

Daily Thai News Updates: 12 May 2017

1. Apisak pressures banks on spreads

Source: Bangkok Post ([Link](#))

Finance Minister Apisak Tantivorawong is calling on commercial banks to narrow their interest spreads, saying the interest gap between large and small businesses is too large. Governments since the 1997 financial crisis have allowed banks to enjoy large interest margins to help them survive, but the gap remains wide even though the sector's financial position is stronger now, he said. "Amid economic hardship, we allow financial institutions to have a large interest gap, comparing it to a heart that pumps blood throughout the body," Mr Apisak said. "Once our heart is strong, financial institutions must tackle the issue [the interest gap] to create a level playing field." Commercial banks are charging large companies annual interest of just 1%, while imposing 7-8% for small businesses and 11-12% for credit cards, he said. "Commercial banks say the pricing [interest rate] depends on risk," he said, "but the question is whether the risk between big companies that are charged interest of 1% and small ones that pay 7-8% is so different. I think it should not be like that."

2. Higher ranking on ease of doing business index eyed

Source: Bangkok Post ([Link](#))

The government is hopeful for a better ranking in the World Bank's 2018 Ease of Doing Business report, saying much has been done to make Thailand more business-friendly. Suvit Maesincee, the Prime Minister's Office minister, said state agencies in particular have improved their work processes and cut red tape, for example, reducing the time for establishing a business from 25.5 days to two. The amended Bankruptcy Act has also come into force, while the government is revving up efforts to implement Thailand National Single Window (NSW), an electronic system facilitating the import and export procedures for 36 state agencies and the private sector. During a meeting last week of the National Logistic Development Committee chaired by Deputy Prime Minister Somkid Jatusripitak, the Customs Department was tasked with establishing a special unit to speed up the development of Thailand NSW, he said. Thailand NSW was initiated in accordance with an Asean agreement to establish and implement the Asean Single Window.

3. Thailand sends written response to US over trade-deficit concerns

Source: The Nation ([Link](#))

The Commerce Ministry has sent a response to the United States defending Thailand's trade surplus, saying it accounts for only 1.5 per cent of America's overall trade deficit and is based on differences in economic structure, not from discrimination or unfair policies. Pimchanok Vonkorpon, spokeswoman for the ministry, said the Cabinet acknowledged Thailand's draft clarification letter at its meeting last Tuesday. The US Federal Register's Executive Order 13786 had requested comments that would be gathered for an analytical report on the US trade deficits against 13 economies. They are in descending order Canada, China, the European Union, India, Indonesia, Japan, South Korea, Malaysia, Mexico, Switzerland, Taiwan, Thailand and Vietnam. The deadline for the written responses had been next Wednesday, but the Commerce and Foreign ministries revised the draft letter according to points made by the Cabinet and the Commerce Ministry has already sent the final letter to the US agency ahead of schedule. The Commerce Ministry had been assigned by Deputy Prime Minister Somkid Jatusripitak to coordinate with both private and public agencies to collect US-Thailand trade and economic information for the clarification letter. The letter attempts to explain the facts for a good bilateral relationship along several dimensions including social, political and stability, while stressing the long US-Thai relationship of 184 years.

4. SMEs urged to tap govt support

Source: The Nation ([Link](#))

Small and Medium-Sized enterprises are one of key sectors driving the economy and underpinning the government's "Thailand 4.0" initiative, but there are challenges ahead that need to be overcome so that they can be sustainable. Nattapol Praditphonlert, executive director of the SME Provincial Champions project initiated by the Office of Small and Medium Enterprises Promotion (OSMEP), said one of the most important characteristics of Thai SMEs was their commitment, as they have been in business for a long time. "However, with capital or technology constraints, some SMEs cannot adapt to the current environment or market, resulting in limited expansion and business development," he said. The obstacles to advancement by Thai SMEs are limited access to capital, technology, and ways to manage business in the new era, such as digital marketing. "Furthermore, most Thai SMEs are under-utilising government-sponsored tools

[funding, advice, loans and training] to help enhance their business. “Their business communications or pitching skills are very limited, resulting in slow or almost no growth from the lack of funds,” he said. The government is committed to helping advance or upgrade the development of all major industries, Nattapol said. Therefore, SMEs are key enabling elements to help support the upgrade to Thailand 4.0, which have to be in line with current economic dynamics.

5. Industry goes mad over Mice

Source: Bangkok Post ([Link](#))

The Thailand Convention and Exhibition Bureau (TCEB) is kicking off its 20-year roadmap, aiming to draw nearly 80 million visitors for meetings, incentives, conventions and exhibitions (Mice) and generate 8.66 trillion baht in revenue in those years. Under the plan, 3.08 million will be international Mice visitors and 76.1 million will come from the domestic market by 2036. International Mice visitors will contribute 3.09 trillion baht. Hotels and exhibition operators across the country are investing in Mice facilities to cope with higher demand. TCEB vice-president Chiruit Isarangkun Na Ayuthaya, who will be appointed president this month, said judging from rapid growth in recent years, the Mice segment is on the rise despite negative factors such as political instability and natural disasters. The government approved a 20-year Mice roadmap that was kicked off this year. The bureau aims to triple the number of Mice visitors from overseas to 3.08 million in 2036 from 1 million in 2016. Domestic Mice visitors are expected to surge to 76.1 million in 2036 from 28.8 million last year. Foreigners who come to Thailand for business are projected to spend 5.57 trillion baht in 2036, up from 810 billion baht last year. Local Mice visitors are expected to generate 3.09 trillion baht in 2036, up from 730 billion baht last year.

6. Digital gimmicks all the rage

Source: Bangkok Post ([Link](#))

Special loans and investment have been regular features at Money Expo for over a decade, but digital banking is stealing the spotlight this year. The 2017 Money Expo runs through Sunday and two big banks -- Siam Commercial Bank (SCB) and Kasikornbank (KBank) -- are showcasing their digital banking platform to serve customer demand beyond financial arenas. SCB's coin collection app, which is meant to operate in a cashless society, is gaining popularity at the expo. People can use their smartphones to scan a QR code attached to the logos of SCB or Digital

Ventures -- its joint investment fintech arm -- at the exhibition to gather coins to exchange for coffee, hamburgers, power banks and JBL bluetooth speakers at SCB's booth. "The industry may need more collaboration to enter into a cashless ecosystem because cash is the dominant payment system," said SCB chief marketing officer Thana Thienachariya. Digital Ventures is also showcasing services using blockchain, the Internet of Things, and machine learning technologies to visitors..."Fintech is new to Thais, so we need to teach them about it," Mr Thana said.