

**Speech by
His Excellency Mr. Abhisit Vejjajiva,
Prime Minister of the Kingdom of Thailand
at a luncheon
on
“Amazing Thailand, Amazing Value and Confidence in Thailand”
25 June 2009, JW Marriott Hotel, Beijing**

**Excellencies,
Distinguished Guests,
Ladies and Gentlemen,**

Ni Hao.

1. It is my great pleasure to be here in the People’s Republic of China today and to speak to such a distinguished crowd of Chinese businessmen, entrepreneurs, investors and, of course, friends of Thailand. China has always been a country that I intend to visit after taking office as Prime Minister. And I have come here with the largest delegation, comprising ministers and government officials from various ministries as well as the private sector.
2. I am grateful for the extraordinary warm and friendly welcome extended to me and my delegation by the Chinese Government as well as the Chinese people, which demonstrate the close and strong bonds of the long-existing bilateral relations between our two countries and our peoples.
3. Thailand and China have established their diplomatic relations on the 1st of July in 1975, and will celebrate our 34 years of diplomatic relations in just a few days. We have always enjoyed friendly and cordial relationship, based on good understanding of each other. Significantly, from the historical point of view, China and Thailand are “close neighbours”, our two countries enjoyed geographical and cultural proximity, whose peoples have close ties of blood and culture. And our connection, in fact, started in the 13th century during the Sukhothai period and Ming Dynasty. Through immigration and cross-racial marriages for many generations, the Chinese communities in Thailand have gradually expanded, and it has become almost impossible to differentiate the Thai from the Chinese people and vice versa.
4. In the modern era, the Sino-Thai relationship has been strengthened by frequent exchanges of high-level visits, both by government officials and especially by members of the Royal family -- notably the visit to China by Her Majesty Queen Sirikit in 2000 representing His Majesty the King and the visits on numerous occasions by Her Royal Highness Princess Maha Chakri Sirindhorn. From the Chinese side, Thailand had the honour of receiving President Jiang Zemin in 1999, Premier Zhu Rongji in 2001 and President Hu Jintao in 2003. Given their importance in fostering relations between the two countries, such visits ensure that this good relationship will always remain strong.
5. China and Thailand have worked cooperatively at different levels and in different areas, for example: in science, technology, culture, health, education, sports, law and security. These cooperations have contributed not only to the prosperity of the peoples of Thailand and the

People's Republic of China, but also to peace, stability and prosperity in ASEAN and East Asia region.

6. Not to mention our trade relationship that goes back to the ancient times, in the modern era this relationship in trade has strongly developed since the establishment of our diplomatic relations. Since then, China has always been a very important trading partner of Thailand. During the past five years (2004-2008), the average value of our bilateral trade has been around 26 billion USD, and constantly expanded at the rate of about 25 percent per year. In 2008, the total amount of bilateral trade stood at 36 billion USD -- an increase by about 17 percent from the previous year -- and it represents about 10 percent of the total volume of Thailand's international trade. As such, last year, China was Thailand's second largest trading partner and third largest market for Thai exports. At the same time, Thailand's imports from China were the second largest in comparison with the values of its imports from other countries.

7. To further promote bilateral trade, our two countries have agreed on a Joint Action Plan on Thailand-China Strategic Cooperation which is a five-year cooperative framework for the period 2007-2011. The aim of this Joint Action Plan is to increase trade between the two countries to 50 billion USD by the year 2010. Yesterday, we also signed an Agreement on Expanding and Deepening Bilateral Economic and Trade Cooperation to further expand and deepen our bilateral economic and trade cooperation, which covers a wide-range of areas of mutual interest, for example agriculture, food, energy, logistics, tourism, restaurants and SMEs. I can reassure you that despite the impact of the global economic crisis our two governments are determined to make sure that we continue to expand our bilateral trade and play our role in making sure that the continuation of trade and investment in the region will contribute to the global recovery.

8. Turning to investment, between the years 1970 and 2008, the value of Chinese investment in Thailand through support of the Board of Investment totaled more than 1 billion USD. In 2007 alone, the value of Chinese investment in Thailand hit a record high of 442 million USD. As for investment from Thailand, there were 56 Thai investment projects in China last year, whose value amounted to 130 million USD; and this actually represents an increase by 44 percent in terms of value of investment from the previous year.

9. At this point, I can say that in general the bilateral trade and investment between Thailand and the People's Republic of China have been good and constructive. And I strongly believe that there is still room for expansion in trade and investment between our two countries. I hope that my visit to China this time will help do just that. I am also glad that the title of the event today is "Amazing Thailand, Amazing Value" and "Confidence in Thailand". So, allow me to speak to you why I think coming to Thailand is an opportunity not to be missed.

10. For many years, international travelers have come to Thailand to experience the things that Thailand can offer. We have, of course, authentic Thai food, beautiful temples, sandy beaches and plenty of mountains to provide gastronomic experience, relaxation and exciting excursions. We also have unique traditions and culture that have constantly charmed our guests. We are equally proud to have history that speaks of our heritage that transcends the generations. And for modern living, Thailand is also a shopper's paradise, with frequent sales and bargains both on streets and in stores. In other words, we have a little bit of everything for everybody.

11. For some of you, the qualities I have just mentioned may be something that is familiar to you, as nearly one million tourists from China visit Thailand annually. In 2007, the number of Chinese tourists was the fourth largest in terms of international visitors to Thailand. Tourist destinations that are popular among the Chinese tourists are Bangkok, Pattaya and Kanchanaburi. Now our Chinese visitors are also exploring other tourist locations in Thailand such as Hua Hin, Phuket, Samui and Krabi as well.

12. If you come to visit Thailand later this year -- towards the end the year -- the airport link project will have been completed and will enable tourists to transport between the city and the airport in less time with more comfort and convenience. Additionally, the sky train will offer more routes and destinations, making the transfer from one location to another in Bangkok more easily.

13. Indeed, besides export, tourism is one of the main income-earning industries in Thailand. Tourism industry is also an important sector that drives the Thai economy and provides job opportunities for more than 4 million people, spreading from the city to the rural areas, and for SMEs in Thailand. It is also important for the preservation of our unique cultural heritage that has been passed on from generation to generation.

14. In recent months, however, Thailand has experienced a drop in the number of tourists. This is understandable in view of not only the drop in global travels by around 20 percent but also the impact of the economic slowdown which has made consumers become more careful in their spending. In order to boost our tourism industry, my government has already undertaken several actions, such as the waiving of visa fees which was effective from March to June 2009 and we are in the process of extending it until March 2010; reducing take-off and landing charges for aircrafts; and lowering the entrance fees for our national parks by 50 percent. Moreover, to ensure safety and provide our visitors with peace of mind, the Thai Cabinet approved a scheme to provide travel insurance for foreign tourists in case of unexpected events.

15. Besides working to provide tourists with greater convenience in visiting Thailand, the government has also been working to improve the quality of our tourist-related service sector. The Tourism Authority of Thailand has been working closely with the Thai-Chinese Tourism Association and the Chinese private sector to promote quality tourism according to the Royal Decree on Tour Operators and Tour Guides 2008 and also the Chinese government's new regulations on tour operators and travel agents. These initiatives will contribute to the development of quality tourism for both countries in the future. Furthermore, the government is also working on diversifying our tourism industry so that tourists can enjoy cultural excursions while, at the same time, being able to pursue other activities like spas, sports, medical check-ups and eco-tourism. And if one talks about "value of money" there cannot be a better time to come to Thailand and take advantage of our tourism promotion package and facilities. This is why Thailand was recognized and presented with the "value for money" award at the 2008 World Travel Mart.

16. In the same vein, it is a great time to invest in Thailand. I can confidently say this because I believe Thailand has the factors that could lead your business to success in the long run.

17. Take our recent examples, despite the economic downturn which has caused many firms, even the big ones, to close down or lay off their staff, companies like General Motors has

opted to expand its plant in Thailand and make it a hub for Southeast Asia market. Investors from the Middle-east also look into expanding their businesses in Thailand. This is not only because Thailand can offer them skilled and adaptable workforce, natural resources and technology, but Thailand can also offer investors a “quality service”. We can act as a gateway to Southeast Asia and open up opportunities for expansion of the business to other countries in ASEAN, through our ground transport networks that link Thailand with our neighbouring countries in all directions, as well as Indochina. Moreover, we have facilities which will make living in Thailand an enjoyable experience for the whole family -- numerous international schools for children, world-class hospitals, food and entertainment and the cost of living that is not at all high in comparison with other countries. Therefore, we will provide a perfect environment for expatriates to continue their lifestyle while doing their work.

18. From the policy side, Thailand will always remain open and friendly to investors, irrespective of the changing situation, economic or political. The government is about to establish a “One Start One Stop Center” to serve as a point of contact that will help facilitate direct foreign investors to relevant Thai authorities. Furthermore, foreign investors will be accorded privileges, for example, in regard to property rights and tax-break up to a maximum of 13 years.

Ladies and Gentlemen,

19. Having described what Thailand can offer to you in terms of business facilitation and travel promotion, I am fully aware that one of the factors in the mind of our visitors and investors would be about stability especially in political and economic environments.

20. As you know, political instability in Thailand has been caused by a political rift and division in terms of political ideals among the Thais. So, immediately after I took office six months ago, I set two immediate priorities for my government, namely to achieve reconciliation in the country and to lead the economy towards a sustainable recovery. In doing this, the government has pledged to work for the interest of all Thai people, guided by the principles of democracy, non-discrimination, justice, transparency, accountability and good governance. At the same time, we will strictly adhere to the rule of law and ensure that the basic rights and fundamental freedoms as provided by the constitution are observed.

21. On reconciliation, I am pleased to say that work to achieve political reconciliation within our society is progressing. After the incidents in April where we moved swiftly to restore order, we then asked the Thai Parliament to set up two committees to look into possible political solutions, paving the way towards sustainable reconciliation, with the participation of government and opposition MPs and Senators, and the wider public. These committees are now scheduled to report to me next month.

22. On recovery, my government has taken office at the times that are extremely challenging. With the political instability that has gone on beforehand the work on economic recovery was only going to be tough. But I have made sure that the political problems must not get in the way or derail our commitment and determination to work for the best interest of the people and to make sure that we have all the adequate policies to deal with the current economic crisis.

23. That is why our first stimulus package of 3.3 billion USD, encompassing several short-term measures, particularly to help ease the burden of the poor, the less fortunate and the

vulnerable to sustain their purchasing power have actually been implemented “on time and on track”, whether it is the cash handout scheme to help the low income earners, monthly income support for the elderly, free 15-year basic education programme, these have now all been implemented; and we are beginning to see the fruit of our labour. I can safely say that our attempt to make sure that we protect the poorest, the least fortunate in our economy from the impact of the crisis has now been successful. And it seems to enable more people to be confident in their spending plans. We have also seen that the Thai stock market has regained by 30 percent from the beginning of this year. So, what we now do is move on to the next phase of our economic recovery plan, which is, at the same time, a stimulus package and also an attempt to redesign and reconstruct our economic structure.

24. We do so by launching a second stimulus package, worth 45 billion USD, with the primary aim of strengthening our country and people. This package will focus on long-term infrastructure investments, for example, in improving our water management system, expanding our dual-track railways, upgrading public healthcare facilities and educational institutions. The money will also be channeled to investments in the energy sector, in promoting tourism and improving our competitiveness in service sector, in creative economy and most importantly in our agricultural sector. The funding for these projects will come from domestic borrowing -- which I am pleased to say that the Parliament has approved. The government will also look into public-private partnership. Therefore, there will be ample and fresh opportunities for foreign investments in these projects. Additionally, the years 2008 and 2009 have been designated Thailand Investment Years, so there are many promotions and incentives for investors in various projects. In this regard, I encourage Chinese investors to take full advantage of these fresh opportunities. And during my short time here in China -- in the last day and a half -- discussions have been held with both the government and state enterprises and we will continue with the private sector to make sure that you take advantage of these opportunities.

25. With these stimulus measures the government hopes that by the end of the year growth in the last quarter will be back in positive territory and for next year as a whole.

26. At the same time that we are addressing these domestic issues we are also mindful of our responsibilities as Chair of ASEAN, particularly at a time when ASEAN needs to push ahead to implement the new ASEAN Charter towards realising the vision of an ASEAN Community by the year 2015. Thailand will also work to deepen and intensify our relations and cooperation with China, as China is one of ASEAN’s main Dialogue Partners, in particular, in the area of trade and investment. And I am glad that the Framework Agreement on Economic Cooperation between ASEAN and China has been concluded in 2002 and following that Agreement trade volume between China and ASEAN countries has increased tremendously. Indeed, in 2008 the ASEAN-China trade recorded a remarkable 231 billion USD. Before the next meeting of ASEAN leaders in Phuket in October we also hope that we will have in place the ASEAN-China Investment Agreement ready to be signed, and this will no doubt generate a great deal of investment in the region as well.

27. We are also working with China to meet other significant challenges. For example, with the spread of the new type of influenza, close cooperation between China and ASEAN is of paramount importance. In this regard, I am glad that the meeting in Bangkok in May of the ASEAN+3 health ministers on this pandemic was successful. Besides setting out recommendations on measures to quell the spread of this new type of influenza, it

demonstrates the readiness of ASEAN and our Dialogue Partners, including China, in tackling new challenges of our times.

28. Another important cooperation between ASEAN and China that needs to be mentioned is the cooperation in addressing the global economic downturn at the wider level. ASEAN and China stood side by side at the G20 Summit in London in voicing our concerns against protectionism and in support of the negotiations of the Doha Round. ASEAN and China, under the ASEAN+3 framework, also agreed to multilateralise and expand the Chiang Mai Initiative, which is a regional reserves pool and swap arrangement that provides a self-help mechanism to safeguard against the shortage of liquidity and provide economic stability in this region.

29. So all in all, I hope I have given you enough food for thoughts why doing business in Thailand and travelling to Thailand are opportunities not to be missed. China and Thailand have long existing cordial relations. This is an essential first step of a good cooperation and partnership.

30. And with our political situation returning to normalcy and economic environment that is gradually picking up, Thailand is on course to emerge out of current situation stronger as a nation and, in turn, will make ASEAN stronger as a regional grouping.

31. As for China, the whole world recognises the potential of this great country. With the huge population and ever increasing economic growth, especially while other countries are suffering from the economic downturn, China is also poised to take the lead in the process of global recovery from the current economic crisis; and we in Thailand are ready to render our support to this endeavour.

32. And if China wants to look for investing partner, expanding its businesses or investing opportunities, it needs not look further than Thailand. With our long and friendly relationship, good understanding between our two peoples, we are ready to welcome Chinese tourists and support Chinese investments.

33. I am “waiting” to see many of you in Thailand in the near future.

34. Thank you very much. Xie Xie.
