



## Thailand: Background and U.S. Relations

Thailand is a long-time military ally and economic partner of the United States. These ties endure, but more than a decade of political turmoil in Thailand, including two military coups in 2006 and 2014, have complicated U.S.-Thai relations. Although Thailand held elections in March 2019, many saw the electoral process, which resulted in a quasi-civilian government led by former Army commander Prayuth Chan-ocha, as having been weighted to protect military influence. The U.S. Department of State certified in July 2019 that a democratically-elected government had taken office in Thailand, allowing for restoration of military assistance that had been proscribed since the 2014 coup.

Thailand has indicated it wants to reset its relationship with the United States after five years of coup-triggered constraints. As one of Southeast Asia's most developed nations and a long-time U.S. partner on a range of issues, Thailand has the potential to support U.S. initiatives such as broadening regional defense cooperation and addressing concerns about management of the Mekong River. However, U.S. policymakers face challenges in rekindling the relationship while encouraging Thailand to fully return to democratic norms. The Thai government's continued efforts to suppress criticism, including muzzling journalists and banning one of the largest opposition parties, raises further concerns for many about the country's political prospects.

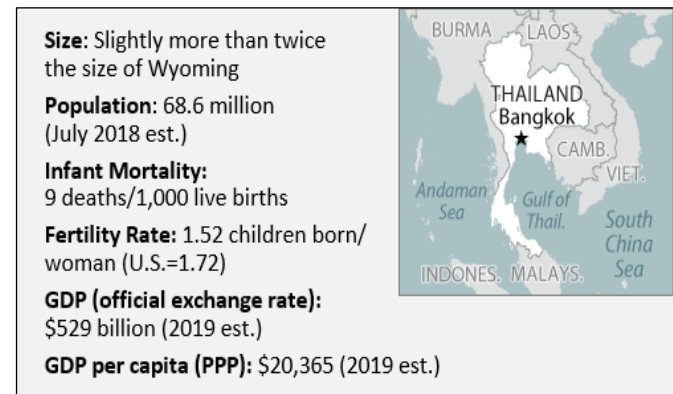
### Thailand Politics

The March 24, 2019, elections were described by a number of independent monitoring groups as heavily tilted to favor the military junta. Thailand's military-drafted constitution gave structural advantages to the military, and a series of laws passed by the junta in 2016 allowed it to tighten censorship over media outlets and silence critics. The subsequent entrenchment of military personnel in the government's most powerful positions—Prayuth is also defense minister, and three former military officers hold deputy prime minister positions—has led many analysts to conclude that Thailand's new civilian government is a continuation of military rule.

Thailand remains deeply politically divided, with the potential for more conflicts ahead. The political turmoil has involved a broad clash between the political establishment (a mix of the military, royalists, senior bureaucrats, and many urban and middle class citizens) and democracy activists, rural Thai, and backers of former Prime Minister Thaksin Shinawatra, who was deposed in the 2006 coup and now resides overseas. Between 2001 and 2011, Thaksin and his supporters won six consecutive national elections, but their leaders were repeatedly removed from office by either military or judicial coup. During this period, Thailand saw numerous large-scale demonstrations, several of which resulted in violent confrontations including 2010 clashes that killed 80 civilians in Bangkok. The country's political

opposition has evolved in recent years with the establishment of a range of new parties, but the military's control over the political process remains largely protected.

Figure 1. Thailand at a Glance



Source: CIA World Factbook, 2020, World Bank.

The monarchy is one of Thailand's most powerful political institutions. The former king, Bhumibol Adulyadej, passed away in 2016, ending a 70-year reign that had made him the world's longest serving monarch. The king has few formal authorities, but Bhumibol enjoyed tremendous popular support and political influence. After his accession to the throne, Bhumibol's son Maha Vajiralongkorn, now officially known as King Rama X, has been more politically active than his father was in his last years, opposing some parts of the 2016 Constitution and taking control of the bureau managing the throne's vast fortune in July 2017.

### Thailand and the COVID-19 Pandemic

Thailand was the first country outside of China to identify a case of COVID-19, but appears to have flattened the curve. In late March, Thailand declared a state of emergency and canceled the popular Songkran water festival, Thailand's New Year's celebration. The health care system's experience in containing infectious disease may have helped reduced the impact of the outbreak.

Despite these successes, Thailand's state of emergency has drawn criticism for cracking down on dissenting voices and intimidating journalists or health care workers from reporting negative news. Political disagreements have also broken out, with several lawmakers resigning in protest of how emergency funds were allocated.

### Economic Impacts of COVID-19

Thailand's economy—driven heavily by tourism and foreign direct investment—has slowed over the last several years, with 2019 marking its slowest growth in over five years. Ongoing Sino-U.S. trade frictions, combined with a strengthening Thai currency, also strained the country's

economy. Economic factors related to COVID-19—lower tourism levels, slowing production, and weak domestic consumption—are all expected to further Thailand’s ongoing struggle with stagnant wage growth and rising levels of poverty. In an effort to curtail further economic decline, the government approved a number of stimulus packages, the most recent in June 2020 targeting domestic tourism. The government also plans to gradually reopen international travel in phases over the course of 2020.

## U.S.-Thailand Relations

The United States and Thailand have long-standing bilateral relations, including a treaty alliance that derives from the 1954 Southeast Asian Treaty Organization, which the U.S. and Thailand reinforced in a bilateral 1962 agreement, the Thanat-Rusk Communique. The United States operates numerous regional offices from the Bangkok Embassy, one of the largest diplomatic missions in the world. Bilateral cooperation includes security initiatives and operations, regional health and education programs, and others.

### Security Relations

Security cooperation, which dates back to cooperation in the Korean and Vietnam Wars, has long been the highest profile pillar of the U.S.-Thai relationship. In addition to hosting military exercises, Thailand has provided the U.S. military with access to important facilities, particularly the strategically located Utapao airbase and Sattahip naval base. The U.S. military used Utapao for refueling operations during its campaigns in Iraq and Afghanistan in the 2000s, as well as for multinational relief efforts, including after the 2004 Indian Ocean tsunami and 2015 Nepal earthquake. For U.S. officials, intelligence and law enforcement cooperation with Thai counterparts remains a priority, particularly as the United States confronts international criminal and drug networks.

Following the 2014 coup, the United States suspended military aid to Thailand as required by law, but did not suspend nonmilitary aid or cooperation. Capacity building assistance to the country was largely uninterrupted. The large-scale annual Cobra Gold military exercises continued. The State Department’s certification of Thailand’s return to democracy opened the way for the renewed expansion of ties. The 2020 Cobra Gold military exercises—held shortly before the coronavirus outbreak hit—was the largest ever iteration of the annual event.

Several analysts have suggested that limits on U.S. engagement allowed U.S.-Thai security ties to weaken, and that Sino-Thai ties—which already were strong and growing—expanded to fill the vacuum. China’s state-owned arms industries provided an appealing and less-expensive alternative for Thailand. In 2015, Thailand acquired three diesel-electric submarines from China, and in 2017, the Thai government announced it would buy 34 armored personnel carriers and a \$530 million submarine from China. Arms sales provide an avenue for renewed U.S. engagement. Press outlets report that Thailand spent nearly \$500 million on U.S. weaponry in 2019.

## Trade and Economic Relations

Thailand is an upper middle-income country, and trade and foreign investment play a large role in its economy. In 2019, Thailand’s GDP grew 2.4%, continuing a period of slow growth compared to previous years. The United States is Thailand’s third largest trading partner, behind China and Japan. In 2018, Thailand was the United States’ 20<sup>th</sup> largest goods trading partner; its 26<sup>th</sup> largest goods export market; and a source of \$44.5 billion in total two-way goods trade. In 2018, the United States ran a \$19.31 billion trade deficit with Thailand, ranking Thailand as the country with the 13<sup>th</sup> largest bilateral surplus with the United States. Trade discussions have focused on Thailand’s relatively poor intellectual property rights protections and its subsidization of its large agriculture industry. Thailand has remained on the United States Trade Representative’s Section 301 Watch List since 2018.

## Thailand’s Regional Relations

Thailand’s importance for U.S. interests in Southeast Asia stems from its large economy and its good relations with its neighbors. Thailand has extensive trade and investment relations across the region. Japan, for instance, is its largest source of foreign direct investment. Historically, Sino-Thai ties have been close, and trade has burgeoned under the 2010 China-ASEAN Free Trade Agreement. Unlike several of its neighbors, Thailand has no territorial disputes with China in the South China Sea and has been loathe to take an assertive stance against China’s actions there. As a member of the China-led Belt and Road Initiative (BRI), Thailand is involved in a high speed railway project that would connect southern China with several Southeast Asian nations. The project, which has been backed by the Prayuth government, has raised concerns by some in Thailand who question whether it can be operated profitably.

## Human Rights and Democracy Concerns

International organizations have criticized Thailand’s alleged human rights abuses, including the military government’s curtailment of freedoms of speech and assembly; harassment of government critics; use of *lese majeste* laws to muzzle dissent; arbitrary arrests; and the lack of protections for human trafficking victims, laborers, and refugees. International groups have also identified human rights violations in the Muslim-majority southern provinces where an ongoing insurgency has killed over 7,000 people since 2004.

In its 2019 Trafficking in Persons report, the State Department ranked Thailand as a Tier 2 country. Thailand is not a signatory to the 1951 Refugee Convention nor its 1967 Protocol and does not have a formal national asylum framework. In 2019, the United Nations High Commissioner for Refugees reported that Thailand hosted over 95,000 refugees and stateless people.

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