

**JOINT STATEMENT OF
THE MINISTER OF COMMERCE OF THE KINGDOM OF THAILAND AND
MINISTER OF ECONOMY, TRADE AND INDUSTRY OF JAPAN**

1. We, Minister of Commerce of the Kingdom of Thailand, Krirk-krai Jirapaet, and Minister of Economy, Trade and Industry of Japan, Akira Amari, held a meeting in Tokyo, on 3 April 2007 on the occasion of the signing of the Agreement between the Kingdom of Thailand and Japan for an Economic Partnership (hereinafter referred to as the “the Agreement”) by H.E. Surayud Chulanont, Prime Minister of the Kingdom of Thailand and H.E. Shinzo Abe, Prime Minister of Japan.

2. We are convinced that the Agreement will further broaden and deepen the already close and cordial ties of friendship and mutually beneficial cooperation by forging closer economic relations, enhancing more favourable investment climate, and generating greater business opportunities through cooperation, liberalisation and facilitation of trade and investment between the two countries. We also share the view that the Agreement will bring about mutual benefit for the economies and peoples of the two countries as well as contribute to fostering closer partnership between the Japanese and Thai private sectors and the development of their industries. In this regard, we strongly hope that the Agreement will be fully utilised by the private sectors to realise the enormous potential of the bilateral economic relationship.

3. Recognizing the importance of the encouragement and facilitation of cooperation between Japan and the Kingdom of Thailand, we affirmed our determination to fulfill our shared responsibility to enhance cooperation in the field of trade and investment promotion under the Agreement, and to focus on the following initiatives or projects in its initial period;
 - (i) Trade and investment promotion for “Kitchen of the World” project
 - (ii) Japan-Thailand “Steel Industry Cooperation Programme”
 - (iii) “Automotive Human Resources Development Institute” project
 - (iv) Energy conservation
 - (v) Value-creation economy

- (vi) Public-private partnership
- (vii) Textile and Apparels Cooperation

Statements on each project are attached to this Joint Statement.

4. Mindful of the fact that the realisation of the afore-mentioned initiatives or projects will contribute significantly to the development of the two respective industries and to the enhancement of overall bilateral economic partnership, we reaffirm that the two Governments will do their utmost, in close consultation with the private sectors of the two countries, to support the effective implementation of the afore-mentioned initiatives or projects so that they will translate into action. We look forward to early and mutually beneficial outcomes of such efforts.
5. With all these hope and conviction in mind, we now warmly celebrate the announcement of these cooperation projects which will make both economies prosperous and resilient, and open a promising horizon for the bilateral relations in this age of globalisation.

Tokyo, 3 April 2007

Krirk-krai Jirapaet
Minister of Commerce
Kingdom of Thailand

Akira Amari
Minister of Economy,
Trade and Industry
Japan

Trade and Investment Promotion for “Kitchen of the World” Project

To support Thailand’s “Kitchen of the World” Project, Japan and Thailand will cooperate to support exports of various kinds of Thai food products including ingredients, prepared foods, ready-to-cook and ready-to-eat products to the world market including Japanese market.

This joint support project will be carried out under the partnership of the Japan External Trade Organization (JETRO), Thailand’s National Food Institute (NFI) and, if appropriate, related organisations. The contact points will be JETRO Bangkok and NFI.

This Project will include:

1. Promoting creation of high-value added products

1.1 Support for improving and upgrading the standard and quality of Thai food products going to the world market;

1.2 Support for creation of value attached to products (e.g. improved packaging, R&D on new products, traceability, health-oriented food and necessary information for product design and presentation);

1.3 Support for improving technologies and managerial skills necessary for Thai food industry (e.g. packaging, processing, logistics, supply-chain management, quality control);

1.4 Support for the improvement of organic production technology and organic health product development;

1.5 Introducing Japanese food-related technology to Thai food producers;

1.6 Promote cooperation in food-related information sharing and exchange;

2. Marketing of Thai food

2.1 Building opportunity for developing new channels of distribution for Thai food products;

2.2 Targets of marketing promotion will include importers, e-commerce, restaurants, supermarkets, convenient stores and catering services;

2.3 Promoting of Thai food products and Thai cuisine through food festivals, road shows, and other appropriate venues;

3. Promotion of Thai food related investment in Japan

3.1 Promoting the establishment of Thai restaurants in Japan;

3.2 Promoting the establishment of Thai food warehouses, franchises for Thai restaurants and other restaurant types in Japan;

4. Others

Other activities which both sides deem relevant.

Japan-Thailand “Steel Industry Cooperation Programme”

(1) Strengthen the technological basis of Thai steel industry

- Send specialists to public institutions in Thailand (e.g. The Iron and Steel Institute of Thailand) on a regular basis.
 - Specialists would provide necessary advice for the Iron and Steel Institute of Thailand (ISIT) on its development of necessary materials for engineers and technicians regarding designing capacity and standards, and on steel market development for infrastructure building, environmental protection, construction technology with focus on steel frame housing, pre-engineer building and prefabricated structure, and agricultural machinery with focus on farm building, etc, if necessary, with support from relevant industries.

(2) Reinforce environmental technology of Thai steel industry

1. Environmental technology seminars in Thailand.
 - Send instructors who can provide hands-on expertise to environmental technology seminars arranged by the Thai side;
 - Provide necessary learning materials (Cumulative participants of the seminars could be expected to reach 1,000 during the 5 years up to 2010).
2. On-site guidance on environmental measures.
 - Specialists would provide on-site guidance to reduce emissions of hazardous substances, to reduce and utilise slag, etc.

(3) Develop skills of field technicians at Thai steel mills

1. Train field technicians of Japanese-Thai joint ventures through (a) on-site technical guidance and (b) training programmes in Japan;
2. Support skill development programs (arranged by the Thai side) for local field technicians by providing teaching materials in English and, by training Thai instructors.

(4) Support education for and develop skills of steel engineers

1. Send steel technology specialists of Japanese steel companies / universities to give lectures at universities in Thailand;
2. Facilitate closer cooperation in the development of joint research, training and study programmes in the field of iron and steel technology, between Thai universities and Japanese universities, in close collaboration with steel industries of both countries.

Details of Japan-Thailand “Steel Industry Cooperation Programme” and other possible areas of mutual interest for future cooperation under this Programme will be discussed in the Japan-Thailand Steel Dialogue. The outcome of such discussions will then be reported to both Governments.

Automotive Human Resources Development Institute Project (AHRDIP)

1. Key Vision

In support of the end goal of translating the “Detroit of Asia” policy into reality in the near future, this Automotive Human Resources Development Institute Project is to be a partnership between Thailand and Japan whereby both governments and their respective private sectors work jointly to:

1.1 Turn Thailand into a world class sustainable production base in the automotive sector, with qualified personnel and experts;

1.2 Solve the problems of skilled labour constraints in the automotive sectors;

1.3 Enhance labour’s capability in the automotive field with an aim to improve the Thai automotive industry’s competitiveness in the international market.

2. Main Principles

- Equal partnership between both Thai and Japanese Governments;
- Sustainable human resources development through training of Thai trainers and other highly skilled workers, as well as transferring of advanced technical know-how and expertise from abroad;
- Resources, including human resources, financial support and intangible contributions, will be provided by both the Royal Thai Government and the Government of Japan with the collaboration with respective industries in the spirit of equal partnership within their respective budgetary appropriation;
- Efficient utilisation of available resources.

3. Objectives

- To develop high standard training systems and curricula for human resources development in the automotive sector;
- To develop competent Thai trainers who can effectively transfer knowledge to their co-workers to support future expansion of production capacity;
- To enhance effectiveness of skills trainings and entrepreneurial skills in terms of both quality and quantity to support future expansion of Thailand’s automotive industry;
- To establish a Human Resources Development centre which will be a cornerstone for human resources development for the Thai automotive sector. This centre will be well-equipped with tools, laboratory equipment and testing facilities in order to support the development of personnel in the areas of manufacturing testing and R&D.

4. Goals

- Manufacturing area: to produce 1,000 trainers and 255,000 personnel;
- Testing area: to produce 200 trainers and 30,000 personnel;
- R&D areas: to produce 100 trainers and 15,000 personnel;
- Training curricula: to develop human resources development curricula in the areas of skilled labour and trainers, manufacturing engineers and entrepreneurial skills for top management;

- Training system: to develop a single training system for human resources development;
- Certificates: to issue certificates to trainers after completion of their training.

5. Duration 10 years, from 2006 to 2016.

6. Implementation

The Government of Japan and Japanese auto industry welcome the cooperation under this project and the following initiatives:

Step 1:

- Establishing a centre of Human Resources Development for the automotive sector in Thailand – to be fully installed with advanced tools, equipment and well-functioning facilities.
- Developing training curricula which incorporate theoretical and operational knowledge, as well as providing certification for the following personnel:
 - Manufacturing engineers;
 - Skilled labour and trainers.

Step 2:

- Dispatching Japanese auto experts to provide training courses based on the above curricula for the aforementioned personnel and thus transferring skills training methods;
- Providing training courses, based on more advanced training curricula which incorporate theoretical and operational knowledge to enhance skills of manufacturing engineers, supervisors, skilled labour and trainers;
- Conduct training for Thai trainers in manufacturing site or training institutes in Japan to complement overall skills training.

Step 3:

- Introducing the curricula to other related agencies and institutions with a view to promoting consistency between the industry's expectations of personnel's skills and the training courses provided in academic institutions such as universities and vocational colleges.

7. Participating agencies

The main focal points will be the Automobile Division, Ministry of Economic, Trade and Industry (METI) and Japan External Trade Organisation (JETRO) for Japan and the Ministry of Industry and the Automotive Institute of Thailand for Thailand. Other participating agencies may include Japan Automobile Manufacturers' Association (JAMA), Japan Auto Parts Industry Association (JAPIA), the Federation of Thai Industries, Thai Automotive Industry Association (TAIA), entrepreneurs in automotive industries, academic institutions, and the Society of Automotive Engineers - Thailand (TSAE), Department of Skills Development (Ministry of Labour), Ministry of Education, etc.

8. Planning of implementation

The Royal Thai Government and the Government of Japan, with the collaboration of other participating agencies of both countries, will establish a consultative mechanism to elaborate the details of experts to be dispatched, costs involved and other issues related to the implementation of the cooperation project and to discuss areas of mutual interest for future cooperation, in particular, the human resources development programmes of top executives, testing engineers, R&D engineers and product development engineers, recognising that the aforementioned initiatives will form a basis for such human resources development.

9. Timeframe of the implementation of each step – to be further discussed.

Initiatives for Enhancing Energy Conservation

During the past decades, Thailand has made substantial progress in improving energy efficiency. In face of recent surge of oil price, Thailand is making efforts to improve the level of energy efficiency further. Japan, having undergone two oil crises in the 1970s has been successful in achieving a high level of energy efficiency. Therefore, Japanese inputs will be instrumental to Thailand's efforts to achieve a higher level of energy efficiency and energy conservation. Also, the improvement of energy efficiency by Japanese-related companies in Thailand will contribute to energy conservation in Thailand as a whole.

Upon the above understandings, the Government of Japan and the Royal Thai Government hereby welcome the following initiatives.

1) Formulate voluntary action plans for energy management and publish them

Japanese manufacturing companies operating in Thailand have expressed their intention to formulate voluntary action plans for energy management to pursue higher energy efficiency and publish them to share best practices in Thailand.

2) Invest Thailand with high-energy-efficiency model

Japanese manufacturing companies operating in Thailand have also expressed their intention to invest in facilities of highest level of energy-efficiency among ASEAN.

3) Share know-how on energy conservation with local companies

Japanese manufacturing companies in Thailand will make efforts to share their know-how on energy conservation to related Thai local companies such as suppliers of parts and components. On top of that, the Government of Japan will continue to support experts on energy efficiency, including ESCO (Energy Service Companies) experts, to improve the know-how among Thai local producers including SMEs.

4) Support efforts to improve policies and institutions for high energy efficiency

The Government of Japan will continue to share expertise and knowledge with experts on energy efficiency in the Royal Thai Government and will contribute to Thailand's efforts to promote the development of alternative energy including through provision of information on the utilisation of natural gas and through policy dialogue on the promotion of alternative fuel vehicles including NGVs.

Value-creation economy

Sharing the idea of pursuing transition to ‘Value-creation economy’ to strengthen the resilience of countries under the global competition, the Ministry of Economy, Trade and Industry (METI) and Japan External Trade Organization (JETRO) will implement cooperation programme with the Royal Thai Government in the following areas in partnership with relevant Thai agencies, on top of the ongoing cooperation projects for ‘One Tambon One Product’ and Thailand Creative Design Center.

- (1) METI with partnership of Office of Knowledge Management and Development (OKMD) will work closely via joint research programmes, seminars, field-trips to deliver joint publications with joint copyrights, and exchange of information in the areas of mechanisms for and transition to ‘value-creation economy’, impact of the transition on degree of resilience of economies, and better utilisation and evaluation of ‘intangible assets’ (i.e. intellectual, skill-based and cultural assets).
- (2) METI with partnership of OKMD and National Economic and Social Development Board of Thailand (NESDB) will conduct joint research and exchange of information on development of analytical methodology on sustainable development of regional economy.
- (3) METI, New Energy and Industrial Technology Development Organization (NEDO) and National Science and Technology Development Agency (NSTDA) will cooperate to undertake R&D, and materialise the results of study that will contribute to the realisation of ‘Value-creation economy’.
- (4) METI and Ministry of Commerce and Ministry of Tourism and Sports will continue to cooperate on the ‘One Tambon One Product’ project by considering its contribution to tourism promotion.

**Cooperation in Public-Private Partnership
for Infrastructure Development**

In Thailand, there are and will be demands for infrastructure development including mega projects. The country has bright prospects of promising projects in the fields of electricity, urban transport, water and sewerage systems, IT administrative services, in particular. The adoption of Public-Private Partnership (PPP) approach, which is efficient and mutually beneficial to private sectors in both countries, can contribute to infrastructure development.

The Government of Japan and the Royal Thai Government will cooperate in the promotion of PPP in infrastructure development, which is essential to the enhancement of business environment for Thai and Japanese private sectors based in Thailand. Their efforts should conform to the principles of fairness, transparency, responsibility, efficiency, etc.

In concrete terms, both countries will begin public-private bilateral PPP dialogue, exchange information and provide further insights into this matter through the following activities. The participants in such cooperative activities will include Ministry of Economy, Trade and Industry, and private sectors of Japan, such as Asian PPP Promotion Conference, as well as the relevant government agencies and private sectors from the Thai side.

- Help establish and clarify the cooperation framework of PPP, and contact points to support PPP activities;
- Study possible ways of implementing projects (e.g. mega projects) related to infrastructure development using PPP approach;
- Hold a PPP seminar with the participation of both public and private sectors in Thailand and Japan in near future (Japan-Thailand Alliance Forum jointly hosted by Thailand and Japan was held in Bangkok in March 2005);
- Explore further cooperation in enhancing investment environment for the promotion of PPP;
- Exchange and study information concerning infrastructure development using PPP approach;
- Explore possibilities for the expansion of areas for cooperation in PPP other than the infrastructure development, as may be agreed upon.

**Textile and Apparels Cooperation
under the Japan-Thailand Economic Partnership Agreement**

The Royal Thai Government and the Government of Japan will encourage cooperation between the textile and apparel industries of the two countries with the following objectives among others:

1. To support the promotion of products of Thai textile and apparel industry including those of potential local manufacturers (e.g. SMEs products, OTOP products) and their further cultivation in the Japanese market.

(1) Japanese side will provide the Thai textile and apparel industry with the following information:

- Japanese textile and apparel market and trends in the retail sector
- Fashion and design trends.

(2) Japanese side will support the Thai textile and apparel industry in its development of sales networks in the Japanese market through the following means:

- Introduction of buyers in Japan
- Provision of information on business practices in Japan
- Provision of information on logistics and delivery systems in Japan
- Participation in trade fairs, fashion shows, business meetings in Thailand and Japan.

(3) Japanese side will make efforts to invite buyers in Japan to exhibition/business meetings held in either Japan or Thailand.

(4) Japanese side will support the Thai textile and apparel industry's market research/survey missions to Japan.

2. To cooperate in the facilitation of investment in technology by the Japanese textile and apparel industry in Thailand.

The Royal Thai Government and the Government of Japan will cooperate with each other to facilitate investment in technology by the Japanese textile and apparel industry in Thailand.

3. To strengthen the technological capacity of the Thai and Japanese textile and apparel industries.

- (1) For the purpose of strengthening research and development activities in Thailand, the Japanese side will support Thailand's implementation of R&D centers including textile pilot plants with the following advice in a reasonable manner:
 - A. Structure and personnel for such R&D centers
 - B. Equipment/machinery to be installed in such R&D centers
 - C. Themes to be studied/researched at such R&D centers.

- (2) In addition to the above (1), the Japanese side will send specialists to Thailand Textile Institute (THTI) to supervise training and provide the Thai side with the following information with an aim to developing skills needed for enhancing R&D activities and testing capabilities.
 - A. Quality control (including testing technology), production management, quality standards for each product, quality standards relating to materials;
 - B. Environmental protection, energy-saving technologies;
 - C. Human resources development, management of in-house structures, personnel management.

In the case of both industries finding it necessary to send specialists/experts from Japan to Thailand to attend seminars/training functions regarding the above A. to C. in Thailand, Japan will make reasonable efforts to cooperate in such matters as the selection of specialists/experts.

- (3) The Japanese side will cooperate when specialists/experts from the Thai textile and apparel visit Japan for factory visits.

4. To develop business management including logistics, distribution, supply chain management, design and merchandising with an aim to developing Thai grass-root textile and apparels industries.

5. The Japanese side will provide relevant information on business management to Thai fashion and fabric designers, including through organising training sessions and if necessary, dispatching specialists/experts from Japan to Thailand.

6. Both sides will set up a working meeting comprising relevant Thai-Japanese textile and apparel associations and representatives from the Governments of both countries to discuss in detail and exchange views on the textile and apparels cooperation under the JTEPA.