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FROM : Amembassy BANGKOK

DATE: July 12, 1971

SUBJECT : Speech by Minister of Economic Affairs Bunchana Atthakor

REF :

FOR STATE AND COMMERCE

Attached are four copies of a speech given by Bunchana Atthakor, Minister of Economic Affairs, at a luncheon meeting of Foreign Commercial Officers in Bangkok on July 2, 1971.

The Minister's main points were:

1. Thailand has pursued a liberal foreign trade policy. Whether it can be continued, however, will depend basically on overcoming the nation's balance of payments problem which has developed in the past two years.

2. Unless Thailand can substantially increase its exports, the country cannot correct its balance of payments deficit and at the same time continue its non-restrictive import policy.

3. Rice has traditionally been Thailand's export mainstay, but foreign exchange earnings on rice exports have declined because of rice sales by certain industrialized countries. These non-commercial sales, on concessionary terms or heavily subsidized, are detrimental to exports by developing countries such as Thailand.

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Speech given by Minister Bunchana Atthakor (2)

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4. Thailand naturally hopes to increase exports of manufactured goods, but it may not be able to do so if industrialized nations place restrictions on purchases of Thai goods. One industrialized country, for example, has asked the Thai Government to exercise self-restraint on the export of a manufactured product even though its import level of that product from Thailand constitutes no more than 0.05 per cent of its total imports of that product. Should Thailand not limit its exports "voluntarily", that country will simply impose a quota for Thailand unilaterally. (Without mentioning the product or country, this point was an obvious reference to Thai exports of nightwear to the United States.)

5. "In conclusion", the Minister said, "I wish to stress that as circumstances change, trade policy will have to be changed accordingly."

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