

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

Address by Shri Anand Sharma, Minister of Commerce and Industry

Mr. Abhisit Vejjajiva, Prime Minister of Thailand

Mr. O.P. Lohia, Chairman, India-Thailand JBC

Mr. Dilip Modi, President, ASSOCHAM

Mr. Arun Bharat Ram, Past President, CII

Mr. Pisan Manawapat, Ambassador of Thailand to India

Mr. Pinak Ranjan Chakravarty, Indian Ambassador to Thailand Industry leaders from Thailand and India

Distinguished guests and Ladies and Gentlemen,

It is a matter of great pleasure for me to be in the midst of this distinguished gathering and the gracious presence of Thai Prime Minister Abhisit Vejjajiva along with a high-level business delegation has demonstrated the resolve of his government in providing substance and depth to our economic engagement.

The relationship of India and Thailand goes back to a history which spans over several centuries of cultural and religious exchanges. It was way back in 3rd century BC when King Ashoka sent the Buddhist pilgrims who travelled to Suvarnabhumi, the golden land, to disseminate the teaching of Buddhism and today Buddhism has become integral to ethos of the Thai economy. A visit to Thailand leaves no one in doubt of the profound cultural exchange which bonded our people through language and culture. Our relations in more recent times have become multi-dimensional and multi-faceted and we are bound by convergence of interest and mutual goodwill. Today, over 150,000 Indians have made Thailand their home and are making their enriching contribution to rich diversity of Thai economy.

The Look East policy has been central to India's foreign policy since the early 90s, taking into account the significant changes in the economic landscape of this dynamic region. The countries of the ASEAN region were pioneers in the development of a new economic paradigm, which hinged on export led growth, an open liberal economy and a welcoming investment regime. Over the last several decades, ASEAN region has contributed immensely to global economic growth and being in our neighbourhood, holds considerable economic, political and strategic importance for India.

Thailand's own Look West policy which emerged in 1996 set the stage in consolidating our substantive bilateral engagement. - The last decade has seen a considerable expansion in our economic and political ties with the exchange of several high-level visits from both sides underscoring our mutual commitment for elevating the economic engagement.

Economic engagement between India and Thailand was given a strong impetus in 2003 through the Framework Agreement between our countries which paved the way for rapid economic liberalization and the implementation of the Early Harvest Scheme and trade has witnessed robust growth since then. Bilateral trade between India and Thailand has grown 6 fold in the last decade and touched US\$ 6 billion last year, growing at over 30% from the previous year.

The implementation of the India-ASEAN Trade in Goods Agreement from January last year was a significant milestone in our partnership and as a direct result of this Agreement, trade between India and ASEAN countries has grown from strength to strength. We are currently engaged in negotiating a India-Thailand Free Trade Agreement which will embrace in its fold investment, services and trade in goods and we are committed to conclude negotiations by end of this year. Through these steps which we have taken, I am confident that our trade with Thailand will double by 2014.

Equally, investments from both sides have grown considerably, especially in the last few years. Indian companies have invested US\$ 2 billion in the Thai economy and companies from Thailand have invested nearly US\$ 1 billion. We have much to share with each other and much to gain from the growth of our two economies. Complementary strengths of our industry make us natural partners and the advantages of geography only reinforce this relationship. Our companies which are doing business in Thailand cover a diverse range of sectors. On the one hand, the Tata group has established itself in the automobile and steel industry, Aditya Birla group is engaged in the chemicals and textiles, the Indo-Rama group has had a long presence in chemical sector, while all our Pharma major including Ranbaxy, Lupin have expanded their presence in Thailand. The Indian software industry which, today is globally acclaimed, has also made its contribution in strengthening hands of the Thai economy.

India has much to learn from Thailand in the field of infrastructure which is an area of high priority for us and the next 5 years will see investments of over US\$ 1 trillion in the infrastructure sector. We have marveled, at the Thai experience and acclaimed competence in construction of ports, airports and urban amenities and the construction of world-class highways. We welcome Thai companies in helping us build our economic infrastructure.

Agro processing is another area of high focus for our government, as agriculture is the largest employer of our rural population. We will value Thai partnership in developing the entire value chain of agriculture including investments in agro-processing. In spite of the fact that India is one of the largest fruits and vegetable producer of the world, our post-harvest losses are unacceptably high. We welcome Thai investment for developing cold-chains, warehouses and food processing facilities which will be a contribution not just to the Indian economy but also to global food security. Value addition in agribusiness and agro processing technologies will

create a win-win situation for our farmers, consumers and investors. We expect investments of \$20 billion in the agro processing sector and growth of 20% in the next five years. In this sector, we have allowed 100% foreign direct investment and Thai investors with their strengths in agro-processing would be invaluable partners. Thailand can be an attractive market for processed food from India, especially in the processed meat sector.

In the gems and jewellery sector, both our countries have established strengths and while India has a substantial share in cutting and polishing coloured gemstones, Thailand has its own strengths in this sector and I believe that together we can forge new partnership, which will be a blend of traditional and modernity to create competitive and cost effective designs and products in this sector.

We view our partnership with Thailand as being integral to our strategy for industrial development of the North Eastern region. We recognize that Thailand has also identified this part of the country as an important investment destination, holding the potential to emerge a sub-regional market centre and a land bridge which would connect Thailand with the mainstream in India. This part of the country is home to rich forest produce and investments in bamboo and rubber industry in the North East would be mutually rewarding for our people.

We feel that now it is crucial to create greater infrastructure linkages between India and the countries of the ASEAN which would encourage trade and investment linkages, but also give boost to greater people to people contacts. Air connectivity between India and Thailand reflects the natural desire of our people to travel to each other's countries with over 100 flights a week and growing tourism traffic, the future holds tremendous promise. Over 8,00,000 Indian tourists visit Thailand and almost an equal number of tourists from Thailand visit India. We would like to take this beyond just air connectivity and in this context, the tri-lateral highway project linking India and Thailand through Myanmar is an area of high priority for us. This land connectivity would provide tremendous impetus to our trade relations with Thailand, which is our gateway to the entire ASEAN region.

I would like to underline the- equation between India and Thailand and indeed as also among growing Asian economies goes just beyond commercial as the 21st century is poised to belong to Asia. A collaborative partnership of our countries will help in redefining the contours of an emerging global political and economic order.

Thank you.