

Thailand Submits Trade Offer to U.S. to Avoid 36% Tariffs.

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— Categories: Finance



Thailand is making a strategic move to protect its vital trade relationship with the United States by submitting a revised trade proposal aimed at avoiding potentially damaging tariffs. The country's finance minister, Pichai Chunhavajira, confirmed the development on Monday, emphasizing Thailand's commitment to maintaining strong economic ties with its largest export partner.

The stakes are high. The United States has threatened to impose a hefty 36% tariff on imports from Thailand if a new trade deal is not reached before July 9. This date marks the end of a 90-day suspension that currently caps tariffs at around 10% for most countries,

including Thailand. Without an agreement, the increased tariffs could significantly impact Thailand's export economy.

In 2024, the U.S. accounted for 18.3% of Thailand's total shipments, which equaled nearly \$55 billion. This makes the United States Thailand's single largest export market, underscoring the importance of preserving smooth trade relations. At the same time, the U.S. reports a substantial trade deficit with Thailand, valued at \$45.6 billion.

Minister Pichai, who recently returned from talks in Washington, shared that the revised proposal reflects feedback from U.S. officials. "We heard their feedback and what they were especially interested in, and we adjusted it accordingly," he said. He also hinted that the proposal could undergo further changes as negotiations continue.

Thailand's top exports to the U.S. include computers, teleprinters, telephone sets, and rubber products. On the other hand, Thailand imports significant amounts of crude oil, machinery, parts, and chemicals from the U.S. This trade flow highlights a mutual dependence that both countries are keen to manage carefully.

Adding another layer to the economic ties between the two nations is a recent agreement involving Thailand's state-owned energy company, PTT Group. In June, PTT signed a long-term deal to purchase 2 million metric tons of liquefied natural gas (LNG) annually from Glenfarne's Alaska LNG project in the U.S. The project, valued at \$44 billion, has been championed by U.S. leadership, including President Donald Trump. This energy partnership not only supports Thailand's growing demand for cleaner energy but also strengthens bilateral economic cooperation.

As the July 9 deadline approaches, all eyes will be on the ongoing negotiations. Thailand's proactive approach demonstrates its awareness of the challenges ahead and its determination to safeguard a trade relationship critical to its economy. With careful diplomacy and flexibility, there is hope that a mutually beneficial solution can be reached, one that avoids steep tariffs and supports continued growth for both countries.

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