

**National Broadcast
by General Prayut Chan-o-cha, Prime Minister
September 26, 2014**

Good evening dear Thai citizens,

We meet again, this time during the annual vegan festival (Sep 24- Oct 2), during which a large number of fellow Thais will be practicing a vegan diet, refraining from violating others, and striving for pureness. I would like to convey my good will for everyone to be successful in attaining these goals. May all the good deeds and intentions safeguard you and your family and bring you eternal prosperity.

This past week, the Government continued to expedite its efforts in solving a number of lingering problems. This included urgent problems, distressing issues suffered by the public that require immediate attention, and problems that need to be solved at the fundamental level as a foundation for the future. Some can be remedied immediately, while others may take time. A number of problems can be handled by the Government, while others must be solved with the cooperation from all sectors. I ask all of you to have confidence in this Government as we are sincerely committed to finding genuine solutions to these problems promptly. We do not work for our own benefits nor have any vested interests. We can assure that we are sincere and determined solve the problems that have been endured by all Thai citizens. Solutions to problems must be based on solid reasoning and logic. We will not take on temporary measures simply to save face. This is unsustainable and will lead to further complications.

Issues of public interest

The issue of inheritance tax remains in the public focus. Rumors have been spreading in the public, both on social media and by word of mouth, that the Government will be collecting 40% inheritance tax, and that a five-year retrospective taxation system will be put in effect. I assure you that this is not true. Over the past week, Cabinet consultations came to the agreement that inheritance tax could serve as an importance mechanism to create greater equality and fairness in society. It has been international practice adopted by many countries and governments to spend inheritance tax revenues on national development and in improving the quality of life of the people. As such, the legal aspects of this issue are being studied and considered by Office of the Council of State. At the initial stage, a draft law to be proposed to National Legislative Assembly (NLA) will call for tax collection of an estate worth more than 50 million Baht at a fixed rate of 10%. However, other details, including appropriate timing, must be further considered.

On the control of commodity prices and people's daily expenses - As a consequence of rising costs, the Government has been taking efforts to maintain product prices at appropriate levels. A call for increases in public transport fares and freighting fares, as requested by operators, will be immediately handled by Ministry of Transport and

any measures taken must reflect appropriateness, practicality and fairness. The fares must be acceptable for both operators and the public.

On consumer products – the Ministry of Commerce has been assigned to control price levels, at the production stage to the distribution stage, to make sure that prices of raw materials and those set by retailers and wholesalers are compatible with factory prices, so as to prevent opportunistic practices that take advantage of the consumer. Laws will be enforced strictly to prevent hoarding of goods and to maintain sufficient supplies. The Government will assign Ministry of Commerce to seek cooperation from manufacturers to extend the period of price pegging for a few more months until after November.

The Government is also implementing various projects to reduce cost of living, such as the 'Farm Outlet' - which serves as a systematic distribution center for agricultural products. The 20th outlet was opened in Chachoengsao Province on September 18. Another project called "Nu Nich Pa Chim" involves restaurants selling inexpensive ready-made meals that are clean, healthy and delicious. Since its launch on August 8, more than 1,000 restaurants in Bangkok and its surrounding vicinities have joined the project. This project will be introduced to every region, starting in the Northeast next month. More than 5,000 restaurants are expected to participate once the project is launched in all regions. Under the project, it is expected that people can save 10-35% of their daily food expenses.

Regarding the reduction of operating costs for rice farmers - the Government has initiated the "Production Cost Reduction Scheme for Thai Farmers' Happiness" project. The Ministry of Commerce was assigned to collaborate with raw material producers to provide support for the reduction of costs in rice production. These comprehensive support measures will address the costs of farming materials and products related to rice growing, in order to provide assistance to farmers across the board. Moreover, to ensure sustainability of Thai rice production in an integrative manner, the Government is considering establishing Institute for Commercial Development of Thai Rice.

On the issue of gang violence among vocational students - the Office of the Private Education Commission has since implemented violence prevention measures as follows: 1) schools of brawling students will be closed immediately for the period of 3 to 7 days, 2) during investigation, schools that fail to receive approval for their violence prevention plan from Office of the Private Education Commission will not be allowed to re-open, and 3) any school in which students continue to cause incidents of up to 3 times a year, will not be allowed to admit new students in the next academic year.

However, these measures are not tackling the problem at its root. To achieve sustainable solutions, parents, society, as well as the media must come together to help change students' attitudes and give them a chance. Vocational students are

bound to become skilled workers significant to national development and our economy. According to recent research, the top 5 industrial sectors in need of skilled workers are: 1) textile/garments and leather, 2) electronics/electrical appliances and equipment, 3) food and beverage, 4) rubber and plastics, and 5) construction. To accommodate such demands, vocational education should be upgraded to become a key foundation of the country. Vocational students should be viewed as a valuable group of personnel to the country and economic development. They should be given opportunities to take on activities for the society's benefit, provide assistance to disaster victims, as well as train other semi-skilled and unskilled labors. Such initiatives should be implemented collectively by all colleges and schools, while bearing in mind the need to instill a culture of discipline into vocational curriculums.

On efforts to fight corruption - I would like to commend the Ministry of Public Health for abiding by the Governments and NCPO's anti-corruption policy. The Ministry has adopted the Integrity Pact initiated by Anti-Corruption Organization of Thailand (ACT) in its procurement process of medicines and high-price medical equipment. This Integrity Pact aims to involve the general public and experts outside of the public sector in the monitoring of government procurement and investment process.

'COST', an international organization on anti- corruption of which Thailand is a member, has acknowledged the fundamental measures against corruption laid which were put in place out by NCPO within the Super Board, the State Enterprise Policy Office, the Ministry of Finance, the Monitoring and Auditing Committee on Fiscal Expenditures, and the Anti-Corruption Organization of Thailand. These have included the adoption of transparent and accountable inspection process in procurement for large-scale projects of state enterprise's. Inspections will be conducted throughout the entire process- from the designing stage, establishment of TORs, procurement, to final examination. The first project to be implemented under this inspection process is the 2nd phase of Airports of Thailand (AOT)'s construction project. The public should not be overly concerned about delay of projects resulting from adoption of transparent and accountable inspection because implementing a project with no transparency or with haste will only lead to unnecessary loss of revenue budget, and project discontinuance, delay or cancellation.

Mobilizing existing projects

Stimulating the economy at the community level - The government is well aware of the continuing economic slowdown since the end of last year due to previous domestic political turmoil coupled with a global economic recession. It is also widely acknowledged that the economy this year will not grow as anticipated. Various agencies have forecasted this year's GDP to be lower than 2%. The Government will not be complacent about this matter and will take concrete action to stimulate economic growth at local level as well as at the regional level which will focus on distributing development to different regions of the country, strengthening local

communities, creating jobs, and increasing income in order to upgrade quality of life and education in local communities.

At this juncture, the government has instructed each Ministry to inspect their projects to see whether or not they have been carried out, or need planning or revision, or whether or not they have been endorsed. This is to expedite disbursement of more than 100 billion baht of the FY 2014 budget to stimulate the economy for the remaining three months and to promote income generation. Meanwhile, the government will expedite the conclusion of various small-scale project contracts within the end of this year. For this a capital budget of 50 billion Baht for FY2015 will be injected to create employment in local communities in order to generate the distribution of income. Additionally, the government will expedite the inspection of approximately 20 billion baht of the budget and loan facilities that have been set aside but have yet to be utilized. This money will be used to invest in infrastructure in accordance with public demand, particularly for renovating schools, irrigation systems, roadways, and community medical centers. This will also create local employment and increase spending which will serve as another way to help stimulate the local economy.

These aforementioned measures will be based on the real needs of each community in order to effectively assist farmers, workers, and the local people in each region. Concerned ministries, such as Finance, Commerce, Interior, Labor, Education, Public Health, the NESDB, and Budget Bureau, will all cooperate. With this approach, the economy would be able to move forward.

On finding a solution to the rubber pricing problem – The Committee for National Rubber Policy has met in the past week to discuss declining rubber prices. The meeting was attended by representatives from each government agency and the private sector. They also discussed comprehensive solutions and a comprehensive natural rubber development plan as proposed by Ministry of Agriculture and Cooperatives. Management of Government's rubber stock must not have impact upon the present market mechanism. The Ministry of Agriculture and Cooperatives has proposed four approaches: 1) encourage usage of domestic rubber in road building, construction materials, and other basic products, along with removing aged rubber trees to reduce domestic supply and maintain supply equilibrium; 2) push forward and urgently approve low interest loans; have agriculture agencies purchase rubber from farmers at a higher price; and release loans to entrepreneurs to buy new machines for rubber processing; release of loans to community groups or cooperatives in order to increase farmers' access to funds; 3) create a market for buying/selling rubbers to encourage actual exchange of products between farmers and buyers; and 4) cooperate with the international community to determine joint

measures for rubber stocking. The meeting approved the above 4 approaches for immediate implementation.

We are also preparing to talk with top rubber producing countries about pricing direction and how to avoid the problem of rubber overstock. At the same time, the subsidy of 2,520 baht per rai agreed upon by the previous government but has yet to be paid to farmers will be disbursed, along with the release of 10,000 million baht loan from the Bank of Agriculture and Agricultural Cooperative (BAAC) for farmer cooperatives to purchase rubber for stock. Another 5,000 million baht loan will be provided for investment in the improvement of rubber-based products, and another 15,000 million baht loan from Government Savings Bank will be provided to develop the rubber industry.

After a talk with farmer representatives, these measures were well received and appreciated. However the government is still open for additional opinions and recommendations to further assist the rubber industry and our farmers.

Regarding solutions for upcoming harvest season rice prices -Harvesting season is coming in the next few months. The Government has not remained idle on this issue and concerned agencies and officials have traveled on site to listen to the problems of farmers. Most of them are concerned about the price of rice. The Government intends to solve this problem and will try to promote higher prices. The Ministry of Commerce expects that 5% of paddy rice would be priced close to 8,500 baht per ton and will release the rice in stock for export. Please be assured that the government is planning to distribute the rice in stock in a way that will not affect its suitable price.

Apart from traveling on site, the government is scheduled to discuss possible solutions for price stability together with representatives from five organizations which include the Thai Farmers Association, the Thai Agriculturist Association, the Thai Farmer Support Association, the Thai Farmer Network Association and Rice Community Network Center. There will be a follow-up meeting every 15 days and also a meeting with exporters and rice millers to determine a comprehensive rice management system.

In order to provide sustainable solutions, government will promote improvement of rice quality and reduce farming costs in order to improve efficiency in rice growing. Laws will be strictly reinforced regarding the inspection of stocked rice, as stipulated in the Rice Trading Act in which exporters must maintain stocked rice of 500 tons. The government will assist in funding by providing low-interest loans to farmers with silos in the eastern and upper northern parts of Thailand as incentives for them to stock rice and sell it at the right price. Low interest loans will also be available to rice millers as incentives to purchase rice from farmers and sell it at an appropriate price. The government also considers establishing a Rice Trade Development Institute to promote the development of Thai rice in an integrative manner.

Regarding insurance of the 2014 wet season rice which the NCPO had already approved, the BAAC is now proceeding with this scheme. The Government would like all farmers to participate in this scheme to reduce the risk from natural disasters and other disasters. The insurance premium which farmers have to pay is at the rate of 60 - 100 baht per rai. The rest will be subsidized by the Government. If they are affected by natural disasters, farmers will get not only compensation from the government but also from the insurance plan, to a total of 2,224 baht per rai.

The government's approach to national administration

For national administration to be cohesive, integrated and to bring utmost benefits for the people, the Government has an approach which is that for each ministry, the appointment of senior-level officers/ budget spending/ or key government policies must be submitted for Cabinet approval before implementation. The Prime Minister will approve which matter will be sent for Cabinet consideration. Government documents sent to the Prime Minister for approval will be based on prior approval by the Deputy Prime Minister responsible in each field. All Ministries must check with the Office of PM's Secretary General on related policies before releasing information to prevent public confusion.

National Reform / National Reconciliation

Regarding the National Reform Council (NRC) - Selection Committees for the National Reform Council have finalized 50 candidates from each 11 areas and now the shortlist of 550 candidates has been sent to NCPO for consideration. For the provincial NRC members, 385 shortlisted names have been submitted (5 from each province). Section 30(6) of the Constitution of the Kingdom of Thailand (interim) B.E. 2557 stipulates that "the Nation Council for Peace and Order (NCPO) shall select not more than 250 persons to be appointed as members of the National Reform Council from the list of nominees proposed by the Selective Committees with one nominee nominated by each Provincial Selective Committee, all of which are to be proposed to the Head of the NCPO to be further submitted for Royal appointment.."

In the case of complaints about transparency of selection at the provincial level, let me reiterate that the 250 finalists will be selected by NCPO. Society should not prejudge that this process will be based on favoritism. The result is not even out yet. The NCPO has not yet selected the qualified persons who shall be members of the National Reform Council. We shall obtain comments from all parties involved. Any matter that should be considered, we are ready to listen. I guaranteed that everything is transparent and there is no corruption.

Members of the National Legislative Assembly (NLA) have convened on 25 and 26 September 2014 to deliberate draft of NLA regulations, as well as other agendas

pending for enactment. They are draft laws which will benefit workers and the underprivileged, such as draft Acts on the promotion of labour skills, protection of the homeless, and trial processes for civil cases. The Draft Act on the promotion of labour skills aims to improve skills of workers and labourers. Thailand will join the ASEAN Economic Community (AEC) in 2015. Other member countries have set a system to provide work certification in all career fields, but only 7 careers can be certified in Thailand. A new Law is also drafted to accommodate inflow of skilled labors to Thailand. A process to certify their skills must be implemented for the benefits of both workers and employers.

In addition there is a draft act on ivory trade which aims to regulate trade and possession of ivory/ivory products, as well as to control issuance of trade licenses. This involves the invocation of controls on the trade and possession of ivory or ivory products in accordance with specific laws for animals used for transportation. It also involves restricting the trade of ivory and ivory products, including their combination with illegally acquired ivory from other sources. The second draft royal act involves an amendment to the regulations concerning the import, export, and transfer of preserved and protected wild animals and/or their remains to cover products that are made from the remains of preserved and protected wild animals. The enactment of both laws is carried out in accordance with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

Requests for Cooperation and /Other Issues

On teaching others - while teaching it would be useful to consider the 12 core values along with other fundamentals such as not quarrelling but seeking accord with each other, seeking knowledge for your vocation and based on international standards, and not violating the highest institution of the country. Please do not teach with the intention to further cause tensions and confrontation at a time of national reform. A complete democratic system is inclusive, fair and impartial. One that is not complete, but only has elections will often lead to unqualified representatives and politicians.

In the case of the 60 academics, I think that you understand my position. There are many other academics that do understand the situation and do not have a problem with it. Let society be the judge of your actions.

For the local media- avoid intensifying conflicts, changing construction comments into negative criticism is often further expanded on by international media - this only creates loss of confidence. If you think something is not right, please say so. I will not take it personally. The county will get tarnished in the eyes of the international community. I have never banned reporting of news and facts, but I do not see the need to exacerbate conflicts beyond the facts. The government is damaged, and the country is also damaged from trivial matters that have been intensified unnecessarily. There are actually very few journalists and editors who have done this.

On the matter of international visits - I am well aware that many people are interested in this issue. I would like to inform you that at this juncture, this issue is still under consideration and scheduling has not been finalized.

Normally, the Ministry of Foreign Affairs will propose a schedule for international visits, usually by categorizing countries into three groups: neighboring countries, other Asian countries, and countries in Europe or other western countries.

I have reiterated to all relevant agencies, not just the Ministry of Foreign Affairs but also others such as the Ministry of Commerce, the National Intelligence Agency, and the Ministry of Finance, to discuss and consult with each other on the timing of such foreign visits, bearing in mind considerations based on key priorities that will benefit the people of Thailand. This Government's foreign policy must fundamentally be conducted for the country's interests and yield tangible results. My government and I are well aware that this is a significant responsibility given the current particular circumstances of the country. Because of this there may not be many occasions for international visits. Therefore, foreign visits must be substantive, of real benefit and worthy of the people's taxes.

I am thankful to the many countries that have extended their kind invitations for me to visit. Their invitations are a reflection of their important regard for Thailand. Some countries are scheduled to host significant Summits, such as APEC and ASEAN. In this case, I will consider attending these events to discuss matters that would bring benefit and to take the opportunity to introduce myself and make acquaintances with host countries and other leaders. As I mentioned earlier, this Cabinet and myself will try not to make international trips unless there is an urgent need to do so. Please rest assured that this government will be careful not to make overseas visits unnecessarily.

At the moment, athletes across Asia are joining the biggest sports competition in the region or the Asian Games. Let us send our moral support to all Thai athletes, as well as those from other friendly nations as they enjoy this opportunity to show case their exceptional skills developed by hard work and training. Medals are indeed the symbol of triumph, but their sportsmanship, commitment, discipline, and respect for the rules are the true symbols of their achievement - which I believe is more important. I wish all the Thai athletes success in both triumph and achievement, and for you to be a good example to all. The Government has prepared over 300 million Baht to give out as rewards for our athletes and all those involved.

I would like to thank you all again for having listened to me in the past 4 months. Indeed there have been a lot of challenges to address. I realize I sometimes repeat myself, but they are issues that remain as key concerns for myself and for all of us - how to solve urgent problems, how to tackle reform and resolve existing conflicts. Our country has been held back for a long time, especially without major reforms such as those involving legislation. What is important now is moral support from all

Thai citizens in moving the country towards a sense of sustainable happiness - as we once had many years ago. As history determines the present and shapes our future, we need to learn from our mistakes and misfortunes in order to avoid repeating them. Our previous successes should be studied and improved, to make things even better for a brighter future.

Thank you to all of you again. Good night.