

2. Practitioner's Perspective

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It is my privilege to share my thoughts on the deep-rooted relations between German-speaking countries and Thailand for the inaugural Yearbook on Southeast Asia; and why I think this initiative to link our two regions is beneficial to all.

In an era marked by geopolitical uncertainty, technological disruption, and intensifying global trade tensions, Thailand must pursue an outward-looking and resilient economic strategy. Central to this strategy is strengthening relations with German-speaking countries – primarily Germany, Austria, and Switzerland. These countries are not only among the most advanced industrial economies in the world, but they also serve as a critical gateway to the European Union for Thailand. Germany, in particular, stands as Thailand's largest trading partner within the EU. As global trade wars and unilateral tariff measures – especially those imposed by the United States – reshape international commerce, deepening cooperation with German-speaking partners has become both an economic necessity and a strategic opportunity for Thailand.

Trade Relations and Economic Complementarity

Trade relations between Thailand and German-speaking countries are grounded in strong economic complementarity. Thailand's export strengths – automotive parts, electronics, machinery components, food products, and medical supplies – align well with German-speaking economies that prioritize high-quality inputs, diversified supply chains, and advanced manufacturing ecosystems. Germany's industrial base, especially in automotive engineering, precision machinery, and the chemical industry, has long relied on integrated global value chains, within which Thailand is increasingly playing an important role.

Germany's position as Thailand's largest EU trading partner is not merely a reflection of volume, but of depth and sophistication. Thai firms participate in supply networks that feed into German manufacturing hubs, while German firms import Thai intermediate goods that meet rigorous technical and environmental standards. Austria and Switzerland, though smaller in scale, contribute significantly through niche markets, high-value imports, and advanced services. Switzerland's demand for high-quality agri-food products and medical goods, for example, has encouraged Thai producers to upgrade standards and certification systems, thereby enhancing competitiveness.

In a global context where protectionism and trade fragmentation are on the rise, these relationships provide Thailand with stability and predictability. German-speaking countries remain committed to rules-based trade, transparency, and long-term partnerships – principles that align well with Thailand's own interest in sustaining export-led growth.

Investment, Technology, and Industrial Transformation

Beyond trade, investment relations with German-speaking countries are of strategic importance to Thailand's long-term development. German, Austrian, and Swiss companies are among the most significant investors in Thailand's manufacturing, logistics, renewable energy, and service sectors. Long time horizons, strong corporate governance, and an emphasis on skills development typically characterizes their investments.

Germany's strength in Industry 4.0, automation, and advanced engineering is particularly relevant to Thailand as it seeks to move beyond middle-income constraints. Collaboration with German firms has facilitated technology transfer, vocational training, and the upgrading of Thai industrial capabilities. The dual vocational education model, which Germany excels in, has inspired partnerships that improve workforce skills and productivity in Thailand.

Equally important is the role of Swiss and Austrian investment in high-value services, finance, and precision industries. These investments support Thailand's ambition to become a regional hub for innovation and high-quality services, rather than a low-cost production base. In the current climate of global trade wars, attracting such investment also helps Thailand diversify economic partners and reduce vulnerability to external shocks.

Sustainability, Green Energy, and Climate Cooperation

One of the most promising dimensions of Thailand's relations with German-speaking countries lies in sustainability and climate cooperation. Germany, Austria, and Switzerland are global leaders in renewable energy, energy efficiency, circular economy practices, and environmental governance. As Thailand confronts climate change, urban pollution, and energy security challenges, collaboration in these areas is no longer optional – it is essential.

Joint projects in solar energy, smart grids, waste-to-energy systems, and sustainable urban planning demonstrate how economic cooperation can advance environmental goals. German-supported initiatives in energy efficiency and climate finance have helped Thai institutions strengthen regulatory frameworks and adopt international best practices. Swiss expertise in sustainable finance and green certification has also contributed to improving transparency and accountability in Thailand's financial system.

Notably, such cooperation supports Thailand's efforts to reduce "gray capital" – financial flows that exist in legal ambiguity and undermine trust, governance, and sustainability. By aligning with the stringent transparency, environmental compliance, and corporate responsibility standards of German-speaking countries, Thailand can strengthen regulatory oversight, improve investment quality, and channel capital into productive, sustainable sectors. This not only enhances economic credibility but also reinforces Thailand's standing as a responsible partner in the global economy.

Strategic Importance in a Changing Global Order

In strategic terms, German-speaking countries offer Thailand more than market access; they offer a partnership in navigating a changing global order. As trade wars and unilateral tariffs distort traditional economic relationships, Thailand must anchor itself to partners committed to multilateralism, sustainability, and innovation. German-speaking countries provide this anchor precisely, serving as a stable gateway to the EU while respecting national development priorities.

There is also a creative and human dimension to these relations. Long-standing people-to-people ties – through tourism, education, research collaboration, and cultural exchange – have built mutual trust. Thai students in German-speaking universities, joint research on climate and technology,

and cooperation in creative industries all contribute to a relationship that extends beyond economics.

Conclusion

The importance of relations between Thailand and German-speaking countries cannot be overstated. In trade, they provide access to sophisticated markets and resilient supply chains. In investment, they support technology transfer, skills development, and industrial upgrading. In sustainability, they offer indispensable partnerships to address climate change, advance green energy, and improve governance to reduce grey capital. At a time of global uncertainty and economic fragmentation, these relationships strengthen Thailand's strategic autonomy and long-term competitiveness.

Looking ahead, Thailand should deepen engagement with Germany, Austria, and Switzerland not only as economic partners but as collaborators in shaping a sustainable, transparent, and inclusive future. By doing so, Thailand positions itself wisely within the evolving global economy – confident, adaptive, and forward-looking. In conclusion, I wish this association success in fostering exchanges and connections between Germany (and the wider German speaking region, including Austria and Switzerland) and ASEAN Member States. I believe this initiative will be a solid platform in generating enhanced investment and business opportunities between our regions moving forward.