

82nd Birthday Anniversary
5th December 2009

Celebrations on the Auspicious
Occasion of His Majesty the King's

By the end of 2009, the Thai economy should recover from the impact of the global economic crisis which inevitably affected the country's export and investment and caused the Thai economy to contract in the first half of 2009. The government's vigorous fiscal stimulus programmes are having their intended effect. With the country's major export partners recovering, the economy is expected to register positive growth by the fourth quarter.

Strong Fundamentals

The Thai economy remains in a good position to cope with the dual shocks of the global economic crisis and domestic political issues. With lessons learned from the financial crisis of 1997, Thailand's economy had emerged stronger in its wake. At the end of the second quarter of this year, the country's current account registered a large

of over 10 months of imports. The Thai currency was floating in a stable range and inflation was under control. These show that Thailand's economy continues to be healthy and well-equipped to withstand external shocks.

Thailand is a free-market economy, based on private sector firms serving a strong domestic market with a growing middle class, and producing goods for export in a variety of sectors. Considered as main drivers of the Thai economy are its industrial sector, the agricultural sector and a robust services sector centred on the tourism and financial services industries. Over the past several decades, Thailand has successfully followed a model of export-led growth. In US dollar terms, between 1970 and 2009, total Thai exports grew by an average of 20 per cent per annum.

Rising Above the Challenge

Investment Projects Ready for Implementation under
"Thailand: Investing from Strength to Strength 2012" Scheme
(total investment USD 45 billion)

Unit: Million USD

Category	2009	2010	2011	2012	Total
1. Water management	-	1,638.34	2,042.18	2,200.41	5,880.93
2. Logistics	365.51	441.53	3,426.01	3,728.93	8,997.98
3. Alternative energy	1,729.01	2,181.84	977.77	889.44	5,777.77
4. Communications	452.32	572.39	155.02	-	1,179.73
5. Tourism infrastructure	0.85	42.09	75.96	38.32	157.21
6. Human resource development - Education	-	1,333.78	1,229.04	1,257.30	3,820.12
7. Human resource development - Public Health	0.09	902.57	1,065.87	906.38	2,874.88
8. Infrastructure to support people's security	0.94	195.09	46.71	38.05	280.78
9. Science and technology infrastructure	-	77.10	99.39	151.16	327.64
10. Natural resources and environment	-	41.44	46.74	33.75	121.94
11. Tourism development	-	188.74	28.05	9.30	226.09
12. Creative economy	-	41.42	33.55	29.60	104.59
13. Community investment	424.10	475.28	308.42	281.66	1,489.50
Total	2,972.83	9,131.32	9,570.69	9,564.29	31,239.16

Exchange rate: USD 1 = THB 34.19 (Bank of Thailand, as of 8 September 2009)

on export volume, but it has also been a leader in

Thailand is a linchpin of the ASEAN economies, enjoying a strategic location that provides access to a greater market of 570 million people. The country's geographical advantages and strong relationships with major markets promote sustainable growth in the region. Exports of Thai products to new emerging markets rose 23 per cent in 2008 to USD 56 billion, with China accounting for

USD 15 billion, a nine per cent increase from the previous year. Products exported to India jumped 28 per cent and shipments to Cambodia, Lao PDR and Vietnam surged 40 per cent.

Association of Southeast Asian Nations (ASEAN). Thailand helps forge greater cooperation between ASEAN member states and other economies including Australia, India and the

ideal investment destination for foreign investors looking for business opportunities both within Thailand and throughout Asia. The current emphasis is on investment in priority industries such as infrastructure development, renewable energy and the agro-industry. The service sector is also another area that the current government of Thailand is keenly promoting.

With the announcement of 2009 as the "Thailand Investment Year", investment in key target sectors will receive maximum benefits from the government through the Thailand Board of Investment (BOI). To rapidly spur investment into Thailand, tax and non-tax incentives will be enhanced to give the country a competitive edge. Priority is being given to projects that offer high returns and can also be implemented quickly. High on the government's agenda are projects aimed at upgrading the quality of education at all levels, improving the healthcare system, and developing mass transit and water management systems.

The largest sources of foreign investment by national origin are Japan, the European Union and the United States. In the past few years, Thailand annually received on average USD 10 billion in net foreign direct investment.

In addition, with a favourable investment climate and as an open society, Thailand has been chosen by many media firms, business operators, as well as international organisations and non-governmental organisations as a location for their regional offices.

Moving Ahead

Since the 1997 financial crisis, the financial system of Thailand has been restructured, with 12 local banks, a number of branches of foreign banks, and a large number of foreign bank representative offices. In June 2009, the International Monetary Fund issued a report which noted the strength of Thai financial institutions and the nation's macroeconomic policy. Risk management of Thai banks remains strong, and even during

this period of economic downturn, the quality of bank assets has not suffered.

Like China and the United States, the Thai government under Prime Minister Abhisit Vejjajiva has moved swiftly to counter the external shocks of the global economic crisis. The government has launched two large-scale stimulus packages, which have, on the one hand, alleviated the plight of the poorer members of Thai society during the financial crisis, and on the other hand, launched major public investment spending.

The government also recognises its crucial role in providing certainty, rules and governance so as to facilitate business undertakings, as well as in enhancing Thailand's competitiveness through enlarging the pool of quality work force and improving the ability to use, receive and absorb the transfer of new technology.

Prime Minister Abhisit Vejjajiva has reiterated the importance of greater accountability and transparency to reassure investors and the business community. Laws will be reviewed and improved to ensure further liberalisation and facilitation.

In the long term, the Prime Minister is pledging to promote stable economic growth through the coordination of fiscal and monetary policy, thus creating balance between the rate of economic growth, price stability and employment. Moreover, the new government intends to strengthen the country's capital market and financial system so that, in the future, it will be better able to cope with global financial volatility and provide stable support to both individuals and businesses.

Thailand's road to recovery illustrates the nation's strength in rising above every obstacle to development. With the nation's free-market economy, strong support from the government, solid industrial sector, strong financial institutions, and expanding regional partnerships, Thailand looks ahead to attain greater progress and development through its proven resiliency and dynamism.

Thailand's GDP Growth Rate

Economic Projections*	2006	2007	2008	2009f
GDP (billion USD)	206.9	245.8	273.4	258.4
GDP growth (%)	5.2	4.9	2.6	(-3.5) - (-3.0)
GDP per capita (USD per year)	3,190.8	3,723.6	4,081	3,845.5

Source: Office of National Economic and Social Development Board, 24 August 2009

surplus, while international reserves were a healthy equivalent

Trading Hub
Not only is Thailand's economy heavily focused

Southeast Asia in terms of trade facilitation with the rest of the world, starting with its Asian neighbours.

Philosopher at Work

His Majesty the King of Thailand has devoted his life and resources to aiding the development of the Kingdom and the improvement of the Thai people's livelihood. Since 1952, he has initiated more than 3,000 innovative agriculture, environment, health, and education programmes to raise the standard of living in Thailand. Watching him at work in the countryside, one senses that he is motivated by the challenges each village problem presents. As he listens intently to farmers, it is clear that he is responding to something more immediate than the problem being outlined. Observers have noted an eagerness as he delves into the complexities of the problem and, in dialogue with farmers and experts who accompany him, devising the appropriate solution.

"Development of the nation must be carried out in stages, starting with the laying of the foundation by ensuring the majority of the people have their basic necessities through the use of economical means and equipment in accordance with theoretical principals."

H.M.'s Development Philosophy

Early in his development efforts, His Majesty was asked why he devoted so much time to assisting the poorest and most neglected of his subjects. He replied: "First and foremost is the humanitarian consideration. If we are to be kind to fellow human beings who live in the same country, and are known to be in dire need, it is necessary for the authorities who are better endowed both in knowledge and in wealth to go to their assistance." He added: "If the country is faced with difficulties and people in the remote areas are suffering, we cannot simply stay put in this paradise of a capital [Bangkok]."

He postulates an approach he terms "Loss-Gain". In its simplest form, it means making short-term sacrifices to gain long-term development goals:

"If we want the people to be prosperous, we have to invest in development projects which will involve budgets of hundreds or many thousands of millions [of baht]. If the project is a good one, the people will very soon get benefit from it."

He evolves his theories by looking first at tradition, examining what worked in the past and why. "Looking for the good things of the past, we take old traditions and reconstruct them to be used in the present time and in the future."

He is a proponent of appropriate technology. If mechanical means are economically unsuited to an area, he will choose a shovel instead. He also believes in moving forward cautiously, making sure that a policy is workable before progressing to the next stage. Changing traditional ways too quickly and seeking industrialisation rather than improving on Thailand's natural advantages is counter-productive.

These in turn have led to two unique programmes with firm philosophical underpinnings. He first postulated them in the 1950s, and then refined them as he gained more experience. The first, New Theory, endeavours to help farm families help themselves. The second, Sufficiency Economy, embraces many elements of New Theory but is intended for both rural and urban citizens.

New Theory

The primary purpose of the New Theory is to enable farmers to become more self-reliant and self-sufficient. It is based on the discovery in 1993 that only 0.4 per cent of Thai farm households were practicing any form of sustainable farming, leaving them vulnerable to the vagaries of nature and the markets. New Theory proposes guidelines for the proper management of land and water resources. At its heart is a scheme to dig ponds to ensure an adequate supply of water during the dry season. It also envisages planting only one crop of rice per year and sowing crops that require little water particularly during the dry season between February and June.

The concept behind His Majesty's New Theory is to

ensure that his people would be in a position of self-sufficiency in agriculture. When water is adequate, they will be able to plant their annual rice crop. During the dry season, when water becomes scarce, they will still be able to use the water that has been saved in the pond in their own plot of land to cultivate any crop, or even a second rice crop.

3 Phases of Implementation Phase 1:

It begins with the understanding that, according to statistics, a Thai farmer's household owns an average of 15 rai (2.4 hectares) of land. With this approach, land is divided into four portions. Each portion is devoted to a different farm activity. Thus: 30 percent is reserved for a pond to provide water during the dry season, and for fish propagation; 30 percent is set aside for rice cultivation sufficient for year-round home consumption; 30 percent is for an integrated garden of vegetables and fruits; and 10 percent is allocated for a house, livestock enclosures, mushroom nursery, paths and roads. Ideally, the farmer would dig a pond four metres deep, with a storage capacity of 19,000 cubic metres, sufficient to ensure a year-round supply of water. Topsoil from the pond excavation would be laid over infertile land for later cultivation.

An important feature of the approach is multiple cropping to avoid dependence on rice. Thus, the cultivation of rice is supplemented by that of vegetables, fruit and trees as well as fisheries and animals. It is best to integrate crops and animals in their farming -- animals consume agricultural scraps and produce manure for natural fertiliser. Trees are essential to the success of the New Theory because they can prevent bank slippage in the ponds and provide vital nutrients in the family diet. Such diversified farms are more resilient to natural and economic fluctuations.

Phase 2:

Successful farmers join together to form cooperatives to procure basic supplies and market their products. They can also assist in communal crop selection, soil

preparation, irrigation, grain storage, construction of rice mills and other mutually-beneficial farm activities.

Phase 3:

The cooperatives establish a communal fund to finance other activities. As a cohesive unit it can also secure credit lines with banks to finance more advanced projects.

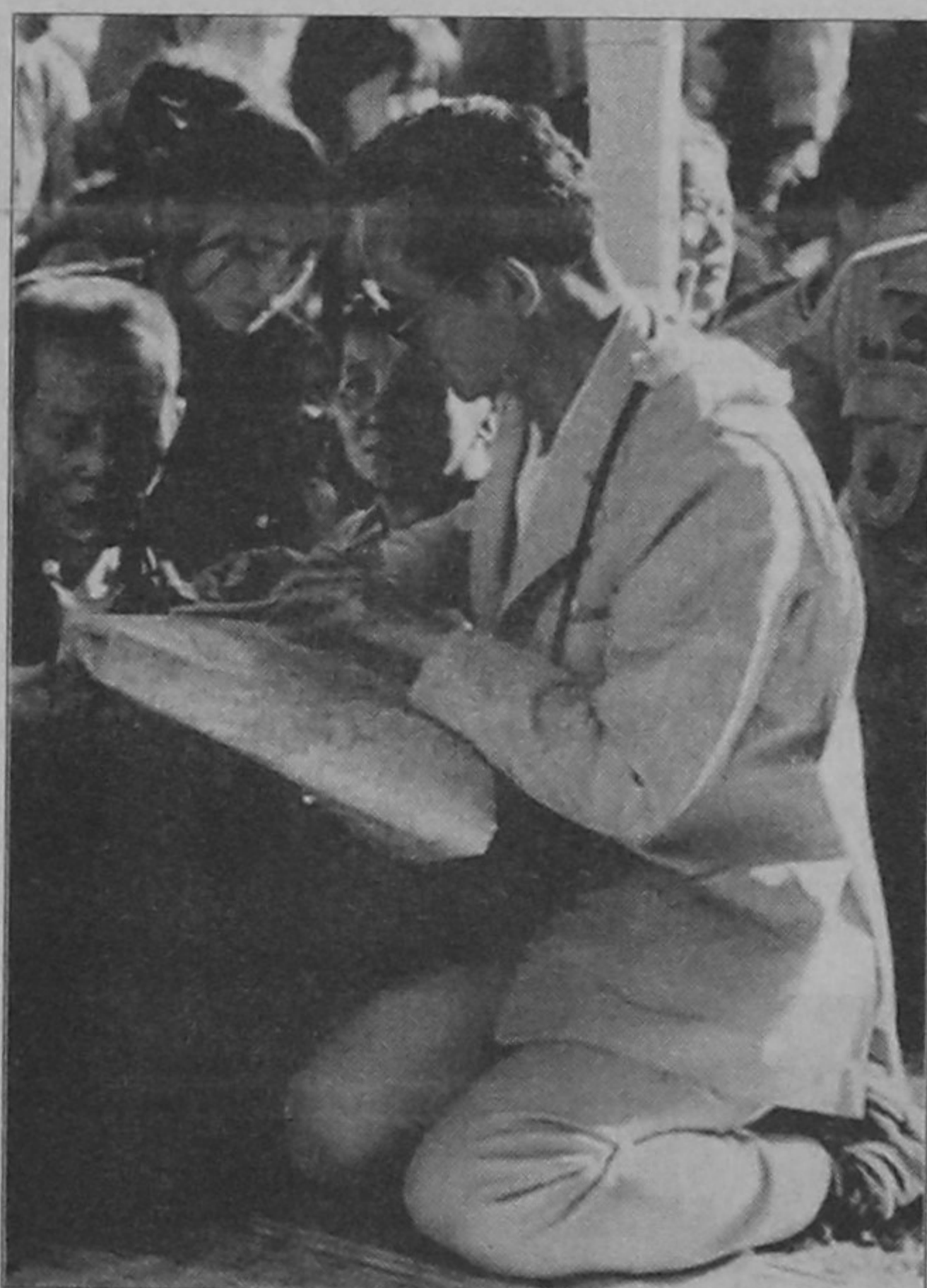
Sufficiency Economy Philosophy

The Sufficiency Economy theory expands many of the principles of His Majesty's New Theory of Agriculture to the national level to serve both urban and rural needs. Tenets of the philosophy provide guidelines for people at all levels on how to conduct themselves in life. In essence, it adheres to the Buddhist concept of the Middle Path in that it enjoins citizens to avoid extremes, practice frugality and moderation, and avoid being lured by greed into taking big risks. It requires being constantly aware that while conditions are good today, they could change tomorrow. It requires that one adjust his or her lifestyle and spending habits accordingly. It envisages gradual development, making sure one is secure in one stage before moving on to the next.

"Development of the nation must be carried out in stages by ensuring the majority of the people have their basic necessities. Once a reasonably firm foundation has been laid, higher levels of economic growth and development should be promoted. If we were to concentrate only on fast economic progress without allowing the plan of operation to harmonise with the conditions of the country and people, an imbalance would be caused and may bring about failure in the end."

He refined his thoughts in a document issued on 21 November 1999 which brought together his pronouncements from the previous two decades:

"Sufficiency Economy applies to conduct and way of life at individual, family, and community levels. At the national level, the philosophy is consistent with a balanced development strategy that would reduce the vulnerability of the nation to shocks and excesses that may arise as a result of globalization."



Thailand's strategic positioning has made the country a regional centre for international travel and trade, as well as a hub for various industries, of which the most notable is the automotive industry.

As current chair of the

Republic of Korea. Looking beyond its immediate neighbours, Thailand has signed free trade agreements with China, India, Japan, Australia and New Zealand.

Investment Thailand remains an

MESSAGE FROM THE AMBASSADOR

On the fifth of December every year, the Thai people in every part of the world commemorate a very important occasion, that is the Birthday Anniversary of His Majesty King Bhumibol Adulyadej, the revered King of Thailand, and concurrently our national day. On this auspicious occasion, I take great pride, in this special supplement, to present everyone with a glance on His Majesty's endeavour in the development of the Thai nation as well as a brief summary on the Thai economy which continues to grow and bloom despite both the global and domestic challenges.

The year 2009 is another special year in the Bangladesh-Thailand relations. Exchange of visits such as the visit to Bangladesh of His Excellency Mr. Kasit Piromya, Minister of Foreign Affairs of Thailand, in June and the visit to Thailand of His Excellency Mr. Dilip Barua, Minister of Industries of Bangladesh, in October have added even more dynamism to our relations. The Royal Thai Embassy will stay committed to working closely with both the Bangladesh authorities and the private sector to further strengthen our existing cooperation and to materialize all the initiatives taken place in the past year. be they in the areas of trade and investment, tourism and culture, transportation,



education, security and any bilateral and multilateral issues which are of mutual benefit.

Among others, we will seek to explore the possibility of concluding a reciprocal preferential trade agreement to increase the volume of 2-way trading between our countries. We will work closely together to promote more Thai investment and joint ventures in Bangladesh in various fields such as ICT, tourism, hospital and healthcare, pharmaceutical, halal food, rubber production, poultry farming, fisheries and other agro-based industries. More particularly, we also would like

to see more Thailand's participation in the infrastructure development in Bangladesh.

Given these vast potentials and large reservoir of goodwill and strong bond of friendship between our two countries, I believe that we can bring our mutually beneficial partnership to a new height.

On this auspicious occasion, I would also like, on behalf of the Royal Thai Embassy and the Thai community in Bangladesh, to extend our best wishes to the friendly people of Bangladesh for their continued good health, happiness, prosperity and success.

For the past two years, I have tried my very best in fulfilling my responsibilities. My term of office in Bangladesh will come to an end in early 2010. I have really enjoyed working and spending my time here, and will always cherish the fond memories I have had with friends and colleagues, to whom I am grateful for the support, guidance, cooperation, assistance, encouragement, understanding and friendship. Indeed, I am extremely honoured and proud to have been trusted and appointed by His Majesty King Bhumibol Adulyadej as His Majesty's Ambassador in Bangladesh.

Long live the King and long live Bangladesh-Thailand friendship.
Chalermpol Thanchitt