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Malaysia and Thailand committed to deepen cooperation and spur economic recovery



Minister in Prime Minister's Department (Economy) Datuk Seri Mustapa Mohamed presenting a souvenir to Thailand's Finance Minister Arkhom Termpittayapaisith after a meeting at the Finance Ministry in Bangkok on Friday (April 22). Malaysia and Thailand are committed to strengthening their cooperation with regard to trade, investment and tourism to spur post-COVID-19 economic recovery in both countries, amidst the ongoing Russia-Ukraine conflict and global inflationary pressures. – Bernama

BANGKOK, April 24 (Bernama): Malaysia and Thailand are committed to strengthening their cooperation with regard to trade, investment and tourism to spur post-Covid-19 economic recovery in both countries, amidst the ongoing Russia-Ukraine conflict and global inflationary pressures.

Minister in Prime Minister's Department (Economy) Datuk Seri Mustapa Mohamed said the Russian invasion of Ukraine has hampered Malaysia and Thailand's post-Covid

economic recovery as it had led to a surge in the prices of various commodities, especially oil, gas and grains.

He noted that the World Bank had lowered its annual global growth forecast for 2022 from 4.1 per cent to 3.2 per cent, while the International Monetary Fund had also downgraded its outlook for the world economic growth from 4.4 per cent to 3.6 per cent this year.

He said the United States' inflation climbed to 8.5 per cent in March, while the Euro area annual inflation also hit another record high of 7.5 per cent in the same period due to the war in Ukraine.

The global environment continues to be very challenging, stoking concerns that higher inflation will spread to other parts of the world, putting pressure on budgets in terms of subsidies, added Mustapa.

"In the context of Malaysia and Thailand, we should step up trade and tourism (cooperation).

"Tourism is a big business; if the tourism sector recovers faster, it will help facilitate economic growth," he told Bernama during his two-day working visit to Bangkok, Thailand which ended on Saturday.

On Friday, Mustapa had met with Thailand's Finance Minister Arkhom Termpittayapaisith and Secretary-General of National Economic and Social Development Council, Danucha Pichayanan to discuss economic development post-COVID-19 as well as infrastructure projects along the Malaysia-Thailand borders.

On another note, the minister had welcomed Thailand's move to scrap the RT-PCR test for fully-vaccinated international arrivals starting May 1, and added that Malaysia will also announce further relaxation of the standard operating procedures soon.

"The easing of travel restrictions will boost tourism flows and stimulate economic growth, but it will take some time to return to pre-COVID levels," he said.

According to Tourism Malaysia and the Malaysian Immigration Department, Malaysia received 1,884,306 visitors from Thailand in 2019, but the number had plummeted to 394,413 in 2020 and plunged even further to 59,607 in 2021.

Mustapa said Thailand is Malaysia's sixth-biggest trading partner in the world and its second-largest in ASEAN, with a trade value of RM98 billion in 2021, while Malaysia is Thailand's fourth-largest trading partner in the world.

During his visit, Mustapa was taken on a tour of the TRUE Digital Park, Southeast Asia's largest tech and startup hub in Phra Khanong, Bangkok.

He had also met up with the Malaysian-Thai Chamber of Commerce (MTCC), as well as representatives from CIMB Thailand and Charoen Pokphand Group Company Ltd.

To date, there are 1,000 Malaysian companies operating in various sectors, including manufacturing, banking, aviation and other services in Thailand.

From 2017 to 2021, Malaysian companies' investments in Thailand stood at RM4.94 billion, while Thailand companies' investments in Malaysia stood at RM2.19 billion.

Key players include CIMB, AirAsia, Petronas, RHB Bank, AAPICO Hitech Plc and Subsidiaries, Charoen Pokphand (CP) Malaysia, Kemaman Oil Corporation Sdn Bhd, Energy Oleochemicals and Bintulu Fertilizer.

In February, Malaysia and Thailand reaffirmed their commitment to promote bilateral trade and investment; working closely to achieve the bilateral trade target of US\$30 billion by 2025. - Bernama