

Chinese Silence about the Failed Thai Rice Deal

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Academicians and exporters believe that there is something very fishy about the Thai government's rice deal with a Chinese state enterprise, with some saying that the revocation of the deal could be due to the government's attempts to cover the issue under the rug and avoid being investigated.

According to reports from the Bangkok Post, farmers block the Rama II highway near a bypass to Wang Manao village Pak Tho district, Ratchaburi province. Because of this, motorists could not take the bypass as shortcut to the South. The newspaper further reported that Chookiat Ophaswongse, honorary president of the Thai Exporters Association, said the rice-trading community has long suspected that the deal to sell the 1.2 million tons of rice was a fake from the very start.

Chookiat said investigations into the transparency of the rice deals between China and Thailand have been started by the National Anti-Corruption Commission (NACC), but the government declared it was scrapping the deal to cut off any more investigations.

Quoted by the Bangkok Post, Chookiat said "We are all aware that this deal was not real from the beginning, as the state enterprise is based in Harbin in northeast China, where people consume short-grain rice, while Thai rice is long-grain." He added that the enterprise had not been awarded a quota by China National Cererals, Oils and Foodstuffs Corporation (Cofco) to import long-grain rice.

Meanwhile, Thai government's caretaker Deputy Prime Minister and Commerce Minister Niwatthamrong Bunsongphaisan said China got out of the deal and added that the country lacks confidence to do business with Thailand after the NACC started investigating.

Last November, the Thailand government signed a contract to sell 1.2 million tons of 5% white rice on a government-to-government basis to Beijing Great Northern Wilderness Rice Industry, a subsidiary of the state-owned Beidahuang Group. However, the value of the deal was not revealed.

A distinguished fellow at the Thailand Development Research Institute, Nipon Puapongsakorn, commented that the revocation of the deal could possibly stem from the Chinese firm's fears of a

serious penalty if it were found that the negotiation was done without the approval of their central government.

An industry insider said the Chinese government does not want to have anything to do with the Thai government's claim of a rice deal. According to the industry source interviewed by the Bangkok Post, as far as they were aware, the Beijing government was worried about a report of this rice deal with the Thai government and called the chairman of the group for interrogation. The chairman said he had not acknowledged the deal, which was signed by the group's officials. Government to government deals are handled normally only by Cofco. "The government has been playing a game for two years to mislead the people that it can sell its rice stocks on a government-to government basis, but it's a lie," he said.

Source: The Bangkok Post

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