

world regional

China's footprint in Thailand expands

\$1.9b trade centre in Bangkok sign of growing presence

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BANGKOK: As China takes advantage of its free trade agreement with Asean and lower tariffs in Cambodia, Vietnam, Laos and Myanmar, trade throughout the region will be spurred by its dramatically expanding footprint in Thailand.

Indeed, a model of the huge, 104,000 sq m, 45 billion baht (\$1.9 billion) China City trading complex on the outskirts of Bangkok was the centre of attention at the 1st Asean-China Business Conference – a one-day meeting in Bangkok on Tuesday.

The trade centre alone is expected to create an estimated 70,000 new jobs when it is completed in two years, said Thailand's Deputy Commerce Minister Alongkorn Ponlaboot, in opening the meeting.

Mr Dong Hongqi, president of Ashima Yunnan Cultural Industry Group, the lead Chinese investor, said that the trade centre would generate 45 billion to 50 billion baht worth of intra-Asean trade annually.

It will be developed in three phases, with construction starting in March and the first phase ready by October next year.

The second phase will see the expansion of exhibition and trading space and construction of manufacturing facilities. Phase three includes a luxury hotel.

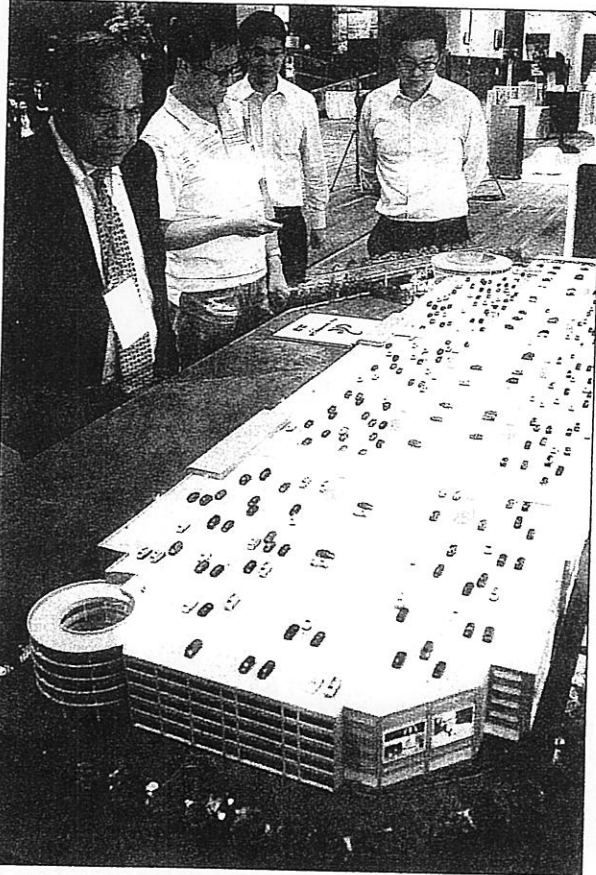
The project was the talk of the conference. Central Chambers Law Corp managing director Ronnie Tan, a Singaporean delegate representing the Economic Development Board at the conference, told *The Straits Times*: "China has the money, and all these countries would like to be aligned with it. And it's rich pickings for China. I don't see any Asean country saying no to it."

Mr Alongkorn said the trading centre "will become a channel for Thai business operators, particularly SMEs (small and medium-sized enterprises), to trade with Asean and China".

"We want to promote the cooperation of the private sectors of the 10 plus one," he added – referring to the 10-member Asean group plus China.

The conference also drew the heads of the American School of Bangkok, which has a campus near the project site. The school expects rising demand from expatriates once the project was functional, it said.

A cartoon in the Bangkok Post yesterday, however, expressed wariness of China's growing presence in some circles.



A model of the huge China City complex due to be built on the outskirts of Bangkok, which was the centre of attention at the 1st Asean-China Business Conference on Tuesday. ST PHOTO: NIRMAL GHOSH

CHINA'S ALLURE

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It showed the dragon – a symbol of China – dropping an enormous box, labelled "China City Complex", on a Thai landscape, with little local vendors running for their lives to escape being crushed under it.

On Tuesday, the Nation newspaper quoted Thai Chamber of Commerce chairman Dusit Nontanakorn as saying: "Thai operators lack government support. They can do this (a similar project) if the policy is clear. China just wants to spread its money everywhere."

A delegate at the conference,

who asked not to be identified, acknowledged that the huge project would fire up some local sensitivities.

Chinese investors appear to be aware of that, however. Mr Dong said in the first phase, 30 per cent of the complex's floor space would be allocated to Thai traders, who would pay lower rent than Chinese traders.

Dr Suthad Setboonsarng, who is in charge of Asean trade at the Thailand Trade Representative Office, told *The Straits Times*: "There will be a lot of positives from this project. It is not just about selling Chinese goods here. Thai businesses can establish themselves in the project. It will turn Thailand into a trading hub for Asean, which is what we aspire to. And Thais can also use it to sell their products to other Asean countries and China."

The China City project is not the only Chinese venture due in Thailand soon.

A wholesale hub is to be developed in the north, in a collaboration between a Thai department store group and China's Yiwu Market Management, which runs the Yiwu Wholesale Market in Zhejiang, south China.

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