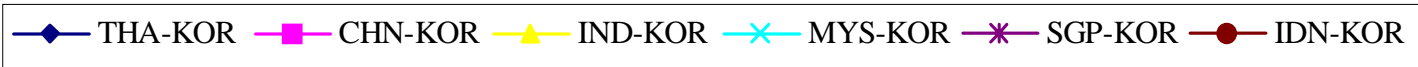
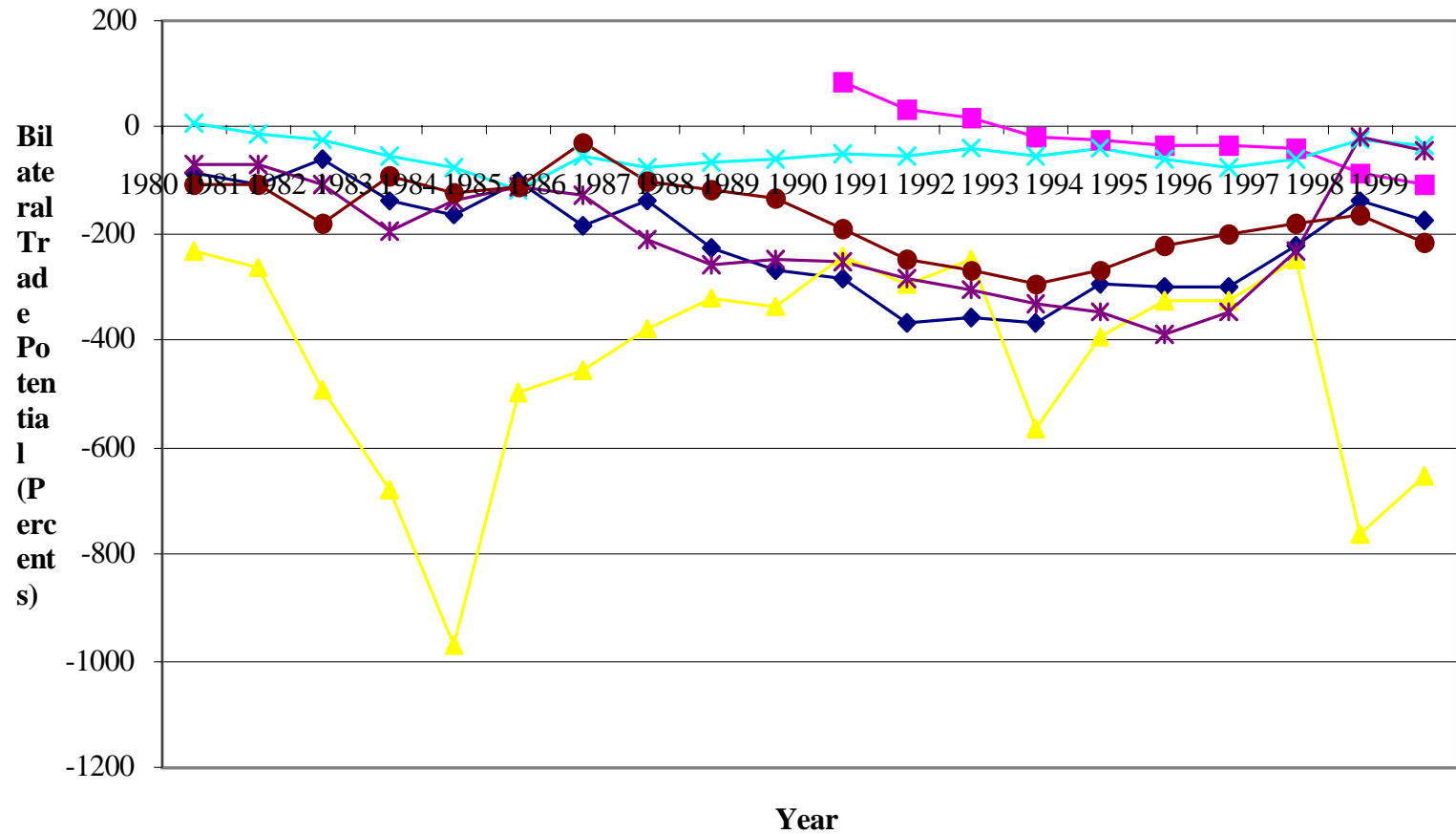
◆ THA-CHN ■ IND-CHN ▲ MYS-CHN ✕ SGP-CHN * IDN-CHN

INDIA

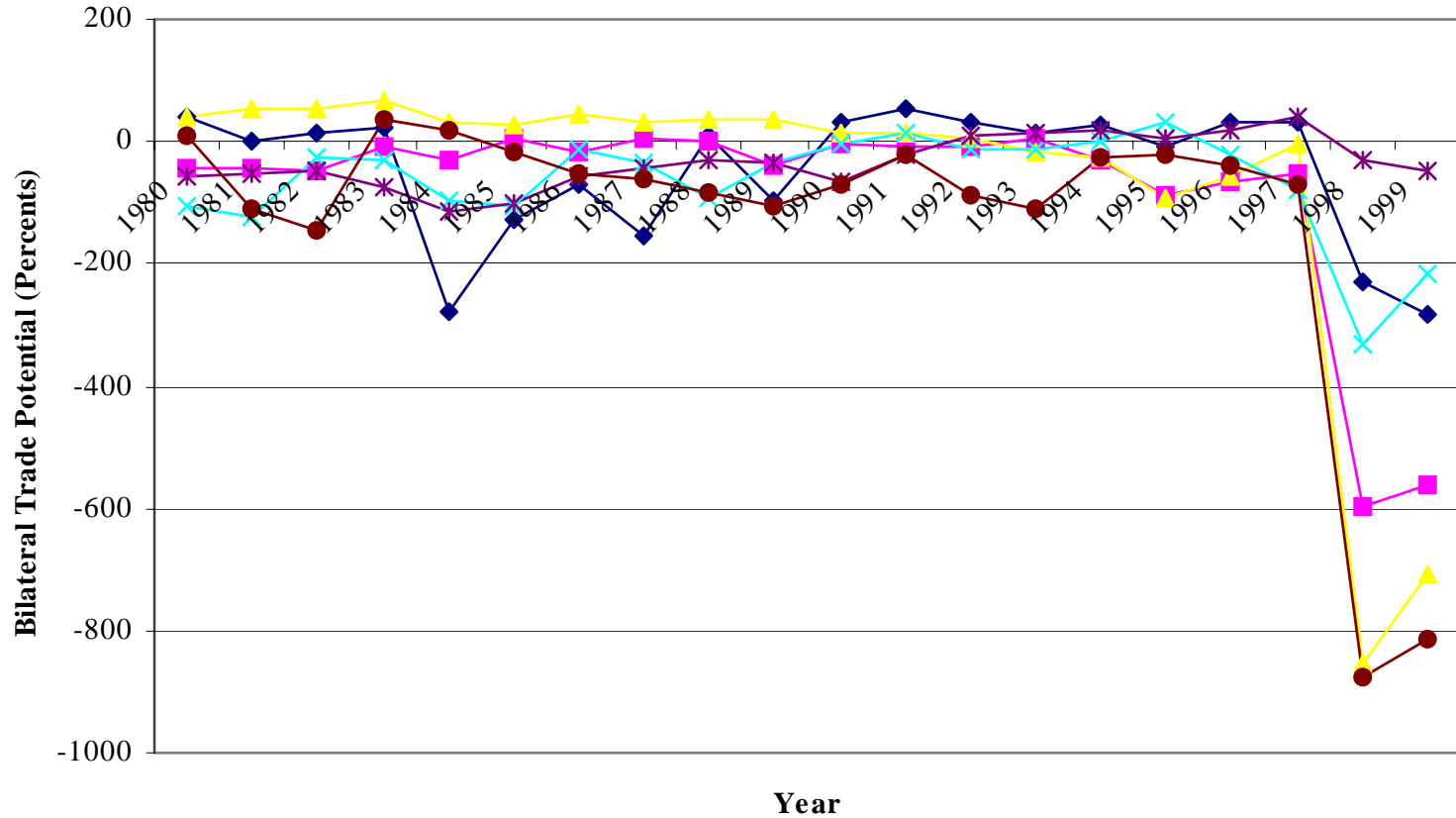


◆ THA-IND ■ CHN-IND ▲ MYS-IND ✕ SGP-IND * IDN-IND

KOREA



BANGLADESH



◆ THA-BGD ■ CHN-BGD ▲ IND-BGD ✕ MYS-BGD * SGP-BGD ● IDN-BGD

PAKISTAN

