

## Daily Thai News Updates: 13 June 2017

### **1. Probe to target Thai steel**

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

The Revenue Department is set to launch a tax evasion probe against steel-related companies nationwide to shore up revenue leakage and boost efficiency. The department will summon large downstream steelmakers to guide them on how to pay tax correctly so as to avoid accounting errors, said Prasong Poontaneat, director-general of the Revenue Department. For example, he said large steel producers might directly issue invoices on goods to upstream producers, bypassing middlemen and the Revenue Department, which cannot track the tax payment records of some small and mid-sized steelmakers, he said. Moreover, some steel producers may have forged their invoices altogether. The department intends to check the tax payment records of industry operators, from downstream to upstream, said Mr Prasong. Local steelmakers have already been shielded from dumping by Chinese steelmakers and are benefiting from state investment in infrastructure megaprojects, he said, adding that steel trade value is expected to reach trillions of baht a year.

### **2. Ministry calls for Article 44 to hasten rail project**

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

The Transport Ministry today will propose to Prime Minister Prayut Chan-o-cha that he consider invoking the special power of Article 44 of the junta-imposed interim charter to speed up the development of the Thailand-China high-speed-rail project linking Bangkok with Nakhon Ratchasima, Deputy Prime Minister Somkid Jatusripitak said yesterday. Transport Minister Arkhom Termpittayapaisith said he would ask Prayut, who is head of the ruling junta, to consider the matter but declined to elaborate, just adding that his ministry would table the project for Cabinet consideration this month as originally scheduled. Somkid said the Transport Ministry would also have to ask the Japanese government for more details on its proposal that the planned Bangkok-Pattaya-Rayong high-speed railway be extended to Ayutthaya. At this stage the original plan remains unchanged...In August, the ministry will propose for the Cabinet's consideration nine double-track rail routes (Phase 2 of this project) for the 2017 action plan worth Bt390 billion.

### **3. Adding value to boost OTOP sales on the global stage**

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

The Business Development Department has joined forces with 30 modern traders, the Home Shopping Association and production experts in a move aimed at helping upgrade the overall level of OTOP (One Tambon One Product) items by turning selected products into premium, value-added items. Bangjongjitt Angsusingh, director-general of the department, said on Monday that about 2,000 OTOP items had high prospects of becoming premium OTOP products, the value of which would increase in the world market. To diversify OTOP products from the general, the agency and 30 organisations have also collaborated in holding the “Best OTOP 77 Experience” event in order to select the best premium OTOP products from the country’s 77 provinces, with a view to modern traders and leading malls in the Kingdom selling such items to local consumers and tourists.

### **4. Asean office issues rosy outlook for Thai growth**

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

The Asean+3 Macroeconomic Research Office (Amro) is upbeat that the Thai economy will remain on solid footing, and policymakers stand ready to adopt both fiscal and monetary policies to support the economy if needed. Thailand's growth potential is also sound, said Hoe Ee Khor, chief economist at Amro. The office forecasts the Thai economy will expand 3.4% this year and 3.5% next because of the low-base effect. "Thailand's monetary and fiscal policies are strong enough to accommodate a sustained economic rebound. The country has better fundamentals than its neighbouring countries, including the highest foreign reserves in Asean, low foreign debt and low public debt of 40% of GDP. The public debt of many countries in the region is closer to 60% of GDP," he said. However, subdued private investment remains a drag on the Thai economy hindering growth, said Mr Khor. Thailand's high household debt, the weak growth ability of small and medium-sized enterprises (SMEs) and rising SME loans are also headwinds, he said...The Bank of Thailand's Monetary Policy Committee last month voiced concerns over the debt-servicing ability of SME operators and their competitiveness. According to central bank data, bad SME loans climbed to 4.48% of loans outstanding at the end of March, up from 4.35% in the fourth quarter of 2016..."A long-term challenge for Thailand is restructuring the economy to boost its competitive edge. Both private and government sectors have reformed over the past two decades

since the 1997 financial crisis, but such efforts have not helped the country to fully reach its growth potential," he said.

### **5. Western Digital plans HDD hub**

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

Western Digital Corporation, one of the world's largest makers of hard disk drives (HDDs), plans to increase its investment in Thailand and make the country a disk storage hub for the world. Ajarin Pattanapanchai, a deputy secretary-general of the Board of Investment (BoI), said the investment expansion is to be done through a subsidiary, HGST Thailand Ltd, which has already invested in HDD production and facilities in Prachin Buri province. She said the production capacity will mean 2,500 jobs for local people and push up HDD export value by an additional 35 billion baht a year. "The company planned to increase production capacity to meet rising global demand, which is on a rising trend," Ms Ajarin said. She said Western Digital decided to boost investment in Thailand as it saw more opportunities and potential here...The project is in line with the government's plan to promote investments in 10 targeted industries. The 10 industries are next-generation cars; smart electronics; affluent, medical and wellness tourism; agriculture and biotechnology; food; robotics for industry; logistics and aviation; biofuels and biochemicals; digital; and medical services.

### **6. Strong Baht tipped to hurt tourist stays**

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

A strong baht is expected to hurt inbound tourism by driving up the cost of travel and narrowing industry margins, say public and private players in the tourism sector. The Tourism and Sports Ministry revealed yesterday the baht in the year to date has appreciated by 14% against the pound sterling, 8% against Malaysia's ringgit, 5% against the euro and 2% against the US dollar. Bucking the trend was the Russian ruble, up by 20% against the baht during the first five months of the year as arrivals from Russia grew by 31%. The ministry expects the ruble to continue climbing during the second half of the year. The baht's appreciation has been driven by internal factors. The export sector, for example, jumped by 5.7% between January and April to a total value of US\$73.34 billion. External factors, however, like Brexit, a sluggish Malaysian economy and US policies under President Donald Trump, have also played a part. "Appreciation increases the price of

staying in Thailand which may make some foreign tourists hesitant about booking trips”, said Pongpanu Svettarundra, permanent secretary of Tourism and Sports Ministry.

**7. May tourist arrivals up 4.6% to 2.6m**

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

International tourist arrivals in Thailand rose 4.6% in May from a year earlier, with revenue up 6.9%, but a strong baht could impact the lucrative industry, the Tourism and Sports Ministry said on Monday. The number of foreign tourists stood at 2.59 million in May, led by visitors from China, Malaysia, India, Russia and the United States, generating revenue of 125 billion baht (\$3.67 billion), Pongpanu Svettarundra, the ministry's permanent secretary, said in a statement. In the January-May period, tourist numbers rose 3.2% to 14.61 million, with revenue up 5.1% to 747 billion baht, the ministry said. The strengthening of the baht against currencies in Thailand's tourist markets, such as the dollar, the pound and the euro, might affect visitors' spending and their travel decisions to Thailand, Mr Pongpanu said. But a stronger rouble against the baht has helped lift arrivals from Russia, he added. Tourism accounts for 12% of the economy, a rare bright spot for the economy, whose growth has lagged regional peers in recent years.