Prayut’s India visit seeks closer links

Both “must become regional focal points”

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A three-day visit by Prime Minister Prayut Chan-o-cha to India starting today seeks to develop closer ties between the two countries, making each a gateway to its region.

Gen Prayut said he and his Indian counterpart would build a “new expressway” of cooperation.

“Thailand will be a focal point in Asia while India will do the same in its region, making the bloc with its neighbours,” the premier said ahead of his official visit scheduled from today to Saturday.

The visit reflects Thailand’s policy in “Look West”, which matches the “Act East” division of Indian Prime Minister Narendra Modi.

The Act East mission follows its “Look East” predecessor through which India showed its keen interest in trading with Asian countries. Thailand’s Look West aims to forge stronger relations with countries in South Asia and the Middle East.

Free trade is among key issues to be discussed by the leaders, said Kriekpan Boekchanlong, director-general of the Foreign Ministry’s Department of South Asia, Middle East and African Affairs.

Talks have progressed slowly since the two countries initially agreed to eliminate tariffs on 83 goods. Thailand is India’s second-largest trading partner in Asia after Singapore.

Trade between Thailand and India has increased eightfold since 2000, and in 2014 accounted for $34 billion.

Gen Prayut and Mr Modi will attend the signing of three cooperation agreements covering cultural exchange, academic cooperation between Chiang Mai University and India’s Nagalband University, and business cooperation between Kasikornbank Plc and India’s Axis Bank, said deputy government spokesman Wannachai Suvannakatpipat.

Gen Prayut will also meet Indian businessmen from the Federation of Indian Chambers of Commerce and Industry, Confederation of Indian Industry, and Associated Chambers of Commerce of India, said Maj Gen Wacharachon.

Indian ambassador to Thailand Bhagwan Singh Bishnoi said other matters to be discussed include information and communications technology and electronics, enhancing maritime shipping cooperation, cooperation between the Central Drugs Standards Control Organisation of India and the Thai Food and Drug Administration, judicial cooperation in civil and commercial matters, science and technology, investment promotion and protection, cooperation in controlling the trafficking of narcotics and cooperation to combat cybercrime.

“Bilateral trade has grown eight times since 2000 to reach a figure of about $34 billion (about 317 billion baht). I think we should aim at achieving a figure of $250-350 billion by 2020. This is doable,” Mr Bishnoi told the Bangkok Post.

“Thai-Indian trade is covered by the India-ASEAN Trade in Goods Agreement and the India-ASEAN Agreement on Services and Investment signed in 2010 and 2014 respectively. Both countries are also engaged in negotiations on a Regional Comprehensive Economic Partnership agreement. We have an Early Harvest Scheme under the bilateral FTA. We are looking at more comprehensive coverage of services under the bilateral FTA and will have the next round of discussions at the expert level in India next month,” he added.

“The visit will allow the Indian and Thai prime ministers to take stock of bilateral cooperation and look at cooperation in new and emerging sectors.”

He said there is a clear logic for both India and Thailand to invest in each other: “No Thai company can claim to be international if they do not have a significant presence in India. For large Indian companies looking at the Asian market, there is much reason to have a manufacturing base in this part of the world.”

“I am told by a number of Indian investors that given its geographic location at the centre of Asia, it excels in infrastructure and ease of doing business, it makes eminent sense for them to base themselves in this country. I think we should look at doubling the level of investment in each other’s country in the next three years.”

In terms of tourism, Mr Bishnoi said India focuses on promoting the Buddhist circuit. The Buddhist circuit includes Bodh Gaya, Sarnath, Mulshi Nagar, Falna and Nalanda. The Indian government has worked to improve infrastructure at these locations. “I am happy to report there has been considerable improvement in the roads in recent times and that work is still underway,” he said.

He said Thai-based CP Group and the Minor Hotel Group are also investing in high-end hotels along the Buddhist circuit. “The objective should be that every Thai should travel to India at least once in his or her life. I am happy there has been complete agreement whenever I’ve said this in Thailand.”