

CHAPTER 3

Rising China and Thailand's Policy of Strategic Engagement

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The 21st century witnesses the transformation of a new regional political landscape in the Asia-Pacific. While the United States continues to dominate the region, its influence has been in decline. With an ailing economy and a change in administration, the United States may be looking inward in the near future to tend to domestic challenges. China, on the other hand, is rising with a rapidly expanding economy and increasing influence regionally as well as globally. The impact of China, positive or otherwise, remains to be seen. Japan, in the meantime, resurges and is vigorously engaging the region to protect its economic interests. The active engagement of the two Asian powers in the region may bring about far-reaching consequences. India is also emerging and has been looking eastward for strategic opportunities. With the active engagement of India, Asia will be transformed and can contribute significantly to the world. Among the key political actors in the Asia-Pacific region, the rising China may be the most uncertain and also the most unpredictable.

The states in Southeast Asia, small- as well as medium-sized, have realized that the rise of China has implications for stability and prosperity in the region. Although they may agree on the salience of the issue, they seem to be diverse in their approaches and policies. This paper attempts to look into Thailand's policy toward China by tracing the bilateral relations since the establishment of diplomatic ties in 1975, its shifts during the Cambodian crisis in the 1980s as well as the economic partnership in the 1990s. This paper argues that Thai policymakers, perceiving China in the 21st century as more of an opportunity than a risk, pursue the policy of strategic engagement in order to broaden and deepen the close relationship.

Thailand-China Relations: A Historical Background

China, a regional power with a huge population, large territory and in close geographic proximity to Thailand, has been an important factor in Thai policymakers' calculations since ancient times from the Sukhothai (1237-1350AD), Ayuthaya (1350-1767AD),

Thonburi (1767-1782AD) and Bangkok (1782AD-present) periods. The Thai kings sent missions to the Middle Kingdom regularly for trade transactions and political amity.¹ These profitable transactions lasted until the mid-19th century when the Chinese Empire encountered several difficulties from domestic uprisings and external challenges from western imperialism. During the subsequent turmoil in China, more and more Chinese migrated to Thailand to escape chaos and poverty and to find new opportunities. These overseas Chinese, serving as human linkages to China, played important roles in the informal trade between the two countries as well as between Thailand and the world.²

After the Communist victory in mainland China and the establishment of the People's Republic of China in October 1949, Thai military and civilian leaders viewed China with suspicion. Communist China was then perceived as a security threat³ to Thailand for several reasons, one of which was the incompatibility between Chinese Communist ideology and the Thai ideology of "Nationhood, Buddhism and Monarchy."

The other factor was the perceived expansionist policy of China in supporting Communist North Korea in the Korean War and the Communist Viet Minh in Indochina. The third factor was the suspicion of Thai leaders over the Dai Autonomous Region in Yunnan province in Southwest China as the Chinese effort to set up an alternative Thai government. The Cold War atmosphere also drove the Thais to ally with the US, as Thai Prime Minister Field Marshall Pibul Songkram, shifting to collective defense with the US and its western allies, signed the Manila Treaty with the United States and joined the Southeast Asia Treaty Organization (SEATO) in 1954 to deter the perceived threat from China.⁴

Thai-Chinese relations had a brief thaw after the 1955 Afro-Asian Conference in Bandung, Indonesia where Thai Foreign Minister Prince Wan Waithayakorn met his counterpart Chinese Foreign Minister and Premier Zhou Enlai.⁵ Zhou Enlai, assuring

¹ See Suebsaeng Promboon, *Khwaamsamphan nai rabob bannakan rawang jin kap thai 1289–1853* [Sino-Siamese Tributary Relations 1289–1853] (Bangkok: Thai Wattapanich Press, 1982).

² The Committee on Thai-Chinese Relations, *Khwaamsamphan ttang karntoot rawang thai-jin 1825–2395* [Thai-Chinese Diplomatic Relations 1282–1852] (Bangkok: Government Printing Press, 1980).

³ Sarasin Viraphol, *Tribute and Profit: Sino-Siamese Trade 1652–1853* (Cambridge, Mass: Harvard University Press, 1977).

⁴ See George Modelski ed., *SEATO: Six Studies* (Melbourne: F. W. Cheshire, 1962).

⁵ Wan Waithayakorn, "Meet Zhou Enlai at Bandung," *Saranrom*, 1975.

Prince Wan about China's peaceful intentions, tried to clear away many suspicions, including explaining that the creation of the Dai Autonomous Region was a result of an internal administrative restructuring. Zhou's accommodating posture and the Five Principles of Peaceful Co-existence interested Thai Prime Minister Pibul Songkram. Moreover, the ongoing US-China informal negotiations in Geneva made Thailand nervous and prompted the Thai government to seek rapprochement with China.

A secret mission was sent to China in December 1955 to probe Chinese intentions⁶ and inform the Chinese that the secret negotiations would take place in Rangoon with the Chinese Ambassador if he was authorized. The positive response of the Chinese paved the way to many people-to-people relations as many Thai politicians, writers and cultural troupes visited China from 1956-1957, and were received by Zhou Enlai himself. This overture ended when the government was overthrown by a military coup d'état led by General Sarit Thanarat. The anti-communist policy of the new military government heightened tensions between China and Thailand. General Sarit Thanarat issued many executive orders, one of which was Revolutionary Decree No. 56 prohibiting trade with China.

The perception of the Chinese threat became widespread after China began supporting the Communist Party of Thailand's insurgency in the 1960s. China, in 1964, sponsored the formation of two revolutionary movements, the Patriotic Front of Thailand and the Thailand Independent Movement.⁷ Moreover, in late 1965, Chinese Foreign Minister Chen Yi was reported to have said, "We hope to have a guerilla war going in Thailand before the year is out."⁸ Throughout the later part of the 1960s, China repeatedly called on the Communist Party of Thailand to step up its armed struggle to overthrow the rule of the "reactionary" Thai government. Armed clashes between the communist insurgents in the northeast and the Thai armed forces pushed Thailand to become one of the closest allies of the US in Asia.

There was a shift in the Thai perception of China especially among the civilian elite

⁶ Aree Pirom, *Buanglang kan sathapana samphanthaphap yukmai thai jin* [Background to the Establishment of Sino-Thai Relations in the Modern period] (Bangkok: Mitnara Press, 1981).

⁷ Charles E. Morrison and Astri Suhrke, *Strategies of Survival* (Brisbane: University of Queensland Press, 1978), pp. 115-118.

⁸ Daniel A. Lovelace, *China and "People's War" in Thailand*, Center for Chinese Studies Monograph No. 8 (Berkeley: University of California, 1971), pp. 218-219.

in the Foreign Ministry in the early 1970s as a result of changes in the international strategic landscape on the global as well as regional levels. One of the most important changes was the realignment of the triangular relations among the major powers, the US, China and the Soviet Union. The Sino-Soviet conflict, which escalated into armed clashes over Damansky or Zhenbao Island in the Ussuri River in March 1969, made the Chinese realize that the Soviet threat was more immediate than the US one.⁹ Moreover, the US, exhausted from the Vietnam War and in the process of withdrawing from Vietnam, could be brought into a united front with China to deter Soviet hegemony.

The normalization between China and the US, starting with ping-pong diplomacy in April 1971 and followed by the secret visit to China by Dr. Henry Kissinger, National Security Adviser to the US President Nixon in July 1971, and the March 1972 visit by President Nixon, had a great impact throughout Asia including Thailand. Thai diplomats felt that the US could not be counted upon in case of a conflict with China. Thailand might have to adjust her foreign policy towards the US and China.

Another important factor was the admission of the PRC into the United Nations, replacing Taiwan in October 1971, indicating the world's acceptance of China and prompting Thailand to review its policy toward China. In fact, the Thai started probing and sending signals to China in 1971. Thanad Khoman, the astute Thai Foreign Minister, was reportedly interviewed by Columbia Broadcasting System (CBS) on January 13, 1971 saying that "Thailand wants to live peacefully with China."¹⁰ Through a third country in Scandinavia, Thailand communicated its interest to contact and negotiate with China. At the October 1971 United Nations General Assembly meeting, the Thai delegation headed by Thanad Khoman asked permission from the Thai government of Field Marshall Thanom Kittikachorn to vote with the majority. He was denied and had to "abstain" on the vote that replaced Taiwan with People's Republic of China. Nevertheless, Thanad instructed the Thai Representative to the UN to start contacting the Chinese representative.

⁹ Donald E. Weatherbee, *The United Front in Thailand* (Columbia: University of South Carolina, 1970), pp. 30-58.

¹⁰ See Chai-Anand Samudvanidja and David A. Morell, *Political Conflict in Thailand: Reform and Revolution* (Cambridge, MA: Olegeschlager, Gunn & Hain, 1981).

The economic factor was also important because the global economy in the early 1970s was in turmoil as a result of the energy crisis. As the Organization of Petroleum Exporting Countries (OPEC) reduced production to raise oil prices, oil became scarce and too expensive for many countries including Thailand. This motivated Thailand to look for new sources of oil for the industrialization of its economy. China, with its abundant oil at that time, could become a new source.

Domestic changes in Thailand as well as in China also contributed to the adjustment of the foreign policies of the two countries. The October 14, 1973 student uprising brought down the Thai military dictatorship of Field Marshall Thanom Kittikachorn and Field Marshall Prapas Charusathien.¹¹ A civilian government was installed to prepare for general elections. This was a democratic interregnum that provided the opportunity for Thailand to adjust its foreign policy to new emerging realities. The mass media, as well as academics, voiced their opinion and recommended an independent foreign policy as well as the diplomatic recognition of China. Thailand had to carefully balance the interest as well as the power of all major powers, including China, the United States and the Soviet Union.

China also experienced domestic changes as the Cultural Revolution came to an end and Zhou Enlai took control of Chinese foreign policy. The pragmatist faction within the Chinese leadership tried to return China to law, order and stability. China also tried to improve its state-to-state relations with the countries in Southeast Asia by promoting a peaceful coexistence strategy and taking an accommodating posture. China toned down its criticism of the government in Southeast Asia and would not mind military cooperation between these countries and the United States. China was considering a strategic united front with countries in Southeast Asia against the Soviet Union.

Through various contacts and channels of communication, especially in the UN, China realized that Thailand was serious about normalization. The breakthrough was the Chinese invitation to Thailand to send a ping-pong team to the Asian Table Tennis Union Championship held in Beijing in September 1972. After a long debate

¹¹ Anand Panyarachun "Pook Mitr kab sataranarat prachachonjin [Start Friendly Relations with the People's Republic of China]," in Chantima Ongsurak ed., *Nayobai tang prated thai bon tang prang* [Thai Foreign Policy at a Crossroad] (Bangkok: Thammasat University Press, 1990), p. 132.

at its National Security Council, the Thai government accepted the invitation and appointed Police Lt. General Chumpol Lohachala, Deputy Police Chief on Special Affairs, as the head of the delegation and Mr. Prasit Kanchanawat, a Thai Chinese businessman and a confidante of Field Marshall Prapas Charusathien, as the adviser whose role was to probe Chinese intentions and the conditions for negotiation.

Prasit Kanchanawat, through his contacts, made known his objectives to the Chinese. At Beijing he was accompanied by Cheng Rui-sheng, Director of the Southeast Asia Division of the Chinese Foreign Ministry.¹² During his meetings with Chinese leaders, including Vice Foreign Minister Han Nianlong and later Prime Minister Zhou Enlai, he was told that China wanted friendly relations with Thailand and could wait until Thailand was ready. In the meantime, any contacts should be on trade and cultural exchange.

Prasit Kanchanawat also discussed various issues of Thai concern with Zhou Enlai, including the double nationalities of overseas Chinese and the alleged Chinese support of the insurgencies. Zhou eased the Thais by stating that China did not support double nationalities but instead wanted the overseas Chinese to take the nationalities of the country in which they resided. He reassured Prasit Kanchanawat that China would not interfere in the internal affairs of Thailand. Concerning the Chinese support of the insurgencies, China replied that the insurgency was a Thai internal affair, to be resolved by the Thais themselves and that China respected sovereignty, territorial integrity and non-interference.¹³

The Thai military government was still suspicious and did not trust the Chinese but they would permit sports, cultural and economic relations. Both sides probed each other's intentions through various sports activities. Although they understood each other more and agreed on many issues, they realized that the time was not ripe for normalization. The student led demonstrations in October 1973 brought about the downfall of the military government and the return of civilian rule with a more open attitude towards normalization with China.

¹² Prasit Kanjanawat "Samphantamaitree Thai-Jin kon 2518 [Thai-Chinese Relations before 1975]," *Warasarn Asia Tawan Oksuksa* [East Asian Studies Journal], Thammasat University, Bangkok, vol. 3, no. 1 (July 1980), pp. 14-16.

¹³ *Ibid.*, p. 17.

The oil crisis of 1973 opened another opportunity as the Thai delegation headed by Deputy Foreign Minister Chatichai Choonhavan visited Beijing in December to negotiate the purchase of oil. China agreed to sell 50,000 tons of oil at a friendship price. The positive response improved the Chinese image among the Thai public. The civilian government also abolished Revolutionary Decree No. 53 to facilitate more trade with China.¹⁴ Further contacts and exchanges were also made from 1974-1975.

After the general election of 1975, as a new civilian government headed by Prime Minister M.R. Kukrit Pramoj announced that his government would seek to establish diplomatic relations with the People's Republic of China. The process of Thai-Chinese normalization accelerated in the spring of 1975 as Communist forces came to power in Cambodia, Laos and Vietnam in April. The Communist Provisional Government of South Vietnam sent a delegation to Thailand demanding that the Thai government pay compensation for the war as well as returning vessels and planes brought to Thailand by the fleeing Vietnamese forces.

The regional changes in Southeast Asia as the Communist took power in neighboring Laos, Cambodia and South Vietnam, the withdrawal of the United States from mainland Southeast Asia, and the confrontational attitude of Vietnam made the Thai government decide to normalize its relationship with China. One of the most important reasons was external security concerns. Thailand perceived that a unified Communist Vietnam and its military power might become a security threat. Moreover, Vietnamese influence in Laos and connections with the Khmer Rouge in Cambodia could also affect Thai security. Thus normalizing relations with China was a way to counter the potential threat and aggressiveness of Vietnam.

Another important reason for normalization was the concern for internal security. Thai leaders wanted China to end its support of the Communist insurgencies in Thailand. The Chinese always invoked the principle of dual tracks; separation between state-to-state and party-to-party relations. Beijing argued that the Chinese Communist Party could maintain relations with and provide moral and political support to the Communist Party of Thailand but China would not let such party-to-party relations

¹⁴ Chulacheeb Chinwanno, *Sam sib pee kwam sampan tang karntoot thai-jin: kwam ruammue rawang kalyanamitr 2518-2548* [Thirty Years of Diplomatic Relations between Thailand and China: Cooperation between Truthful Friends, 1975-2005] (Bangkok: Ministry of Foreign Affairs, 2005).

affect state-to-state relations. Nevertheless, Thai leaders were not satisfied with the Chinese argument but believed that the formal government-to-government relations could induce the Chinese to reduce its support of the Communist Party of Thailand, thus enabling the government to defeat the Communist insurgency.

The third reason was economic benefit. Thailand expected to export more agricultural products such as rubber, sugar and rice to the Chinese market and to import oil and machine tools back to Thailand. The economic reasons seemed to complement the strategic consideration for normalization.

Anand Punyarachun, the Thai representative at the UN and Ambassador to the United States, was sent to China in June with a delegation to negotiate diplomatic recognition. Two important issues that the Thai wanted reassurances on from the Chinese were the rejection of double nationalities of the overseas Chinese in Thailand and the end of the Chinese support of the Communist insurgency in Thailand. On July 1, 1975, Thai Prime Minister Kukrit Pramoj went to Beijing and signed a joint communiqué with Chinese Prime Minister Zhou Enlai to establish diplomatic relations. Both agreed to adhere to the Five Principles of Peaceful Co-existence and China confirmed the rejection of dual citizenship for overseas Chinese by allowing them to choose their nationality for themselves and by encouraging them to assimilate into Thai culture. Thailand also acknowledged the “one China” policy and Taiwan as a part of China.

China’s main interest in normalizing relations with Thailand revolved around regional strategic considerations. China expected that friendly relations with Thailand would help to normalize relations with all members of ASEAN, especially Indonesia. China also intended to draw Thailand and other friendly countries of Southeast Asia into a united front against Soviet expansion. The establishment of diplomatic relations in 1975 opened a new page in Thai-Chinese relations and ended almost three decades of hostility and antagonism.

Strategic Convergence and Cooperation between Thailand and China on Cambodia

After the normalization of diplomatic relations with the People’s Republic of China in July 1975, Thai-Chinese relations changed from enmity to friendship. The

relationship at the beginning of normalization was not close as the Thais were still apprehensive over continued Chinese support for the Communist Party of Thailand. Thai leaders pressed for the cessation of assistance but the Chinese kept giving the same answer over and over again; that party-to-party relations would not affect state-to-state relations.

The turnaround in the Sino-Thai relations came after December 1978 when Vietnamese troops invaded and occupied Cambodia. The occupation brought Vietnamese troops closer to the Thai border for the first time. The subsequent Vietnamese incursion into Thai territory at Non Mark Moon in Prachinburi province in July 1980 enhanced the Thai leadership's perception of the Vietnamese threat to Thai national security. Thailand now faced a hostile and aggressive enemy across the border.

The Vietnamese incursion was an attempt to warn and pressure Thailand to accept the Cambodian occupation as a *fait accompli*. Thailand, however, viewed the Vietnamese action as unacceptable, since Vietnam violated the UN Charter and international law. Moreover, the Vietnamese occupation not only affected Thai security but also destabilized the regional security of Southeast Asia. Subsequently, Thailand mobilized ASEAN support by jointly calling for the withdrawal of foreign troops from Cambodia. Thailand, together with ASEAN, pursued a strategy of pressuring and isolating Vietnam. Diplomatically, Thailand and ASEAN were building a coalition of international forces and international public opinion in the United Nations to put political pressure on Vietnam to withdraw from Cambodia.

However, Thailand also realized that international political pressure might not be sufficient. Thailand saw the value of China after the Chinese attacked Vietnam along the border in order to teach the Vietnamese a lesson in February 1979. Although Vietnam suffered greatly, China also paid a heavy price.¹⁵ The willingness to use force as well as military pressure from China might complement and render international political pressure effective.

China viewed the Vietnamese occupation of Cambodia as an expansionist move to

¹⁵ See Xiaoming Zhang, "China's 1979 War with Vietnam: A Reassessment," *China Quarterly*, iss. 184 (December 2005), pp. 851-874.

dominate all of Indo-China. Moreover, the close relationship between Vietnam and the Soviet Union made the Chinese suspect that their intention was to encircle China. Both Beijing and Bangkok recognized their mutual interest in resisting the expansion of Vietnamese influence in Indo-China. In fact, Deng Xiaoping warned Thailand about the impending Vietnamese attack when he visited Thailand in early November 1978. He told the Thai leaders: "The hegemonists have stepped up their expansionist activities in Asia, particularly in South East Asia. It is only natural that some Asian and South East Asian statesmen and men of vision should have perceived...the attempts of the hegemonists to reach out toward Southeast Asia and taken positive measures to counter them."¹⁶

Deng also proposed that Thailand cooperate closely with China over the Cambodian conflict with Vietnam. General Kriangsak Chomanand, the Thai Prime Minister, did not want to get involved directly in intra-Communist conflict or provoke Vietnamese hostility. Kriangsak only agreed to allow fly-over rights to the Chinese, enabling China to supply the Cambodians without flying over Vietnamese-dominated Laos.¹⁷

The Vietnamese invasion and occupation of Cambodia in December 1978 brought about a convergence of security interests between Thailand and China that resulted in strategic cooperation. Strategically, China wished to contain Vietnamese power and control in the region, which would also limit Soviet influence. Therefore, China would need Thailand's cooperation in providing military support to Cambodian resistance forces, especially the Khmer Rouge. China wanted to supply the Khmer Rouge with arms in its struggle against Vietnamese occupation and there was no better place for a logistic network than through Thailand.¹⁸

The collapse of the Khmer Rouge's Democratic Kampuchea made the Chinese turn to Thailand to negotiate strategic cooperation. On January 13, 1979 CCP Politburo member Geng Biao, Vice Foreign Minister Han Nianlong and several senior members of the PLA General Staff flew to Thailand (probably to Utapao airbase) to meet Thai Prime Minister Kriangsak Chomanand, who agreed to allow the use of Thai territory

¹⁶ "Vice Premier Teng Visits Thailand," *Peking Review*, November 10, 1978, pp. 3-4.

¹⁷ Nayan Chanda, *Brother Enemy, the War after the War: A History of Indochina Since the fall of Saigon* (New York: Collier Books, 1988), p. 325.

¹⁸ See Geng Biao, "Report on the Situation of the Indochina Peninsula," *Issues and Studies*, vol. 17, no. 1 (January 1981), pp. 88-89.

to supply the Khmer Rouge, to provide transport and transit facilities for Cambodian personnel and materials, and to help Khmer Rouge leaders make foreign trips via Thailand.¹⁹

General Kriangsak then asked the Chinese to cease their support for the Communist Party of Thailand and close its propaganda radio, which was allegedly broadcasting from Yunnan. The Chinese complied by closing down the Voice of Thai People Radio in July 1979 and reduced material support for the CPT.²⁰ The Thai government used this opportunity to grant amnesty to Thai Communists who laid down their weapons. By 1985, the Communist Party of Thailand, reduced to a few hundred old Sino-Thai members, ceased to be an internal threat to Thai security.

The logistics deal also created a concrete operational basis for closer cooperation. In providing supplies to the Cambodian resistance and overseeing their activities, Thai military officers found it necessary to coordinate their actions with the Chinese, who continued to have direct access to Khmer Rouge leaders. There developed a close working relationship between some members of the Chinese Embassy staff and some military officers under the command of Col. Chaovalit Yongchaiyuth, who oversaw the logistics operation and later rose to become Army Commander-in-Chief. This relation not only created strong personal relations but also mutual trust and confidence between the two militaries.

In addition to logistic coordination and support, Thai-Chinese strategic cooperation also covered other areas, including strategic consultation, arms transfer and arms sales. Strategic exchanges and consultations at the highest levels also increased in the 1980s. Thai Prime Ministers always visited China after their formal appointment. Prime Minister Prem Tinsulanond visited China twice in October 1980 and again in November 1982. The following Prime Minister, General Chatichai Choonhavan, also traveled to China twice in November 1988 and again in October 1989. On the Chinese side, after the historic visit of Deng Xiaoping to Thailand in November 1978, Chinese Prime Minister Zhao Ziyang visited Bangkok in February 1981, President Li

¹⁹ Michael R. Chambers, "The Chinese and the Thai are Brothers," *Journal of Contemporary China*, vol. 14, no. 45 (November 2005), p. 614.

²⁰ General Saiyud Kerdpol, *The Struggle for Thailand: Counter Insurgency 1965 - 1985* (Bangkok: S. Research Center Co., 1987), pp. 166-167.

Xiannian in March 1985 and Prime Minister Li Peng in November 1988, his first trip overseas as Chinese Premier.

Military exchanges also started in the early 1980s as the two countries developed their strategic cooperation. Thai Armed Forces Supreme Commander General Serm Nanakorn visited China for the first time in May 1981. By 1983, with reciprocal visits of PLA Chief-of-Staff General Yang Dezhi and Supreme Commander of the Thai Armed Forces General Saiyud Kerdphol, the two countries were regularly exchanging visits of their top military commanders. General Saiyud's successors followed his example of visiting China soon after taking command and General Yang Dezhi visited Bangkok again in 1987. Defense Minister Qin Jiwei visited Bangkok in January 1989. Throughout these high-level military exchanges, the subjects discussed included regional security as well as strategic cooperation and military assistance. These exchanges of senior military officials not only enhanced the familiarity and friendship of the two military leaderships but also demonstrated the strategic cooperation and strategic commitment between them.

Chinese civilian and military leaders made clear Beijing's willingness to support Thailand if its security would ever be threatened. PLA Chief-of-Staff Yang Dezhi warned during his 1983 visit to Thailand, "If Vietnam dared to make an armed incursion into Thailand, the Chinese army will not stand idle. We will give support to the Thai people to defend their country."²¹ Deng Yingzhao, the widow of Zhou Enlai and also Vice Chairman of the Standing Committee of the National People's Congress, told a visiting Thai parliamentary delegation that if Thai security was threatened, China would stand side by side with the Thai people.²²

It was not quite clear what the Chinese would do in this circumstance and the Thai military had some understanding that China would apply some military pressure, artillery shelling or troop movements. China continued to maintain a large number of troops—some 12 divisions—along the borders with Vietnam in order to tie down Vietnamese troops so that they could not be used inside Cambodia or along the Thai-

²¹ *The Bangkok World*, February 5, 1983, p. 1.

²² Chulacheeb Chinwanno, *Sam sib pee kwam sampan tang karntoot thai-jin: kwam ruammue rawang kalyanamitr 2518-2548* [Thirty years of Diplomatic Relations between Thailand and China: Cooperation between Truthful Friends], p. 73.

Cambodian border. It was reported in the *Far Eastern Economic Review* that a radio-telephone link had been established between the Thai Supreme Command in Bangkok and the Yunnan Military Region Headquarters in Kunming. The arrangement was that Thailand could report Vietnamese attacks or shelling and expect Chinese troops along the Vietnamese borders to activate some form of military pressure.²³

In addition to strategic promises and verbal assurances plus military pressure along the Vietnamese borders, China started to provide some military assistance. In 1982, small arms, including AK-47s, RPG grenade launchers and ammunition, were delivered to the Thai military. Later, during the visit of General Yang Dezhi in 1983, the Thai military requested 130-mm artillery guns to match those that the Vietnamese were using across its border. The Chinese took two years to decide on the request and delivered 16 130-mm artillery guns, ammunition and some 24 T-59 main battle tanks to the Thai Armed Forces for testing and inspection.²⁴ This grant-in-aid beefed up Thailand's eastern border defense against Vietnamese incursions.

In March 1987, Thai Army Deputy Chief-of-Staff Lieutenant General Suchinda Kraprayoon announced that Thailand would conclude a large arms deal with China.²⁵ This was confirmed two months later when General Cahvalit Yongchaiyut, Supreme Commander of the Thai Armed Forces, returned from Beijing with an agreement to acquire the following armaments from China: 30 T-69-II main battle tanks, 400 armored personnel carriers (APC), 10 anti-aircraft gun batteries, and ammunition.²⁶ Thailand also expressed some interest in buying Chinese HY-5 portable heat-seeking anti-aircraft missiles and long-range artillery guns. The arms transfer complemented the growing Thai-Chinese relationship marked by strategic convergence over the Cambodian issues, mutual concern for regional security and frequent high-level official exchanges.

In March 1988, a second major purchase was reportedly made by the Thai military.

²³ "Intelligence," *Far Eastern Economic Review*, January 2, 1982, p. 9.

²⁴ Chulacheeb Chinwanno, "Kwam ruammue tang taharn: miti mai nai kwam sampan thai-jin [Military Cooperation: New Dimensions in Sino-Thai Relations]," *Asia Parithat [Asia Review]* vol. 8, no. 2 (May-July 1987), pp. 17-19.

²⁵ *The Nation*, April 12, 1987.

²⁶ R. Bates Gill, "China Looks to Thailand: Exporting Arms, Exporting Influence," *Asian Survey*, vol. 31, no. 6 (January 1991), p. 530.

General Chavalit Yongchaiyut approved the purchase of 23 T 69-IIs, 360 APCs and 130-mm artillery ammunition.²⁷ Later in the year, the Royal Thai Navy announced its intention to acquire four Jianghu-class frigates from China (produced by Hu Dong Shipyards in Shanghai), two of which were modified to include helipads. China delivered the first of these frigates in April 1991, another one by the end of the year and the last two by 1992. In 1990, the Thai Navy also ordered two more Jianghu-class frigates with helipads and they were delivered in 1993. A large supply ship was also ordered in 1992 from the same shipyard and was delivered in 1995.²⁸ Moreover, Thailand also expressed interest to buy a number of missiles from China, including the HY-5 portable surface-to-air missiles, the HQ-2J mobile surface-to-air missile, mobile multiple-rocket launchers, a ship-to-ship missile system and air-to-air missiles. The Royal Air Force in 1987 ordered 30 units of 37-mm anti-aircraft batteries with radar guidance systems. China also offered F-7 fighter jets (an upgraded Chinese version of Soviet MIG-21) but the Thai Air Force in 1989 declined the offer after some consideration. In August 1990, the Ministry of Defence approved the purchase of 50 C-801 ship-to-ship missiles that were capable of sinking destroyer-sized vessels. The Jianghu frigates delivered to Thailand were equipped with these C-801 missiles as well as anti-submarine torpedoes.²⁹

These weapons were sold by Beijing to Thailand at a very low “friendship” price. General Chavalit reportedly said that China sold arms to Thailand at only 4-5% of their actual value, and the terms of repayment were said to be quite generous. In fact, Thailand was reportedly given a ten-year grace period.

While the Chinese arms were quite inexpensive, they were not up to the standards that the Thai were used to with American equipment. Most of arms were delivered without manuals. Moreover, the Thai military encountered many problems with the mechanical unreliability of Chinese tanks, failure in communication equipment of the APCs and lack of spare parts. Therefore, to meet the maintenance and the re-supply needs of the Thai Armed Forces equipped with Chinese arms, Thailand signed an

²⁷ R. Bates Gill, *Chinese Arms Transfers: Purposes, Patterns, and Prospects in the New World Order* (Westport, CT: Praeger, 1992), pp. 168-169.

²⁸ See “First Thai Jianghu Launched,” *Jane’s Defence Weekly*, July 21, 1990, p. 81.

²⁹ R. Bates Gill, “China Looks to Thailand: Exporting Arms, Exporting Influence,” *Asian Survey*, vol. 31, no. 6 (January 1991), p. 530.

agreement with NORINCO, a company affiliated with the Chinese PLA, in January 1989 for the creation of a joint repair and assembly deal for the APCs supplied by China. It was expected that the facility could be expanded to maintain and repair the Chinese tanks as well.³⁰

The strategic cooperation not only provided Thailand with military equipment but also consolidated the relationship between Thailand and China, especially between the Thai military and the Chinese PLA. The strategic cooperation also provided the opportunity for Thailand to play the role of an intermediary between China and ASEAN. While ASEAN and Thailand supported the Democratic Kampuchea of the Khmer Rouge to retain its UN seat and prevented the Vietnamese-backed regime in Phnom Penh to gain legitimacy and worldwide recognition, they also realized that support in the UN might not hold for long as many countries could not accept the murderous Pol Pot and the Khmer Rouge regime.

Thailand then promoted the creation of FUNCINPEC under Prince Narodom Ronrit and Prince Sihanouk as well as the KPNLF under Son Sann, the former Cambodian Prime Minister. In 1980 Thai leaders tried to convince Chinese leaders, Deng Xiaoping in particular, to consider an ASEAN proposal to create a coalition government that would include non-Communist forces as well as the Khmer Rouge. ACM Sithi Sawetsila, the Thai Foreign Minister, was interviewed regarding his role there and said that he spent about 10 hours discussing the issue with Huang Hua, the Chinese Foreign Minister, as well as a few hours convincing Zhao Ziyang and Deng Xiaoping.³¹ Finally, Chinese Premier Zhao Ziyang gave Beijing consent to form a coalition government led by Prince Sihanouk when he visited Thailand in 1981. After several months of negotiations, the Coalition Government of Democratic Kampuchea was formed with Sihanouk as President, Son Sann as Prime Minister and Khieu Samphan of the Khmer Rouge as Vice President and Foreign Minister.

Thailand played an important strategic role not only in convincing the Chinese to broaden the Cambodian resistance by creating the CGDK but also in convincing other ASEAN members to continue supporting the Khmer Rouge. Thailand and

³⁰ Ibid.

³¹ Interviews with Former Foreign Minister ACM Siddhi Savetsila, October 14, 2005.

China realized the importance of the Khmer Rouge in fighting the guerrilla resistance against the Vietnamese occupation and wanted to maintain their ability to continue their struggle. While ASEAN called for a political settlement to the conflict, they also realized the important role that military pressure would have in forcing the Vietnamese to accept such a settlement. Thailand's ability to convince ASEAN to continue supporting the Khmer Rouge and the combination of military and political strategies was appreciated by the Chinese.

The close strategic cooperation between China and Thailand made many ASEAN countries concerned that the Thai dependence on Chinese arms would make Thailand a strategic client of China, which would increase Chinese influence in the region. Thailand calmed its ASEAN friends and tried to persuade ASEAN members to see that what China really wanted were friendly state-to-state relations with Southeast Asian nations and that it had given up using communist insurgencies to threaten these governments. The Thai experience had helped to alleviate such concerns and suspicion. ACM Sithi Sawetsila was asked by Chinese Foreign Minister Wu Xueqian to convey the message of friendship³² and hope of normalization to the Indonesian leaders. In many ways, Thailand has assisted China in its relations with ASEAN. Thailand's efforts bore fruit later as China had normalized and established relations with all ASEAN members by the early 1990s.

The convergence of strategic interests against the Vietnamese occupation in Cambodia has forged closer ties between Thailand and China and transformed a friendship into a partnership. The strategic cooperation between the two militaries also brought mutual trust and confidence. In 1989, Vietnam started troop withdrawals from Cambodia and the security threat from Vietnam subsided. In 1991, the conflict over Cambodia ended with the Paris Peace Agreement and the informal collective defense arrangement between Thailand and China became inoperative since Thailand no longer needed Chinese armament and strategic deterrence. Thai-Chinese strategic cooperation needed to be developed and transformed but Thailand remained China's most important friend in Southeast Asia.

³² *Ibid.*, p. 534.

Economic Partnership between Thailand and China

The demise of Communism in Eastern Europe in 1989 and the fragmentation of the Soviet Union in the early 1990s had great impact on the strategic landscape globally as well as regionally. The subsequent end of the Cold War brought about opportunities and challenges to Thailand and China as well as to their relations. Vietnam had changed and was no longer a security threat because it was weak and isolated. Vietnam had to adapt to new realities by reforming its economy and pursuing an accommodative foreign policy.

During his visit to Vietnam in 1992 Thai Prime Minister Anand Panyarachun invited Vietnam as well as Laos and Cambodia to join ASEAN so that they would have to abide by the same ASEAN norms, one of which was the peaceful settlement of conflicts by negotiation. Vietnam became an observer and later joined ASEAN as full member in 1995, followed by Laos and Myanmar in 1997, and Cambodia in 1999.

The peaceful atmosphere among the states of East Asia in the post-Cold War period set this region apart from the rest of the world. The emerging new world order after the end of the Cold War has opened up possibilities for new approaches to regional security arrangements. As threats from external sources receded, Thailand and ASEAN attempted to establish a new security framework in the region. At the fourth ASEAN Summit in Singapore in 1992, ASEAN leaders agreed to set up a forum for regional security discussion and consultation. Thailand enthusiastically supported the ASEAN Regional Forum (ARF) and hosted the inaugural ARF meeting, which convened in Bangkok in July 1994.³³

The ARF became the only regional security framework covering the whole Asia-Pacific region, and the only one in which all major powers of the region—including the United States, Russia, China, Japan and India—were involved. Thailand recognized that constructive engagement among these major powers was desirable and important for a stable security environment in East Asia. The ARF became a forum not only for socializing the ASEAN norms to other participants but also for setting new norms so as

³³ Chulacheeb Chinwanno, "Thailand's Perspective on Security Cooperation in the Asia-Pacific," in See Seng Tan and Amitav Acharya eds., *Asia-Pacific Security Cooperation: National Interests and Regional Order* (Armonk, N. Y.:M.E. Sharpe, 2004).

to promote security and stability in the region through confidence-building measures and preventive diplomacy as well as conflict resolution. At first, China was reluctant to join the ARF because it was not sure about the multilateral regional arrangement and preferred bilateral negotiations. Thailand persuaded China to join and familiarize itself with regional multilateral dialogue. China later became an active member of the ARF and used the experience in setting up another regional multilateral security arrangement, the Shanghai Cooperation Organization (SCO). The ARF has thus become an important forum for engaging, socializing as well as sensitizing China.

Moreover, the Chinese economy in the 1990s expanded at an average of 7-8% per year and provided opportunities for increasing economic interactions between Thailand and China. Thai companies that belonged to Thai-Chinese families, such as the Charoen Pokpan Group (CP), continued to invest more and more in China. Thai-Chinese relations during this period shifted the focus from strategic cooperation to economic partnership. The bilateral trade increased as the Thai economy continued to boom. However, Thailand was confronted with the Asian Financial Crisis in 1997 and had to devalue the baht. The Financial Crisis spread to other countries in Southeast Asia. China contributed 1 billion US dollars in the IMF-led rescue plan, which was much appreciated by Thailand.

During the 1990s, China also increased its defense budget and modernized its armed forces after witnessing the US military superiority in the Gulf War of 1991. China's economic expansion and defense modernization created the image of the "rise of China" as well as the potential "Chinese threat" in Southeast Asia

The majority of Thai leaders perceived the rise of China as an opportunity for economic cooperation. They believed that economic growth in China should be encouraged not only because it created valuable trade and investment opportunities but also because it kept China stable and facilitated its integration into the regional community and the world, giving China a stake in the international status quo. The bilateral trade between Thailand and China increased from 3.8 billion US dollars in 1996 to 6.2 billion US dollars and 20.3 billion US dollars in 2000 and 2005, respectively. Thai exports to China also expanded from 1.8 billion US dollars in 1996 to 2.8 billion US dollars and 9.1 billion US dollars in 2000 and 2005, respectively. The imports from China also expanded to 3.3 billion US dollars in 2000 to 11.1 billion US dollars in

2005. Thailand suffered a trade deficit with China as its imports from China increased faster, with a 1.9 billion US dollars deficit in 2005. In the first 9 months from Jan to Sept 2008, Thailand suffered 3 billion US dollars deficit as it only exported 12 billion US dollars to and imported 15 billion US dollars from China.

Thai leaders also recognized that China is destined to be a major military power and could upset the regional balance of power. This did not mean that China would pose a threat or come into conflict with countries in Southeast Asia. The feeling instead was that China mainly wanted to be recognized and respected as a major power. Also, Thai policymakers saw China behaving as a status quo power that was playing a constructive role in Asia as well as in the world. Thus, Thai policymakers did not subscribe to the view that the rise of a great power like China would cause conflict within the international system.

A few observers had cautioned that China could become a potential threat in the future only if one thought it would be and acted likewise. Others have voiced concern over the spillover effect of the conflict in the Taiwan Straits, which might involve the United States and Japan. However, Thai leaders tended to have a positive view of China and its role in the region.

In order to bring about the peaceful rise of China, Thailand pursued a policy of engagement with China. The aim of engagement is to draw China closer to Thailand and ASEAN so as to integrate China into the regional community at the political, economic and security levels, thereby sensitizing and socializing the Chinese government and officials into accepting the regional norms and principles. The most important regional norms include respecting national sovereignty and territorial integrity, the non-use of force, and the peaceful settlement of conflict through negotiation.

Political engagement would increase the dialogue and consultation between China, Thailand and ASEAN at both the bilateral and multilateral levels, allowing both sides to increase cooperation and discuss mutual concerns. Economic engagement—especially with ASEAN—would link and integrate China into a complex web of interdependence, thus increasing the costs on China in the event of any conflict with ASEAN. Security engagement would involve China in a multilateral cooperative

security arrangement through the ARF.

At the bilateral level, Thai-Chinese relations had, in the past, been based on common security interests, especially military ones, but relations in the post-Cold War period have broadened towards shared strategic interests encompassing political, economic and other interests. These widened interests could be seen from the Joint Communiqué on a Plan of Cooperation for the 21st century that was signed between Thai Foreign Minister Dr. Surin Pitsuwan and Chinese Foreign Minister Tang Jiasuan in 1999, which laid out the plan for cooperation in various fields.

Both countries agreed to continue their annual consultation between high-ranking officials of their respective foreign ministries. They also agreed to strengthen security cooperation through various confidence-building measures such as promoting cooperation between security agencies, joint studies on strategic and security issues, promoting consultations on security affairs among their military officers and diplomats, sharing experiences between the militaries of both countries on humanitarian rescues and on disaster prevention.

Thailand is the first country in Southeast Asia to approach China to sign such a Joint Declaration because Thailand realized that China, with its rapid economic growth, is destined to play an important role in the Asia-Pacific region in the 21st century while Thailand was still recovering from the 1997 financial crisis. Thailand wanted to broaden its engagement with China so that the relationship could continue to be cooperative and attractive. China later signed similar joint declarations with other members of ASEAN.

Strategic Engagement with China in the 21st Century

At the turn of the 21st century, Thailand experienced a new political phenomenon. A new political party, the Thai Rak Thai Party, led by Thaksin Shinawatra, a former policeman and a successful businessman in telecommunications, won a landslide victory in the 2001 general elections. Thaksin Shinawatra became Prime Minister and set up a one-party cabinet. After visiting ASEAN neighbors, Thaksin went to Beijing for an official visit before going to Washington, signaling his preference. He later visited China four more times, in late 2001, 2003, 2004 and 2005.

Prime Minister Thaksin Shinawatra often expressed the need for Thailand to have good relations with China because of its growing economic power. China could offer great opportunities for economic interactions and benefits. The rising purchasing power of the Chinese could absorb raw materials, agricultural products and other manufactured goods from Thailand. Chinese influence at the regional level and the global level will benefit Thailand as a close friend of China.

Strategic engagement was crucial as Thaksin tried to promote a multi-dimensional relationship with China, especially on increasing trade relations with China, supporting free trade negotiations between China and ASEAN, and between China and Thailand. At the China-ASEAN Summit in November 2002 in Phnom Penh, China and ASEAN signed an agreement outlining the General Free Trade Agreement framework, under which trade in meat, fishery products and vegetables would be liberalized in 2004. Tariffs on other products would be cut and abolished in stages and the FTA could be realized as early as 2010. However, Thaksin lobbied Chinese Premier Wen Jiabao for a harvest on tariff reductions for Thai fruits and vegetables earlier than the official implementation and the Chinese reluctantly agreed to implement it on 1 October 2003. Thaksin expected Thai fruits such as longans, mangosteens, mangoes and durians to penetrate the Chinese market to bring in more income to the impoverished agricultural sector. Although more fruits were exported to China, they still encountered many non-tariff barriers at the provincial level. Chinese fruits such as apples and pears and vegetables like garlic were flooding Thai markets at low prices. Fortunately, the Chinese demand for rubber and tapioca helped Thailand to create surplus trade with China in this category.

Prime Minister Thaksin wanted to broaden and deepen strategic relations with China into many areas of cooperation, not just political and economic, so as to strengthen the relationship. He started negotiations for the action plans based on the 1999 Joint Communiqué on a Plan of cooperation for the twenty first century but did not sign it because he was overthrown in a coup d'état on September 19, 2006. Nevertheless, China and Thailand continued to negotiate the Joint Action Plan and identified 15 areas of cooperation. In May 2007, Surayuth Chulanond, the new Prime Minister installed by the military, visited China and witnessed the signing of a *procès-verbal* to launch the Joint Action Plan on Thailand Strategic Cooperation between Thailand and China. The strategic cooperation, to be implemented for five years, from 2007 to

2011, would cover 15 areas, including: political cooperation; military cooperation; security cooperation; trade and investment; agriculture; industry; transportation; energy; tourism; culture; education and training; health and medical science; science, technology and innovation; information and communication technology; and regional and multilateral cooperation.

In order to achieve the objectives of military cooperation, which are to increase mutual trust and strengthen cooperation for peace and stability of the two countries and the region as a whole, the joint action plan is to maintain dialogue and exchanges of visits at all levels between the militaries of the two countries, encourage combined military exercises focused on countering non-traditional threats and further promote cooperation in the fields of military training, logistics, personnel training, academic exchanges, defense consultation, mutual observation of military exercises, disaster relief and rescue, as well as the defense industry.

Thailand and China agreed on the objective of security cooperation, which is to enhance cooperation in the area of non-traditional security, including prevention and suppression of terrorism, illicit drug trafficking, human trafficking (including illegal immigration), money laundering, arms smuggling, sea piracy, armed robbery at sea and other crimes against the safety of navigation, international economic crime and cyber crime.

The joint action plan is expected to enhance capacity building through training and study visits and the sharing of experiences that each has expertise in, accelerate the conclusion of the establishment of the Thailand-China Joint Working Group on Non-Traditional Security Cooperation (Thailand-China JWG) as a mechanism to exchange views, share information and strengthen cooperation on non-traditional security issues among relevant agencies and promote close cooperation among law enforcement agencies.

In fact, the strategic cooperation has started to broaden after General Chaovalit Yongchaiyut's visit to China as Defence Minister in June 2001. Chaovalit, in attempting to institutionalize high-level military relations, proposed annual defense meetings to his Chinese counterpart, General Chi Haotian, who agreed to the idea. The formal defense security consultation by the Ministries of Defense of both countries

have become annual events since 2002. The purpose was to streamline Sino-Thai military cooperation as well as to help further develop military ties. The consultation usually included exchanges of views on global and regional strategic conditions as well as planning for military cooperation between the two countries.

Later, Thailand also extended China an invitation to observe the annual Thai-US military exercise—the Cobra Gold. In May 2002, China participated for the first time as an observer by sending six military personnel. China has been sending military teams to observe the Cobra Gold military exercise from 2003 up to the present.

In 2003 China invited Thailand to observe Chinese military exercises. Thailand was one of the 15 countries to observe the military exercise—codenamed Northern Sword 0308U—in Inner Mongolia, which involved tanks, armored vehicles, artillery, combat helicopters and about 5,000 soldiers. Thailand was also invited to a live ammunition exercise codenamed Iron Fist 2004 along with 60 other foreign observers in September 2004. In September 2005, Thailand again observed Northern Sword at the Chinese tactical training base in Inner Mongolia.³⁴

China also proposed joint military exercises but Thailand was reluctant, citing language difficulties and different military doctrines. Thailand, however, eventually agreed to hold a joint naval exercise. In December 2005, the Chinese Navy carried out a search-and-rescue exercise with the Thai Navy, the first-ever joint exercise between China and Thailand. The Chinese vessels involved, including destroyers and supply ships, also made port visits.

On July 16–29, 2007, Thailand and China also participated in a joint military exercise codenamed Strike 2007 in Guangzhou. The focus of the training exercise was counter-terrorism. About 30 special-forces officers from the Royal Thai Army and the PLA practiced jungle warfare, marksmanship, martial arts, climbing, helicopter assault and anti-terrorist and hostage-rescue drills.³⁵ The training exercises also included a simulated assault on a drug smuggler's base.

³⁴ Bates Gill, *Rising Star: China's New Security Diplomacy* (Washington D.C.: Brookings Institution Press, 2007), pp. 65-68.

³⁵ Wendell Minnick, "Military Exercise Warms up Sino-Thai Relations," *Defense News.com*, August 6, 2007, <http://www.defensenews.com/story>.

In addition to security consultation, military exercise cooperation and joint military training and exercises, Thailand and China also cooperated in military educational exchanges. Each year, Thai military officers were sent to the National Defense College in China to learn about Chinese strategic thinking and military plans. Now there are many Thai military personnel who can speak and write Chinese. More and more military officers will be sent to learn the Chinese language in China so that the military cooperation between China and Thailand can be further advanced.

Thai-Chinese relations in the post-Cold War period have continued to be friendly and close. Military leaders of the two countries have agreed to expand their activities and cooperation into new areas to strengthen the relationship. Thailand seeks to benefit from the increasing prominence of its partner while China needs a close friend in the region to alleviate fears of its rising power and facilitate cooperative relations that it attempts to build in Southeast Asia. The non-traditional security threat has become the focus of the strategic partnership of the two countries. Thailand and China will continue to cooperate strategically so as to maintain a close friendship, mutual interest and comprehensive partnership.

Moreover, the economic partnership has been deepened in the past 10 years. Since the financial crisis in 1997, many Chinese companies came to invest in Thailand in many areas, including manufacturing, construction and telecommunications. World Best Company from Shanghai built factories to produce textile and later manufacture citric acid. One of the bridges across Chao Phraya River in Bangkok was constructed by Chinese Construction Company.

The people-to-people relations have also been increased as more and more Chinese tourists visited Thailand from about 15,000 in 1995 to more than 800,000 in 2006. About 200,000 Thai tourists visited China in 2006. Chinese students came to Thailand to further their education especially in the international programs. It has been estimated that more than 30,000 Chinese were studying in Thailand as exchange students as well for degrees especially in the graduate level. China has set up Confucius Institutes at many universities around Thailand to promote Chinese culture and language. More than 10,000 Thai youths were studying Chinese languages and other disciplines in Chinese universities. The Thai government has sent more than 200 students from many provinces to study in China under the scholarship.

The strategic engagement policy with China would broaden and deepen the relationship between the two countries not only between government officials but also between the peoples of both countries. The Action Plan will set up a mechanism for cooperation between various branches of the governments while the people-to-people activities will bring mutual understanding and friendship.

Prospects for the Future and the Challenges Facing Thai Foreign Policy towards China

Thai-Chinese relations in the past had been based on the narrow common interests of security or economics; the relations in the future have been broadened toward shared strategic interests encompass political, economic, cultural and other interests. These widened interests could be seen from the Joint Communiqué on a Plan of Cooperation for the Twenty First Century that was signed by Thai Foreign Minister Dr. Surin Pitsuwan, and Chinese Foreign Minister Tang Jiasuan, in 1999 which laid out the plan for cooperation in various fields.

Thailand was the first country in Southeast Asia to approach China to sign such a Joint Declaration because Thailand realized that China, with its rapid economic growth, was destined to play important role in the Asia-Pacific region in the 21st century while Thailand was still recovering from the 1997 financial crisis. Thailand wanted to broaden engagement with China so that the relationship continued to be cooperative and attractive. Thailand wanted to broaden and deepen the strategic relations with China into many areas of cooperative activities so as to strengthen the bilateral relationship. The two countries have negotiated a joint action plan and identified 15 areas of cooperation. In May 2007, Surayuth Chulanond, the new Prime Minister installed by the military, visited China and witnessed the signing of the *procès-verbal* to launch the joint Action Plan on Strategic Cooperation between Thailand and China. The strategic cooperation, to be implemented in the 5 years from 2007-2011, will cover 15 areas including: 1) political cooperation; 2) military cooperation; 3) security cooperation; 4) trade and investment; 5) agriculture; 6) industry; 7) transportation; 8) energy; 9) tourism; 10) culture; 11) education and training; 12) health and medical science; 13) science, technology and innovation; 14) information and communication technology; and 15) regional and multilateral cooperation.

As for the challenges in the future, Thailand and China must look out for the issues which could affect the close relationship. These issues include some of the following.

Trade. Thailand at present suffers a trade deficit with China. If the deficit becomes bigger and more Chinese products, agricultural as well as industrial, flood the Thai market and cause hardship to the producers and manufacturer, while the Thai products encounters non tariffs barriers in China at the provincial level, these will have a negative impact on Thai-Chinese relations

Taiwan. Thailand ascribes to the “One China” policy but continues informal relations, especially economic ones, with Taiwan. Thailand must be careful in her relations with Taiwan which wants to upgrade the informal relations.

Tibet. The Dalai Lama, seen by Thai NGOs as religious leader, could be invited to visit Thailand. The visit must be carefully managed with no political agenda so as not to affect the Thai-Chinese relations

Mekong River Development. The Chinese plan to build several hydraulic dams in the upper Mekong River could affect the water level and the environment as well the ecology of the Mekong river basin and thus affect Thai-Chinese relations.

Conclusion

It can be argued that relations between Thailand and China have become very warm and close as the cooperation changed from security to economic and political to socio-cultural. There are several factors contributing to the close relations, one of which was the royal patronage of the relations. All members of the royal family except the king have visited China several times. The Chinese government invited him but he sent the queen to visit China in 2000 instead as he has been busy attending to the people’s problems. HRH Princess Sirinthorn visited China more than 25 times and has written many books about her visits. She studied Chinese language and her enthusiasm about Chinese culture and civilization has been much appreciated by Chinese leaders and officials.

Another factor was the active engagement of the Thai government leaders and

officials. Every Thai Prime Minister since 1975 visited China after assuming the position. Some of them visited China several times. Prime Minister Thaksin visited China five times, twice in 2001 and in 2003, 2004 and 2005. Surayuth Chulanon visited China twice in 2007. Prime Minister Samak Suthravej visited China twice during his 8 months in office. Chinese Premiers and Presidents also visited Thailand regularly. The frequent visits and exchanges strengthened cooperation and relations.

The third factor was the overseas Chinese connection in Thailand. Thailand was fortunate that the ethnic Chinese population has assimilated into the social, economic and political life of the country. Some, like Dhanin Chiaravanon of the CP Group, who hold influential positions in the business circle, played important roles in supporting a close Thai-Chinese relationship.

The last factor was the positive attitude of the Thai people in regards to China. The cultural similarities also contributed to such an attitude. More and more Thai were visiting China as tourists as well as visiting relatives. More and more Thai students each year went to China to study Chinese language and other subjects in many universities in China.

Moreover, the congruence of interests, strategic and economic, between Thailand and China has strengthened relations so far. The recent political change, the coup d'état of September 19, 2006, did not affect Thai-Chinese relations. The Chinese position was that it was the internal affair of Thailand and China would not interfere. Thai Prime Minister General Surayuth Chulanon's recent visit to China in May 2007 was well received by the Chinese leaders.

The short term objective of Thailand's policy of strategic engagement toward China is meant to broaden and deepen the relations so as to maintain a warm and close relationship with China. The long term objective is to engage China, bilaterally and multilaterally, in such a way that China will play a constructive and peaceful role in the region. The strategic engagement policy with China as well as other extra-regional powers comprises four elements: accommodating their legitimate interests; discouraging their negative roles; integrating them into the regional norms and institutions; and ensuring opportunities for mutual benefit.

Thailand also pursues a “balanced engagement” policy with the major powers: China; the US; Japan; and India. Thailand tries to manage its relations with the US in such a way that facilitates closer ties with China. An important objective of Thai foreign policy is to position the country where it will not have to choose strategically between the US and China, but remain important and relevant to both.

Japan, a long time friend, must be encouraged to engage with Thailand more actively and play an engaging economic role through trade, investment and aid in the region. India should also be invited to increase its economic profile in Southeast Asia as Thailand has negotiated a bilateral Free Trade Agreement with India and promoted multilateral cooperation through BIMSTEC and Mekong Ganga Cooperation.

For Thailand, Southeast Asia should neither be a region dominated by any single extra-regional power nor a region of bipolar rivalry between two powers, but a region of multiple and multilateral engagement and cooperation by all involved major powers, so that Southeast Asia will remain secure, stable and prosperous.

The October 19, 2006 coup d’etat against Prime Minister Thaksin Shinawatra did not affect Thai-Chinese relations. China, unlike the west, did not criticize the change and stated only that this was an internal affair of Thailand. The military installed Prime Minister Surayuth Chulanond who later visited China in May 2007 and witnessed the signing of the Joint Action Plan on Thailand Strategic Cooperation with China, which covered 15 areas in the next five years. The broadening and deepening engagement with China would expand the cooperation between the two countries in other areas in addition to security and military cooperation.

The deep engagement with China in security and defense as well as other areas will draw China into a complex network of relationships and partnerships so as to maintain mutual interests. Thailand will continue to keep a close relationship with other major powers, maintaining its security alliance with the US, promoting economic relations with Japan, and forging a new relationship with India. Thailand has pursued a balanced engagement policy with extra-regional powers so as to be in a position of importance and relevance to all.

Thailand – China Trade Relations: 1991-2008

(Unit: million US\$)

Year	Total trade	Export	Import	Trade balance
1991	1,483.61	336.64	1,146.97	-810.32
1992	1,604.65	387.56	1,217.09	-829.53
1993	1,629.38	540.81	1,088.57	-547.77
1994	2,318.55	933.37	1,385.18	-451.81
1995	3,743.36	1,649.33	2,094.03	-444.70
1996	3,827.76	1,876.87	1,950.90	-74.03
1997	4,046.62	1,774.55	2,272.07	-497.53
1998	3,568.66	1,766.75	1,801.91	-35.17
1999	4,333.14	1,860.95	2,472.20	-611.25
2000	6,226.09	2,836.47	3,389.62	-553.15
2001	6,569.34	2,873.36	3,695.98	-882.63
2002	8,452.54	3,555.04	4,897.50	-1,342.47
2003	11,691.24	5,688.92	6,002.32	-313.41
2004	15,257.08	7,113.45	8,143.62	-1,030.17
2005	20,325.57	9,167.55	11,158.02	-1,990.47
2006	25,331.95	11,727.95	13,604.00	-1,876.05
2007	31,046.61	14,821.71	16,224.90	-1,403.18
2008 (Jan-Sep)	28,635.04	12,855.18	15,779.85	-2,924.67

Source: Ministry of Commerce (Information and Communication Technology Center with Cooperation of the Customs Department)