

Commerce Ministry inks mini FTA with Yunnan

Phusit Ratanakbul Sereroengrit, director-general of Department of International Trade Promotion, has signed a memorandum of understanding on trade and economic cooperation between Thailand and Yunnan, particularly in the areas of agriculture, logistics and online trade.



This initiative, according to Phusit, signifies a strategic partnership that deepens collaboration in key markets between the two trading partners, akin to a “mini FTA”, as part of the policy promoted by caretaker deputy PM and Commerce minister Jurin Laksanawisit. The partnership aims to enhance trade and investment between Thailand and China, strengthen multidimensional cooperation, and emphasise the robust diplomatic relations between the two countries.

The mini FTA will facilitate the expansion of cooperation in various industries including logistics and cross-border e-commerce. Notably, Thailand, as a significant exporter of agricultural products and essential foods, is expected to increase its exports of fruits and processed foods to the Chinese market. The agreement also reflects the readiness of both the Thai and Chinese governments to contribute to the economic development of both nations.

Furthermore, private sector collaboration between Thailand and Yunnan has been solidified through the signing of two additional agreements. These partnerships underscore the commitment of both countries' private sectors to foster cooperation in a fair and equitable manner.

On August 16, Thailand's Far-E Logistics and Yunnan's Mengzi ChangMeng Industry, a state-owned enterprise under the Yunnan Youth Entrepreneurs Association, jointly agreed to engage in cross border e-commerce, thereby increasing opportunities for Thai products to penetrate the Chinese market.

On the same day, Udon Thani Industrial City and Yunnan Tengjin Logistics, a leading state-owned enterprise and logistics company in Yunnan, signed a cooperation agreement. Both parties are

committed to expanding logistics cooperation between Thailand and China, particularly through rail transportation along the Laos-China railway route.

In 2022, Yunnan's GDP grew by 4.3% to 2.90 trillion yuan, making it the closest province to Thailand and a key gateway linking western China to Southeast and South Asia under the “One Belt One Road” initiative. This emphasises logistics and transportation development of overland, maritime, air, and rail routes, enhancing trade convenience between Thailand and China.

Total trade in 2022 between Thailand and Yunnan reached US\$2.35 billion, representing a 17.94% increase over 2021.

Source: The Nation Thailand on 18 August 2023

<https://www.nationthailand.com/business/trading-investment/40030320>