

**Speech of
Her Excellency Ms. Yingluck Shinawatra
Prime Minister of the Kingdom of Thailand
at the “Thai Evening with the Prime Minister” Event
Sydney, 28 May 2012**

Asia Society AustralAsia Centre,
Australia-Thailand Business Council

Excellencies, Ladies and Gentlemen,
Good Evening,

It is a pleasure for me to be here tonight. This event brings together members and guests of the Asia Society, the Australia-Thailand Business Council, and other distinguished guests. I consider you all to be “Friends of Thailand”. As a “Friend of Australia”, I am honoured to be visiting on this special occasion of the 60th anniversary of diplomatic relations between Australia and Thailand. I am also pleased to be in Sydney again, for the second time in the past 24 hours.

Throughout the past six decades, Australia has been our close friend. From a partner in development, to a major trade and investment partner, Australia has developed close relations with Thailand and Southeast Asia and these have become more comprehensive and dynamic.

Your country’s economic achievements, technological advances and outward looking policies to Asia are some of the reasons why many Thai companies look to Australia for investment and new businesses. On the other hand, there are also many reasons why Australia should expand trade and investment with Thailand.

Political stability -- After a successful election last year, where the people gave me a clear mandate, I am pleased to say that the political situation is now more stable. We are moving forward quickly with national reconciliation by implementing the recommendations of the Truth and Reconciliation Commission. My government has also approved compensation plans for all victims of past political violence. Last week, the first batch of compensation has been given to some of the victims.

Rule of Law and Democracy -- This Government is strengthening Thailand’s democracy by promoting rule of law based on universally accepted standards. We are making amendments to the constitution, which will go through the process of Parliament and decided from the will of the people. In addition, we need to promote human rights and civil liberties as these are very important for ensuring the rule of law.

Strong Economic Fundamentals -- As you are aware, the Thai economy was badly affected by the floods. However, with strong economic fundamentals, we have shown once again that we can recover very quickly from any crisis. The first quarter of this year, Thai economy grew by 11 percent compared to the previous quarter, and for this year our economy is expected to grow strongly at 5.5 to 6.5 percent.

In addition, our fiscal position is outstanding; the foreign exchange reserves are at 180 billion US dollars. Public debt at around 40 percent of GDP is much lower than the ceiling of 60 percent. This puts the Government in a good position to finance major infrastructure projects and implement our economic policies.

Strategic Location and Connectivity -- We are located at the heart of the Mekong region and the ASEAN Community of 600 million consumers. Thailand is committed to enhancing connectivity further by investing around 74 billion US dollars on major infrastructure projects over the next five years.

Moreover, we are working with Myanmar to develop the Dawei deep seaport. All of these projects are underway and once completed; Thailand will be linked to Asia and beyond even more efficiently.

Pro-Growth and Business-Friendly Policies -- To further promote more investment in Thailand, we have already reduced income tax this year to 23 percent from 30 percent and will reduce further to 20 percent next year. I hope that investors will appreciate this.

In addition, we are removing some of the barriers to encourage more corporations to set up regional headquarters in Thailand. Your investments will be well supported by our skilled labour force. We would also welcome feedback from investors and we will deal with them so that all of you would be happy to invest in Thailand.

Ladies and Gentlemen,

With this stability, strong fundamentals and growth, Thailand is ready to further support the Thailand-Australia partnership. Allow me to say a few words on how we plan further strengthen our partnership.

I am pleased to say that our trading volume has more than doubled after the Thailand-Australia Free Trade Agreement (TAFTA) in 2005. Last year's trade reached some 16 billion US dollars. We agreed to continue to increase trade volume further in the future. But I cannot do this alone. I need a lot of support from you here.

In other areas of our partnership, Thai-Australian cooperation are also strong. We share similar values of democracy, respect for human rights and rule of law.

So we both see the need to address challenges to regional and human security, such as transnational crimes and terrorism. For example, to reduce human trafficking and promote regional cooperation on this key issue, Thailand will set up the Bali Process Regional Support Office in Bangkok, reflecting this Government's strong determination to address this issue.

But as our partnership grows, we need to look beyond our bilateral ties and make sure that our partnership contributes more to the region. We must take this opportunity to help build a better region for all.

Some priorities are as follows:

First: Support Regional frameworks – I believe that we need to continue to support frameworks such as ASEAN, the East Asia Summit (EAS), the ASEAN Regional Forum and APEC. We recognize Australia’s valuable contributions to these frameworks, in particular Australia’s role in creating APEC. These frameworks are important as they can promote regional peace, growth, as well as create a sense of community.

Second: Develop Functional Connectivity -- We should encourage connectivity between regional frameworks and promote cooperation in specific areas, such as disaster management and energy security. This will supplement the physical, software and people-to-people connectivity that Thailand and our partners are already building in ASEAN, East Asia and beyond. It will help bring the Asia-Pacific closer together, increasing trade and investment and more importantly, it will put us in a strong position to address global challenges together.

Third: Protect the Disadvantaged – To achieve regional stability, we must ensure that the full benefits of growth and stability are enjoyed by all, in particular, women and children, the poor and those with disabilities. We are playing our part in addressing these issues by implementing the Women Development Fund and universal health care projects. However, regional cooperation on this issue is needed to ensure human security for all in our region.

In closing, I am hopeful that the Thailand-Australia partnership can contribute to making a better region for us all. This will in turn, provide a good environment for our partnership to continue to grow, for the benefit of the Thai and Australian peoples.

Thank you again for inviting me to speak this evening. I have some sixty Thai companies with me on this visit to help strengthen our partnership. So I hope to have the opportunity of welcoming all of the Australian companies and other investors present here in Thailand.
