

## THAILAND

### GENERAL INFORMATION

Thailand is a country of 53 million people located at the crossroads of Southeast Asia. Eighty-five percent of the population lives in rural areas, and over 90% are Buddhist, 3% Muslim and less than 1% Christian. Thailand is the only country of Southeast Asia which retained its independence during the era of colonial rule and has one of the oldest surviving monarchies in the world with constitutional rule since 1932.

### POLITICAL AND ECONOMIC SITUATION

Thailand has enjoyed improving internal stability since 1977 as a result of efforts by successive governments to create an efficient, moderate, civilian administration. Economic and development progresses have been fairly consistent and sustained as both the government and military have followed the King's inspirational lead in this area.

The current Prime Minister, Prem Tinsulanonda, has been in power since 1980. The present administration was formed after the July 1986 elections. Indications are that political stability will likely persist through mid-1988, as Thailand will celebrate King Bhumibol's 40th year of reign.

From 1974 to 1984, the Thai economy was one of the more resilient in Asia, with an average 7% growth in the annual GDP rate. Following a temporary downturn in 1985-86, the economy bounced back, registering significant gains in several areas. Real GDP growth reached 3.8% in 1986, and 6% in 1987. Observers are suggesting a possible 6 to 7% growth rate for 1988, with manufactured exports and tourism expected to be the main engines of that growth. The Thai Sixth Five Year Plan approved October 1, 1986 places emphasis on adding value to the resource base.

### FOREIGN POLICY ORIENTATIONS

Thailand leans strongly to the West in its foreign policy. Relations with Western countries have benefited from international concern for Thailand's security in the face of Vietnamese pressure and Thailand's generous response to the Indochinese refugee exodus. ASEAN is a cornerstone of Thai foreign policy. As Thailand's domestic economy has become more directly affected by international economic developments, its foreign policy has placed more emphasis in that area. Thailand has been an active and moderating voice in the Group of 77, it has played a constructive role in international commodity fora and in the GATT Uruguay Round. Thailand is also a co-founder of the "G-14 Group" of fair agricultural producers. It is likely that Thailand will pursue the actual international activism trend which now characterizes its foreign policy.