

# AVI COMMENTARY

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## **Thailand's BRICS Gambit and Its Implications**

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Thailand is making headlines just three months after its government approved an official letter of intent for the country to become a member of BRICS on 28 May 2024. Although expressed its earnest interest in becoming a BRICS member, Thailand was only granted a “Partner Country” status alongside Indonesia, Malaysia and Vietnam. Such a manoeuvre is not entirely surprising as these countries are trying to adopt a more diverse foreign policy, given the growing uncertainty caused by intense great power rivalry. For Thailand, in particular, one may argue that its interest in BRICS is part of the country’s broader foreign policy objective that aims to link admission in international organisations with long-term economic growth at home.

It is essential to recognise that opting for BRICS is Thailand’s attempt to juggle multiple fronts simultaneously. At large, Thailand’s BRICS gambit may recalibrate the country’s proactive diplomacy while pushing economic growth amidst the US-China rivalry.

### **Consolidate Thailand’s Spot in Global Chessboard**

Thailand’s engagement with BRICS is not just a balancing act among the powerhouses but a strategic effort to advance its economic interests and elevate its global status. Simply put, the admission would allow Thailand to participate more in high-level discussions and decision-making processes in BRICS which enables it to shape the organisation’s decisions on trade, climate change, and sustainable development in a way that places Thailand in a favourable position. Although the fruits of its efforts in BRICS are still unfolding, being a partner country, for now, has established the first step for Thailand to achieve its long-term economic growth.

### **Thailand is Prepared for the Long Game**

Thailand's preparedness for the long game is to reap economic benefits from BRICS to drive the economy at home. BRICS’ ability to offer lending at favourable rates would also assist Thailand in reverberating its post-pandemic economic recovery while the Contingent Reserve Arrangement also helps the foundation for an alternative financial architecture. For example, Thailand’s post-pandemic infrastructure budget in 2023 was approximately USD 40 billion; thus, having access to CRA-backed loans at favourable rates (e.g., below 2 per cent, compared to 5 per cent or higher from commercial bonds) could save millions of dollars in annual interest costs, freeing resources for social programs or economic incentives. In that sense, it will become a cornerstone for the country's transportation, logistics, and communication networks, ensuring long-term resilience and growth. This way, emerging industries, such as technology, renewable energy, and green finance, can enhance economic resilience and adaptability to global trends. Former PM Srettha Thavisin also affirmed Thailand’s vision to be an

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international hub of Electric Vehicles (EV) manufacturing aimed at turning the country into a regional hub for future mobility and the digital economy.

Although Thailand was not granted a BRICS membership, its “partner country status” is likely to provide a respite from domestic issues and support the government’s broader Ignite Thailand Vision which focuses on positioning the nation as a dynamic leader in the region, driven by innovation, connectivity, and sustainability. Since the last election, Thailand has experienced significant domestic turmoil, marked by political unrest and social tensions. A survey by the National Institute of Development Administration (NIDA) in early June revealed that two-thirds of respondents were dissatisfied with the government's performance. Hence, then-Srettha’s administration hoisted the ship when the wind was fair hoping that engaging with BRICS could help bolster the government’s legitimacy and improve Thailand’s global image.

### **A Paradox of Choices**

As Thailand charts its course on the global stage, the country faces a paradox of choices as it has to manage a delicate balance between being an active partner of BRICS and adhering to ASEAN centrality.

No provision in the ASEAN charter prohibits its members from joining other multilateral platforms; however, the growing interest in BRICS might suggest declining confidence in ASEAN’s ability to integrate regionally and engage externally. BRICS has a clear economic agenda, such as establishing an alternative financial system (e.g., the CRA) to reduce reliance on the U.S. dollar and IMF. While this may be economically beneficial for Thailand, it may also damage the ASEAN's collective economic plans by over-developing the relations with BRICS. For instance, ASEAN initiatives in economic integration, especially the AEC, had been well combined with the Western-based financial institutions, which can be in tension with BRICS' alternative economic structures. Thus, it can be said that Thailand’s BRICS partnership may introduce new dynamics that could challenge ASEAN’s unity and inclusive cohesion.

Given its close security ties with Washington, Thailand’s bids for future BRICS membership may face serious scrutiny from China and Russia (two dominant members of BRICS) given how much a member could shape the organisation’s trajectory and orientation. Therefore, Thailand’s future path to BRICS membership appears to be an arduous journey that requires a balance between maintaining ASEAN relevancy in regional affairs with the objectives of BRICS.

### **Implications for Cambodia**

Seemingly, Thailand's current status as a partner country in BRICS may raise an eyebrow among policymakers in Cambodia. Cambodia usually prioritises ASEAN centrality to amplify its influence and promote regional stability. However, Thailand’s move toward BRICS may place ASEAN centrality in question as its engagement with the former may make it harder to maintain consensus when there is a conflict of economic and political interests between the two organisations. As a small state, ASEAN centrality and consensus have given Cambodia an extra shield of protection in safeguarding its interests while giving the country a platform to voice its concerns in regional affairs. Additionally, Thailand’s economic and diplomatic leverage, strengthened by BRICS, might also push Cambodia at a competitive disadvantage in regional trade and investment, where foreign investors might view Thailand as a more attractive base for accessing BRICS economies.

However, Cambodia is not entirely left at a disadvantage. Recent efforts by the Cambodian government – from negotiating free trade agreements with China and South Korea to joining the Regional Comprehensive Economic Partnership (RCEP) – suggest its openness toward economic opportunities and trade as long as such a move drives the economy at home. As Cambodia prepares to graduate from the least developed country status, it may be a matter of time before the country considers its engagement with BRICS.

### **Conclusion**

In Sum, Thailand's recent manoeuvre suggests a strategic shift in its foreign policy as the country seeks to balance between being an ASEAN member and a partner country of BRICS. While ASEAN remains an important pillar of regional cooperation, the country's broader goal is reflected in maximising its engagement in both organisations.

*The views expressed are the author's own and do not reflect the views of the Asian Vision Institute.*