



RCAS Report

Kishida's Visit to Thailand: Geopolitical Significances

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Japanese PM Kishida visited Southeast Asia between April and May in 2022. His travel includes Indonesia, Vietnam, and Thailand. There are some analyses which argue that the visit was not only to emphasise and strengthen the bilateral relations but also to balance the power of China in the region. This article analyses the significance of Kishida's visit to Thailand. What were the economic and political interests of Japan in Southeast Asia, in particular reference to Thailand? Thailand established its diplomatic relation with Japan in 1887. Japan's MOFA estimated that there are 81,187 Japanese residing in Thailand (as of October 2020), whilst there are 51,409 Thai people in Japan (as of December 2021).¹ The relation between the two countries have developed considerably, particularly the economic relation. The visit to the three countries, accordingly, reaffirms the close relation whilst expanding the new area of cooperation.



▲ Japanese PM Kishida and Thai PM Prayuth Chan-ocha

¹ MOFA. (2022). *Japan-Thailand Relations (Basic Date)*. Accessed May 20, 2022. From <https://www.mofa.go.jp/region/asia-paci/thailand/data.html>.

This article argues that Kishida's visit to Southeast Asia is to challenge the presence of China in Southeast Asia. The visit enunciates the close tie between Japan and Thailand, meanwhile, it also emphasises normative values that Japan has been promoting in the last decade. These values include the idea of 'free' and 'open' which are somehow present in the 'Free and Open Indo-Pacific Strategy,' Japan's recent initiated strategy to integrate and collaborate Japan's economic, political and security strategy in the 'Indo-Pacific.' The concept of 'Indo-Pacific' itself is problematic. There has been a wide debate among scholars about the definition of 'Indo-Pacific,' and to what extent does the concept refers.²

A Visit to Southeast Asia

Kishida's visit to Southeast Asia in 2022 enunciates Japan's presence and how Japan sees the geopolitical importance of Thailand, Vietnam and Indonesia. Kishida commenced his trip to Southeast Asia starting from Indonesia, followed by Vietnam and Thailand respectively. The visit to Indonesia stresses the two prominent roles of Indonesia. First, Indonesia is hosting the G20 meeting in 2022, and second, Indonesia is also one of the investment destinations of Japanese manufacturers. Indonesia is, thereby, could be a platform for ASEAN to promulgate the international, and regional concerns and issues to the world. On the other hand, Indonesia is also a promising country for Japanese investors who are seeking a cheap labor-intensive country.³ Japanese investors have shown their interests of relocating to Indonesia due to the comparatively lower wage and salary which would lower production cost.

Vietnam is important to Japan in terms of economy and security. Apart from Indonesia where Japanese investors are keen to relocate their manufacturing-based to, Vietnam is also another expected destination for Japan.⁴ On top to economic interests, the South China Sea(SCS) is another critical point of Southeast Asian security configuration. Although Japan does not directly involve in the SCS dispute, the Southeast Asian security environment, somehow, plays

² See Charoensri, N. (2021). *Indo-Pacific in the Transforming Time: Japan's FOIP Strategy towards the US and China, and Its Impacts to Thailand*. Bangkok: Japan Watch Project. Thailand Science Research and Innovation (TSRI). (in Thai)

³ Akhlaas, A. W. (2020). *Govt Eyes Japanese Companies to Relocate to Indonesia amid Slowing Investment*. Accessed May 21, 2022. From <https://www.thejakartapost.com/news/2020/10/15/govt-eyes-japanese-companies-to-relocate-to-indonesia-amid-slowng-investment.html>.

⁴ Vietnam Net Global. (2021). *Japan's Investment in Vietnam Soars 90%*. Accessed May 22, 2022. From <https://vietnamnet.vn/en/japans-investment-in-vietnam-soars-90-795870.html>.

role in Japan's a trade and investment in the region; it also affects Japan's political engagement in the region.⁵

The rivalry between the United States, China and Japan is also one of the most significant factors and conditions that shape Southeast Asian geopolitical dynamics. In the past decades, the idea of the rise of China has been dominating the narrative on geopolitical rivalry in the region. With the recent economic and political engagement in mainland Southeast Asia, in particular reference to panda diplomacy⁶, the high-speed railway diplomacy⁷, vaccine diplomacy⁸, and the financial assistance to casino construction and urbanisation in Cambodia, these are how the narratives are shared to depict regional economic and political transformation. Additionally, once the Chinese government started to engage in Southeast Asia, the United States commenced strengthening the existing economic, political and security ties with Southeast Asia. Scholars contend that the United States “come back”⁹ Southeast Asia to balance China.¹⁰ This essay contends that the existing geopolitics in the region is not the situation where the United State and Japan in balancing China, and it is not the other way around. It was not China that came to Southeast Asia before the United States and Japan, in fact, if we look at the cold war history, the active economic engagement between the United States and Japan in Southeast Asia was strongly built in the first ten years of the cold war through the lower Mekong development scheme which was initiated by the United States. China came to Southeast Asia after that.¹¹ With this, can we say that China was actually the one who tried to balance the power of the United States and Japan?

⁵ Wei, L. T., and Choong, W. (2022). *Kishida's Charm Diplomacy in Southeast Asia: Moral Suasion Does the Trick*. Accessed May 22, 2022. From <https://fulcrum.sg/kishidas-charm-diplomacy-in-southeast-asia-moral-suasion-does-the-trick/>.

⁶ Hartig, F. (2013). Panda Diplomacy: The Cutest Part of China's Public Diplomacy. *The Hague Journal of Diplomacy*, 8(1): 49–78; Huang, Z. A., and Wang, R. (2020). Panda Engagement' in China's Digital Public Diplomacy. *Asian Journal of Communication*, 30(2): 118–140.

⁷ Doig, W. (2018). *High-Speed Empire: Chinese Expansion and the Future of Southeast Asia*. New York: Columbia Global Reports; Pavlicevic, D., and Kratz, A. (2018). Testing the China Threat Paradigm: China's High-Speed Railway Diplomacy in Southeast Asia. *Pacific Review*, 31(2): 151–168.

⁸ Kobierecka, A. (2022). Post-Covid China: 'Vaccine Diplomacy' and the New Developments of Chinese Foreign Policy. *Place Branding and Public Diplomacy*, (20220514). doi: 10.1057/s41254-022-00266-2; “China Plays Vaccine Diplomacy Card with Mekong Countries” (2020) *Country Report Cambodia*, 1(1).

⁹ The Associated Press. (2009). *Clinton Declares the U.S. 'is back' in Asia*. Accessed May 29, 2022. From <https://www.ctvnews.ca/clinton-declares-the-u-s-is-back-in-asia-1.419093?cache=>.

¹⁰ Murphy, A. M. (2021). America Is Back? Opportunities and Obstacles to Restoring U.S. Credibility in Southeast Asia. *Asia Policy*, 28(4): 66–76.

¹¹ Black, Eugene. (1969). *Alternative in Southeast Asia*. New York: Praeger.

Thailand: A Land for Investment

Compared to other countries in Southeast Asia, World Bank's *Doing Business 2020* states that Thailand is ranked No.21 in the 'ease of doing business.' Singapore was rank No.2 in the world, which makes Singapore the top of Southeast Asia.¹² Amongst significant investors in Thailand, Japan is the biggest investor. Thailand's Ministry of Commerce states that the investment of Japanese investors accounted to 28.6% in overall investor counts, followed by the United States (15.4%), Singapore (15.1%), Hong Kong (7.2%), China PRC (5.1%), the Netherlands (3.2%), Germany (2.8%), France (2.3%), South Korea (2.5%), and the United Kingdom (1.5%).¹³

The main narrative that explains the huge number of Japanese investors in Thailand is based on the impact of the Plaza Accord which Japan signed in 1985. It devalued Japan's *yen* which triggered the relocation of Japan to Southeast Asia where labour-intensive industry could lower its production cost.¹⁴ It could be argued that Thailand is important to Japan in two aspects. First, the Japanese FDI is the highest FDI in Thailand.¹⁵ Thailand's Board of Investment (BOI) states that the biggest proportion of Japanese investment is in the automobile industry, followed by electrical appliances and electronics, chemical products, machinery and equipment, and instant food.¹⁶

However, the study by Japan External Trade Organisation (JETRO) reveals that Japanese investors in Thailand see that an insufficient number of engineers in Thailand is one of the most critical issues for industrialisation and economic development.¹⁷ Accordingly, Japan has supported engineering schools in Thailand to help develop human resources through education development. The most outstanding engineering schools supported by Japan are Thammasat

¹² World Bank. (2020). *Doing Business 2020: Comparing Business Regulation in 190 Economies*. Washington D.C.: World Bank.

¹³ Thansettakij. (2022). *Thailand Is Still Popular. International Investors Invested in 2021 More than 8.2 Billion Baht*. Accessed May 19, 2022. From <https://www.thansettakij.com/economy/512199>. (in Thai)

¹⁴ Charoensri, N. (2018). *The International Affairs of the Regional Infrastructure Development: The Role of Japan towards Regional Infrastructure Development and Its Impacts on Southeast Asian Regionalism*. Chiang Mai: Greater Mekong Subregion Studies Center, Faculty of Political Science and Public Administration, Chiang Mai University. (in Thai)

¹⁵ MReport. (2022). *BOI Signed an Agreement with JETRO to Expand Investment Opportunities Between Thailand and Japan*. Accessed June 1, 2022. From <https://www.mreport.co.th/news/government-news/335-BOI-JETRO-signed-MOC-to-drive-Thai-Japan-Investment> (in Thai)

¹⁶ Therdsteeasukdi, N. (2022). *Roadshow Japan: Attracting Investment for the Future*. Accessed May 18, 2022. From <https://www.bangkokbiznews.com/business/1004117>. (in Thai)

¹⁷ M Report. (2018). *Japan Invests More. Automobile and Transport Is Leading. Pushing Thailand for the Lack of Engineers*. Accessed May 17, 2022. From <https://www.mreport.co.th/news/industry-movement/1802210012>. (in Thai)

University's Sirindhorn International Institute of Technology which was supported by Nippon Keidanren, and the Federation of Thai Industries, and the KOSEN-KMITL which is at the King Mongkut's Institute of Technology Ladkrabang. During Kishida's trip to Thailand, he visited KOSEN-KMITL to see the progress and strengthen the relations.

Apart from the economic relations between Japan and Thailand, another important milestone of Kishida's visit was a military agreement between Japan and Thailand. Japan agreed to transfer technology for military and defence to Thailand. This triggered a wide range of opinions among scholars and practitioners in Thailand and Southeast Asia. Japan has signed military agreements with other countries in Southeast Asia, including Vietnam, Malaysia, Indonesia, and the Philippines. But the agreement with Thailand is a 'late comer.' The main narrative of this agreement is developed on the balance of power concept. Many analysts see this engagement as showing Japan's leading role in Thailand and mainland Southeast Asia in particular; because when we look at the map, we will see that China has established comparatively strong relations with Laos and Cambodia through financial assistance and high-speed railway diplomacy. Not to mention that China also does have a good relation with Myanmar. Thailand and Vietnam are the last stronghold for Japan to balance the power of China. For Vietnam, the SCS is an important factor in China-Vietnam relations; but for Thailand, where cultural connectedness has always played important role in helping develop China-Thailand relations, the balance of power is comparatively hard.

JETRO in Bangkok is now supporting Thailand's Eastern Economic Corridor (EEC), an industrial development area in the Eastern part of Thailand, covering Chonburi, Rayong, and Chachoengsao. JETRO anticipate helping support robotics and automation in EEC to support industrialisation and human resource development. Nonetheless, although the Thai government is strongly put a lot of incentive to attract international investor, particularly Japanese and Chinese investors, to invest more in the EEC, there is a small number of Japanese investors who have concrete plans to invest in the area.¹⁸

Geopolitical Significances

¹⁸ MReport. (2021). *EEC Works with JETRO and Mitsubishi to Build EEC Automation Park Aiming to Develop 15,000 People within 5 Years to Support 'Smart Factory'*. Accessed May 20, 2022. From <https://www.mreport.co.th/news/government-news/371-EEC-connecting-Thailand-and-Japan-Collaboration-2021>. (in Thai)

The visit shows how Japan see Thailand as an economic and political partner with Japan. In the past two years, Thailand suffered from the COVID-19 outbreak. The tourism industry in Thailand, which is one of the biggest proportions of the Thai economy, suffered from a decrease in the number of international visitors. On top of that, the slowdown of economic activities has impacted Thailand very much. The Thai government which took control in 2014 has also confronted a lot of serious domestic and international challenges. This caused a condition that shapes Thai foreign policy toward Japan, China and the United State.

The Japanese style of approaching Southeast Asia is also different. Unlike the United States and China that exercise their power comparative more obvious through economic and political means and tools, Japanese style are opaquer.¹⁹ The visit is a diplomatic, official and has a good gesture. Nonetheless, when we look at the objectives behind the visit, the ultimate goals of this visit are similar to that of the United States and China, which is to balance the power and present leading role in the region.

The need for economic improvement is key. The Thai government launched the provocative and problematic National Strategy (2018-2037) which plan Thailand's economy, society, politics and security for the next twenty years. The anti-government group argued that the government is illegitimate to plan national development as the government took control by coup d'état and structurally shaped the constitution, regulations and laws to win the election. The government also revive a plan to develop the eastern part of Thailand. This project is the EEC, which was actually the reincarnation of the Eastern Seaboard, a development scheme in the mid-80s.²⁰ The government endeavours to create and introduce a wide range of incentives to appeal to international investors. Japanese and Chinese are the main targets.

The geopolitical transformation is, somehow, challenging the region. Though the government tried to balance the power by implementing 'bamboo diplomacy' which 'bend with the wind,' this does not help Thailand to escape the dilemma and one of the most provocative questions of Thai foreign policy: which side should Thailand choose? Apart from the 'side choosing question,' the emerging 'Free and Open Indo-Pacific' is also another challenge. Shinzo Abe, former Prime Minister of Japan, coined this idea in 2016 which later led to a lot of different

¹⁹ Wei, L. T., and Choong, W. (2022). Ibid.

²⁰ EEC. (n.d.). *Government Initiative*. Accessed Jun 9, 2022. From <https://www.eeco.or.th/en/government-initiative>.

interpretations and translations from other countries in the world.²¹ The concepts of ‘free’ and ‘open’ are problematic. This ‘Indo-Pacific’ is the only ‘region’ in the world that has adjectives in front of it. The interpretation of ‘free’ and ‘open’ itself is political. Accordingly, many countries that started to interpret the significance of ‘Indo-Pacific’ do not put ‘free and open’ in front of the region to avoid the political implication and connotation in it. For Southeast Asia, Kishida’s visit also touched upon the Russia-Ukraine war. This has an important political agenda for the visit. It implies the normative value of Japan which Japan has long been attached to, which is democratic, and rule-based order. Kishida’s talks with Prime Ministers and other counterparts during the visit show Japan’s ideas and normative issues that Japan wants to promote.

Southeast Asia, thereby, is in the middle of the clash between normative values, and economic and political interests. For normative values, the international norms and values that are promoted by the liberal order created by the United States and Japan have shaped the liberal international order, whilst the Chinese world order has different value. On the other hand, Southeast Asia shares borders with China. The proximity and shared border, as well as shared international river-the Mekong River, make China a critical factor for geopolitical dynamic in the region. Economic engagement and financial assistance from China to almost every country in this region shaped how Southeast Asia, and ASEAN as an international organisation, developed diplomatic ties with China.

Kishida’s visit reminds us to rethink many economic and political issues in the region. The clashes between economic interests, values and norms, and the question of how the region should shape its direction. There are some answers to the question; but the answers never satisfy everyone.

²¹ Garcia, Z. (2022). *Understanding Competing Visions of the Indo-Pacific*. Accessed June 9, 2022. From <https://www.policyforum.net/understanding-competing-visions-of-the-indo-pacific/>.

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