

**Remarks by  
H.E. Mr. Noppadon Pattama,  
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On “Thailand and the Emerging Asia”  
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Professor Lord Megnad Desai,  
Distinguished Members of the LSE Academic Community,  
Distinguished Guests,  
Ladies and Gentlemen,

Thank you so much for your kind words of introduction. I am very honoured to be here in this famous hall of intellects.

Thailand and the LSE have a long-standing relationship.

The LSE has a strong presence in Thailand. Your alumni include so many prominent Thai scholars, economists, business persons, lawyers as well as politicians. One of the Thai Prime Ministers was educated here.

I commend the “LSE Asia Forum” for bringing together leaders of both the public and private sectors as well as academic experts who have contributed to political, economic and business developments in the region. Indeed, Thailand had the honour of hosting the first LSE Asia Forum in 2004, which focused on Asia’s economic future.

During my years as a law student in England, I myself benefited from the writings and thinking of many renowned LSE professors. That made a lasting impression on me.

Today, it gives me great pleasure to return to the LSE, in a different capacity and to share with you my thoughts on the emerging Asia, Thailand’s role in it and how Asia hopes to work with Europe to counter the various challenges of our time.

Ladies and Gentlemen,

When we look at Asia, there are many reasons to be optimistic.

Look at the two rising powerhouses of Asia, China and India.

In the past ten years, China and India have grown at an average of 9.1 per cent and 6.3 per cent per year, respectively. As the two most populous countries in the world, both China and India are unleashing their potentials as the workshops of the world. It is commonly forecast that by 2050, China and India will become the world’s two largest economies, overtaking the United States.

We are also witnessing the economic resurgence of Japan, recognised as leader of the “Asian Miracle” of the 1980’s and still the world’s second-largest economy.

Asia’s dynamism is also being reinforced by the economic development and modernization of its sub-regions: from Southeast Asia to South Asia, from Central Asia to West Asia.

Whether it is the World Bank or the Asian Development Bank (ADB), the prognosis is the same – Asia is on the rise. In fact, the ADB places average growth rates of developing Asia at over 9 per cent in 2007.

Trade, financial flows, investment and other forms of economic and social activities have criss-crossed the region. There are currently over 38 free trade agreements in Asia serving as catalysts for economic integration that is truly Asia-wide.

These developments are defining moments for the re-emergence of Asia. I say “re-emergence” because Asia had a glorious past – Asia was a cradle of great civilisations.

Today, Asia is indeed re-emerging to become one of the global economic growth poles. The region has the largest production and reserves of oil. It is the world’s rice bowl – indeed the world’s largest exporter of rice and many other foodstuffs.

But while we have every right to be optimistic, let us not forget also that amidst this potential for growth and prosperity, poverty and underdevelopment also exist, in Asia and beyond. According to the latest UNDP’s Human Development Report, despite improvements, Asia still has more hungry people than any other region of the world, over 500 million under poverty line in Asia. Would you believe that?

Ladies and Gentlemen,

Thailand believes in an emerging Asia – one that contributes to the promotion of human security of its peoples and to enhanced engagement with the world.

Through our values and our policies, and because of our geo-strategic position, Thailand is ready to contribute to this emerging Asia.

First, Thailand is back on track as a vibrant democracy which respects the rule of law, the will of the people and good governance.

Second, Thailand continues to be an open, competitive and business-friendly economy. And thanks to our solid fundamentals, we should weather the current challenges of rising commodity prices and credit crunch. Indeed, this year, the Thai economy is expected to grow at a respectable rate of 4.5-5.5 per cent.

Third, Thailand's geographical position at the heart of Southeast Asia makes us a natural hub for all economic activities in the region and beyond.

Thailand has therefore been engaging our neighbours in efforts to connect the region through road, rail, air and river links – as Europe has done.

For through enhanced interconnectivity within the region comes progress for the region.

We have the East-West Economic Corridor linking Myanmar, Thailand, Laos and Vietnam.

We have the North-South Economic Corridor linking Thailand, Myanmar, Laos and the southern Chinese province of Yunnan. And through Thailand, one can drive on to Malaysia and Singapore.

Such enhanced interconnectivity will not only connect the market of 567 million in Southeast Asia with over 43 million in Yunnan alone. It will also help bridge the development gaps in the region. All these links will facilitate trade, investment, tourism and people-to-people contacts, making our countries mutual gateways for one another.

We are trying to achieve this through such frameworks as the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy, or ACMECS, named after the rivers flowing through Cambodia, Myanmar, Lao PDR and Thailand, and the Greater Mekong Sub-Region, or GMS, which also includes the southern Chinese province of Yunnan.

Westwards from ASEAN, Thailand also promotes our linkage with South Asia. Through the Bay of Bengal Initiative on Multi-Sectoral Technical and Economic Cooperation, or BIMSTEC, we cooperate with India, Bangladesh, Bhutan, Sri Lanka, Nepal and Myanmar in areas such as trade, transportation networks and tourism.

Bridging development gaps is vital.

Because the prosperity of any region cannot long endure so long as there are islands of poverty.

Ladies and Gentlemen,

Thailand has also been trying to make ASEAN a key pillar in this emerging Asia.

As the incoming Chair of ASEAN in July this year, Thailand will try to make ASEAN more rules-based, people-centred, action-oriented and effective as well as more engaged with the outside world. Important steps to this end have been advanced within ASEAN circle.

Last year, ASEAN Leaders signed the ASEAN Charter, together with the ASEAN Economic Community (AEC) Blueprint.

While the Charter will serve as ASEAN's legal and institutional framework, the AEC Blueprint is more or less a roadmap with targets and prescribed actions to transform ASEAN into a single market and production base – with free flows of goods, services and investments, facilitated movement of business persons, professionals, talents and labour, as well as freer flows of capitals.

Ten countries. One economy, which is competitive and fully integrated into the world economy.

This is what we seek to achieve by 2015 if not earlier.

ASEAN – a market of 567 million – is also increasingly connected with China with 1.4 billion, India with 1.1 billion, as well as with Japan, the Republic of Korea, Australia and New Zealand through what we call the ASEAN Plus Three and the East Asia Summit (EAS).

Tangible progress has been made towards the formation of an East Asian economic community and eventually an East Asia free trade area, which would be the largest in the world.

An important milestone for ASEAN will be the entry into force of the ASEAN Charter and the adoption of Blueprints for ASEAN Political-Security and Socio-Cultural Communities. These are expected by the 14<sup>th</sup> ASEAN Summit in Bangkok this December during Thailand's Chairmanship of ASEAN, which begins next month and continues until December 2009.

Ladies and Gentlemen,

The re-emergence and closer integration of Asia will open up new opportunities and contribute to global growth and stability.

To put it simply, for Asians, it means development and prosperity – a chance to lift millions out of poverty and hardship.

For others, including Europeans, it means not only bigger markets with more purchasing power but also more active partners who are better equipped to address the various cross-border problems.

But Asia's path to prosperity for all is not all full with roses.

Globalisation has created opportunities for growth and development, but usually not in a sustainable or environmentally-friendly manner.

For Asia, ensuring the sustainability of its growth remains a real issue.

Today, transboundary challenges, such as natural disasters, food security, energy security and climate change, are especially pressing.

These challenges directly threaten basic human security. These challenges undermine efforts for human development. And, more importantly, these challenges cannot be dealt with by any one country or group of countries alone.

In fact, they are global problems that require global solutions. They are man-made or consequences of human actions. So they require shared responsibilities among all nations to address. The more capable, the more one should contribute.

Let me start first with natural disasters and with a recent occurrence closer to home, Myanmar. I refer, of course, to our response to Cyclone Nargis.

Cyclone Nargis struck Myanmar early last month, causing immense devastation. But existing regional disaster management arrangements were not adequate to cope.

Being a neighbour and fellow member of ASEAN, Thailand responded immediately to address Myanmar's humanitarian needs. Their tragedy is our tragedy also. For in this integrated region and globalized world, no country is an island.

Thailand was the first country to fly in relief supplies, the first to arrange a prime ministerial visit to assess the situation and encourage Myanmar to accept international relief supplies and workers, the first to send in medical teams, and the first to give cash donations.

Thailand has been working closely with the UN, providing our Don Mueang Bangkok International Airport as the UN staging area for the supplies and relief flights to Myanmar, as requested by the UN Secretary-General Ban Ki-moon. European countries can also use this Staging Area.

Indeed, we are ready to offer this and/or other facilities to serve on a more permanent basis, including as a strategic depot, to facilitate timely response to natural disasters in and around the region in the future. This is one of the things I pledged at the ASEAN-UN International Pledging Conference that was held in Yangon on 25 May.

But Thailand and ASEAN fully recognize that we cannot deal with a natural disaster of this magnitude alone.

That is why we have this ASEAN-led approach based on the ASEAN-UN Partnership to coordinate international humanitarian assistance to Myanmar – from relief to rehabilitation and reconstruction.

We would welcome a similar partnership with Europe.

In addition to partnership in addressing humanitarian assistance to bring the affected country and its people back on their feet, we see opportunities to working together in reinforcing disaster response capacities. This includes strengthening existing response measures and improving coordination with third parties such as the United Nations and international aid agencies such as the International Federation of Red Cross and Red Crescent Societies.

We also need to look at the effects of climate change on natural disasters, a link that grows from year to year, and how to address these trends. According to the latest Human Development Report, between 2000 and 2004,

262 million people around the world were affected by climate disasters annually, 98 per cent of them are in the developing world including Asia.

The second pressing challenge for Asia is food security.

With food shortages and its rising prices, we are doing – Thailand is doing – what we can to alleviate the situation.

Among rice producing countries, we will seek to cooperate to find ways and means of increasing production, exchanging technologies and improving rice quality.

To this end, Thailand has proposed to reconvene the Council on Rice Trade Cooperation (CRTC) comprising six Asian countries which are the world's major rice producers. All of these should help to stabilise the price of rice.

And let me stress: there will not be a rice cartel.

What Asia sees in Europe is a possibility to cooperate to find innovative ways of increasing food supply to meet the global demand.

We can blend European agriculture technology with traditional Asian ingenuity to increase production capacity and to improve land use and crop science. More importantly, we must prevent the use of efforts to promote food security as a pretext for either increased protectionism including in the form of higher farm tariffs or subsidies, which would put further strain on the global economy.

Therefore, we should all give full support for an early conclusion of the Doha Round negotiations. For this will lead to greater access for agricultural produce and hence more fairness in the global trading system for poor, developing countries. To me, this is not simply about economics and trade figures. It is a moral issue.

The third challenge is, obviously, energy security. We have seen protests against a sharp rise in petrol prices in many European countries as well as in Asia.

Asia's dynamism means increased demand for energy. With soaring petrol prices and limited supply, ASEAN and our partners in East Asia are working to reduce our dependence on fossil fuel through intensified efforts on energy efficiency, energy conservation and the search for new and renewable energy resources and technologies, including R&D in bio-fuels.

Later this month, Thailand will host a meeting on nuclear energy safety and bio-fuels involving the ASEAN countries, China, Japan and the Republic of Korea.

Meanwhile, we know that energy security is interrelated with the concern over food security and, certainly, climate change. The continuing rise of petrol prices means rising costs of food production and compelling needs for

energy crops. Therefore, we need an integrated approach to address these issues in a balanced way, bringing in and involving all the actors concerned.

To this end, we should work together to urge the international organizations – the United Nations, the G-8 and others – to address the unchecked rise of petrol prices in a comprehensive manner. I am therefore encouraged by Prime Minister Gordon Brown's statement earlier today with the Japanese Prime Minister that the G-8 will play a more proactive role on the issue of energy security.

As for Asia and Europe, there is much we can do together, especially given your leadership role in the areas of climate change and energy security.

The European Commission's climate change and energy package is comprehensive, covering related areas such as water management, bio-fuel production and biodiversity. It also sets out clear and precise targets for the creation of a low-carbon Europe.

Europe also has advanced technologies on renewable and clean energy from wind and solar to nuclear energy.

Such expertise will be helpful to Asia in managing its sustainable growth.

We should therefore intensify our cooperation, building upon development cooperation programmes we already have.

Ladies and Gentlemen,

The task of managing today's challenges has undoubtedly been compounded by the current global economic uncertainties. The credibility of the US dollar as a key international trading currency is being questioned. The Euro is increasingly being looked upon as an alternative major international currency.

Current academic debates suggest that these developments may herald the beginnings of a new global economic order. If so – and given Asia's rise – we must ask ourselves some questions.

-- What are the implications for Asia's role in influencing this global transformation?

-- Does Asia's current representation and voice in international organisations reflect Asia's economic weight?

-- To what extent can Asia's foreign reserves of over 2 trillion US Dollars and the strength of certain Asian currencies shape the emerging international financial architecture?

These pertinent questions are topics of international concern and could well benefit from the intellectual inputs of the LSE's broad minds – and bright brains.

Ladies and Gentlemen,

Asia and Europe share a millennium old history.

From the travels of Marco Polo many centuries ago to the cooperation in Bangkok at the inaugural Asia-Europe Meeting in 1996, the history of our relations continues to evolve for the better.

Today, we are partners working together on a broad range of issues. Our political and economic stability are increasingly interconnected. Asia's re-emergence, therefore, can also mean the resurgence of Europe.

Asia is ready and more than willing to be Europe's partner. We hope the feeling is mutual.

In view of the mounting shared challenges that we all face, this partnership will be indispensable.

I thank you for your attention.

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