

# Thailand suspends US free trade talks due to poll

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Reuters

March 1, 2006

BANGKOK - Thailand has suspended free trade talks with the United States and delayed signing a deal with Japan until after an April 2 election called by Prime Minister Thaksin Shinawatra, officials said on Wednesday.

"There will be no negotiating or consulting rounds until we have a new government," Karoon Kittisathaporn, Thailand's chief negotiator in the U.S. talks, told reporters.

The talks were already in trouble after Washington threatened last month to walk away unless Bangkok agreed to reach a deal by spring. Thaksin said at the time his government was in no hurry.

The Thai leader called a snap election last Friday to defuse a political crisis marked by growing protests demanding he resign over allegations of corruption and abuses of power.

The two sides made some progress during their last round of talks in January, but failed to agree on intellectual property issues and the liberalization of financial services.

The January meeting in the northern Thai city of Chiang Mai was briefly disrupted by anti-free trade protesters who said the deal would only benefit big business at the expense of the poor.

No date had been set for a seventh round of talks.

Thailand began negotiating a trade deal in 2004 to boost exports to the United States, its biggest market.

Two-way trade between Thailand and the United States was valued at \$25.7 billion last year, up from \$22.7 billion in 2004.

Japan and Thailand had planned to sign their free trade pact on April 3, but that ceremony would be delayed until after the Thai election, officials said.

The Thai-Japan pact was to be implemented in October but now could be delayed until March next year, Uttama Savanayana, an adviser to Thailand's commerce minister, told reporters.

Thailand and Japan reached a basic free trade agreement last year with Thailand agreeing to open its auto and steel sectors in return for lower tariffs on some farm products.

Two-way trade between Thailand and Japan rose to \$41.2 billion last year from \$35.7 billion in 2004.