

**Policy Statement
of the Government of
Mr. Abhisit Vejjajiva, Prime Minister,
to the National Assembly,
29 December B.E. 2551 (2008)**

Honourable President of the National Assembly,

Pursuant to the Royal Command dated 17 December 2008 appointing me as Prime Minister, and the Royal Command dated 20 December 2008 appointing the Council of Ministers, the Council of Ministers has now completed the formulation of its policy on the administration of state affairs – in adherence to the system of parliamentary democracy with the King as Head of State, and encompassing the fundamental policy approach stipulated in Chapter 5 of the Constitution of the Kingdom of Thailand. The Cabinet therefore wishes to present the said policy to this joint session of the National Assembly to apprise the latter of the direction in which the government will administer the nation in order to restore harmony, compassion, and happiness among Thais in the society, and to steer the country through the daunting economic crisis we are facing, so that the nation can advance its development in a secure and sustainable manner.

Mr. President,

This Government assumes office at a time when Thai society is divided and in conflict, caused by differences of views on politics and administration of state affairs. This conflict between sections of society has aggravated to the point of interrupting the country's administration resulting in lack of progress in national development in various areas which require urgent attention, thereby affecting the livelihood and well-being of the people. This conflict is our nation's weakness, especially when the international community is now entering the most challenging economic crisis of the century.

The current global economic crisis began from a crisis affecting financial institutions in the United States in September, with repercussions being felt by the financial system in various countries world-wide. Although this has not directly affected financial institutions in Thailand, it has led to outflow of foreign capital from our country, causing our stock exchange index in October to plummet to its lowest level in five years.

The severe damage to the financial system has caused the economies in developed countries, such as the United States, Japan and many countries in Europe, to enter into recession. At this moment, several major industries in developed countries, such as the automotive, aviation, and electronics industries, are in deep financial trouble and even on verge of bankruptcy. There have been massive worker lay-offs numbering in the millions. The impact of this global economic slowdown on the Thai economy has come faster than many had anticipated. The value of our exports in US dollars fell by 18.6 per cent in November, while the quantity declined by 22.6 per cent. The number of tourists in September shrunk by 16.5 per cent compared to the same month last year. The value of investments under promotion during the past 11 months fell by around 40 per cent. The construction sector continues to contract. Government revenue from taxes and other sources in 2009 is expected to decrease by 10 per cent from the previous estimate.

In 2009, the global economy is expected to grow only slightly. We can expect to see a slowdown in our exports, a decrease in the number of tourists, a drop of the price of agricultural produce, as well as sluggish investment by the private sector. As a consequence, the number of unemployed is expected to rise from 500,000 to one million, bringing with it more poverty, social problems and crime. Moreover, if the existing political differences which have exacerbated into a conflict among the people are left unresolved, and the confidence of investors and tourists not restored, our country's economy and tourist industry would be heading towards recession.

In addition to those issues which need urgent attention, the Government will attach importance to the country's long-term fundamental weaknesses, as these cannot be ignored. At present, Thais have an average of only nine years of compulsory basic education, which is less than the average of Asian countries at ten to twelve years. Problems in the quality of education have caused students' educational achievements to remain below standard in important subjects, such as Thai language, English language, mathematics and science. Meanwhile, Thai people today live longer but are experiencing more health problems. Our senior citizens are afflicted with hypertension, diabetes and heart disease, all of which require continuous care and expensive treatment. Safety of life and property remains a major challenge for Thai society; so does the problem of drugs abuse. The accelerating degradation of our natural resources and the environment, in both urban and rural areas, has directly affected the quality of life of the people as well as our national competitiveness.

The Government will therefore implement its policy in various areas in parallel with addressing the country's urgent problems, so as to achieve sustainable development of the country. These include, among others, preparation for an ageing society; climate change and global warming; food and

energy security; building of a knowledge-based and creative society; poverty alleviation and income disparity; development of good governance, rural development and decentralization of administrative powers; as well as promotion of Thailand's role on the international stage; enhancement of economic linkages with other countries in the region, and peaceful development cooperation with our neighbouring countries.

Mr. President,

This Government considers it our foremost mission to lead Thailand through the current global economic crisis towards sustainable growth, to heal social division and ensure for Thais a better quality of life, to put an end to the political crisis and undertake political reform consistent with the system of democratic governance with the King as Head of State. To this end, the Government will undertake its actions based upon the following four basic guiding principles:

Firstly, to protect and uphold the Monarchy in its role as the centre of national unity and harmony among Thais, to enshrine the Monarchy in a position of reverence above all forms of political conflict; and to take all necessary measures to prevent any infringement of the royal inviolable position;

Secondly, to foster reconciliation and harmony on the basis of righteousness, justice and concurrence of all sections of society;

Thirdly, to rejuvenate the economy and ensure its sustainable growth, while alleviating negative impact of the economic condition faced by the people;

Fourthly, to further develop stable democracy and political system, and ensure compliance with the rule of law, and enforcement of laws on the basis of equality, justice, and universally accepted norms.

Mr. President,

The Government will administer the state affairs by applying His Majesty the King's Sufficiency Economy Philosophy which focuses on the principle of "morality led knowledge", and will strictly abide by the provisions of the Constitution of the Kingdom of Thailand. The implementation of the Government's policy is divided into 2 phases, namely the urgent phase, in which work will be carried out immediately and completed by the end of the Government's first year in office; and the three-year phase in which work would begin from the Government's first year onwards.