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National Broadcast
by General Prayut Chan-o-cha
Head of the National Council for Peace and Order
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Good evening on behalf of the National Council for Peace and Order (NCPO). I would like to inform you of the progress on the NCPO's operation in all areas as follows:

- **On security**, in maintaining peace and order since the declaration of martial law on 20 May 2014, we have seized weapons found nationwide, which includes 88 pieces of war weapons, 1,268 pieces of illegal guns, handguns, shotguns, self-made guns, and more than 7,000 bullets, 300 grenades and explosives.

- There has been much progress on the monitoring, investigations, and arrests of various armed networks, particularly those involved with war weapons. We have found networks and supporters of various groups linked to various political groups and illegal businesses. We could not have carried out such operations as efficiently in normal times. All of this will be brought under the judicial process.

- We have revoked certain provisions of Martial Law such as the curfew, which was lifted in 30 areas as according to NCPO announcements No. 52, 54, 56 and 60. In order to promote an atmosphere conducive for tourism and to ease and lessen the impact on the daily life of Thai people, the curfew was lifted in 25 provinces. The NCPO is now considering whether the curfew could be lifted in all other areas.

- Law enforcement officers are focusing on using regular laws to suppress illegal activities such as crime, drug trafficking and exploiters of natural resources. This is being done through combined operations and effective cooperation between security agencies such as police, the Office of Narcotics Control Board, the Internal Security Operations Command, and civil society.

- Nevertheless, our policy is for the authorities to enforce normal laws as much as possible, and to apply Martial Law only if necessary. We ask everyone to remain confident in the work of the authorities and strictly respect the law. All of us must respect the law and social norms, which are essential in holding society together. We will not use the law as a source of creating conflicts.

- There is good progress on promoting understanding amongst those with conflicting viewpoints. In the summoning of individuals, these people have given

cooperation and are willing to contribute to the reconciliation process and the operations of the NCPO as a whole. Furthermore, the reconciliation activities have been carried out in 56 provinces, with the participation of over one hundred thousand people in 319 villages. Citizens were able to talk freely without the interference of core leaders and opinion leaders so that they can obtain the entire facts.

- For the task of creating reconciliation in phase 1, we will start with reducing conflicts and organizing activities for people to meet and interact. We will give everyone an opportunity to all to hear out different opinions or obtain complete facts from all angles. In the past, they have been listening to only one-sided information. This is meant to reduce feelings of distrust and suspicion while providing justice and appropriate law enforcement. We will build confidence on judicial procedures, police procedures, public prosecutors, and the court system. All this will take some time and thus needs full cooperation from all sides.

- On foreign affairs, today friendly countries have started to gain a better understanding of the situation in Thailand. The relations at the government-to-government level continue as usual. Official exchanges at the ministry-level are ongoing, for instance the acting Permanent Secretary of the Defence Ministry will visit China in response to earlier invitation, and officials from the Ministry of Justice will also visit Australia in accordance with previous plans. We have already met key business groups from foreign countries such as China and Japan who have correspondingly expressed their understanding of the situation. We plan to invite businesses from the U.S., Australia and Europe to Thailand soon so that they remain confident and maintain or expand their investments in Thailand.

- The NCPO will also continue the task of regaining confidence from the international community, by engaging with the diplomatic, business, industrial segments, and so on.

- On 11 June 2014, I met with 23 Thai ambassadors and consuls-general posted abroad and requested them to create understanding, explain the rationale and necessity for the NCPO intervention, and clarify the approach for reform.

- On international economic and trade policy, we will continue as before and will further promote the implementation of such policies. We will focus on liberal trade and look after the business interests of foreign countries in Thailand.

- On the move toward reform, we are now in the first phase and have made significant progress. The NCPO expects that the second phase will take one year if there are no disruptions during the first two phases. We should be able to proceed

as planned, with the formation of an interim government within September to drive the country forward.

- The national legislative council will be set up in parallel to the announcement of a provisional constitution. Questions have been raised about the timing of the implementations. I would like to reiterate that from October onwards there will be a cabinet to administer the country in a way a normal administration would. Efforts toward reform (urgent/short-term/long-term) will lead to a general election in the third phase which is estimated to be done in about one year. At the moment, such tasks have been carried in accordance to the plan since 22 May 2014, thanks to the support we received from the people.

- For some countries that still maintain their stance of disapproval for this change, I respect their stance and will not retort their positions. The relations with these countries will remain as is and will continue in terms of cooperation and amity between government, economic sectors and the people. It will take some time to allow these countries to understand the Thai social context, our problems our operations, and outcomes of NCPO.

2. Economic, Social and Psychological Aspects

- With regard to transparency, fairness and inspection, the NCPO has set up the Monitoring and Auditing Committee on Fiscal Expenditures by inviting concerned governmental agencies to participate. The purposes of the committee are to inspect and to formulate policies to ensure that such policies are transparent and truly beneficial for the general public. For any projects that the committee deems inappropriate, they will be put on hold immediately.

- In the first stage, the committee will inspect projects worth more than 1,000 million baht to consider whether and how they should be continued. The projects that were approved by the previous government and are in the process of imbursement will be inspected to prevent corruption. The approval of budgets of some government agencies that have been done without proper inspection may have resulted in corrupt activities in the areas of establishing terms of references and procurement. This can have damaging effects on the country. The Monitoring committee, which comprises all parties including Office of the Auditor General of Thailand, Office of the National Economic and Development Board, Budget Bureau and other committees set up by the NCPO, has therefore been established.

- With reference to a weekly economic report by the NCPO and the Office of the National Economic and Development Board, Thailand's consumer confidence index increased for the first time in 14 months from 57.7 in April to 60.7 in May. As the political tension has eased, concern over the situation among consumers has dissipated and the baht has appreciated. The total value of investment in stocks and bonds accounted for 8 billion baht and 9 billion baht respectively, showing that investors have more confidence in the NCPO's economic policies.

- As for tourism, the number of tourists that decreased due to the political impasse since January onwards has now reached the normal level as it did before. The NCPO and governmental agencies involved have put efforts into promoting tourism in Thailand by encouraging foreigners to travel to the country through various channels, including countries that have special economic ties, are major trading partners and have joint ventures with Thailand. Since the takeover of the NCPO in May 22, 2014, the number of tourists has increased steadily.

- Money has been given to farmers who were affected by the rice pledging policy since 26 May 2014. The project is scheduled to complete by June 22, 2014. So far 674,253 farmers have received the money, accounting for 68,647 million baht or 79 percent.

- To provide assistance to farmers for the next cultivation season, the NCPO has established a committee to oversee and address issues on rice and other agricultural products, including relevant policies and the administration of aiding measures. The farmers will be informed of such measures in detail as soon as feasible.

- Water resource management shall follow an integrated approach. Budget plans for fiscal year 2014 of each relevant ministry, opinions of all sectors concerned—be they government officers or the general public, royally initiated projects that involve canal dredging and water resource development—should all be incorporated. This approach is aimed to ensure connectivity and responsiveness to the water management initiative, both in terms of efficiency and cost-effectiveness.

- In the next phase, the committee established by the NCPO will be able to determine appropriate policies for the management of water resources which are capable of dealing with drought and flood problem sustainably. This initiative shall continue until fiscal year 2015 and shall be in accordance with the long term goal of the 11th National Economic and Social Development Plan. This integrated approach combines efforts from all public and private agencies, royally initiated projects, as well as the general public both in central and regional areas of Thailand.

- To provide relief in response to increasing living costs, under the direction of the NCPO, the Ministry of Commerce has convened a meeting comprising consumer business operators to ask for their cooperation in maintaining the prices of 205 basic consumer products for the next six months.

- All sectors are encouraged to come up with solutions on issues of unfair market dominance, exploitation by businesses, cost reduction for the transportation sector, and other market issues. The NCPO has also arranged for relevant agencies with the capabilities to help reduce living costs to provide assistance, such as by retaining sales of goods at reduced prices.

- To aid retail farmers—the majority of the country's population—and to provide benefits to the farming community as a whole, the NCPO has directed the Ministry of Agriculture, the Ministry of Industry, and the Ministry of Commerce to come up with plans or measures to help add value to agricultural products.

- The Dairy Farming Promotion Organization has been assigned to administer the School Milk project, with focus on the procurement issues to increase consumption of quality milk for students all over the country, and to solving issues relating to dairy cooperatives with the aim to achieve sustainability.

- As the issue of migrant workers falls under the responsibilities of a number of ministries, the Supreme Army Commander, acting as deputy NCPO Head, has been assigned to chair a working group composed of the relevant agencies, which will serve as a forum to coordinate and integrate relevant works from different government sectors swiftly and efficiently.

- The Ministry of Labour has been directed to set up centers along borderlines, including those in the provinces Nhong-kai, Sa-kaew, Chiangrai, and Ranong, to carry out the task of verifying and registering the nationality of illegal migrant workers in cooperation with neighboring countries. The number of said migrant workers throughout the country as of present is estimated at around 90,000. Accordingly, the verification and registration process is expected to be completed within the duration of one year.

- Various guidelines are to be drawn up on the setting up of special economic zones and the creation of jobs in rural areas; the development of cooperative systems for the purchasing, storage, quality improvement, and export of agricultural produce; the prevention of rampant smuggling, illegal migration, and other crimes; and the exploitation of agricultural import quotas.

- **On the issue of energy price structure**. To promote clear and accurate understanding on energy issues, the NCPO has arranged a forum for conflicting parties from all sectors, including all the government agencies involved, for the sharing of inconsistent information. Government agencies are obliged to respond, without being too bureaucratic, to every question with an aim to clarify any doubts the general public might have.

- Approach to energy management shall be considered in order for Thailand to generate and procure enough energy in response to the increasing demand and for effective domestic consumption. Such approaches may include the reduction of oil field concessions, increasing concession fees to be close or equal to fees in other countries, and the promotion of competition in the petroleum exploration and production business.

- As Thailand relies substantially on energy imports, the country needs to enhance energy security to respond to any prospective situation.

- Our current policy on energy is also to promote the widespread development and use of alternative energy which could be generated domestically, and will result in the reduction of import burdens as well as the preservation of limited petroleum resources for future use.

- As energy prices, determined from costs from numerous sources, are among the many issues directly affecting living conditions of the general public, they shall be set at a level reasonable to all relevant parties, producers and consumers alike, and in accordance with market conditions. The price shall also not place excess burden and not create a negative impact on the country's income structure.

- The Fuel Fund is another issue in the spotlight. Currently, a Study Committee has been formed to come up with policies which are transparent and beneficial to all sectors.

- The NCPO has appointed the National Energy Policy Committee, the Energy Policy Executive Committee, and the Fund for Energy Preservation Committee. The agencies have the responsibility to review information and oversee energy management in order to ensure a just and beneficial outcome for all parties concerned—namely the general public and the economic, industrial, transportation, and agricultural sectors. PTT and other public companies, as well as state enterprises will address all issues systematically. These issues will require a certain period of time to review.

- The NCPO aims to drive forward the national energy agenda in a just and beneficial manner in order to guarantee a sustainable national energy security in the future.

- **On investment promotion,** an announcement on the appointment of the Board of Investment has been issued on 6 June by including all concerned sectors as Board members. This will give the opportunity for all groups of entrepreneurs, for example the Chairman of SME, to be involved in driving the economy and investment of the country forward. The new Board will have the first meeting soon to consider the approval of project applications valued over 200 million baht (excluding land and capital turnover). The approval process should be completed within two months for the 403 pending applications amounting to 760 billion baht. This should help in the implementation of several investments, and in building investor confidence in order to bring benefits the overall economy.

- The BOI will also consider the investment promotion strategy for the future. The policy that I have already given includes focusing more on high technology industry and less on labour intensive industry, technology transfer, industries yielding added value while promoting the use of local raw materials. Priority will be given to energy saving technologies and promotion of renewable energy such as ethanol, biodiesel, biofuel, wind power and solar energy. Furthermore, non-polluting clean industry will help strengthen the economy and contribute to energy self-reliance for the country.

- For those entrepreneurs who have already obtained licenses to set up factories and have not done so within the stipulated timeframe, for example one year, the NCPO may consider revocation of the license and prohibit the right to transfer the license within the stipulated timeframe, to prevent corruption practices from reselling the licenses.

- **As for the implementation of other issues**, the NCPO has given priority to the issue of basic needs and has instructed the implementation of numerous assistance programmes for the Thai people, such as delaying cooking gas price increases, until there has been an adjustment of the nation's energy policy.

- We have also been reviewing the transparency and effectiveness of the various state enterprise boards, with emphasis on selecting members with expertise, moral character, and a track record of good governance, while reducing extravagant membership rewards in accordance with existing laws and regulations.

- We have expedited remaining expenditures for the 2013 Budget with transparency and monitoring done by the Budget Oversight Committee with the intended target of completing 95% of expenditures of the total budget worth 2.525 trillion baht, so as to stimulate the economy by delivering due income to the public

(most recent payment was on 31 May 2104 which amounted to 62% of the budget or 1.565 trillion baht)

- Any project that has been reviewed and found not to be in the public interest or not providing any major benefit will have their budgets transferred to other useful projects that are ready for implementation but still requires additional funding. This budget transfer will only take place based on necessity, except in cases for international travel or procurement of transportation vehicles. Any items that are not currently necessary will not be purchased.

- The original plan of relocating Thailand Tobacco Monopoly in 2015 will go ahead and the present location will be used as public park and recreation area for the people and also to serve as an oasis for the people of Bangkok.

- Efforts have also been taken to accelerate the prioritised basic infrastructure projects and their transparency levels have already been inspected so that they will be able to commence before the end of the year 2014, for instance the dual track train project, and the extended route train project.

- The reshuffle of officials on special circumstances will only be conducted on necessity basis in order to create an atmosphere within an organization that will facilitate the solving of major public problems. Still, the routine reshuffle in October will be under the consideration of the next Government.

- The free screening of the movie "King Naresuan " has derived from the cooperation of the private sector with no involvement of the budget belonging to the tax payers.

- The whole education system must be developed and concentrated on strengthening the pride of Thai history, discipline, morality, ethics, the public interest and the duties of citizenship. Education management should focus on student-oriented rather than material or asset development. Vocational and mechanical education must be developed in order to produce capable students who will become an effective skilled labour force of the country. This will help eradicate the problem of loan payment since these new graduates will be able to find good jobs and good earnings to make a better living. The Ministry of Education and related agencies have been instructed to carry out this task which must be achieved in due course. (Germany is an example of the country with strong economy and capable labour, with focus on vocational education).

- There will be a reformation on the whole energy price structure, the adjustment of State Enterprise Board and other related agencies to achieve higher management efficiency, to reflect the national interest and to be able to answer the public's queries.

- Foreign relations must be continued and strengthened in order to build comprehensive and even trust among our friendly nations, to achieve bilateral and multilateral cooperation for mutual interest within the region: ASEAN/AEC and at international level.

- The development of the administration system and a resolution on the corruption of mega projects, which has greatly affected many lives, will be implemented during Phase 2, the Reform Period.

- Nevertheless, the priority rests on handling issues which require urgent resolution such as the inspection of laws related to governmental organisation, state enterprise, such as the National Broadcasting and Telecommunications Commission (NBTC) and TOT, which have been perceived to provide more benefit to big businesses thereby paving the way for conflict of interests and overpriced acquisitions (dumping price to 10-30%). Such organisations will be inspected immediately.

- This is all for today. There are still many problems left. Please give us time to deal with these problems. At present, myself and NCPO are being pressured with a few problems and time constraints, and under pressures from public expectations and trust. We will not do anything hastily which may lead to long-term negative effect. We will concentrate on sustainable benefit and happiness of the people under the guidance of His Majesty the King, especially on sufficiency economy, based on being rational, resilient and moderate. All this must go together with knowledge and virtue.

Thank you and good night.