

Economy & Asian Geopolitics: Thailand Draws Nearer to China with Rail, Rice and Rubber Deals

Friday 4 December 2015, by [Pairat Tempthairojana](#) (Date first published: 4 December 2015).

BANGKOK — China and Thailand agreed to build an ambitious 900 kilometer (559 mile) railway line on Thursday in the latest sign of closer ties between them after Bangkok's links with Washington have cooled.

The two countries agreed in a memorandum of understanding to build a long-mooted railway from the Thai-Lao border to Bangkok, said Thailand's transport minister.

China has ambitious infrastructure plans for the region to build rail links from Kunming in its southwest through Laos to Thailand.

China also agreed to buy rice and rubber from Thailand at the meeting in Bangkok, said the Thai commerce ministry.

"We want this project to take shape soonest, especially in terms of construction and we are trying to speed up construction by middle of next year," Transport Minister Arkhom Termpittayapaisith told reporters.

China has said it is supportive of Thailand's military rulers who took power following a May 2014 coup that ousted an elected government.

Since then, Thailand's generals have sought to counterbalance ties with Washington and launched a charm offensive toward China.

Thailand is one of Washington's oldest partners in the region but following the coup, Washington downgraded diplomatic and military ties.

The agreements signed between China and Thailand could help boost the sluggish growth rate of Southeast Asia's second-largest economy.

Construction of the railway was previously expected to begin in September. Arkhom said the design of the railway had delayed the start of construction.

The two countries did not agree on a price for the rail project at the meeting, he said.

China has offered to finance the project with a loan with 2.5 percent interest but Thailand wants 2 percent.

China agreed to buy 1 million tons of white and jasmine rice and 200,000 tons of rubber from Thailand.

Pairat Tempthairojana / Reuters Friday, December 4, 2015

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* "Thailand Draws Nearer to China with Rail, Rice and Rubber Deals". Irrawaddy.org:
<http://www.irrawaddy.org/asia/102255.html>