

# US firms ally to forge FTA with Kingdom

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More than 100 American companies such as Unocal, General Motors, Nike and New York Life International launched an alliance on Tuesday to serve as the private sector's voice in negotiations for a free-trade agreement with Thailand, officials said.

United States Trade Representative Robert Zoellick and Thai Commerce Minister Watana Muangsook inaugurated the US Thailand Free Trade Agreement Business Coalition at Capitol Hill, expressing confidence that the pact would be sealed soon.

Watana said negotiations were expected to begin in June with the agreement tipped to be signed next year.

It will make Thailand only the second Southeast Asian country after Singapore to sign such an accord with the United States under President George W Bush's "Enterprise for Asean Initiative" unveiled in Bangkok last year.

"We want our FTA to be the basis for a long-term partnership," Watana said.

He said Thailand was forging free-trade pacts with Australia, China, India, Japan and New Zealand, and considering similar deals with South Korea and South Africa.

Once the deals take shape, the United States "will not only gain access to the 63 million-people Thai market but rather to almost a three-billion market with unlimited resources and trade and growth", Watana said.

Thailand, one of 10 members in the Association of Southeast Asian Nations (Asean), is the 18th largest trading partner of the United States, with two-way trade exceeding US\$21 billion (Bt819 billion) last year.

Agriculture will be the main sticking point in the talks with Thailand, business officials say, but a US-Thai pact could form "the template" for future FTA talks with Southeast Asian countries that have large farm sectors, like the Philippines, Indonesia and Malaysia, which could draw up similar agreements in the future.

"It will take us one step closer to broader US-Asean free trade and help the global free-trade agenda maintain momentum," US-Asean Business Council president Ernest Bower said.

"Thailand is America's oldest treaty ally in Asia, and it is a large and strategic market for the United States in Asia," he said.

The US Trade Representative is now sending out a questionnaire to the private sector asking about the impact of a US-Thai free-trade pact.

US agricultural goods that will have an advantage over Thai products include meat, milk, dairy products, vegetable, fruit, maize and soyabean.

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