

Hello again, and welcome to As It Is! I'm Jonathan Evans in Washington.

On our program today, we bring you two reports dealing with major economies in the Asia-Pacific area. We tell you which Japanese carmaker says it will move its manufacturing out of Australia. Hear that report later in the program. But first, we hear how continuing political unrest in Thailand threatens the country's economy. Christopher Cruise has more.

## **Political Unrest Threatens Thailand's Economy**

Economists are warning of slower growth in Thailand, Southeast Asia's biggest economy. In February, a major credit rating agency reported that continued political unrest in Thailand could hurt the country's economy. In its report, Fitch Ratings noted a reduction in manufacturing and sharply lower sales of goods and services. Fitch said the trust of both Thai consumers and businesses is at its lowest level since the huge floods of 2011.

Some foreign investors have become concerned. The president of Toyota Motor Corp in Thailand warned that long terms investors may put their money in other areas, like Indonesia or Vietnam.

Chris Bake is an expert on business in Thailand. He says major foreign investors are concerned about the elections that took place in February. They fear the lack of a clear winner will frighten investors. He also says carmakers and related businesses are concerned the government will be unable to make serious policy decisions.

Thailand's government is under financial pressure to pay rice farmers billions of dollars for rice it promised to buy at higher than market prices. Now, the government is having trouble finding the money to pay the farmers. Banks have been unwilling to loan money for the plan.

Foreign investors have also been pulling back from the Thai stock market since political protests began in November.

Andrew McBean is a partner with Grant Thornton Thailand, a business advisory service. He says the fact that the elections were largely peaceful was a hopeful sign.

Still, Thailand's tourist industry has been hurt by the unrest in the capital, Bangkok. More than 40 countries have announced travel alerts. And tourism officials estimated losses for the month of January alone at \$685 million.

The Thai economy has recovered from earlier political and economic problems. But continuing unrest may make it harder for foreigners to want to return as they have in the past.

I'm Christopher Cruise.

And I'm Jonathan Evans. You are listening to As It Is from VOA Learning English.

Automobile manufacturing in Australia could face serious cuts. Japanese automaker Toyota recently announced it would to stop manufacturing cars in the country. We hear more from Mario Ritter.

## **Japanese Carmaker Toyota to Pull Out of Australia**

Industry experts and trade unions are worried the decision could push parts of Australia into recession. Last May, Ford Motor Company said it would stop manufacturing in Australia. General Motors announced late last year that it also plans to suspend factory operations in the country.

Toyota says more than 2,000 of its workers will lose their jobs. But trade unions say the company's decision to end production could leave 50,000 Australians jobless. They say the decision could take \$19 billion away from the Australian economy. The states of Victoria and South Australia would be hurt the most.

Australia's car manufacturing industry was once very strong. In recent years, Australia produced about 200,000 vehicles a year for sales at home and for export. The industry spent more than \$540 million dollars on research and development.

John Spoehr is executive director of the Australian Workplace, Innovation and Social Research Center at the University of Adelaide. He says carmakers have found it difficult to operate in Australia.

“We now have one of the most competitive auto markets in the world with at least sixty different models here. In addition, we have had declining demand internationally as a consequence of the global financial crisis, and the rise of low-cost manufacturing in India, China and Thailand.”

The collapse of automobile industry has also raised concerns in the Australian parliament. The opposition has accused Prime Minister Tony Abbott of not doing enough to persuade Toyota not to close down its factories.

Mr. Abbott has argued that he cannot be blamed for the industry’s long-term decline because he has been in office for only a few months. Traditionally, Australia’s car industry has received billions of dollars in government assistance.

The government has asked its Productivity Commission to investigate public support for the automotive industry. The commission carries out research and makes suggestions on economic, social and environmental issues. The group has noted that big changes are taking place in Australia’s car industry faces. It says the changes are affecting both industry employees and manufacturers of car parts. The commission is planning to give its final report to the government by the end of March.

I’m Mario Ritter.



And that's our program for today. Be sure to join us again tomorrow for another edition of As It Is. I'm Jonathan Evans. Thanks for listening.