

# New Thai government seeks foreign investment

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Thailand's Prime Minister Srettha Thavisin has spent his first weeks in office seeking to deepen Bangkok's connections to foreign corporations, particularly in the US, and further open up the country as a cheap labour platform.

In his first overseas trip since taking office, Srettha travelled to New York for the recent UN General Assembly Meeting in New York, spruiking Thailand as a dependable hub for foreign investment. Speaking to reporters, Srettha stated, "It is a positive sign and a good starting point. It is the first step in telling the world that Thailand is open (to investment)."

Srettha, a wealthy real-estate tycoon with no prior experience in office, was approved as prime minister by a joint sitting of the national assembly in which the military-appointed Senate effectively holds a veto. His coalition government includes the two main political parties of the military.

In his government's first policy statement released on September 11, Srettha placed emphasis on the economy and boosting GDP growth. This inevitably means imposing austerity on workers and farmers. Thailand's economy is expected to grow by only 2.8 percent this year, less than expected due to weak exports, and by a modest 3.2 percent next year.

Srettha stated last week that he expected Tesla, Microsoft, and Google to invest at least \$5 billion in Thailand. "Tesla would be looking into an Electric Vehicle (EV) manufacturing facility, Microsoft and Google are looking at data centers," he said. Thailand is the fourth-largest auto assembly centre in Asia producing between 1.5 and 2 million cars each year.

Srettha, who is also the finance minister, spoke with Elon Musk to discuss the EV industry offering incentives to EV and battery makers. Tesla plans to ramp up vehicle production to 20 million vehicles per

year by 2030, and is exploring options for several new "gigafactories," capable of producing at least 0.5 million cars a year.

Srettha's appeals to big business make clear where Pheu Thai Party's real interests lie, despite the new government's claims of being "for the people" and addressing poverty. While the government has stated that it will raise the minimum wage to at least 400 baht (\$US11) per day, to attract investment it will no doubt be driven to create the business-friendly conditions. The minimum wage promise has already received pushback from big business and even from within Srettha's own cabinet.

At the UN General Assembly, Srettha extolled the virtues of "human rights, human dignity and freedoms," yet a 4-year prison sentence was just handed down to human rights lawyer Arnon Nampa who in the 2020 pro-democracy protests called for reforming the monarchy—supposedly a breach of the country's draconian lese majeste law. Hundreds more protesters face similar charges, aimed at maintaining the monarchy which has been the political linchpin of bourgeois rule in Thailand.

The big business agenda of the Thai government demonstrates the interconnectedness of the economic struggles that the international working class faces. The expansion of the EV industry in Thailand will no doubt have an impact on the jobs of autoworkers in a country that has branded itself as the "Detroit of Asia." Thailand is competing with other countries, such as Indonesia, that are similarly looking to attract EV investment, which ultimately means a race to the bottom for workers in all countries.

At an economic forum dubbed "Next Chapter Thailand" on Friday, Srettha pledged to make it easier for companies to exploit foreign workers in Thailand.

Whilst introducing a debt moratorium of three years for struggling farmers, Srettha stated it would not guarantee the prices of farm produce, such as rice, short of a devastating disaster that damaged and destroyed crops. More than 90 percent of Thai farmer households are indebted at an average of 450,000 baht and are caught in a vicious debt cycle.

Regarding the ongoing tensions between the US and China, Srettha stated Thailand would be continuing its neutral stance, as was the case with the previous military government. He was careful not to mention the US-NATO war against Russia in Ukraine at the UN General Assembly in New York, instead promoting the illusion that increased international economic ties were the path towards peaceful relations.

China is a significant factor in Thailand's economy. Bilateral trade reached \$US107 billion in 2022. Bilateral trade between Thailand and the US was \$US65 billion last year, making it Thailand's second-largest trading partner after China.

Thailand is also courting further Chinese investment into EV production which already amounts to \$US1.44 billion since 2020 from companies such as BYD and Great Wall Motor.

The US and its allies, however, are undoubtedly putting pressure on Bangkok to align more closely with Washington as it intensifies its war drive against Beijing. This includes Germany, which is refusing to sell Bangkok a submarine engine for a vessel that would be constructed in China.

Srettha briefly met with US President Biden on the sidelines of the UN General Assembly and emphasized the longstanding trade relationship between the two countries. The prime minister stated that he expects to hold a meeting with Biden in November during the Asia-Pacific Economic Cooperation (APEC) summit to be held in San Francisco.

The US and Thailand historically have had close military ties. The two countries are formal military allies. During the Vietnam war, the US used bases in Thailand to launch airstrikes. The US and Thailand hold annual Cobra Gold military exercises, some of the largest multilateral war games in the region.

Immediately after the appointment of Srettha as PM, US Secretary of State Antony Blinken sent his congratulations, declaring Washington would work closely with Bangkok advancing.....“a free and open,

connected, peaceful, and resilient Indo-Pacific region.”

In reality, the US is intensifying its military build-up and confrontation with China throughout the Pacific and is no doubt seeking to incorporate bases in northern Thailand into its war planning.

Srettha is planning to visit China from October 16 to 19 to “tighten the relationship and increase cooperation in investment,” according to a government spokesperson.



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