

**Speech by Mr. Apichart Chinwanno,
Ambassador of Thailand to Belgium and Luxembourg,
at the briefing of the Belgian Economic Mission to Thailand,
at AGEAS, Brussels, on 4 March 2013**

* * * * *

Sawasdee Krub. It is good to be introducing the first Thai word everyone should learn before going to Thailand.

Allow me to thank Director General Marc Bogaerts for inviting me and my colleagues to talk about Thailand at this distinguished gathering today. I would like first of all to introduce Director of the office of Thailand Board of Investment in Frankfurt, Mr. Chanin KHAOCHAN, who will be accompanying the Crown Prince's economic mission to Thailand as well. If you have any questions regarding investment opportunities and incentives in Thailand, he is the man.

Since I have the privilege of being the first speaker before a series of sector-specific briefings you will have during your week-long trip to Thailand, let me take an overview approach on our bilateral relations, and Thailand's situation today and its future direction.

Old friends need new sparks

Belgium and Thailand are longstanding close friends. Our ties go back a long way over 145 years. And, ironical as this may sound, this is the biggest challenge for me as the Thai Ambassador here. Old friends do not sound as exciting as fresh faces, and new sparks are needed to rekindle the tie and elevate it to a new height.

I therefore am gratified with the recent sparks in our relations. First, after 3 years of discussion, we have made progress on the Joint Plan of Action between Thailand and Belgium. And we hope that it will be signed by the two Foreign Ministers during the Crown Prince's visit. This Joint Plan of Action will serve as a framework for closer cooperation between our two countries and will be complemented by the Partnership and Cooperation Agreement at the Thai-EU level.

Tomorrow Her Excellency Yingluck Shinawatra, Prime Minister of Thailand, will make an official visit to Belgium and the EU. We expect her to be announcing with President Barroso the launching of Thai-EU FTA negotiations. On top of these government deals, the momentum of linkages among our private sector is no less exciting. The Prime Minister of Thailand will bring with her a strong business delegation from Board of Trade, Federation of Thai Industries, Thai Bankers Association, and different business sectors including food, energy, medical service and creative economy. They will meet with their counterparts and have some business matching, a series of briefings, and a visit to centres of excellence here.

Then, 10 days later, you the cream of Belgian business sector will visit Thailand with the Crown Prince, and will have the chance to see for yourselves the unparalleled opportunities Thailand offers today.

Reintroducing Thailand

So before your visit, let's reflect on what your old friend – Thailand – means to you.

I bet that there are many aficionados of Thai cuisine in this gathering. An abundance of natural resources, combined with modern agricultural practices and technology, food safety R&D, and strict adherence to international standards, have helped dub Thailand as the "**Kitchen of the World**". Thailand is among the top five net food exporter countries globally. The nation holds the record in exports of rice, cassava, canned tuna, frozen seafood, chicken, canned pineapples and sugar products. We are also working hard to add value to our food production chain. For instance, we will organize tomorrow an exhibition to celebrate the geographical indication or GI certificate that the EU has given to Thai Hom Mali Rice from Tung Kula Ronghai, and to showcase our fair trade practices in agricultural sector.

I bet you know that Thailand is called the **World's Capital of Hospitality**, for good reasons. Indeed we welcomed 22.3 million tourists last year, a 16% increase from the previous year. More than 94,000 of these are from Belgium, a 14% increase from 2011. This number includes 2.5 million medical tourists, which the Government aims to increase to 5 million within 5 years. Our vision to be world medical hub is within reach, as Thailand currently has 23

hospitals with international standards accredited by the Joint Commission International (JCI), more than any country in Asia, and another 15 hospitals have potential to be upgraded.

Thailand lies **at the heart of Southeast Asia**. It has well-developed transport infrastructure. The investment programmes of more than 52 billion Euros in infrastructure mega-projects are in the pipeline to reaffirm Thailand's position as a hub of the region supply chain. Many investors consider Thailand as the bridgehead for ASEAN market and the high-potential Myanmar which has recently opened up to the world.

These mega-projects include 4 high speed rail lines between Thailand, China, Malaysia, Singapore and Viet Nam, and the land bridge between Laem Chabang deep seaport east of Bangkok and Myanmar's Dawei deep seaport mega-plan. The transportation time from Bangkok to India will be cut from 6 days through the Straits of Malacca, to 3 days with this land bridge.

The comparative advantages of Thailand as the hub of regional connectivity will be amplified for investors and traders when the ASEAN Economic Community or AEC is materialized in December 2015. AEC will become a production base and single market of 600 million consumers, most of whom are middle class with considerable purchasing power, with a combined GDP of almost 1.5 trillion Euros. In addition, ASEAN's free trade agreements with China, Japan, South Korea, India, Australia and New Zealand will give companies based in Thailand preferential treatment in reaching 3.5 billion consumers.

How dynamic is Thailand? The present government has won a strong mandate from the 2011 election and the political stability has given a boost to the country's economic vitality. In 2011 Thailand suffered from an unprecedented and devastating flood which caused our GDP growth rate to plummet to a mere point one%. But in 2012 Thailand has shown its economic resilience by rebounding strongly with a GDP growth of 6.4 per cent. This is due to its strong economic fundamentals, prudent macroeconomic management and the sound banking system. Our foreign reserves now stand at 140 billion Euros, ranking number 15 of the world's largest reserves, and our debt-to-GDP ratio is at a healthy level of 43.3 per cent.

As for FDI, applications for investment incentives reached a new record high of nearly \$48 billion in 2012, or a 131 percent increase over the previous year. The number of projects also rose by 29.7 percent.

Our export base is well diverse, which help cushion against volatility in specific sectors. On top of our top-performing agro-industries, Thailand is also the world's number one exporter of rubber and hard disk drives, and the 10th biggest manufacturer of automobiles.

Today you have received many handouts with pertinent information on doing business in Thailand - such as its being the 8th most attractive location for FDI according to UNCTAD, and its being the 18th easiest place in the world to do business according to the World Bank.

These are the well-known facts about Thailand. But Thailand today is aiming to be different from what you have already known. It is embarking on a New Growth Model to beat the middle income trap and to emerge as a higher income country. We aim to achieve an average annual GDP growth of 5 – 6 percent in the next 10-15 years, to raise our gross national income (GNI) per capita from 4,420 dollars to 12,400 dollars.

What is this New Growth Model about? There are 3 components.

First, to improve national competitiveness, the Thai Government will place a high priority on education and research and development. It will comprehensively invest in key areas, including in an integrated food industry, industries of tomorrow such as bio-plastics, scientific and technological infrastructure, and energy security. This will provide business opportunities for investors and traders in food industry, R&D, logistics and construction sectors, to name but a few.

Second, our impressive growth must also be inclusive growth. This vision calls for basic quality education, knowledge-based and creative economy, better health care services, and SMEs development. These targets translate into ample opportunities in the fields of education, health, SMEs clustering, and social services, again to name but a few.

And third is green growth. Green is already a catchword for many industries in Thailand, from electronics to automotives to agro-business. And we aim to be greener. A nearest target is that by 2016 Thailand will become a low-carbon society and a major Asian hub of alternative energy exports. We also aim to attract green investment. The BOI Fair held in January 2012, under the theme “Going Green for the Future,” is Asia’s first international low carbon fair, showcasing our green commitment among industrial sectors to drive Thailand towards sustainable development.

From my brief overview of what Thailand is today and our vision for tomorrow, you can see that it fits very well with the 5 sectors of priority in the Crown Prince’s Economic Mission, namely Thailand as a regional hub, agro-food, infrastructure, healthcare and clean and green technology.

With this remark, I would like to commend DG Bogaerts and his able team at the Foreign Trade Agency for their excellent choice of priority sectors, which reflect the synergy of strong points between our two countries with promising win-win business opportunities.

Conclusion

Let me return to the remark I made earlier – what is the value of old friends? The answer is clear - with old friends you have trusted and proven relationship that can be transformed into comprehensive partnership.

Thailand is working hard to leverage our strengths and improve competitiveness. We set our sights high on the road ahead. I am truly confident that our moment has arrived and we have come back stronger than before to ensure you the promising future of Thailand.

I wish you all a successful and enjoyable business trip in Thailand.

Thank you. **Kobkhun krub.**