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Mr Mingkwan Saengsuwan
Minister of Commerce
Thailand



First of all let me congratulate you on your appointment as Minister of Commerce. I wish you every success in your new position and I look forward to working with you.

The EU and Thailand have for a long time established a constructive and fruitful relationship on trade matters and I am confident that this relationship will be further pursued in the same spirit. 2008 will be an important year in our bilateral trade relations, with negotiations for the conclusion of an EU-ASEAN free trade agreement gaining cruising speed.

I am pleased to note that the new Government of which you are part is determined to address economic problems and to revive Thailand's image among foreign investors.

This is indeed a crucial issue for the EU which is one of the most important sources of foreign direct investment in Thailand. Investors need to operate in a legally secure environment and enjoy the economic benefits they can legitimately expect from their investments.

In this respect, I would like to draw your attention to an issue which has raised some concern among EU investors, especially the pharmaceutical industry which has invested a lot in R&D activities. It concerns the Thai approach to the use of compulsory licensing of patented drugs.

I would like to recall that the EU is supportive of the Doha Declaration on the TRIPS Agreement and Public Health, including the flexibilities mentioned therein, and recognises the right of WTO Members to grant compulsory licences. However, we do think that, before using such an exceptional measure, other means available to increase the access to essential medicines among Thai people should be explored.

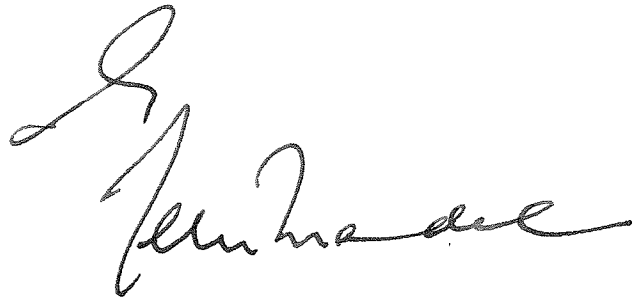
The EU had therefore encouraged the interim Government of Thailand to engage in direct discussions with the right holders because we believe that a constructive dialogue with a view to establishing a long term partnership to the benefit of the populations in need is the most promising way forward in the mutual interest of both parties.

Against this background, I was rather surprised to learn that the outgoing Minister of Public Health has reportedly announced a new set of compulsory licenses for new drugs just before his departure.

I would very much appreciate it if you could review the Royal Thai Government policy on this issue, in liaison with your colleagues, H.E. Mr Noppadon Pattama, Minister for Foreign Affairs, and H.E. Mr Chaiya Sasomsab, Minister for Public Health.

I am looking forward to working closely with you in this and all other matters of mutual interest.

Best wishes



Peter Mandelson

c.c. Mr Noppadon Pattama, Minister of Foreign Affairs
Mr Chaiya Sasomsab, Minister of Public Health