

Business Meeting with H. E. Ms Ying-luck Shin-waat, Hon'ble Prime Minister of Thailand Shahjehan Hall, Hotel Taj Palace January 25, 2011

Key Note Address

Her Excellency Ms Ying-luck Shin-waat, Hon'ble Prime Minister of Thailand

Members of Thai Delegation

Shri Anand Sharma, Honorable Minister of Commerce and Industry, Government of India

Members of CII, FICCI and Assocham

Ladies and gentlemen,

It gives me great pleasure to be present here today at the business luncheon organized by FICCI, CII & Assocham. We are very happy to have Prime Minister of Thailand, Her Excellency Yingluck Shinawatra, as our honoured Chief Guest for our Republic Day ceremony.

India and Thailand are close friends who enjoy a mutually rewarding and enriching relationship based on multidimensional commonalities, including shared

geographical space. We have built a strong structure of cooperation in many spheres of activity, including agriculture, industry, science and technology, education and cultural exchanges.

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Your visit as Chief Guest for Republic Day celebrations will set a new dimension to our close partnership.

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Our relations are excellent and stable but we want to do better. We are keen to give contemporary content to our age-old links in all areas of mutual benefit. The presence of large number of Thai and India businesspersons here today is an indication of the strong interest of both countries to explore

and exploit the potential that exists for mutually beneficial partnerships.

Economic and commercial linkages form an important aspect of India's partnership with Thailand. I am happy that the business communities of our two nations are looking to expand their trade and investment ties into newer and diversified areas such as food processing, infrastructure, hospitality and manufacturing sectors. We welcome the growing engagement and we are working to build upon it.

Our bilateral trade and investments are growing rapidly. Bilateral trade has multiplied more than six times since 2000 to cross US\$ 8 billion. The year 2011 saw trade rebounding to US\$ 8.19 billion. The India-ASEAN FTA on goods, in force since January 2010 and the comprehensive bilateral FTA being negotiated will further contribute to healthy trade figures. We've set for ourselves the target of doubling it by 2014. There is considerable anticipation among the business communities

on both sides to make these Agreements broad-based and to include in its ambit services and investments.

The growing investment by Indian and Thai companies in each others' businesses is another indicator of the realization of the existing and rapidly growing business opportunities. Indian FDI into Thailand is estimated to be around \$US 2 billion since 1970s whereas Thailand's FDI in India is approximately \$US 91.4 million since 2000. Complementary strengths of our industry make us natural partners and the advantages of geography only reinforce this relationship. We are keen to have more Thai companies participate in India's growth story, in particular in infrastructure sector, pharmaceuticals, food processing, automobiles, information technology hospitality sectors, chemicals and allied industry.

The field of infrastructure is an area of high priority for India. India today, along with international partners, is developing its road network, airports, ports, railways and

power grids. The challenge of overcoming the bottleneck of infrastructure deficiencies is being turned into a great business opportunity. We look forward to partnership from Thai companies in this sector as the next 5 years will see investments of over US\$ 1 trillion in this critical sector. Investment is also needed in the agro-processing sector to curb post-harvest wastage, which is unacceptably high (30-35% of total produce). Thai investors with their strengths in food processing would be welcome in developing cold-chains, warehouses etc. 100% FDI is allowed in this sector. We expect investments of US\$ 200 billion in this sector and growth of 20% in the next five years.

We emphasize our connectivity with ASEAN in our 'Look East Policy', as we have maritime boundaries with Thailand, which we want to develop in the future. A trilateral highway project linking India, Myanmar and Thailand is also under

active consideration. This land connectively would provide immense boost to India's trade with Thailand and the region.

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Let me conclude by saying that India is committed to building ever closer links with Thailand which is our extended neighbourhood. We are working closely with Thailand on a bilateral level as also in the context of regional cooperation frameworks. I am confident that the partnership will continue to grow stronger over the coming years and decades.

Thank you.

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