



Great powers jostle to buy, sell and woo Thailand

US, China and Russia's top envoys all sought to win diplomatic favor and commercial deals with kingdom's new elected government at ASEAN pow-wow

By Richard S Ehrlich, Bangkok



Thailand's Prime Minister Prayut Chan-oha gestures as he attends the opening ceremony of the 52nd Association of Southeast Asian Nations (ASEAN) Foreign Ministers' Meeting in Bangkok, July 31, 2019. Photo: AFP/Lillian Suwanrumpha

US Secretary of State Mike Pompeo's August 1-3 appearance at a Southeast Asian foreign ministers' meeting occurred alongside his Chinese and Russian rival counterparts, with all three bidding to woo Thailand's host government which is shopping for foreign weapons and inviting business investments.

During his three-day visit, Pompeo discussed with Thai and regional ministers the escalating US-China trade war, North Korea's denuclearization, disputes in the South China Sea and other pressing regional issues. Pompeo told Thai Foreign Minister Don Pramudwinai, "to maintain the sanctions that spurred diplomacy with North Korea, to speak out against Chinese coercion in the South China Sea, to advocate for the voluntary, safe and dignified return of the Rohingya to their homeland [Myanmar], and to confront Iranian aggression."

After shaking hands with former coup-maker, now elected Prime Minister Prayut Chan-ocha, Pompeo tweeted that the two men discussed "ways to advance democracy" and other regional issues. Pompeo also met Chinese Foreign Minister Wang Yi on August 1, and the two envoys expressed hopes to improve US-China relations and curb North Korea's nuclear ambitions.



US Secretary of State Mike Pompeo (front C) and China's Foreign Minister Wang Yi (front R) pose for a photo during the 26th ASEAN Regional Forum, Bangkok, August 2, 2019. Photo: AFP/Jonathan Ernst

Meanwhile, the budding rivalry among the US, China and Russia for Thailand's weaponry, business and diplomatic support has intensified in recent months. "Now Mr Pompeo has the chance to reboot Thai-US ties and to take their relations to a new level," wrote prominent foreign affairs columnist Kavi Chongkittavorn in local media. "Remember, it was the US State Department's analysis that paralyzed Thai-US relations [after the May 2014 coup]. It took countervailing perspectives from the Defense Department and White House to overrule the US State Department's stereotyped thinking about Thailand," Kavi wrote.

On July 26, the US Congress received notification that the State Department approved a possible sale to Thailand of 60 Stryker infantry carrier vehicles with equipment and support worth \$175 million, the Defense Department's Security Cooperation Agency said. Among its foreign-made aircraft, the Thai air force operates Lockheed Martin Corp F-16 fighter jets and Black Hawk helicopters.

Thailand is a Major Non-NATO US ally, a recognition originally granted in 2003 for the kingdom's support of the US' 'war on terror.' The US military has used Thai territory and facilities to support wars in Afghanistan and Iraq. In 2014, then-armed forces chief General Prayut seized power in a bloodless, democracy-suspending coup. Afterwards, the US "invested" \$460 million in four [Thai] military bases, the Bangkok Post reported in April.



US Secretary of State Mike Pompeo and Thai Prime Minister Prayut Chan-ocha meet at Thai Government House on August 2, 2019. Photo: Youtube/US State Department

Additionally, "the US government sold about \$437 million of major hardware to Thailand through foreign military sales since 2014," Bloomberg news reported. Washington, Beijing and Moscow are also hoping to use Thailand to assemble weapons systems, based on Bangkok's track record as the "Detroit of Asia" for its proven ability to assemble foreign cars. Thailand's vocational and executive workers are poorly paid and mostly unable to form labor unions, and thus are attractive to US and other multinational corporations.

Unlike the US, China embraced Prayut after his putsch and moved aggressively to enhance economic, diplomatic and military relations at a time Washington was critical of the kingdom's democratic back-sliding. Bangkok then agreed to buy Chinese armored carriers, tanks and submarines. In addition to regional issues, Chinese Foreign Minister Wang was expected to discuss with Thai officials the continuation of Chinese-led rail, road and other big-ticket projects.



China's Foreign Minister Wang Yi (L) and Thai Foreign Minister Don Pramudwinai (R) at the Ministry of Foreign Affairs in Bangkok on July 24, 2017. Photo: Lillian Suwanrumpha

Beijing is gaining in economic importance in Thailand because of the wealth China is willing to invest. Chinese have emerged strongly as Thailand's priority tourists. Nearly 10 million Chinese arrived in Thailand during 2018, out of 38 million people from all other countries. Chinese citizens bought nearly half of all Thai condos sold during 2018, according to the Bank of Thailand. Most Chinese purchases were investments for resale or rental, especially in Bangkok. One Thai economist said some Chinese pay for expensive condos by transferring funds through Bitcoin cryptocurrency, to avoid China's financial regulations on capital outflows.

Russian Foreign Minister Sergey Lavrov meanwhile was greeted enthusiastically on July 30 by Prayut. Russian President Vladimir Putin recently met Prayut at a Singapore conference, marking their latest of several meetings. "There will be more [Russian] investments in the Eastern Economic Corridor (EEC)" where Thailand offers financial incentives to multinational corporations, Foreign Minister Don told Lavrov. "We will expedite pending projects and agreements with Russia." The EEC, a \$44 billion infrastructure and industrial scheme, is the previous junta government's flagship foreign investment project. "We can work together on counterterrorism, counter-extremism, and counter-drug trafficking," Lavrov replied. "There are prospects" to increase military cooperation, too, he said. Moscow-based Russian Helicopters reportedly wants to form a joint venture with a Thai company in the EEC. Among its models, Russian Helicopters is the "number one manufacturer globally in the attack helicopters segment," its website said.



Russia's Foreign Minister Sergei Lavrov attends the Association of Southeast Asian Nations (ASEAN) Russia Ministerial Meeting in Bangkok on July 31, 2019. (Photo: AFP/Romeo Gacad)

Its Mi-8/17 can be fitted with three machine guns and 1.7 tons of armament including 57-mm unguided rockets, free-fall bombs and an anti-tank system. "The Federation of Thai Industries (FTI) hopes to find a Thai partner for Russian Helicopters as the two governments have a cooperation agreement framework to further develop industry and trade," FTI vice-chairman Kriangkrai Tiannukul said.

Bangkok chairs the six-day Association of Southeast Asian Nations' Foreign Ministers' Meeting 2019, which began on July 31. The US, China, Japan, South Korea and Russia are attending meetings as "dialogue partners." North Korea declined to attend this year. After Pompeo departs Thailand today (August 3), he will travel on to Australia and Micronesia.

Richard S Ehrlich is a Bangkok-based American correspondent reporting from Asia since 1978.