



# EUROPEAN FREE TRADE ASSOCIATION

8 November 2022

## **EFTA-THAILAND 2<sup>nd</sup> ROUND OF NEGOTIATIONS**

*Geneva, 1-4 November 2022*

### **PUBLIC REPORT**

#### **I. Context and general assessment**

Delegates met in expert groups on all topics under negotiation in this round and continued their discussions mainly on the basis of EFTA proposals commented on by Thailand between the first and second rounds. In some groups, further information on domestic legislation was exchanged. Market access discussions regarding both trade in goods and trade in services have also started at the second round with a view to exchanging requests by the next round.

Thailand is a committed partner, setting out an ambitious plan to conclude the negotiations as swiftly as possible, which puts the necessary pressure on all groups to maintain an effective pace in the meetings. The third round of negotiations will take place in January 2023 in Bangkok.

#### **II. Trade in Goods**

Trade in goods experts exchanged their expectations for market access both related to industrial (NAMA) and agricultural products. Parties also agreed on a way forward related to the exchange of initial requests. Both sides then addressed the trade in goods Chapter, and discussed issues such as import and export duties, quantitative restrictions, or preference utilisation. Discussions were constructive and Parties could already find a common ground on selected articles.

#### **III. Rules of Origin**

Constructive exchanges took place based on Thailand's feedback and proposals received before the round. Progress was made with useful discussions on most of the pending issues in the draft annex as well as touching upon the list rules appendix. Two articles in the annex were finalised and key areas for further discussions were identified. Both sides clarified proposals that have not yet been solved and agreed on follow-ups for further work needed ahead of the next round.

#### **IV. Trade Facilitation**

The discussions focused on the draft annex shared by EFTA and commented on by Thailand ahead of the round. Good progress was made with numerous articles agreed and the way forward towards solving the few issues outstanding has been paved towards the next round.

## **V. SPS and TBT**

For both the SPS and TBT working groups, the delegations entered technical discussions on the text based on the feedback and counterproposals received from Thailand ahead of the round. Good progress was achieved in both areas and a substantial amount of text was agreed upon. Follow-ups were undertaken for all remaining brackets throughout the text and EFTA will provide further explanations in writing related to its review clause proposal.

## **VI. Trade in Services**

Both sides displayed a commitment to achieve an ambitious outcome on trade in services. Discussions progressed rapidly in all negotiation texts under discussion, i.e. the Chapter trade in services and annexes on financial services, maritime transport and related services, movement of natural persons supplying services and telecommunications services. The round also offered the opportunity to plan an exchange of initial requests reflecting bilateral market access priorities before the third round.

## **VII. E-Commerce**

EFTA and Thailand are aiming for an ambitious Chapter on e-commerce, setting a common framework enabling digital trade between the Parties to flourish. Discussions on the topic progressed pragmatically and in good spirits, with both sides reaching an agreement on several provisions, while being mindful of their respective domestic laws and regulations and international initiatives on the topic elsewhere.

## **VIII. Investment**

The delegations entered into text-based negotiations and clarified their positions in the investment Chapter. Discussions were held amongst others on the scope and coverage of the chapter, as well as on the definition of natural persons qualifying as investors. In this context, the EFTA States and Thailand presented their respective permanent residence regimes. They further exchanged their approaches to the list of reservations with respect to national treatment, and relatedly, to the article on reservations. EFTA and Thailand will engage in intersessional follow-ups on several provisions to allow for a deepening of discussions at the next round.

## **IX. Trade Remedies**

Following written exchanges during the intersessional period, experts discussed the articles on subsidies and countervailing measures, anti-dumping, global safeguard measures and bilateral safeguard measures. They further cleaned the draft text and made good progress. Finally, experts agreed on several follow-ups to be exchanged before the next round.

## **X. Competition**

Following good progress in writing during the intersessional period, experts agreed on several provisions in the draft competition Chapter. They further exchanged views on the pending issues and gained further clarifications about their respective positions. Finally, experts agreed on several follow-ups to be exchanged before the next round.

## **XI. Legal and Horizontal Issues and Dispute Settlement**

Both sides exchanged views about the draft texts and made very good progress, clearing a lot of text in the preamble and the chapters on general provisions, institutional provisions, final

provisions and dispute settlement. They will exchange written follow-up work during the intersessional period and address the pending issues at the next round.

## **XII. Government Procurement**

Government procurement experts from the EFTA States and Thailand met to discuss EFTA's initial proposal for a Chapter on government procurement based on the WTO's Government Procurement Agreement (GPA) and an alternative proposal by Thailand. Experts held amicable discussions but had divergent views on how to proceed and agreed to reconvene in the next round of negotiations.

## **XIII. Trade and Sustainable Development**

Experts on trade and sustainable development from the EFTA States and Thailand held constructive negotiations based on an initial proposal by EFTA at the start of the negotiations and comments provided by Thailand before the second round. Both sides confirmed their shared ambition for a comprehensive chapter on this issue. A number of the articles in the chapter have been agreed upon, while some issues remain open, including EFTA's proposal to foresee the possibility of requesting the establishment of a panel of experts competent to provide recommendations to the parties on matters arising under the chapter. Follow-ups agreed upon in this round should however pave the way for further progress in the next round.

## **XIV. Cooperation and Capacity Building**

The two sides continued the discussion of a Chapter on cooperation based on a text proposal by EFTA at the start of the negotiations and comments provided by Thailand before this round.

## **XV. Intellectual Property Rights**

Experts on intellectual property rights (IPR) carried out a full reading of the presented text proposal, sharing questions and information on various issues, in particular respective IPR-relevant domestic legislation and practices. Experts agreed on several follow-ups to be worked towards ahead of the next meeting.

## **XVI. Conclusion**

The round was successful and exceeded expectations thanks to well-prepared and organised delegations. Both sides used the opportunity of this comprehensive round not only to make rapid progress on all issues, agreeing on several provisions, but also to develop a sound relationship within the expert groups. In the wake of this week, the Parties remain committed to concluding their negotiations as swiftly as possible.