

**National Broadcast
by General Prayut Chan-o-cha
Head of the National Council for Peace and Order (NCPO)
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- Good evening to all fellow citizens.
- I would like firstly thank all sectors – be they military, police, civil servants, public officials – for vigorously discharging their duties in cooperation with the general public. For their joint efforts in driving Thailand forward and return happiness to the people. For solving vital national issues such as cost of living, crackdown on war-grade weapons, influential groups, gambling, crimes and illegal activities. And most importantly, for solving the long-standing conflict in the country.
- The NCPO received exceptional cooperation from the general public and the private sector in creating an atmosphere of unity. This has been done through returning happiness activities in various forms in moving the country towards sustainable reform and democracy.
- In the past week NCPO stressed upon the implementation of the affairs of state in all areas. We are aware of the need to communicate with the public in an efficient and inclusive manner by creating awareness and understanding of the people.
- We need to listen to the voice of the people, respond to doubts and create a common vision. The people need to be aware of the direction in the country's development in various areas in the immediate, short and long-term of 5-10 years. This is to achieve a common understanding, expectation and action in implementing development projects.
- All important projects must engage the public through participatory process such as a public hearing. We should not proceed hastily or exclude the public from acquiring knowledge.
- We will take care of all groups of people in an inclusive and equitable manner and try to bridge the income gap in society. We need to create values of self-reliance, discipline, duty, working hard and not to rely solely on the State.
- We all must help to build a society which is caring, sharing, and gives opportunities to people with low income. Those with higher income should look after people with lower income. Thai people do not neglect each other by applying the philosophy of sufficiency economy of His Majesty the King, comprising the three elements and the two qualities of knowledge and virtue.

- **On security.** In the past weeks, there were concerns about the issue of undocumented or illegal migrant workers. There were reports of a crackdown with weapons on illegal foreign workers. Many panicked and started to return to their country impacting businesses and industries in Thailand. This is a long-standing problem accumulated over the years. It involves many parties – entrepreneurs, government officials, Thai and foreign labourers. The fact is that entrepreneurs were unable to hire domestic workers due to the high daily wage of 300 baht and the problem of workers unwilling to do difficult work. Therefore, businesses turned to hiring foreign, unregulated and illegal workers with lower wages. Smuggling of illegal workers led to problems of trafficking in persons, child labour and crimes. NCPO have to expedite the re-organization so that workers get welfare and fair treatment. And to prevent slave labour, child labour, human rights violations and exploitation by influential groups.

- NCPO will reorganize the labour situation in the immediate term. Phase 1 will focus on eliminating influential groups that smuggle illegal workers. From intelligence reports they extort fees of up to 20,000 baht from each worker from neighbouring countries. The workers have to pay an additional 8,000-10,000 baht to move into the inner areas. On top they have to pay registration fees as required by law. The unregistered labourers who are on jobs at sea or on land are considered illegal workers. Their welfare is therefore not taken care of. They risk being exploited by their employers. Cases of violation of human rights, slave labour, child labour and trafficking in persons dent the image of Thailand in the international arena, thereby lowering our credibility on human rights.

- For a number of illegal workers who were abused and fled the country, the same would be smuggled in to replace them. It serves the interest of influential groups. The more we tighten control through strict enforcement of laws, the more benefits they stand to gain from greater smuggling. The problem of high unregistered workers undermined the ability of the state to deal with the ensuing problems such as crime, disease, trafficking in persons and child labour. These problems have accumulated for a long time over several governments. Attempts were made to solve the problem but the situation did not clearly improve.

- The international community and organizations continued to monitor the situation. The U.S. government will soon issue a report on the situation of trafficking in persons in Thailand. Our ranking may be lowered from Tier 2 watch list to Tier 3 which may have some repercussions on trade and investment of the country. So there is need for NCPO to eliminate these influential groups and re-organize the labour situation as soon as possible.

- There is need to re-organize the work of the public sector to be more efficient. Integration in the work of the concerned authorities, such as security agencies, Ministry of Labour, Ministry of Commerce, Ministry of Foreign Affairs, business owners and industry associations, to determine the best measures to retain our credibility on human rights that is universally recognized.
- In Phase 1, NCPO will allow registered and unregistered labourers to continue their work. We will cover the loopholes of exploitation by influential groups and capitalists. NCPO recognizes that this labour force is vital to the Thai economy. We understand the difficulties faced by businesses and have allowed those workers to remain on their jobs on a temporary basis. However, we seek the cooperation of entrepreneurs in ensuring the registration of these labourers and in complying with the laws.
- We should not repeat past flaws which created opportunities for influential groups and entrepreneurs to exploit, coerce and violate human rights of those illegal workers.
- In Phase 2, the Policy Committee on Alien Workers, with the Chief of Defence Forces in capacity as head of NCPO's security cluster acting as Chairman, will re-organize the entire labour control system. This includes daily labour along the border, seasonal workers for agricultural harvests and registered yearly labour. A dedicated area or zoning could be arranged to provide orderly living space for labourers and monitoring of human rights violations. National verification centres are to be set up in cooperation with neighbouring countries for determining migrants of unclear origin such as the Rohingyas. Reception Centres are to be set up to facilitate the importation and repatriation of legitimate workers in a safe and orderly manner. Consideration will be made to review fees incurred by workers in taking up jobs in various establishments. As for legal measures we will improve the regulations so that all concerned agencies can work more efficiently. When all the labour force is brought into the system we will be able to strictly enforce the law, comprehensively prevent trafficking in persons, crimes, drugs, disease and human rights violations.
- As for the chaotic events of large numbers of workers returning to their country, intelligence reports indicated that influential groups spread rumors of a crackdown to arouse fear among foreign workers. The aim was to malign NCPO. The influential groups also anticipated that the huge number of workers returning home will give them a chance to demand charges for re-importing the workers. NCPO will suppress these movements as soon as possible.

- NCPO continues to give importance to creating a correct understanding among international community and defend Thai interests on the global stage. We are careful not to impact the foreign trade and investment climate. As the core agency, the Ministry of Foreign Affairs along with other ministries such as

commerce and labour as well as various chambers, domestic and foreign, will clarify the situation and enhance cooperation that is mutually beneficial to Thailand and friendly countries such as negotiations on pending trade agreements.

- Yesterday, NCPO met with representatives from various Foreign Chambers of Commerce in Thailand to hear comments and suggestions that would be beneficial to trade and investment. There is a positive sign that they have a better understanding of the situation and the operation of NCPO.
- On the issue of Southern Border Provinces, NCPO has given top priority and has improved the work of the public sector by integrating work plans, budget and operation to provide a more unified and effective structure. We cannot solely use force in resolving the issue but military operations must be coupled with development work in order to reach out to more people. Even though NCPO have a lot of work to expedite but we assure fellow countrymen that we will press forward in resolving the issue of Southern Border Provinces in order to restore peace soonest.
- **On the economy**, a key work of the NCPO in national administration and driving the economy focuses on improving people's quality of life. In the past week, we have laid out policy on formulating the Budget for fiscal year 2015. Government spending has been set at 2,575,000 million baht, while income has been set at 2,325,000 million baht, resulting in a 250,000 million baht budget deficit. This is a small increase in deficit as compared to the 2014 Budget. We will of course observe strict fiscal discipline. This budget policy is aimed at benefiting all sectors and areas, increasing budget efficiency, and reducing redundancy. And to integrate the work on similar issues under different ministries such as water resource management. Working separately without systematic continuity and integration without conformity to the 11th national development plan will result in ineffective solutions to the problems of drought and flood.
- We have to set a deficit budget policy to correspond to the current global economic situation and to address the need to stimulate our economy. This will result in our people having more income and better quality of life. The budget deficit is only a small increase as compared to the previous year. The global economy has not yet recovered and adversely affecting many of the mechanisms we employ to stimulate our economy such as exports, investments, and domestic consumption with a downward trend. Thus, the plan to increase government spending will be a key measure for stimulating the economy, increasing consumption and employment, and raising people's income. NCPO will closely follow up on this economic plan to prevent a recession.

- Also, during the budget year, further increases in government spending may be considered to increase employment and income opportunities. However, the overall economic picture since 22 May 2014 has improved as reflected by the increasing number of investments. The Federation of Thai Industries has reported the Thai Industries Sentiment Index to be at 85.1, a first increase in seven months. The tourism sector is also recovering, with a rise in number of tourist arrivals.
- The NCPO is expediting various plans under the budget year 2014 to benefit the general public and create a conducive environment for investment. Amongst these are the MRT Extension Project and the Dual-track Railway Project. As details for these projects have already been completed by the State Railway of Thailand and the Ministry of Transport, they are ready to be reviewed by the NCPO for impending implementation. In addition, the NCPO has policies to develop effective infrastructure systems. These include ensuring the connectivity and continuity of the public transportation system, and factoring in necessary details in the construction of MRT and BTS stations in metropolitan areas —such as parking spaces and the corresponding size of the stations in relation to customer volume.
 - These projects are currently under review for their transparency and efficiency by a committee set up by the NCPO. The said committee is comprised of the Bureau of Budget, the National Economic and Social Development Board, the Office of the Auditor General, the National Anti-Corruption Commission, and other relevant governmental agencies. The NCPO may consider additionally applying internationally accepted measures for the review. The assessment on transparency and efficiency will cover all phases of the projects—the terms of reference, the procurement of materials and services, the operations period, and the inspection of the work. The general public and interested parties are to be kept informed of the developments for all phases. There will also be serious regulatory and procedural reforms in the future to comprehensively prevent corruption.
 - In improving mechanisms of the judicial system, as well as the administration of governmental agencies, independent regulatory agencies, and state enterprises - the aim is to achieve efficiency, transparency, fairness, and accountability. For the immediate phase, the NCPO will address the pressing problems that are adversely affecting the country, in particular those in which solutions will not present a major impact on the general public. As for the next phase, we will address issues that are of concern to all sectors that have a wide impact on the general public. In this second phase, the public and all other sectors will be able to contribute through a reform council. This participatory process will continue until a government is installed after the elections and beyond to

ensure an efficient, transparent, and fair system of government and administration whereby interests of all parties are protected equally.

- On the improvement of state enterprises management, the aim is to increase and ensure the efficiency and transparency of operations to achieve international standards. Many state enterprises already have solid and working operations while only some have management or efficiency problems that are in need of resolving in order to increase their competitiveness in the market and be acceptable to all sides. For those in sectors such as energy and telecommunications, there will need to be a suitable ratio of shareholding between the state and the private sector. This is to truly provide consumers with suitable benefits and fairness, as well as to prevent monopolies.

- The NCPO appreciates the understanding of executives in allowing for improvements on their state enterprises in order to truly benefit the country. The short-term approach is to select persons with suitable expertise, abilities, and long-time experience in the relevant business, as well as other personnel with the relevant knowledge, to carry out management, administrative, marketing, financial and security tasks. Persons with such qualifications will also be needed as directors of the relevant state enterprises, aside from the ones already occupying the position. The next step will be regulatory reforms to address obstacles which may lead to inefficient use of funds and damaging the interests of the state. These reforms will include adjusting board members' remunerations to a suitable sum and ensuring the transparency of management and operations, as well as accountability and efficiency. The NCPO has assigned a legal team to consider ways to constructively change these regulations.

- On providing relief to the people, the NCPO has approved disbursement of funds, due since the budget year 2012, to individuals in distress. These people include those affected by natural disasters and those owed compensation relating to agricultural production such as rubber. The payments will be carried out in accordance with the relevant procedures and regulations and due rights. A verification process has been set up to ensure the accuracy of disbursement. For instance, in the case of rubber farmers, the person requesting payment needs to truly be a rubber farmer and must not have trespassed and converted forest lands into rubber farms. The Ministry of Agriculture has kept a list of such farmers and the NCPO has requested it to update the list for accuracy. Approximately 6,600 million baht has been set aside to provide aid to rubber farmers in 63 provinces. As for the approximately 580,000 farmers affected by natural disasters since 2012, 5,400 million baht has been allocated.

- In addition, the amount for compensating farmers involved in the rice-pledging scheme is approximately 85,685 million baht, or 93 percent of the overall budget for these payments. The pay-outs are expected to be completed by 22 June 2014. As for the longans coming from eight Northern provinces,

estimated at around 500,000 tons and expected to enter the market during August to September, there are measures in place to address the issue. We will let ordinary market mechanism work freely while also encouraging the use of cooperatives systems, community enterprises, modern trade practices, purchases for sale centres, and industrial factories.

- There are also measures in place to deal with the enormous amount of fruits, including rambutans and longkongs, entering the market from the eastern part of the country. These measures include distributing products to regions outside the producing areas, encouraging produce processing, focusing on quality management, and promoting consumption.

- The NCPO wishes to make clear to farmers that our assistance measures will focus on means to achieve sustainability and efficiency without distorting market mechanisms. These measures include providing aid by reducing production costs, encouraging the use of technology, promoting the market, and enhancing operations management. Subsidies will only be considered when suitable, and should be viewed only as a short-term aiding measure, as they distort the market and will be damaging in the long-run. For instance, subsidizing one type of agricultural product will result in a significant number of farmers changing the type of crops they produce, leading to oversupply and falling prices. Unscrupulous businesses could exploit the situation by raising the price of goods used as factors of production. Corruption may take place via the importation of low-quality foreign goods, which are uncompetitive in the global market both in price and quality. Ultimately, the state will lose tremendous amounts of income, while farmers still face problems in selling their products due to oversupply.

- As for the details on assistance to farmers, I would like to provide you with a proper understanding. It is a major issue of interest which affects farmers nationwide. Today we have earmarked assistance to paddy farmers for production year 2014 – 2015.

- There will be two key measures to assist farmers. First are measures to reduce production costs. We received cooperation from fertilizers producers union, seed distributors, rice tractor dealers, the Ministry of Commerce, and the Ministry of Agriculture. The costs of fertilizers, pesticides, new seeds, and paddy lease rates will all be reduced thereby lowering the average production cost per rai (acre).

- The second set of key measures are based on providing support for farmers in the form of credit and short-term loans of a period of not more than 1 year that does not exceed the amount of 50,000 baht per person. The NCPO will also assist farmers who borrow in this scheme by compensating the 3 per cent interest on loans for the first 6 months. The credit program by the agricultural institutes will provide credit facilities for agricultural cooperatives and groups of rice farmers in

distributing and developing rice products as well as increasing production, selecting the most appropriate technology to improve farming methods, and locating adequate water supplies for rice growing. The program will also cover measures to promote marketing, provide assistance in stock management, increase access to the international market, facilitate insurance matters, as well as the establishment of a rice fund, and the establishment of a rice production institute to study and enhance rice production and distribution overall.

- On the operation of the Board of Investment (BOI), we have incentive measures in promoting investment such as reducing taxes on imported machinery and corporate income tax as well as other programs to facilitate investment. The NCPO has pushed for meetings of the BOI and its sub-committees to attract investment into the country.
- This past Wednesday, a BOI meeting approved 18 projects which had passed the scrutiny process in line with the methodology and procedure of investments criteria used in 2013. Additional guidelines set by the NCPO include the emphasis on the use of local raw materials, high technology based investments that allows for technology transfer, environmental impact, energy efficiency, and more appropriate investment proportions. Presently it is over 50 % for Thai companies. The BOI also considered the extension of certain ongoing projects and the creation of new ones altogether worth 120 billion baht, which will stimulate job creation, use of local raw materials, and generate more income for the people, both direct and indirectly. The NCPO has instructed investment promotion institutions to adapt and improve their regulations and investment approval criteria to match the standards recommended by the NCPO and take into consideration Thailand's economic needs and investment environment in preparation for the ASEAN Economic Community.
- As a matter of priority, the NCPO intends to assist the low-income population and alleviate the hardship of the people by eradicating the exploitation of this group. Such group includes motorcycle taxis, taxis, daily workers and weekly employees who have been taken advantage by the business groups and influential figures. These influential groups with ill-intentions have been using the loopholes of the law to perform their illegal activities while also extorting the low-income people. We would like to see cooperation in the re-organization process. It may be inconvenient initially. In this regard, NCPO will improve the rules and regulations to make it more just and fair and to eliminate the influential figures and gangs regardless of colour from taking advantage of these people. A proportion of these people are civil servants or junior military officers who have long been taken advantage of. For example, to register for providing a motorcycle taxi service and obtain the assigned jacket cost over 400,000 baht. That is too much. We need to strictly regulate in accordance with the law. At the

same time we have to give room for them to make their living as they also have families to feed.

- As for Reconciliation for Reform, it is still in the first phase. The NCPO will act as facilitator and create a conducive atmosphere for exchanging and sharing opinion. The NCPO will not conclude or manipulate any decision. Recently, the Reform Working Group has set up a framework and started working since 4 June 2014 by gathering synergised information from academics all over the country, searching and reviewing of more than 200 documents and research papers. These papers are widely accepted by academic and civil society groups and will be used as the data base for the next phase. We are open to receive information which can be sent through telephone, post, and website.

- There are 11 major issues which have been presented as follows:

1. Corruption
2. Legislative Power
3. Administrative Power
4. Judicial Process
5. Energy System
6. Basic Infrastructure Development
7. Mass Communication
8. Education, Learning and Wisdom
9. Moral and Virtues
10. Economic and Social Differences and
11. Allocation of Land, Water and Forest Resources.

- The NCPO has received constructive cooperation from interviewing experts, academics, representatives of political parties and political groups. The leaders of political parties personally gave their interview and presented their personal views. Until now, 25 persons have been interviewed and another 50 persons are expected to be interviewed later on. There will be an arrangement for the meeting of the focus group. Details on 11 major issues will be merged with the information gathered from the experts. Another 12 meetings of the focus group will be held to discuss and a consensus formed on the contextual framework to affirm the issues that all parties wish take up for reform in a sustainable manner. There will be no conclusion or any biased opinions during this phase. All this will be completed in July 2014 and this is only the preparation stage of consolidating information for the consideration of the reform panel in Phase 2.

- If we do not start today, we will not understand each other and continue to have disagreements in the future. For reform in Phase 2, we should consider issues of urgency. The reform on political and judiciary, long-standing conflicts, and on other important matters raised by the public needs to be resolved within one year. If not, it will require long-term commitments. There may be a need to sign a pact for successive governments to continue the reform process. This adheres to the earlier proposals on steps for reform.

- Today there are many issues that may have raised doubts and observations among the people. I just want to allay your concerns by saying that everything is progressing accordingly. There may be some conflicting views and opposition but I understand and feel with all sectors. But we reached a point where our

democracy has stalled. We request for time for us all to apply our conscience and rationality in steering this country forward,

- There have been rumours of people trying to gain personal benefits at the expense of NCPO. They claimed that they can arrange for positions on the Reform Council or Legislative Council or even a ministerial portfolio. I confirm that no action has been taken. Please do not believe such claims and incur loss to false favours. I reiterate that no consideration is taking place. It is not yet the time. Now is the time for returning happiness, preparation, solving matters of urgency for the country and people who faced hardship for many years.
- Today, we need to listen to the voice of the people and compile all problems to the reform process in Phase 2. Thank you for all the criticisms and praise which we greatly value. Please have confidence that though we are military, we have utmost sincerity in taking the country forward without seeking personal gain. We are committed to eliminate corrupt practices.
- There have been many widespread rumours among the media and the general public. They may receive inaccurate or incomplete information which only contributes to widen the conflicting views making reform more difficult. Please give us time.
- Today we have decades-long problems to tackle. We cannot solve them in one day or ten days but we are trying to resolve them as soon as possible. There are comments that we have been too swift in resolving some issues and whether we are engaging in populist policies. I affirm that it is not so. We have listened to the voice of the people and come up with solutions that meet their needs.
- It is not for NCPO to claim such a feat. We are only performing our responsibilities in the course of our duty. We are ready to take the country forward towards sustainable peace.
- Thank you once again for listening to me several times already. I try to provide an understanding and communicate with you. In the past, we have had intermittent communication. Today, I receive comments and respond through various media channels such as on Friday broadcasts. I hope to receive your continued understanding and cooperation from all sectors of our society.

Thank you very much.

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