

**Embassy of India
Bangkok

**Opening Remarks for Ambassador at
“India Thailand Virtual Business Meet 2020”
on 11 June 2020 at 1030 hrs**

Good Morning/ Sawadee Kha;

H E Mr Chutintorn Gongsakdi, Ambassador of Thailand to India

Mr Rajan Navani, Chairman, CII’s India@75 Council and Vice Chairman & Managing Director, Jetline Group of Companies;

Mr. Sunjay Kapur, Vice President, ACMA and Chairman, Sona Comstar

Mr. P. Harish, Additional Secretary (ER), MEA

Khun. Sonklin Ploymee, Director Board of Investment of Thailand

Khun. Prim Jitcharoongphorn, President, Thailand-India Business Council

Distinguished participants;

Ladies & Gentlemen;

Firstly, congratulations to CII for completing 125 years as an organisation – indeed a great milestone.

I am delighted to join you all at “**India Thailand Virtual Business Meet 2020**” which is being organized by the Confederation of Indian Industry (CII) in association with Embassy of India, Bangkok. I extend my warm welcome to all of you. I am happy that representatives from the businesses as well as Government from both the countries are participating in this Virtual Meet.

2. Economic cooperation including trade, investment and tourism have always a vital component of India-Thailand relations. The ‘Act East’ policy of India and the ‘Act West’ policy of Thailand have provided the framework for building a multifaceted

partnership in various areas with particular focus on economic cooperation including connectivity. Bilateral trade between the two countries amounted to USD 12.2 billion last year. This trade has, of course, greatly been facilitated by two important agreements - the Early Harvest Scheme between India and Thailand covering 83 products implemented since 2004 and the subsequent ASEAN India Trade in Goods Agreement (AITIGA) implemented in January, 2010. Tourist flow between the two countries also registered steady growth with about 1.9 million Indian tourists visiting Thailand, and around 160,000 Thai tourists visiting India in 2019. But despite the early start, Thailand ranks 5th largest among India's trading partners in the ASEAN and given the potential, I believe that both sides have to work harder to give figures greater respectability. So, such a meet is indeed very useful.

3. There is good scope for further expanding bilateral trade. Firstly, we should do this by diversifying the trade basket. Our focus should not only be on existing priority sectors such as food products including agro and marine products, pharmaceuticals including generic drugs, chemicals, oil and gas, automotive and auto parts, machinery and electronic products but also newer areas like Fintech. Secondly, in view of the challenges faced by all economies due to COVID-19 pandemic, especially, disruption in supply chain, we have to look at alternative import sources and export markets. As the cliché goes this is the time for both challenges and opportunities. In today's Business Meet, the focus areas would be pharmaceuticals and health care and automobile including auto-component sectors. I am sure that the deliberations would throw up new ideas and initiatives.

4. Both sides would be aware of the steps and initiatives taken by the Government of India for transforming the economy during the recent years. These initiatives have a twin focus: fundamental structural reform and inclusive growth. India jumped 79 positions in last five years and currently ranked 63 in World Bank's Doing Business Report 2020. India is the 5th largest economy with a GDP of over US\$ 2.9 trillion. Our Prime Minister's vision is to make India a US\$ 5 trillion economy in 5 years. In the

wake of Covid 19 pandemic, PM Modi announced a big ticket economic stimulus package amounting to Rs 20 lakh crore (amount to 10% of India's GDP) as well as a series of economic reforms under the AtmaNirbhar Bharat Abhiyan or Self-Reliant India. A self reliant India does not mean that India is retreating from the world. On the contrary as PM Modi explained in his recent address to the CII on the occasion of the 125th anniversary celebrations that a self-reliant India means that we will become stronger and embrace the world. It means that local Indian brands will become world class in terms of quality, competitiveness and acceptability. It means that India will have build a robust local supply chain that strengthen's India's stake in the global supply chain. The forces of globalization are here to stay. But in our economic partnerships – trust and reliability – will be major determinants. The Covid 19 pandemic and India's supply of essential medicines to 150 countries has underlined India's longstanding role as a reliable and a responsible partner.

6. Today's meeting is focussed on two sectors in which both sides have complementarities and strengths. Indian pharmaceuticals sector is the third largest in terms of volume. India is both a global manufacturing and research hub. We have both a large raw material base as well as the requisite skilled workforce. India is the largest vaccine producer in the world and supplies 62% of global demand for vaccines. It is also the largest exporter of generic medicines globally occupying 20% share in global supply by volume. It is the source of 60,000 generic brands across 60 therapeutic categories and manufactures more than 500 different Active Pharmaceutical Ingredients (APIs). India's pharmaceuticals exports was worth nearly US \$ 20 bn in 2018-19. 100% Foreign Direct Investment (FDI) is allowed under the automatic route for greenfield pharma. Thai investors are invited to invest in Indian pharma industry.

7. During the Covid 19 pandemic, India helped over 150 countries with medical supplies. Within just three months period, India has built an industry of Personal Protective Equipment (PPE) and presently making three lakh PPE kits per day. Health-

care industry is also growing with its strengthening coverage, services and increasing expenditure by public as well as private players. The importance of IT & IT enabled services cannot be over-emphasised in the present situation. India has longstanding expertise in telemedicine. The online health care system with medical apps, particularly for diagnostics, will soon become an important tool to deal with non-Covid 19 related ailments. Traditional (Ayurveda, Siddha, Unani) or other herbal medicines are also becoming highly popular especially in boosting immunity or as preventive medicines. Thailand has great strengths in infrastructure and in building world class hospitals while both sides can boast of skilled healthcare professionals. It would be useful to learn from the best practices of both sides.

8. India is also a leading auto exporter and has strong export growth expectations. Automobile exports grew by 14.50 per cent during 2018-19. India was the world's fourth largest manufacturer of cars and seventh largest manufacturer of commercial vehicles in 2019. Indian automotive industry (including component manufacturing) is expected to reach US \$ 251.4 - 282.8 billion by 2026. The Government of India allows 100 per cent FDI in automobile sector under the automatic route. Thailand is traditionally a strong player in the automotive sector.

9. The rapidly globalizing world is opening up newer avenues for the transportation industry, especially while it makes a shift towards electric and hybrid cars. Several incentives including in taxation have been offered by the Government of India for the electric vehicle sector. An interesting phenomenon is that bicycles are seeing a major revival the world over: both in terms of addressing climate change as well as to ensure personal protection during the times of COVID 19 pandemic.

10. I am confident that today's session will provide a great opportunity for both sides to share their perspectives and expectations for enhancing bilateral trade and investment in these sectors. I wish the meeting all success.

Thank You.

Krub Khun Kha

