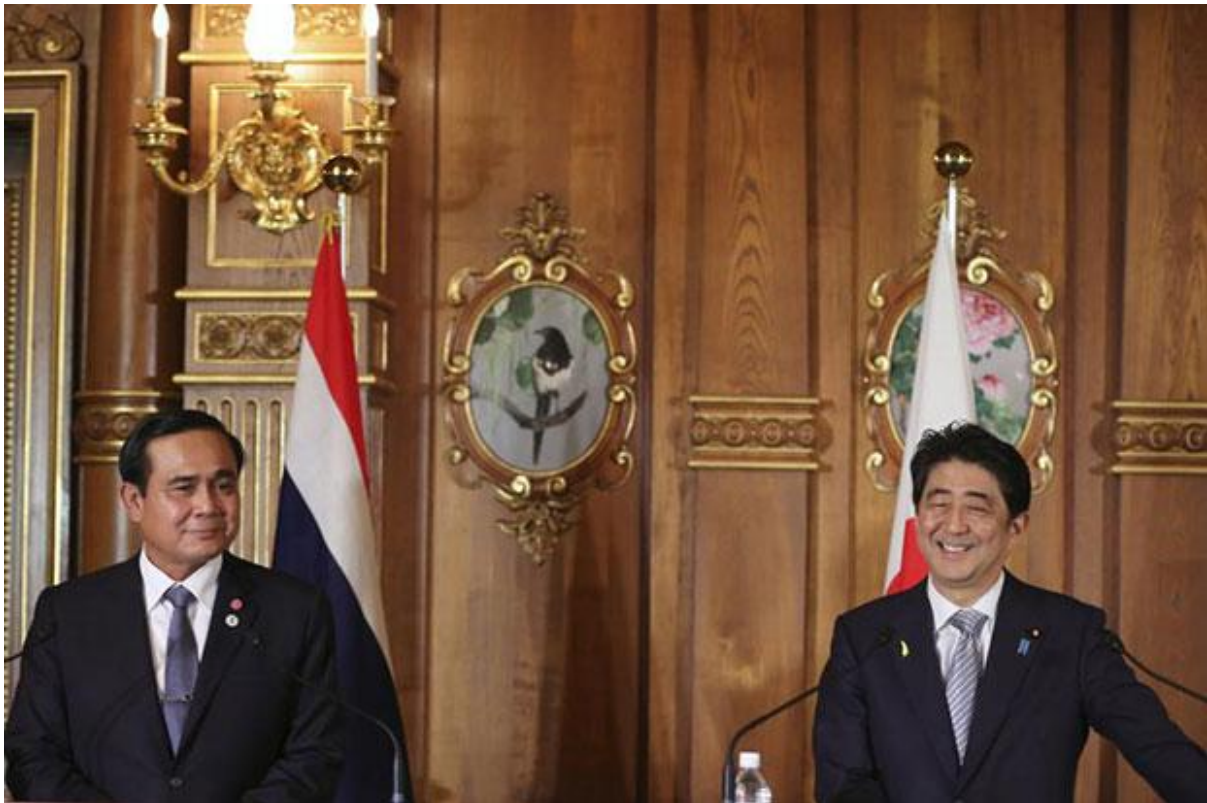


Japan backs Dawei, Thai high-speed train



Japanese Prime Minister Shinzo Abe (right) smiles with Prime Minister Prayuth Chan-o-cha during a joint news conference on the sidelines of seventh Mekong-Japan Summit at the Akasaka State Guest House in Tokyo on Saturday. (Reuters photo)

Thailand and Japan agreed on Saturday to develop the Dawei special economic zone in Myanmar and two train lines in Thailand including a high-speed train linking Bangkok and Chiang Mai.

The agreement was reached in talks between Japanese Prime Minister Shinzo Abe and Prime Minister Prayut Chan-o-cha on the sidelines of the seventh Japan-Mekong Summit meeting.

Mr Abe had already pledged in the summit fresh aid worth 750 billion yen (205 billion baht) in official development assistance to Thailand, Myanmar, Cambodia, Laos and Vietnam over the next three years to spur the region's development.

Senior government officials of Thailand, Myanmar and Japan countries signed the Dawei memorandum earlier Saturday as Mr Abe, Gen Prayut and Myanmar President Thein Sein looked on, on the sidelines of the summit.

"I'm convinced the signing of a memorandum of intent on Dawei Special Economic Zone will create an opportunity to strengthen economic partnership between Japan and Asean, and Japan and Thailand ahead of the launch of an Asean Economic Community," Mr Abe said in a joint news conference with Gen Prayut after their meeting in Tokyo.

No details of the agreement were released but Gen Prayut said that when completed, the economic zone 200 square kilometres "will become a new distribution centre of the world".

Gen Prayut said Thailand and Japan also agreed to embark on a high-speed rail route between Bangkok and Chiang Mai and the Red Line mass-transit system in Bangkok, according to a Government House press release.

But Tokyo stopped short of making a strong commitment on two more rail lines in which Thailand was hoping it would invest. They are a route from the Thai border with Myanmar in Kanchanaburi to Rayong and Aranyaprathet district in Sa Kaeo, and another line from Mukdahan to Mae Sot district in Tak.

The two countries "plan to develop" the two lines "in the future", the Thai statement said.

The pledge for the Red Line could clear the way for the State Railway of Thailand to receive an additional loan of 38.2 billion yen (10.4 billion baht) from the Japan International Cooperation Agency (Jica).

The Red route will run from Bang Sue to Rangsit. The railway agency needs more loans from Japan to finance the project with the Jica already the main financial source.

Japan on Saturday also pledged a total of 99.85 billion yen (US\$812 million) in yen-denominated low-interest loans to Myanmar to help develop infrastructure.

Of the total, 41.12 billion yen (\$334 million) will go toward developing a national power transmission network, and 33.87 billion yen (\$275 million) toward improving the Myanmar portion of the East-West Economic Corridor that connects the country with Thailand, Laos and Vietnam by road.

The remaining 24.87 billion yen is linked to a project to upgrade the circular railway line in Yangon.

