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## **How to Make Trade and Environment Policies Work Together in the Next Normal Era - Paper**

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# How to Make Trade and Environment Policies Work Together in the Next Normal Era

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## **SUMMARY**

With global warming taking centre stage on many national agendas, the demand for tangible and far-reaching actions to reduce carbon emissions, greenhouse gases, as well as waste reductions has galvanized efforts to change towards clean energy and decarbonized living.

Thailand's recent participation at COP26 in Glasgow, Scotland and commitments to reach carbon neutrality by 2050 and net zero greenhouse gas emissions by 2065 has paved the way for a more tangible national environmental policy for Thailand and has given impetus to organizations both public and private, to implement strategies, which include the Bio Circular Green or BCG Economy models which is also part of the national agenda.

Presently, the Thailand's BCG economy contributes around 21% of GDP and employs approximately 16.5 million people.

In terms of trade, The Ministry of Commerce, is making efforts to adopt BCG economy models within local industries especially enterprises that are engaged in international export and trade.

In 2021, international trade, in particular, exports was valued at 271 billion US dollars accounting for approximately 53.6% of GDP.

In terms of contribution to total GDP, Large Enterprises contribute around 59.2%, mainly through foreign direct investment from multinational corporations and international partners. Small and Medium as well as Micro Enterprises comprise domestic businesses using local resources, contribute around 34%.

The Ministry of Commerce focuses mainly on Micro Small and Medium Enterprises, whom number just over 3 million enterprises and accounts for 99.54% of all enterprises in Thailand and employ over 12 million people or around 71.7% of total Thai employment. They also have great agility and potential for adoption of BCG principles as well as having significant social and environmental impacts.

The Ministry's goals with respect to the BCG economy principles are:

1. To adopt the BCG economy models as a catalyst to increase GDP, and economic growth.
2. Increase competitiveness through the utilization of technology and innovation to support more efficient and sustainable production processes and trade practices, fostering a more knowledgeable and skilled labor force and a sustainable and efficient use of natural resources as well as Thailand's abundant biodiversity.
3. Foster 'Value Creation' throughout the supply chain in local industries through the use of the BCG economy models.

The Ministry of Commerce, particularly the Department of International Trade Promotion, helps to support and promote enterprises engaged in international export and trade, in 3 strategic areas:

1. Competitiveness
2. Value Creation
3. Market Access.

An example of the DITP's initiatives was the establishment of the T MARK in 2012, as a Thai government certification label, with co-agency collaboration between the Ministry of Commerce, Ministry of Industry and Ministry of Labour.

The label offers assurances in international quality standards, environmental and green industry standards, CSR and fair labour standards and with special emphasis on sustainable and circular business practices.

In 2008, the DITP established Thailand's first national design award under the auspices of the Prime Minister's Export Award, called the DEMark or Design Excellence Award with circular and green economy principles in mind. The award has 7 categories, Lifestyle, Furniture, Fashion, Industrial, Packaging, Graphic Design and Interior Design. The judging criteria is geared heavily toward designs that utilize circular and green economy principles. The award is able to showcase products borne from the BCG principles.

In fact, in Thailand, at the forefront and pioneering the BCG principles are design-based enterprises, designers and those in the creative industry.

Thus, the DITP has undertaken its BCG campaign within the trade sector, by focusing key strategies to help support and promote Thai designers, design-based enterprises as well as as Thai startups so that may become role models for the industry to follow.

The DITP plans to continue to improve and streamline its services to enterprise. Many changes have been made due to climate change as well as COVID-19, such as increased online business matching activities, virtual trade shows, e-commerce and e-learning which will no doubt, be the 'next normal'.