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IMPLEMENTATION OF EUROPEAN UNION ECOLABEL AND ITS EFFECT ON THAI EXPORTS

Miss Chanida Dharmasaroja



An Independent Study Submitted in Partial Fulfillment of the
Requirements
for the Degree of Master of Arts in European Studies
Inter-Department of European Studies
GRADUATE SCHOOL
Chulalongkorn University
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การดำเนินการตามฉลากสิ่งแวดล้อมของสหภาพยุโรปและผลกระทบต่อการส่งออกของไทย



น.ส.ชนิดา ธรรมสโรช

สารนิพนธ์นี้เป็นส่วนหนึ่งของการศึกษาตามหลักสูตรปริญญาศิลปศาสตรมหาบัณฑิต

สาขาวิชายุโรปศึกษา สหสาขาวิชายุโรปศึกษา

บัณฑิตวิทยาลัย จุฬาลงกรณ์มหาวิทยาลัย

ปีการศึกษา 2562

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By	Miss Chanida Dharmasaroja
Field of Study	European Studies
Thesis Advisor	Professor SAKDA THANITCUL, Ph.D.

Accepted by the GRADUATE SCHOOL, Chulalongkorn University in
Partial Fulfillment of the Requirement for the Master of Arts

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จุฬาลงกรณ์มหาวิทยาลัย
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ชนิดา ธรรมสโรช : การดำเนินการตามฉลากสิ่งแวดล้อมของสหภาพยุโรปและผลกระทบต่อการส่งออกของไทย.
 (IMPLEMENTATION OF EUROPEAN UNION ECOLABEL AND ITS
 EFFECT ON THAI EXPORTS) อ.ที่ปรึกษาหลัก : ศ. ดร.ศักดา ธนิตกุล

ทั่วโลกต่างเริ่มมีความตระหนักถึงการเลือกใช้และกาผลิตผลิตภัณฑ์และบริการที่สร้างผลกระทบต่อสิ่งแวดล้อมน้อย หรือการอนุรักษ์ต่อสิ่งแวดล้อม ทำให้แต่ละประเทศรวมถึงองค์กรต่างๆ ได้นำแนวคิดดังกล่าวมานำเสนอฉลากสิ่งแวดล้อมที่เป็นการรับรองผลิตภัณฑ์นั้น ๆ ว่าได้ผ่านการตรวจสอบทุกขั้นตอนตั้งแต่การเลือกวัตถุดิบ, การผลิต, การจัดจำหน่าย ไปจนถึงการทำลายผลิตภัณฑ์นั้น ซึ่งสหภาพยุโรปได้ออกข้อกำหนดเกี่ยวกับฉลากสิ่งแวดล้อมของตนเอง ภายใต้ชื่อโครงการ EU flower ทั้งนี้สหภาพยุโรปเป็นตลาดที่ใหญ่อันดับต้น ๆ และเป็นขับเคลื่อนเศรษฐกิจของโลก เมื่อสหภาพยุโรปได้ออกฉลากสิ่งแวดล้อมของตนเอง ประเทศไทยซึ่งมีการค้าทั้งส่งออกและนำเข้ากับสหภาพยุโรปจำนวนมากจึงได้รับผลกระทบจากฉลากสิ่งแวดล้อมนี้หรือไม่ อย่างไรบ้าง

จากผลการศึกษา พบว่าฉลากสิ่งแวดล้อมยุโรปเป็นฉลากสิ่งแวดล้อมประเภทที่ 1 ซึ่งเป็นมาตรการโดยสมัครใจ ไม่ได้มีการบังคับใด ๆ ถ้าหากผลิตภัณฑ์นั้นไม่ได้ติดฉลากสิ่งแวดล้อมของสหภาพยุโรปก็สามารถที่จะนำเข้าและส่งออกสหภาพยุโรปได้อย่างเสรี แต่อาจทำให้เกิดความไม่เท่าเทียมกันขึ้นได้ภายในตลาดการเลือกซื้อผลิตภัณฑ์ของผู้บริโภค เนื่องจากว่าผู้บริโภคเริ่มมีพฤติกรรมการเลือกซื้อที่ตระหนักถึงผลกระทบต่อสิ่งแวดล้อม ซึ่งอาจมีการเลือกซื้อผลิตภัณฑ์ที่ติดฉลากมากกว่าผลิตภัณฑ์ที่ไม่ติดในประเภทเดียวกัน ทั้งนี้ภาครัฐกิจประเทศไทยยังขาดความรู้ความสามารถ และเงินทุนสำหรับการปฏิบัติตามข้อกำหนดของฉลากสิ่งแวดล้อมยุโรปจึงมีความจำเป็นที่จะต้องให้ภาครัฐเข้ามาช่วยเหลือเพื่อที่จะสร้างสามารถสร้างความแข็งแรงให้กับผลิตภัณฑ์ที่ไปตามข้อกำหนดและความยั่งยืนของประเทศ

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SAKDA THANITCUL, Ph.D.

All over the world are becoming aware of the selection and use of products and services that cause less environmental impact or preserving the environment. Make each country including various organizations have introduced the above concept into an environmental label. That is to certify that the product has passed all stages of the inspection, from raw material selection, production, distribution to the destruction of that product. In which the European Union issued their environmental labeling regulations under the name of the EU flower project. The European Union is the largest market and is the driving force of the world economy. When the European Union issued their own environmental labels, Thailand, which has a lot of trade in both exports and imports with the EU, is it affected by this environmental label or not?

From the study found that the European environmental label is a type 1 environmental label, which is a voluntary measure, there is no regulation. If the product does not have an EU environmental labeling, then it can freely import and export the European Union. But may cause inequality within the market of consumer product selection. Because consumers began to have behavioral buying choices that are aware of the environmental impact. Which may be more selective to buy smart products than non-smart products in the same category. However, the business sector in Thailand still lacks knowledge and ability. And funds for compliance with the European Environmental Labeling Act, it is therefore necessary for the government to come in to help build strength to return the products that meet the requirements and sustainability of the country.

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Field of Study: European Studies

Student's Signature

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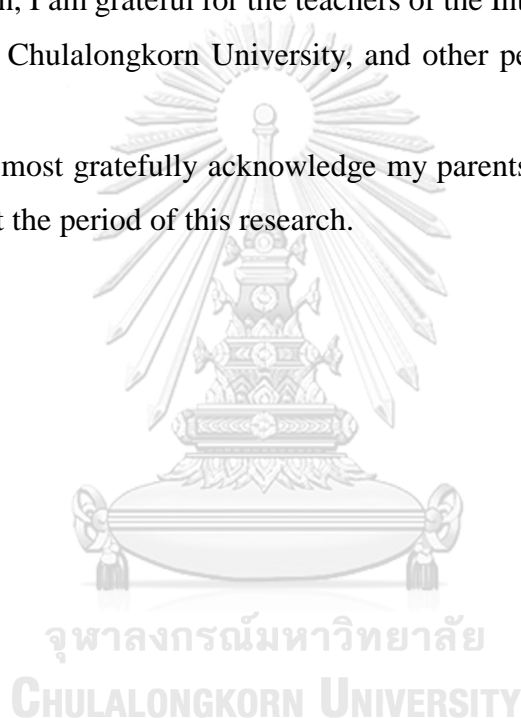
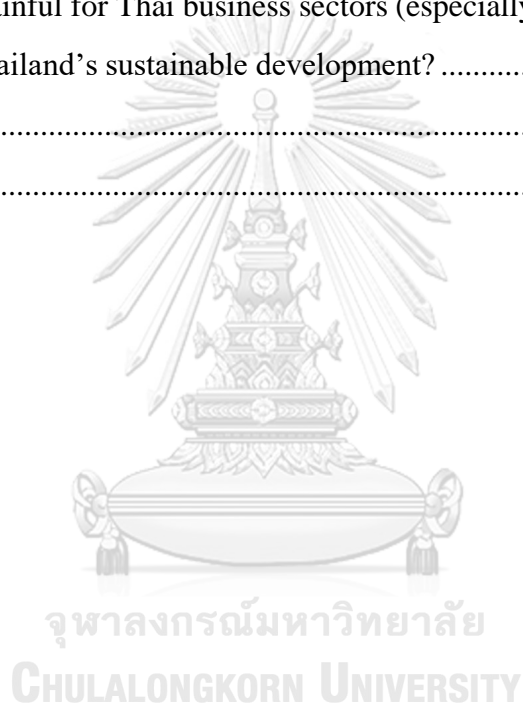


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Chapter 1: INTRODUCTION

1.1 Background and Problems

These days, worry about ecological and constrained work issues is blasting the world over, since individuals have more information about the significance of biology just as human rights. These ecological issues, for example, contamination including normal asset exhaustion and constrained work concern e.g., youngster work, are considered as non-excludable negative externalities that lessen social government assistance. Accordingly, a more prominent number of individuals become 'green customers' or purchasers who like and look for naturally amicable or moral items. Ecological well-disposed or Eco-accommodating items are items that delivered with fewer damage procedures to a situation and could be discarded with less unfavorable effect on nature, for example, natural nourishment which delivered without man-made composts and pesticides, the reused paper which produced using utilized paper, and biodegradable plastic packs which would be normally separated in the earth. Likewise, eco-accommodating items are portions of moral items. Moral merchandise is yielding from the creation that isn't hurtful to both condition and society like reasonable exchange items that paying little mind to constrained work just as mercilessness free beauty care products that are not tried with lab creatures. Eco-friendly and moral items as a rule markup cost with the premium because most naturally benevolent creations are exorbitant than regular creations or it needs sunk costs interest in innovation. Additionally, green shoppers are happy to acknowledge generally costly green items contrasted and ordinary items as they profit by the warm-sparkle impact in the wake of buying green products. In the investigation of (Pelsmacker, Driesen, and Rayp (2005) shows customers in Belgium were free to purchase green day by day items with 10 rate markup costs. Notwithstanding, the eagerness to pay changed from 5 to 35 percent relies upon purchaser needs.

According to Nelson (1970), items are ordered into 3 distinct gatherings, in particular hunt products, experience merchandise, and belief products. Search merchandise is the item that shoppers could watch their quality before buy. For

instance, shoppers can pass judgment on the freshness of products of the soil from their appearances. In the meantime, customers couldn't watch the nature of experience products until they previously expended them. A few instances of experience merchandise are books, films and a jar of soda pop. The third scope of items is belief items. Even though buyers have expended the items, they couldn't know the item characteristics, not at all like hunt products or experience merchandise. Moral items are likewise parts of assurance merchandise since shoppers can't recognize them and customary items either previously or after buy products. To be specific, shoppers can't know whether the products they devoured are delivered by slave workers or not. Thusly, customers have fewer data about the items than the organizations have. At that point, the organizations may have a motivating force to lie about their moral item characteristics to shoppers. Something else, lemons' issue emerges, customary firms may drive green firms out of the market because of shopper doubt. The degree of trust changes among buyers. As an outcome, to create customer trusts and to stay away from unfavorable determination, quality flagging turns into a significant job in a natural well-disposed merchandise showcase. On account of search merchandise, firms no compelling reason to impart any quality sign to their buyers since they can decide item attributes effectively before buy. Besides, firms may impart a value sign or offer guarantees to persuade customers about their item quality if they give experience products. By and by, value flagging and guarantees are not successful in the moral item showcase since data about moral quality is still not uncovered to the purchasers after expending products.

One of the significant approaches to instructing the buyers about ecologically benevolent items is to utilize Eco label. During the most recent 30 years, a developing number of natural labels have been created by singular organizations, mechanical areas, and NGOs, national and global legislative associations("Eco-label: European environmental protection label," 2001). The expanding ubiquity of these labels must be found related to the advantages they bring to organizations and buyers. From the organization's point of view, the labels are required to legitimize its strategic policies, shield it from open guideline as well as assist it with increasing upper hands. From the purchaser's perspective, the labeling will diminish vulnerability about the

natural execution of items and empower shoppers to pick items that reason less harm to the earth (Kollman & Prakash, 2001). At the end of the day, there are numerous valid justifications why organizations ought to receive ecological labeling plans and why buyers ought to remunerate such exertion by buying natural execution labeled items and administrations.

Accordingly, observing from a solid outsider, particularly with an eco-certificate, is progressively appealing to firms since they can utilize it as a quality sign since eco-declaration or moral name pinpoint that the items are delivered and overseen by ecologically wanted innovations and afterward uncover some moral quality data to buyers. Numerous renowned eco-names have diverse explicit purposes given by dependable associations around the globe, for the most part in created nations, for example, USDA Natural, Reasonable Exchange USA Affirmed, Dolphin-Safe, which guarantees that angling forms don't hurt dolphins, and The Blue Heavenly attendants from Germany. In Thailand, Green Mark is utilized as a typical ecolabel for over twenty years. This name is ensured to organizations that give earth innocuous items contrasted with other substitutable ones. For the most part, generally moral and ecological well-disposed certifiers require application expense from candidates and they should be happy with a few essential conditions which increment items cost. Nonetheless, eco-certificate is once in a while great and data about eco-quality may not be completely uncovered to buyers in reality because the expense of complete checking is high for most certifiers. As such, a few eco-accommodating firms may neglect to get the eco testament, while a couple of ordinary firms get the mark. In this manner, the uneven data issue exists although moral testaments are utilized. Also, firms might not have any desire to apply for eco-testaments with terrible notoriety or inconsistent, since shoppers generally question about its standard and are more averse to take the conniving Eco label into account when buying merchandise. The case of the questionable name is the name that gave deficient data and can't impart an unmistakable sign to buyers.

"Environmental labeling" is a new concept that arises from environmental awareness. Which is a label given to products that have less environmental impact. When compared with the same product Environmental labels are one of the measures

to protect the environment that developed countries have used in their trade, with environmental protection as a priority. In many countries, there are regulations for determining the labeling of products that comply with the environmental labeling requirements of each country. Which the requirements for receiving the environmental label Must pass the consideration of the agency responsible for the environmental labeling to determine whether the process and method of producing the product meet the requirements specified by the central organization to obtain an environmental label or not which the regulations will be established to reduce the impact on the production of products that affect the environment.

Under the International Organization for Standardization (ISO), there are international standards for environmental product labels and environmental labels are divided into 3 categories to establish guidelines for the implementation of various green label projects that are currently available. To be in the same direction which sets this international standard on environmental labels to help with the announcement of the environmental characteristics of the product to be accurate, verifiable, prevent, and reduce barriers to international trade.

Environmental label type 1 is an environmental label endorsed by a 3rd party, which may be a government organization or a private organization that is a 3rd party implementing the project. The environmental label will be given to the applicant for the environmental label application for products that comply with product specifications for which the 3rd party has set the requirements for receiving the environmental label, which will consider the life cycle. The product is with for real environmental impact, it is not a part of reducing the impact, but to increase the impact in other parts. Under the international standards, the type 1 environmental labeling is laid out in ISO. Currently, many projects are in line with the standards set by Countries include Blue Angel in Germany, Nordic Swan in Nordic countries, Eco mark in Japan, Green Label in Thailand, and EU flower in the EU.

Environmental Label Type 2 which is "Self-Declared Environmental Claim", is environmental labels that certify the environmental properties of products by manufacturers, importers, distributors, retailers, or others who will benefit from the announcement to advertise their products. That does not damage the environment or have little impact on the environment Which is an environmental certification also

Use of this type of label may cause the form of text, symbols, or images on the product or packaged label Product Recommendation Document Publication brochure which this announcement must not cause errors in interpretation which must not allow the use of words that are covered in a network

Environmental Label Type 3 which is "Environmental Product Declaration", is an environmental label that shows information in detail, that is, a label that quantifies the impact of products or services on the environment and information obtained from the environmental impact assessment. Product life

For this research, the study focuses on only the EU type 1 environmental label under the name of the EU Flower program because the EU is the world's largest market. However, although the type 1 environmental label, which has been adopted in many countries as voluntary measures, has not yet been enforced, in practice, the type 1 environmental label measures tend to be more effective. Because each manufacturer wants to get an environmental label to create an image in the eyes of consumers that their products have less impact on the environment than products of the same type but not environmental labeled. The greater the consciousness of consumers towards the environment Products that are labeled with the environment have a greater effect on the purchasing decisions of consumers. This will affect the products of developing countries that do not receive the said environmental label.

Also, the EU and Thailand have negotiated the Free Trade Agreement (FTA) in March 2013. Both parties need a comprehensive agreement on topics such as trade taxes and measures other than trade taxes, services, investments, arrangements. Public tender, intellectual property, regulatory and regulatory issues and sustainable development the researcher considers that it is important to study the current problems and conditions of the EU environmental labeling project on developing countries, how they have been affected, and how to adapt.

1.2 Hypothesis

The enforcement of the EU environmental labeling will affect Thailand's exports to EU adversely. At the same time, Thai manufacturers have to improve their production process and products to meet the requirements of EU environmental

labeling standard. In the long run, it will be beneficial for Thailand's sustainable development.

1.3 Objectives

1. To study and analyze the EU environmental labeling
2. To analyze adverse effects of the EU environmental label on Thailand's exports to the EU market.
3. To make suggestions to the Thai business sectors exporting to the EU market and the Thai governmental agencies concerned.

1.4 Methodology

The research on the effects of the EU environmental labeling is divided into two parts: studying the Thailand understanding of the EU environmental label and studying Thailand response to the EU environmental label.

This research has a method of conducting a document research study by studying and analyzing data from written documents, articles, academic writing, and electronic information news. The key is to study the principles of the environmental labeling of the European Union. And the environmental labeling regulations of the European Union and other policies related to that matter which is the use of primary documents such as related policies and secondary documents such as academic writing Electronic media and print media, etc.

Chapter 2: THE INTERNATIONAL TRADE BETWEEN EU AND THAILAND

In the last few decades, the Asian economy has grown rapidly. As a result, many high-income countries have started bilateral trade agreements with countries in the region. One example is the European Union (EU) which began negotiations on the Free Trade Agreement of the European Union (FTA) with the Association of Southeast Asian Nations (ASEAN) in 2007. However, after 9 rounds of negotiations could not be concluded and suspended. In 2009, after a while, the European Union again considered reviewing bilateral agreements with Asian countries. The first country in Asia to sign an FTA with the European Union is South Korea, which is an important non-EU trading partner of the European Union with significant market potential. This agreement is effective in 2011.

For Southeast Asia, the FTA negotiations between the European Union and Singapore were completed in 2014. Singapore is the largest trading partner in ASEAN and is the gateway to Southeast Asia, in addition to being the location of the company's regional headquarters. In many Europe also, Singapore's main export products are not politically sensitive products such as agricultural products. To expand free trade agreements with other countries in the European Union region, ongoing negotiations with many countries, including Malaysia and Thailand.

The European Union is an important trading partner of Thailand. In 2012, the export value from Thailand to the EU was 20.1 billion euros, which is 9.5% of the total export value of Thailand. Previously, Thailand, a middle-to-low-income country, received trade preference from the European Union in the form of the Generalized System of Preference (GSP) system ("Impact of EU GSP Reform on Thai export," 2012; Yamabhai, Santatiwongchai, & Akaleephan, 2017). GSP obtained from the EU proposes that Thailand does not have tariffs for sensitive products and lower tariffs for sensitive products. However, since Thailand was ranked by the World Bank as a middle-to-high income country in 2010, Thailand is no longer eligible to receive benefits from the European Union's GSP. In 2014, the said privilege was withdrawn. The ability to compete in the EU market, which will decrease compared to other EU trading partners in Southeast Asia the direct financial impact of withdrawals is

expected to be \$ 131.2 million, while the overall impact, including indirect effects from reduced competitiveness, is approximately 998 million euros (Yamabhai et al., 2017).

Since Thailand does not have a free trade area with the EU, which eliminates the general system setting for Thailand in 2013, all Thai exports will have to pay EU's MFN customs duty rates. After 11 December 2017, the Russian Federation has announced its withdrawal from this election. Traveled for many years, especially the Thai-EU Free Trade Agreement in 2019, Thailand will return to the negotiation table for Thai-EU Free Trade Agreement (FTA) after the new government signs green light Trade between Thailand and the EU increased by 6.5% to 43.71 billion euros in 2018 or 9.4% of the total trading volume. The European Union is the third-largest trading partner for Thailand, after China and Japan, accounting for 9.1% of the country's total trade Thailand is the 25th largest EU trade partner worldwide. Thai exports totaled 25 billion US dollars, up 5.2% from a year earlier, with imports up 8.17% to 20.61 billion dollars. The EU exported 15.1 billion euros of goods to Thailand in 2018 (Phusadee Arunmas, 2019).

2.1. What products Thailand exports to and imports from the EU?

Thailand to focus on the EU as an economic superpower rank 1 and a large market with a population of approximately 500 million people with a gross domestic product of the year is about 17 trillion US dollars and the region. With high purchasing power in the EU is the biggest trading platform in the world with the power to negotiate and play a role in determining the direction of trade.

Important Thailand's export items to the EU include computer parts and components, automobile parts, gems and jewelry, electrical circuits, rubber products, air conditioners and their parts, and processed chicken. (" Thailand : Trade Balance, Exports and Imports (2019),") The EU is the third-largest export market in Thailand. In which the top three products are imported from Thailand to the EU Including machinery and transportation equipment, miscellaneous products and food and live animals.

2.2. What products EU exports to and import from Thailand?

Meanwhile, EU exported goods worth €22.9 billion to Thailand in 2018, key export from Thailand include machinery and parts, airbus, gliders, chemical products, medical supplies and medicines, electrical devices and parts, and diamonds, and precious stones, as well as food products. ("Thailand," 2019; "Thailand : Trade Balance, Exports and Imports (2019),") The EU is the fourth largest importer in Thailand, with the top three products being exported from the EU to Thailand, including machinery and transportation equipment, chemical and related products, and industrial products.

2.3. What are Thai products that have been adversely (negatively) affected by the EU Environmental labeling?

For environmental labeling (Eco label) of the EU since 1992, which is an environmental measure that has been accepted in Europe and around the world. The environmental label won for products and services that meet what is believed to be higher environmental standards, such as separation of raw materials, production, distribution and disposal of waste. In which environmental labeling is a comprehensive economic promotion and encourage manufacturers reducing waste and carbon dioxide generated during the production process and the criteria also encourage companies to develop products to be durable easy to repair and recycle. Thai product categories this Eco label applies to appliances building products cleaning products electronics forest products, textiles, tourism, and other (campsite services, bed mattresses, footwear).

Chapter 3: THE EU ENVIRONMENTAL LABEL

Environmental labeling measures are one of the environmental measures that inform consumers about the nature of products related to the environment. Many countries, therefore, have determined the scale of the environmental label. Which the environmental labeling project of each country has been set up by the third party, which will inform about the quality of that product by considering the product life cycle, which includes Obtain input substances, production processes, consumption and destruction of waste the number of countries that have implemented such measures in their countries is steadily increasing.

EU environmental label Sustainable production and consumption policies of the European Union have established sustainable services in 3 ways. The first is the minimum requirements for energy efficiency. To encourage manufacturers to improve product design to reduce energy use, such as the Eco-design Directive. And the second way is labeling of energy-efficient products and products that are energy-efficient, such as the Energy Labeling Directive and the final approach is voluntary labeling, such as Energy Star, EU Eco label (EU flower).

EU Eco label is a willful measure, with items named EU Bloom ready to recognize their properties and elevate their items to have high natural principles and are friendly to users and the environment. As well as products that have a less environmental impact than other products of the same product Which means adding value and credibility to their products For the production of 25 different types of products, such as equipment or electrical products in household goods, paper, cleaning products and also includes textiles and clothing that meet the criteria for products that can use the EU Flower label.

The countries that use the Eco-label are the 18 member countries of the European Economic Area. It consists of 15 countries of European Union countries including Iceland, Liechtenstein, and Switzerland.

EU Flower of the European Union is a type 1 environmental label, which is a central organization, which may be a government organization or an independent

organization. There will be no producer or consumer to oversee the said project. These projects will specify products or product groups that must be complied with to receive environmental labels which showing to consumers that any product that has been labeled by the said agency will show that it is a product that has a less environmental impact when compared to the same product type. It can be said that this type of label has the objective of standardizing the credibility and value of the products that have been labeled, which represents the nature of the product for the environment.

The purpose of the European Union environmental label can be divided into 5 objectives.

The first objective is to promote products that reduce environmental pollution when compared to products in the same group. Provide information on the environmental impact of each product whether it is the use of energy and natural resources during the product life cycle

The second objective is to create an environmental label. For the same label environment within the community in the long run The European Environmental Label Program is a voluntary factory of the manufacturer. Distributors or management personnel who want to show environmental responsibility.

The third Objective is an EU environmental label issued for a product that has been assessed and verified to meet environmental standards following the requirements announced by the EU Environmental Label Program.

The fourth Objective is to create environmental awareness for consumers. By suggesting products that have little impact on the environment

And the final objective is encouraging the manufacturing industry to use clean technology for products with less environmental impact.

Also, the procedure for selecting the product category of the EU environmental label must consider the selection of the type of product in each product must pass inspection from many departments. Which can be divided into 6 steps as follows the first step is through the auditing agencies and stakeholder groups, which

include industry groups, business groups, and consumer organizations. And environmental protection organizations take part in establishing the criteria for transparency in the implementation of the community project, with the inspection agencies and stakeholder groups having to submit to the European Commission to determine the product groups. And second step is a review of the recommendations in products recommended by the inspection department and stakeholder groups by examining the rules and operations plans. The next step is the product review criteria are reviewed by the European Environment Board (EUEB) and the next step is to draft product group requirements following the work plan and established criteria. Such as feasibility studies and market studies Product life cycle considerations Criteria Analysis Consultation with a special working group And propose to the European Commission to consider And the next step is the European Commission to submit product criteria to the European Environment Board. And the final step is the European Environment Commission's proposal to the committee that regulates the regulation of the product group.

In the selection of products of the EU environmental label, the criteria must be considered as specified in the European Environmental Label Project. Is to consider the effects of products on the environment and the environmental benefits they receive when they are marketed therefore, feasibility and market studies are needed since there are many product groups in the union market. Must consider the production amount Imports and sales And the structure of the market in member countries, whether internal or external trade in member countries And have criteria in selecting that the product groups that have an impact on the environment by considering the life cycle of the product, starting from the raw materials Production procedure Until destruction And the final rule is to not apply this rule to pharmaceutical products Drinks and food As it is a product group that is already supervised by experts

Besides, the approval of the EU environmental labeling Member states of the European Union must establish an inspection agency responsible for inspecting requests for environmental labels for products and services of manufacturers, retailers, executives, or importers. The inspection department will have this page as follows the first duty is to consider the definitions of each product group and the rules for

environmental labeling. The second duty is to provide consultation between the inspection agencies of each member country in the product group that has the same market in other countries. The third duty is that the inspection agency must sign a contract with the applicant to use the flower symbol, as long as the rules of the product and service are still in effect. And the last duty is that there will be an annual fee for requests and the use of flower symbols. The European Union Environmental Labeling recognizes the success of applicants that are officially licensed to use the flower symbol as the world's largest certified product in the world.

3.1 Why the EU has had to enact Directive or Regulations concerning environmental Label?

The European Union Environmental Labeling Regulation is a criterion issued by the European Commission to create products with higher environmental standards than the general environmental standards used in the European Union. The labels in this format have many names, depending on the country. Thailand uses the term "green label" in Germany, Blue Angel in the United States and Green Seal, and Sweden the Nordic Swan.

With many environmental labeling projects occurring in the European Union, it confuses consumers about which programs promote products with less environmental impact. And in the part of entrepreneurs, it is not possible to comply with the national programs of the countries in which they want to import the products accordingly, and the operating costs must also be higher and the most important is to have an environmental labeling project at the national level. Criteria in the project will consider the environment in each country is important. Domestic entrepreneurs may be able to comply, while foreign operators may find it difficult to comply. Implementing environmental labeling projects at the national level in each European Union country, therefore, it may cause obstacles to the movement of goods between other EU member states or the Free Movement of Goods principles in the community. Therefore, EU countries see the necessity and therefore have rules to set the framework for the project. Environment label within the community For the project at the community level to create a single label in the community This will be one of the important things to help prevent the disruption of a single market and to prevent trade

distortions that may occur between member countries. Therefore, the European Council has issued the Council Regulations No. 880/92, dated 23 March 1992 on the Environmental Labeling Project for the Community by Article 130s of the Treaty on the European Economic Community. The European Council can determine what measures should be taken within the environmental community. This environmental labeling project is a project carried out on an environmental label type 1 or a category undertaken by a central organization. By proceeding voluntarily it does not require that every entrepreneur is required to participate in the project. The objective of the Eco label project is to promote the design, production, distribution, and use of products that help reduce the product's environmental impact. If member countries want to participate in this program, they can implement the rules directly without having to issue national laws in any way.

Subsequently, the Council of Regulations 1980/2000 was issued on 17 July 2000 by the Parliament and the European Council to amend the environmental labeling project in place of the Council Regulations no. 880/92 which stipulated that no less than 5 years after the Council regulations governing 880/92 come into force, the project must be reviewed and changed as necessary. Therefore, the 1980/2000 Council Regulation was revoked and replaced by the Council Regulation no. 880/92("Regulation (EC) No 66/2010 of the European Parliament and of the Council of 25 November 2009 on the EU Ecolabel," 2010a). The objectives of the project were similar to the previous rules. But another addition is to provide accurate and truthful information and advice on products to consumers.

EU flower is a label given to promote a product that can have a lower environmental impact compared to other products in the same product group. And is a label that provides accurate information Match the reality and give various recommendations on products to consumers

The purpose of the EU Eco label is to promote products that reduce environmental pollution when compared to products in the group that affects the environment and products that cannot be used during the cycle. Product life and want to have an environmental label for the environment in the long term. Voluntary

environmental labeling in the European Union of manufacturers, distributors, and executives who want to show environmental responsibility and EU Ecolabel has been issued for products that have been assessed and verified to meet national environmental standards. Environmental issues, as recommended by the European Union Circles Label Project Committee to encourage consumers by recommending products that have little impact on the environment and encourage industrial groups to use clean technology to produce products with less environmental impact.

3.2. What Directive and Regulations are they?

In 2009, EU Eco label is regulation No. 66/2010 of the European Parliament of the EU Eco label, this regulation was introduced by No 880/92 of the European Economic Community Regulation and aimed of No. 1980/2000 of the European Commission Regulation("Regulation (EC) No 66/2010 of the European Parliament and of the Council of 25 November 2009 on the EU Ecolabel," 2010a; "Regulation (EC) No 66/2010 of the European Parliament and of the Council of 25 November 2009 on the EU Ecolabel," 2010b) which was reconsidered network Eco label grant conspire was to set up a deliberate Eco label grant plot proposed to advance items with a decreased ecological effect during as long as they can remember cycle and to give buyers exact, non-misleading, science-put together data concerning the natural effect of items.

3.2.1. Do they apply to imports from every country?

In recent years, the flower of the Eco label has become a European-wide image for naturally well-disposed items. It empowers European shoppers including open and private buyers to handily distinguish authoritatively affirmed green items over the EU. Customers today are increasingly touchy to the insurance of the earth and people in the future and might want to purchase all the more ecologically agreeable items. For producers, retailers, or shippers, the Eco label empowers them to demonstrate their responsibility to a more secure condition for their clients. The Eco label flower is a recognized showcasing image to advance organization validity in a buyer's inner voice advertise.

For the EU-Flower project of the European Union following regulations 1980/2000, when considered, it is found that there is an opportunity for stakeholders to participate in the project. Considering the environmental labeling program of the European Union, it is an opportunity for producers, consumers, or interested associations to be able to propose the type of products to the European Commission for determining the product groups, which have an interest in participating in the proposed product group specifications.

Therefore, any manufacturer that is interested in exporting products to the European Union can carry out project requirements. EU-Flower is optional. And the European Union does not block any products that do not have an EU environmental label certification.

3.2.2 Do they apply to EU domestically produced and manufactured products?

There are many national environmental labeling projects in the European Union, which can cause confusion and complications for both producers in terms of submitting requests for environmental labeling, including regulatory differences and the cost of the higher implementation of each environmental label and on the part of consumers, there is confusion about the product differentiation characteristics which may cause the free movement of a single market under the European Union to be hindered. Therefore the European Union has issued its own environmental labeling regulations which are under the Treaty on the European Economic Community. In which Member States are interested in participating in this environmental labeling project able to integrate immediately without having to issue one's own policies or regulations. It can be said that the EU environmental labeling is helping and creating great convenience to member countries themselves, which does not require the hassle of creating rules and self-examination. As well as consumers are confident and confident in the purchase of products that have been certified by the Environmental Label of the European Union.

3.2.3 What kinds of products will be applied by their laws?

The EU Eco label covers a wide scope of item gatherings, from significant zones of assembling to vacationer convenience administrations. There are presently 24 diverse item bunches for which EU Eco label rules are accessible, they spread a wide scope of classes, from Hard Surface Cleaning Items to Clearing Administration and Flush Off Beautifying agents to Traveler Settlement Administrations, for example, soaps, shampoos, and hair conditioners All-purpose cleaners Detergents for dishwashers Hand dishwashing detergents Laundry detergents Industrial and institutional laundry detergents Industrial and institutional automatic dishwasher detergents("SGS," 2013).



Chapter 4: WHAT HAS BEEN THAILAND'S RESPONSE?

It is well known that environmental issues have become a global problem that is considered urgent for resolution. Especially global warming or global climate change has more severe effects at all times not only affecting the environment but still affecting the economic sector or even the life of mankind around the world. Environmental considerations of the European Union are considered a group of leaders with potential in environmental management and also highly aware of the environment. The EU has the policy to control and manage the environment in their own country for a long time. Especially when global warming intensifies, the EU is, therefore, more alert and has developed outstanding management as an environmental leader. The regulation and environmental policy of the European Union is worth watching. Because the EU uses marketing and economic mechanisms as an environmental management tool with countries that are related to the EU. To increase awareness and motivation for environmental stewardship to other countries outside of the EU with the eye-catching environmental regulations and policies of the European Union. The environmental regulations and policies of the European Union. It has a direct and indirect effect on Thailand especially in business circles which needs to be adjusted to be consistent and able to trade smoothly with the EU. The impact of EU regulations and policies on Thai businesses in many areas some many policies or regulations are in line with Thailand's operations. And there are many policies or regulations that Thailand needs to adjust.

4.1 Thai business sectors' response?

When European consumers are interested in such social and environmental issues. Therefore, a pressure for the European business sector to take more action on society and sustainability. It's not just products and services produced in Europe itself. But including business networks throughout the supply chain to produce products since cultivation, production, processing in third countries, including Thailand, which has been exported for sale in the European market, must also be adjusted to implement more social and sustainability standards include environmental preservation labor welfare, ethics, and human rights issues in conducting business.

Another step in business cooperation after participating in the determination to create alternatives for consumers to use products that reduce environmental impact. Intending to create concrete sustainability for Thai society in the future Thailand Business Council for Sustainable Development (TBCSD), in partnership with the Thai Environment Institute, organized the "Sustainable and Green Procurement Initiative" to promote green procurement in the private sector. Have a green procurement policy by supporting carbon reduction label products and green label products as well as products that have received other environmental labels to show awareness of the selection of clean products with minimal environmental impact and the green economy process that was developed to solve environmental problems is now highly accepted. Environmentally friendly products play an increasingly important role in the world trade arena. Causing the world community to issue various policies and measures Environmental For products that will be traded internally or exported internationally more and there are a total of 15 organizations participating in, for example, Bangchak Corporation Public Company Limited, IRPC Public Company Limited, Krung Thai Bank Public Company Limited PTT Public Company Limited, and the Siam Cement Public Company Limited.

4.2 Thai government's response?

Thailand is aware of the problems in the globalization era and places importance on the production of standardized products and helps protect the environment of the world. By beginning to issue their standards, despite being local standards up to standards that are accepted and meet international qualifications at an international level.

Organizing the green label project in Thailand Initiated by the Thai Environment Business Council in October 1993 and has received approval and cooperation from the Ministry of Industry Ministry of Science Technology and environment, the Office of Industrial Standards and other relevant agencies to act out in concrete. It can be considered that the project is a collaboration between government and private organizations and various central organizations, with the Office of Industrial Product Standards and the Thai Environment Institute acting as a joint secretary. This project was created because it wanted to be a central agency that

provided impartial information as well as quality control of environmentally conscious products systematically and transparently.

"Green Label" is a new concept that is considered necessary to restore and preserve the environment. Along with national development which will lead to sustainable development Germany was the first country to start the Green Label Project in 1977. Later, a group of countries around the world established the Global Ecolabelling Network (GEN) to carry out the Green Label Project. Currently, members in more than 30 countries, for Thailand, are also members of GEN. There is an agreement to accept the organization. And the reliability of the testing laboratory following the Mutual Recognition Agreement makes the "green label" of Thailand recognized internationally.

Also, the Office of the National Economic and Social Development Board has prepared the 11th National Economic and Social Development Plan stating that Thailand has many opportunities to benefit from this global warming crisis. And Thailand should bring the crisis to create a new economic dimension Society and resource management for the country by adjusting the country's economic structure to a green economy by promoting economic activities that are balanced and sustainable in production and consumption by adjusting production patterns to be environmentally friendly. Support production and efficient use of resources promote clean production and promote investment in productive sectors that focus on environmental conservation. Including adjusting the production structure to agriculture and services By promoting agriculture, trade, tourism Service, and investment that does not destroy the environment also clean energy usage and the development of green infrastructure Determination of incentive measures in financial and fiscal economics Tax measures and market measures Along with changing behavior and consumption patterns of the people to be sustainable.

4.3 NGOs' response?

Thailand is aware of the global warming problem and gives importance to the production of standardized products and to help protect the global environment. By starting to issue the standards of Rove, both at the local standards Up to the standards

that international acceptance and meets international qualifications. Which is a promotion of Thai products from non-governmental organizations.

Innovations in increasing options by the Thailand Greenhouse Gas Management Organization (Public Organization), such as carbon and carbon footprint labels which is a label indicating the amount of greenhouse gas emitted from each product throughout the product life cycle. From the acquisition of raw materials, transportation, assembly, use, and management of product remains after use, calculated in the form of carbon dioxide equivalent.

Also, COOLMODE is a label that promotes the textile industry, especially garments. To be encouraged to use clothes that have special features and have a material structure that helps reduce and ventilate the wearer's clear Create awareness for manufacturers, distributors, consumers, and other relevant agencies. By participating in the reduction of global warming by using clothes that can support the adjustment of air conditioning temperature to use less electricity. And also stimulate the textile market to reduce global warming which will increase the ability to compete on the world stage and be sustainable development.

It can be seen that in the announcement of the EU environmental labeling, not only is the government moving to help manufacturers, but the business sector and non-governmental organizations are helping each other by creating environmental labels. In addition, some of the labels that are accepted locally and in some environmental labels are also in line with international standards, to help and look after the manufacturers so they can follow the rules and be able to easily export their products to the European Union.

Chapter 5: ANALYSIS

Environmental Label type 1, in the case of an EU Eco label or EU flower, a voluntary project, it is not yet clear whether the European Environmental Label Program is contrary to the Agreement on Technical Barriers to Trade (TBT) under the World Trade Organization (WTO). Due to the fact that the EU environmental labeling program, which has adopted international standards to prevent environmental labeling from becoming an unnecessary obstacle in international trade, would be contrary to the agreement on roadblocks. Trade techniques, However, Thailand studying developing countries is experiencing a shortage of knowledge and funds, receiving advice and expert advice, as well as funds to import and create technology that can produce environmentally friendly products that meet the project's requirements. EU environmental label, Therefore, there may be inequality in the selection and purchasing decisions of consumers, even if the label is not compulsory. The government of the country should, therefore, facilitate the business sector to create equal opportunities in the market of consumer buying.

5.1 Are EU's Environmental labeling measures violate the WTO Agreement (TBT)?

In this regard, the international trade system will be controlled by the World Trade Organization. To proceed freely and justly under the objectives of the General Agreement on Tariffs and Trade to reduce barriers or import barriers, regardless of whether these barriers are tax measures or not taxes. Competition must be fair as well as restrictions on the number of imported products are prohibited. If any country has set protection measures as well as limiting imports of product quantities May lead to international trade disputes

Therefore, under the World Trade Organization, there is an agreement on technical barriers to trade. Which is an agreement that arose after several trade negotiations around Uruguay By expanding the original agreement resulting from more clear talks around Tokyo The key objective of the TBT agreement is to not require the use of standards as a non-tariff protection measure or the NTB to avoid unfair market protection. And there has been a revision to make it clear by editing to cover the process and production methods associated with products (PPMs), which

must be processes and production methods that are related to the final characteristics of the product and make a list. More details about the provisions relating to local governments and non-governmental organizations. This amendment to cover production processes and methods has more impact than specifications on product characteristics. Including certification that various countries So as not to impede the use of measures to protect human health, animals, plants and the protection of the environment and establish regulations for the use of international standards Which underdeveloped countries do not need to rely on international standards If such standards are not suitable for domestic needs And international standards used, if it is a production process standard Must be a production process that affects the final appearance of the product, Therefore, the processes and rules that will be used to obtain environmental labeling may, therefore, be subject to the provisions in the Agreement on Technical Barriers to Trade. However, the TBT agreement does not specify details about technical standards by product. It is a guideline that will help countries become aware, allowing them to adapt and comply with standards set by their trading partners. This agreement on technical barriers to trade will establish rules regarding technical restrictions, standards. As well as assurances for certification to prevent such unnecessary barriers to trade. However, the TBT also allows member countries to take measures for the benefit of national security. Including protecting human health, animals, plants and the environment

Under the TBT agreement, countries have the right to enforce technical regulations or standards on imported goods as well as domestic goods. To protect the health and safety of people However, it must not cause unnecessary obstacles to trade. And to set domestic standards in any matter, if it appears that there are international standards in that matter, TBT agreement to be based on international standards as a basis for implementation. Because countries have set their national standards, they may cause obstacles to trade. If countries have adopted international standards, it will lead to harmonization between the standards of different countries. That is to say, the harmonization of standards is a principle that requires standards in each country that are currently different and consistent in the end. This harmonization of standards will help reduce barriers to trade. Also, the TBT agreement establishes joint certification.

In the results of the inspection and certification of the standard as well, that is, the acceptance of standards from different countries to reduce obstacles to trade.

In implementing this international standard, important principles in the agreement on technical barriers to trade must be considered which the same principle is as the general principles provided in the GATT to prevent trade distortions. These general principles, such as the most favored national practice including national treatment as well as transparency principles. Therefore, if a standard is set for any type of product, it is necessary to use products from all countries, regardless of which country it comes from, as well as those manufactured in the country. No specific discrimination is to be used for products that originating from a particular country or avoiding the treatment of domestic products.

Although the basic principles of the EU Eco label project have been clearly defined to be consistent with international standards in order not to cause barriers to producers and exporters of goods. It also considers the Agreement on Technical Barriers to Trade (TBT) under the World Trade Organization to guarantee transparency and non-discrimination for foreign entrepreneurs, and when considering the EU Eco label Program of the Union. Europe already found that the use of labels is entirely voluntary. If an operator does not use the label, it is forbidden to bring products into the market. Whether it is manufactured locally within the European Union or imported from the EU, EU Eco label is not a regulation that every product must comply with. EU Eco label is just an option to increase the credibility of the manufacturer and the confidence of the supplier for consumers in the purchase of goods.

However, there are certain aspects of the EU environmental labeling program that are not in line with international standards. That is, international standards do not want to use the process or production methods associated with products (PPMs) to be defined as criteria under the environmental labeling project because it will cause trade barriers easily. However, it is difficult to avoid using PPMs in the environmental labeling project. Similar to EU projects, where PPMs are still used as criteria for project implementation, and this regulation does not set the principle of mutual

environmental label acceptance between non-community projects and community projects.

Although, certain requirements for obtaining the EU environmental labeling result in disadvantages to developing countries, such as the pollution problem that the EU attaches great importance to. To reduce toxic gases that require advanced technology, in some countries, there may not be technological developments to reduce pollution levels. Therefore, to receive the environmental label, it is necessary to import those technologies. Modifying the production process of an existing product to meet the requirements is therefore an increased cost and may reduce the competitive advantage. Therefore, it cannot be considered that the EU environmental labeling project does not cause unnecessary obstacles to international trade. But may create a commercial advantage.

5.2. How serious they affect Thai exports?

The EU market is an important export market for Thai products, consisting of several members 27 countries with restrictions on trade, services, investment, and migrant workers entering member countries in the European Union are as large as 380 million households. And the gross domestic product consumption rate is bigger than the United States of America

The European Union or EU has a high opportunity to market because there are not many operators in the country of goods and services. Therefore, the strategy for entering the European market should focus on product standards and packaging standards. Trade in the European market is still limited by utilizing transportation, advertising, and promotion. Distribution Tariffs, which will also affect the pricing of products in the European market. Also, the EU market is highly competitive in terms of quality and price. Besides, as the European Union is a consumer group with a focus on the use of green products or services (Green Consumer), so there are announcements for many products. Which Thai exporters need to comply with in delivering products to the European market benefit?

Another benefit for manufacturers that have labeled the EU Eco-Label on products is to meet the requirements of the European Trade Restrictions. This label

has been accepted by the European Commission and all member states in the European Union. The EU Eco-Label has influenced the purchasing behavior of millions of people in Europe. For the benefit of EU-Flower for Thai entrepreneurs at present, the request for the EU Flower label is voluntary by the manufacturer. It is not a compulsory measure, but there are many benefits manufacturers export to the European Union to receive as follows:

First, an advantage over other competitors in the region, especially China, Vietnam, and India. Currently, manufacturers from these countries still not interested in health issues and the environment too much. The fact that Thai manufacturers can develop products to meet the EU Flower standards has made Thai textiles to be more advanced and does not require price competition. In which Thailand loses its ability to compete successively but turned into a competition with quality and standards, which is no more than the ability of Thai manufacturers.

Second, Products with the EU Flower label tend to be more popular among consumers. The market value of products labeled EU Flower in the EU increased, while in other developed countries other than the European Union Such as Japan and the United States Also began to increase the popularity of products labeled EU Flower as well. In addition, the European Commission publicized for consumers to continue to use products labeled EU Flower. Which is considered a by-product of the manufacturer of the labeled product.

Third, adding value to products in the approval of the EU Flower label. In addition to the European Commission considering the impact of products on sanitation and the environment, the quality of products is also considered. Therefore, manufacturers who want to receive the EU Flower label Need to develop environmentally friendly production processes, along with product quality development. Which is another way to create added value for products, however, products labeled EU Flower is usually 10-20% more expensive than conventional products, which most consumers accept because they have a good attitude that it is a payment to obtain a product with safety certification. Which is a direct benefit to consumers and the environment.

Finally, reduce the process and hassle of exporting to the EU In this regard, the EU is considered a very strict market for consumer safety, with a relatively thorough and time-consuming product inspection process. Receiving the EU Flower label will help reduce the export process to the European Union. Especially the product inspection as products that have been labeled EU Flower are products that have been approved by the European Commission. As a result, exports to the European Union are faster and more convenient, as well as creating a good image for the products in the eyes of consumers.

5.2.1 Examples of Thai products that have been given increased opportunities from the EU environmental labeling.

The Thai textile and garment industry is an important industry for the Thai economy. In 2007, exports were in foreign currencies as high as 240,000 million baht and creating jobs for 1 million Thai people. The rapidly changing competition has forced Thai textile and garment operators to accelerate their development to maintain trade stability.

The Ministry of Industry as a leading organization in driving the industry and entrepreneurs to be able to compete in the world market. Therefore continuously trying to drive and push the Thai textile and garment industry entrepreneurs to pay more attention and increase capability in innovation Including establishing mechanisms for linking research and development between industrial sectors Research organization And educational institutions by pushing the project under the Intellectual Infrastructure Master Plan. Which focuses on upgrading technology and creating knowledge and innovation to respond to the needs of consumers quickly

According to Pareeyawadee Ponanake (2011) textile product from Thung Hong Hom district, Phrae province is a source of producing and selling Mor Hom products. Both in Phrae and other provinces, the authentic Mor-Hom products from Thung Hong use natural dyed cotton with local knowledge from indigo or indigo. Local plants used to dye shirts. Besides, at present, there are modern cutting and sewing designs. With more beautiful patterns And designed to receive important festivals Including expanding the product line by cutting work wear, scarves, bags, sheets, tablecloths, clothes, etc. which focus on the marketing of the products and

more distribution channels by distributing to nearby provinces And foreign countries, such as Italy, Germany, etc. If the manufacturer of Mor-Hom fabric products in Phrae province applies for Eco-Testing with the Textile Industry Development Institute Can test the results that have passed the Eco-Testing to apply for an environmental label "EU Eco-Label". At present, obtaining the EU Flower label is voluntary by the manufacturer. Not a compulsory measure

With the manufacturer of Ban Tom Hom fabric products in Thung Hong District, Phrae Province, in which many manufacturers have received community product standards certification from the Thai Industrial Standards Institute Most of which are manufacturers of authentic Mor-Hom fabric. Which can build confidence in the quality of the product to the buyer and promote the market in the European market? The EU Flower will be useful as a ticket to the manufacturer of the Mor-Hom brand to penetrate the European textile market, which focuses on environmentally friendly currently, consumers in Europe are more aware of the environment.

It can be concluded that European consumers want to take part in preserving the environment by consuming the least environmentally damaging products. However, consumers are still confused and doubt about the many environmental marks. The use of Eco-label marks promotes the production and consumption of environmentally friendly products at the European level. Therefore the manufacturer does not have to apply for the label in each country. Therefore saving time and money Moreover, the use of the same flower symbol in all product groups makes consumers not be confused with other green label symbols with a lot nowadays.

5.3. It may be painful for Thai business sectors (especially SMEs) but it will be good for Thailand's sustainable development?

Thailand is a partner country of the European Union and the European Union market is of primary importance to Thailand. Therefore, it is undeniable that EU measures have been implemented and considered to be a good citizen. In addition, Thailand has great potential to be a source of green goods and services for future of the EU.

However, Thailand still faces many problems and obstacles that need to be resolved to adjust the base and economic infrastructure to support the export of concrete products. For example, the government of Thailand is unclear about the green policy, especially the more the definition and classification of the product, which causes the policy guidelines for activities and projects that are unclear to support the business sector. And the Thai business sector still lacks the storage of products with low environmental impact. From the production process, storage, domestic sales, and overseas sales. Because the Thai people lack awareness of the problems caused by global change, therefore there is not yet a diversity of ideas related to the green economy. This will be an important cost for the production of diverse and innovative products in the future. Due to the lack of experts and commercial environmentalists and lacking technology for modern environmental protection and low price

From the said problem, although small and medium-sized businesses in Thailand may be affected, for the sustainable development of Thailand. The government should support the business sector to run green businesses with stability and assistance in the initial stages. Because green businesses have a high cost of business development at an early stage. Dong that the government should support organizations or private agencies. Or private business in finance is a collaboration between private banks for low-interest rates for green businesses, taxes for green businesses. And measures on spending on products for the environment, etc., as incentives for increasing both supply and demand.

Besides, the Ministry of Commerce should support exporters with international standards to export products that meet international standards. Especially the standards of the European Union to be able to export more and be a model for other exporters to follow. And encourage awareness in changing existing products into products for the environment. By creating a knowledge exchange program for green product development that meets international standards, especially the European Union standard, which is considered a model for the green product standards of the world.

Although obtaining the EU environmental label certification can be difficult for Thai businesses, especially small and medium-sized businesses, due to the lack of funds to invest in new and innovative technologies that protect the environment and provide experts. Consultation because Thailand is still unable to create values for the purchase of environmentally friendly products. This is because Thailand is a developing country. The government is therefore responsible for facilitating the business sector. To enable businesses to export products that have been certified according to the EU environmental labeling standards and create equality for Thai products for consumers to choose in the market. It also creates sustainable development for the country in the future of Thailand.



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