

(As Delivered)

Address
by
Her Excellency Ms. Yingluck Shinawatra
Prime Minister of the Kingdom of Thailand
at a Business Luncheon Hosted by the Confederation of Indian Industry, the
Federation of Indian Commerce and Industry, and the Associated Chambers of
Commerce and Industry of India
25 January 2012, New Delhi

Excellencies,
Distinguished Guests, Ladies and Gentlemen,

Sawasdee Ka,

I wish to thank the Government of India for inviting me to visit India for the first time as Prime Minister. I am very honoured to be invited to attend the Republic Day celebrations tomorrow as Chief Guest. This is important for us. We hope to strengthen relations between Thailand and India as long time friends and partners.

I also wish to thank the Confederation of Indian Industry, the Federation of Indian Commerce and Industry, and the Associated Chambers of Commerce and Industry of India for organizing this lunch meeting. This is very valuable for all of us and provides a timely opportunity for our private sectors to meet.

India is an Asian economic powerhouse -- one that will be a main driver of global growth. On Thailand's part, we are going through a period of political and economic stability. We are also playing an active role in the ASEAN Community and the Greater Mekong Sub-region or GMS.

This afternoon, Prime Minister Singh and I will discuss how we can further enhance our economic partnership and a broad range of bilateral issues. I believe that the private sector will play an important role in making this partnership a success.

Let me say a few words on why the Indian private sector should invest in this economic partnership with Thailand.

Ladies and Gentlemen,

First is the strategic location of Thailand in Southeast Asia and Thailand's commitment to increase regional connectivity.

Thailand is the gateway to the Greater Mekong Sub-Region and the ASEAN Community of 600 million consumers. Furthermore, Thailand is a key player in building an East Asian community and links within the Asia-Pacific. The East Asia Summit economies alone account for over one half of the global GDP. We can work with you to link up with the markets in the GMS and ASEAN, East Asia and APEC (Asia-Pacific Economic Forum).

To support this, my Government has plans to invest in transportation and logistics projects in Thailand. Priorities will be given to rails system linking Thailand and our neighbouring countries. Once completed, this will lead to new opportunities for development along the railways and new business opportunities in other areas of Thailand.

Looking ahead, there is an opportunity for us to enhance connectivity further. We could set up a maritime link between Chennai and Dawei seaport in Myanmar which would then be linked by road and rail to Bangkok and Laem Chabang seaport. This would connect India with all of Southeast Asia without going through the Straits of Malacca. It would open business opportunities and trade traffic on both sides of the Andaman Sea.

Second is the Thailand-India Free Trade Agreement (FTA)

Back in the year 2001, trade between the two countries was small. However, since the beginning of FTA negotiations, two-way trade between our two countries has grown rapidly since 2001 from 1 billion US dollars to around 7 billion US Dollars in the first 11 months of 2011.

In my discussions with Prime Minister Singh, we will work together to finalize the FTA by the middle of this year. This will include a plan to cut the tariffs of remaining products to zero. That is why the two Governments are setting a goal of doubling two-way trade to 14 billion US dollars by 2014.

Third are Thailand's strong economic fundamentals.

Thailand's economy is expected to grow strongly this year at around 5 percent. The consumer market is growing now as a result of government's policy to enhance domestic demand and consumption.

Our fiscal and financial position is sound. We have low public debt to GDP at around 40 percent. Our foreign exchange reserves are high at 180 billion US dollars.

Fourth are our business friendly policies.

The corporate income tax is being lowered to 23 percent this year and to 20 percent next year. It will also be easier for corporations to set up regional headquarters in Thailand.

This will allow you to take advantage of the single market and production base in the ASEAN Community in 2015. In addition, our large pool of skilled labour is ready to serve multinational companies.

And lastly are our investments in a water management master plan to protect your investments from future floods.

11 billion US dollars have been set aside to create a new and improved water and crisis management system, so that all foreign investments in our industrial zones will be protected.

Measures include building new flood barriers to protect key economic areas and creating floodways and floodplains to drain out water quickly. Early warning and forecasting systems will be developed. Most importantly, a single command authority will be in place to manage crisis.

Ladies and Gentlemen,

I am confident that the Thailand-India economic partnership will continue to grow and that there will be opportunities for our two private sectors in wide-ranging areas from information technology to manufacturing, tourism to medical services. I therefore hope that we can work together to set up a high-level forum of top representatives of our private sectors.

I encourage all of you to explore these opportunities. Thailand looks forward to having you as our long term business partner. And please feel free to visit Thailand -- the Land of Smiles.

Dhanyavad -- Thank you.
