

Country Assistance Policy for the Kingdom of Thailand

December, 2012

1. Relevance of Assistance/Partnership

● Thailand and Japan have established a close relationship with each other in a broad sense including politics, economy and culture, and interpersonal exchanges have been extremely active. Among these, the economic relationship is especially close; For Thailand, Japan is the number one country in terms of amount of trade, investment and official development assistance (ODA); while for Japan, Thailand is the most important country as a production base helping Japanese corporations stay ahead and remain the center of the automobile and electronics industries. Although Thailand has become an upper-middle income country, it is still necessary to address domestic issues such as economic growth through enhancement of competitiveness, the environment and climate change, the aging society, and support for the socially vulnerable, in order to achieve sustainable social and economic development, as well as flood control based on experience of the great flood in 2011.

● Thailand, located in the center of the Mekong Region, plays a central role in the establishment of the ASEAN Economic Community and is a key country for further development of the region. Since Thailand is a strategic partner for Japan, common issues in ASEAN countries are to be addressed actively in cooperation with Thailand in strengthening ties among ASEAN countries and the mitigation of disparity.

In 2012, the prime ministers of both countries confirmed further strengthening of the strategic partnership between the two countries in order to address bilateral, regional and international issues in the political, economic and social sectors.

● In collaboration with Thailand as a donor and a development partner, developing cooperation utilizing both countries' strengths is effective from the aspect of establishing a model for development cooperation for upper-middle income countries.

2. Basic Policy of Assistance/Partnership

Promotion of mutual benefit and contribution to regional development based on strategic partnership

With our strategic partnership based on the close political, economic and social relationship between Thailand and Japan, we expect to promote cooperation for mutual benefit and to contribute to balanced development for ASEAN and the Mekong Region.

3. Priority Areas

(1) Sustainable development of economy and coping with maturing society

For the mutual benefit of economy and society in Thailand and Japan, cooperation is undertaken for the promotion of flood control, human resources development in industry, strengthening of the Japan-Thailand economic partnership, the development of bases for enhancement of competitiveness through the implementation of Japan's New Growth Strategy, and advancement of research capabilities and networking through Thailand-Japan collaboration.

Cooperation is undertaken on difficult issues to solve as Thailand reaches a matured society, such as environment and climate change, the aging society, and support for the socially vulnerable, by utilizing Japanese findings and experience as well as in collaboration with Thailand as a donor country.

(2) Coping with common issues in ASEAN countries

Keeping an eye on the establishment of the ASEAN Economic Community in 2015, cooperation is undertaken in order to strengthen ASEAN connectivity and mitigate disparity among ASEAN/Mekong countries.

(3) Promotion of cooperation towards countries outside the ASEAN region

South-South cooperation towards countries outside the ASEAN region, mainly the African region, is enhanced in collaboration with Thailand as a donor to address international issues.

4. Points to be considered

● ODA for Thailand is expected to be a model for development cooperation for upper-middle income countries and its outcome is aimed at utilization and cooperation in other countries such as those in the ASEAN Region.

● Based on active roles played in Thailand by various Japanese stakeholders including private companies, NGOs, universities and local administration, collaboration among these stakeholders and establishment of networks with Thai stakeholders are expected to be pursued by ODA.

● Since Thailand is now a non-category country for General Grant Aid and plays a role as a donor to surrounding and African countries, cooperation to Thailand is planned and implemented with strategic utilization of Technical Cooperation and the Yen Loan Scheme assessing the assistance needs from the aspect of selection and concentration.

Annex: Rolling Plan