

**Business Meeting with H.E.Mr Abhisit Vejjajiva, Hon'ble Prime  
Minister of Thailand and the Accompanying Delegation  
April 5, 2011, New Delhi**

**Remarks by H.E. Abhisit Vejjajiva, Prime Minister of the Kingdom of Thailand**

Excellencies,

Presidents of FICCI, CII and ASSOCHAM  
Distinguished members of the Indian private sector,  
Ladies and Gentlemen,

It is a great honour for me to be here today with leading members of India's business and industry. I have with me the foreign minister, industry minister, deputy commerce minister and President of the Thai Trade Representatives who are all persons in-charge of international trade and industry issues. This is my first trip to India in my capacity as Prime Minister, and I would like to express my sincere appreciation to all of you for your warm reception and kind hospitality. And first and foremost, I congratulate India for winning the Cricket World Cup. This is indeed a moment of national pride for the people of India.

As the world's cradle of civilization, largest democracy, and as an emerging and vibrant economy, India is truly one of the greatest countries of the world. India and Thailand have historic and religious ties that date back over a millennia. Our peoples share a cultural affinity that is bound in historical roots, be it in our beliefs, languages, and traditions.

Today, Asia has rapidly become the engine of growth for the global economy. Asia has endured successive financial crises and emerged stronger each time. Asia is a centre of manufacturing and will soon be the center of creativity. In Thailand, we are working on our transition to a Creative Economy, which focus on innovation and creativity to bring forward new ideas. We hope that the most creative minds in India and Thailand will exchange ideas and work together for new and creative designs, graphic arts, animation and, of course, films that Bollywood would have a lot to share!

It is therefore only natural that as our respective economies grow stronger, they should become increasingly interconnected, so that this commensurately reflects the strong friendship and cultural ties that bind us, as well as the geographic proximity we all share.

There is an inexorable force pushing trade and investment between India and Thailand; a force that we must channel towards our comparative advantages. Last year alone, investment applications from India received at Thailand's Board of Investment were valued at 60 million US dollars. This is a first step towards more applications. Globally, we are ranked as the 11th most attractive FDI destination by

the UNCTAD World Investment Prospects Survey. Also, we are number 19 in the World Bank's 2011 Ease of Doing Business Report. In 2010, India's Department of Commerce listed Thailand as the 28th largest trading partner of India, with trade valued at 6.7 billion US dollars. And within the next two years, this should increase to 10 billion US dollars, but certainly there is room for even more improvement.

We already see this in our tourism sector, which has fully recovered, in part as a result of the confidence that India has in Thailand. The 46.2% surge in the number of tourists arriving in Thailand from India in 2010, at almost 800,000 tourists with many celebrating a recent marriage, is a telling sign of the confidence and friendship between our peoples.

There are many other areas in which we share great potential, that is beginning to be realised. Thailand and India are already among the region's major automotive manufacturers, leading producers of electronic parts and components, and centers of medicine.

With this in mind, I see no reason why two such countries---each committed to free-trade, to industrialisation, and to market led growth---should not embrace the complementarities that exist. This can be realised with the India-Thailand Free Trade Agreement, which supplements the India-ASEAN FTA already entering into force at the outset of 2010. I would like to applaud India's commitment to furthering the integration of its economy with Asia. With ASEAN, in particular, we hope to deepen India's economic relations. ASEAN is also implementing the Master Plan on Connectivity, and with new infrastructure being built to connect the entire region, India will soon be "closer" to ASEAN, in terms of more convenient communications and transportation, than ever before.

In 2015, ASEAN will realise an economic community with a population of 700 million people, and GDP of approximately 2.7 trillion US dollars. The economies of India and ASEAN would be relatively equal, and an increase in regional trade and investment is a natural evolution in our respective developments. Together, we represent a market of 1.75 billion people, with a value over 5 trillion US dollars. In particular, Thailand is the most logical investment base in ASEAN and we can be a hub to expand further investments in the region.

With solid macroeconomic foundations, Thailand is also continuously improving infrastructure. We continue to be an open society with friendly people, and we continue to work towards green, sustainable, and inclusive growth. The almost 8 percent GDP growth in 2010 is evidence of our resilience that has enabled our economy to rapidly recover despite the obstacles encountered. We forecast that this year's GDP will grow approximately 4 to 4.5 percent, with broad-based growth in private consumption, private investment and exports. Exports were just over 190 billion US dollars in 2010, growing by 28.5%, which is a historic high. This has

contributed to the rapid pace of growth, and all sectors of the economy responded positively to this growth.

### **Ladies and Gentlemen,**

Two way investment between Thailand and India is high on our agenda. There are many large and small Indian ventures investing in Thailand, and of course we welcome more. To maintain competitiveness, Thailand is considering a significant reduction in the corporate income tax, which will increase its attractiveness as an investment destination. And the target sectors that we have identified for Indian investors in Thailand include pharmaceuticals, auto parts, chemicals, software and ICT. Many countries are also investing in Thailand in these areas, and it would be a missed opportunity if Indian investors would not take the opportunity to invest now.

Our two countries have significant synergies in the pharmaceuticals industry, a market that has been broached, but which remains largely untapped. India is today a world leader in the manufacture of drugs and in modern health care, and the market in Thailand for medical equipment and supplies is around 800 million US dollars per year. Certainly this spells opportunity. We also have target areas for Thai investment in India, which include, but are not limited to construction, food processing and services, such as Thai restaurants and spas.

There are representatives here today from the Thailand Board of Investment, including Secretary-General Dr. Atchaka Sibunruang, who I am sure is more than happy to answer any questions or provide any information you may need. And after this event, there will be a Thailand-India Business Meeting chaired by the Minister of Industry, so those who are interested in learning about the details of investment opportunities are invited to join. BOI has offered support for investors with incentives such as corporate income tax holidays up to 8 years and exemption of import duty on machinery, as well as non-tax incentives such as land ownership, permission to bring in foreign experts, and permission to repatriate profits.

So as you all are indeed friends of Thailand, I invite you to come to Thailand to see for yourselves what we have to offer. After you visit our tourist destinations, you can also drop by our One Start One Stop Investment Center, our single point of contact for investment information and assistance, conveniently located in central Bangkok.

In closing, let me say that the business and trade opportunities within the Asia region, and between India and Thailand, are immense. Thailand is committed to reaping the full potential of intra-regional trade. In India, we feel that we have a good friend and a willing partner. I thank you once again for offering me the opportunity to speak with you today. It is truly an amazing time for Asia, and it is one that is rich with potential and opportunity that we will be a part of. Thank you and Bahut Dhanyawat.