

Daily Thai News Updates: 14 June 2017

1. Lower rental fees to spark SEZ interest

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

The Treasury Department is set to cut rental fees for land in special economic zones (SEZs) as a way to draw private investment, the department's new chief says. The plan is to relax some conditions for developing state land for SEZs in the next round of auctions, Patchara Anuntasilpa said in his first interview with media since his appointment to head the Treasury Department. The lower rental rates for SEZs will go before the policy committee on special economic zones chaired by Prime Minister Prayut Chan-o-cha for approval tomorrow, Mr Patchara said. The government decided a few years ago to set up industrial estates in SEZs in 10 provinces, focusing on agriculture, industry, logistics and tourism. Apart from Tak, Sa Kaeo and Songkhla provinces, the government has flagged Trat, Mukdahan, Chiang Rai, Kanchanaburi, Narathiwat, Nakhon Phanom and Nong Khai for SEZ sites. Some areas designated as SEZs may not be ready for development, due to a lack of basic infrastructure, so cuts in rental rates will help draw hesitant investors, Mr Patchara said.

2. Study on TPP benefits ‘picking up pace’

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

Thailand is speeding up its evaluation of the case for joining the Trans Pacific Partnership (TPP) after the trade pact was thrown into doubt by the withdrawal of the United States, a source at the Commerce Ministry said. Among the issues being looked into in a study led by the ministry is the amendment of trade laws that may be required by participation in the pact. The source said the ministry had hired the Panyapiwat Institute of Management to conduct the study, which focuses on the benefits Thailand would gain from TPP participation. The source added that after the US pulled out from the deal, the remaining 11 TPP nations were revising the accord details and conditions to reflect the absence of the driving force behind the trading bloc. The source said the nub of the issue came down to what Thailand would get from the TPP without the leadership role of the US and after the Kingdom had already secured a range of multilateral and bilateral free-trade agreements. In the next few years, an Asean-Canada free-trade agreement is expected to be signed, adding to the network of trade deals that connects Thailand with key trade partners.

3. Export cuts sought to halt rubber price slide

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

Cuts in rubber exports by Thailand and other producers in the region are on the table to combat plunging prices for the commodity. The International Rubber Consortium will hold discussions among its members - including Thailand, Indonesia and Malaysia – on Saturday and Sunday. The grouping of rubber producers is planning to ask all producers to agree to production cuts. Titus Suksaard, the governor of Rubber Authority of Thailand (RAOT), described the weekend meeting in Indonesia as urgent, with an ordinary meeting to be held late this year. The three neighbours are the world's biggest rubber producers. In a previous period of market weakness, ROAT held talks with Thailand's five biggest rubber exporters and this led to actions that reversed a slide in prices for rubber in the futures market and the rubber sold by growers. The agency called this an example of effective cooperation.

4. S44 to speed up high-speed train

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

Gen Prayut Chan-o-cha will use his special power as the junta chief to speed up the long-delayed Thai-Chinese railway project. He insisted his planned issuance of the all-powerful Section 44 of the interim charter to clear legal hurdles in the Thai-Sino rail project is not a special favour to China but for Thailand's benefit. He said that it is necessary to invoke Section 44 to ensure projects delayed due to technical glitches move ahead. Regarding the Thai-Sino rail project, Gen Prayut said the project requires a Section 44 solution and he will invoke it next week to clear legal obstacles. The government is trying to settle the problems by next month, before Gen Prayut visits China in September to participate in the summit meeting of the BRICS, an association of the five fastest emerging nations in the world, namely, Brazil, Russia, India, China and South Africa, which will be held in September in Xiamen, China. Deputy Prime Minister Wissanu Krea-ngam told the cabinet on Tuesday he was drafting a Section 44 order to be signed by Gen Prayut to address five legal issues stalling the project, government spokesman Sansern Kaewkamnerd said on Tuesday. The first issue involves construction. Chinese architects and engineers cannot come to work on the project because Thailand's Engineers Act requires foreign professionals to pass the examination for a licence or they cannot work in the country, Lt Gen Sansern said...The Thai-Chinese high-

speed railway runs from Nong Khai province to Nakhon Ratchasima and Saraburi. From there, a route goes to Bangkok and the other to Map Ta Phut.

5. PPP Law: Where have all the projects gone?

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

Japan has called for an extension of the planned U-tapao-Suvarnabhumi-Don Mueang high-speed rail link to Ayutthaya, where a large concentration of Japanese factories is located. The province is also home to a sizeable Japanese expat community, a modern legacy of the historical Japanese village that flourished during the time of King Songtham in the early 17th century. The ambitious rail project, together with the conversion of U-tapao airport into a modern international aviation hub and the expansion of the Laem Chabang deep-sea port, among other infrastructure projects in the strategic Eastern Economic Corridor (EEC), is slated for a public-private partnership investment. Collectively the projects are worth billions of dollars, and authorities are hoping that work will start this year on some of them within the framework of the current PPP Act (or the Act on the Private Sector Participating in Joint Investments in Public Services 2013, to give its full official name). But will the law live up to the challenge? The current PPP Act came into being because the first PPP Act of 1992 proved so ineffective. In some cases it drove away privately funded infrastructure projects and brought an end to the boom in such ventures in the late 1980s to early 1990s, dubbed the golden period of Thai PPPs...In the well-marketed EEC, meanwhile, there is little interest in PPP arrangements among foreign investors and their financiers. Even with the special fast-track power of Section 44 of the interim charter, kept alive by the new constitution, at the current pace we are not likely to see PPPs within the EEC materialise before the end of the current five-year social and economic plan in 2021.

6. Central market plan on track, says ministry

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

Thailand is on schedule to have its first central market for milled rice by the end of this year, bringing consumers and importers to meet farmers and traders. The new market channel comes at a time when prices are on the rise, says a senior Commerce Ministry official. Nuntawan Sakuntanaga, director-general of the Commerce Ministry's Internal Trade Department, said the ministry is due to finalise the terms of reference (ToR) for the project by next month, after which

bidding for construction and operations will get under way. Construction is expected to be completed by the end of this year, when operations are forecast to begin. "This market will not only be open to traders or middlemen to sell their rice, but also to exporters, millers and even farmers wanting to display their stocks. The project is intended to show the diversity of Thai rice strains, with buyers and importers being able to select them by themselves," said Mrs Nuntawan. She said the central market would cost 100 million baht to set up and will potentially be located in Talad Thai, Thailand's largest market for food products, or the planned AEC Trade Center close to Thammasat University's Rangsit campus.

7. Industry, buyers come together for tourism expo

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

In an effort to increase quality tourism, hundreds of buyers from 56 countries will meet 360 tourism operators in Thailand at an expo titled Thailand Travel Mart Plus Amazing Gateway to the Greater Mekong Subregion (TTM+). The annual tourism trade event, which kicks off in Chiang Mai today and runs until Friday, is held a few months ahead of Thailand's high-season period (October to March). Travel companies, hotels, entertainment firms, and transport and national tourism organisations from Europe, Southeast Asia, East Asia, the Americas, Oceania, the Middle East and Africa, will be showcasing their packages, services and itineraries at the three-day event. "Although the event was created years ago, this is the first time it has attracted global buyers. The event aims to boost the proportion of quality tourists coming to the region," said Yuthasak Supasorn, governor of the Tourism Authority of Thailand (TAT)... Kobkarn Wattanavrangkul, Minister of Tourism and Sports, said Thailand should promote community-based tourism and gastronomy to foreigners as part of its national tourism campaign.