

Daily Thai News Updates: 16 June 2017

1. Thailand faces losing tourists to neighbours

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

Expanding air traffic to the region could lead to lost travel opportunities for Thailand in the future as tourists fly directly to Cambodia, Laos, Myanmar and Vietnam (CLMV), say foreign tourism buyers at the Thailand Travel Mart Plus in Chiang Mai yesterday. Travel to the Mekong region is growing thanks to greater air access and interest among travellers in the rapidly developing area. Low-cost and full-service airlines from India, Singapore, Malaysia, the Middle East and China have commenced new routes and increased flights to regional destinations to meet growing market demand. Tourism analysts from the Mekong region said it is becoming a more attractive destination because of greater air access and improved water and land transport infrastructure. Authorities for the region are working together to define specific brand identities to promote travel to the region, with Cambodia leading in the area of heritage product management, Myanmar in local experiences, Laos in self-driving tours, Vietnam in luxury cruises and Thailand in lively metropolitan and food experiences. For example, Indian tourists have loved to visit Bangkok and Pattaya for years, but now are considering Krabi, Hua Hin and Chiang Mai because of more direct flights, said buyers at the travel mart. Indian travellers are expected to flock to other nations in the region as more seats become available...The top destinations for Indian tourists are Thailand, the Middle East, Europe, Singapore and Malaysia.

2. CLSA anticipates 2017 GDP growth of 3.8-4%

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

CLSA Securities Thailand forecasts economic growth of 3.8-4% this year, saying private investment and consumption will be on a firm footing by the final quarter. Domestic consumption is expected to surge in the fourth quarter amid New Year festivities and the celebration of His Majesty the King's ascension to the throne after royal funeral ceremonies for the late King Bhumibol Adulyadej in October, said managing director Prinn Panitchpakdi. Other tailwinds include exports, rising crop prices and state spending on big-ticket infrastructure projects. "If the government focuses on the economic development plan and implements it efficiently, Thailand's economy will continue to grow," said Mr Prinn. "The government should also prevent any issues

from developing into political conflicts." He said Thailand should relax rules governing foreign ownership in order to attract more foreign direct investment.

3. Slim tax for healthy drinks on tap

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

The Finance Ministry is set to trim the excise tax for reduced sugar drinks in an attempt to encourage people to consume healthier products and prompt makers to reduce sugar content, says a source at the Finance Ministry. Drinks that contain less sugar than the Finance Ministry's threshold will be levied a lower excise tax than that for drinks with higher sugar content, the source said. The tax on sweet drinks is part of the amended excise tax act set to come into force from Sept 16. Under the amended tax, the levy on drinks with sugar content that has been reduced to the level required by the Finance Ministry will be cut to four baht per bottle from five. The source said drinks for which 10% of the content is fruit or vegetable juice with sugar content lower than the Finance Ministry's threshold will be exempted from the tax. But the ministry will impose an excise tax if the drink's sugar volume exceeds the set mark. At present, the Excise Department exempts drinks with at least 10% fruit and vegetable content. Artificial mineral water, carbonated drinks and beverages with fruit or vegetable content lower than the 10% requirement are taxed in a range of 20-25%.

4. S44 invoked for Thai-Chinese railway

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

Prime Minister Prayut Chan-o-cha on has invoked Section 44 to expedite the Thai-Chinese high-speed railway line between Bangkok and Nakhon Ratchasima and enable work to begin this year. The National Council for Peace and Order's decree No.30/2017 aims to clear technical and legal problems for the delayed 252-kilometre railway. It was published in the Royal Gazette on Thursday. The order instructs the State Railway of Thailand (SRT) to hire a Chinese private contractor to supervise the construction of the Thai-Chinese railway. The company must be certified by China's National Development and Reform Commission. The firm will oversee the design of the railway infrastructure as well as rail and electrical systems. It will serve as an adviser for the project's construction and provide training in system-related knowledge for the project staff. The Transport Ministry (MOT) is required to work with the Chinese company, the Council of Engineers and the Architects Council of Thailand in providing the training and knowledge test

relating to the project. The order stipulates the SRT must draft a contract detailing the project's cost and other conditions based on earlier cabinet resolutions and meetings of the Thai-Chinese railway committee. The contract must be ready within 124 days. If it is not, the SRT is required to explain why to the MOT. The issue would then go to the cabinet which would consider whether the project's timeframe should be extended or not.

5. Thai Airways to propose securing 28 new planes over 5 years

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

Thai Airways International will next month propose to its board the procurement of 28 new aircraft over five years to replace those gradually going out of service. “We want to maintain our base. We have 100 aircraft and want to maximise [their] efficiency. If we do not increase flights or frequencies, we can stay with 100 aircraft,” Usanee Sangsingkeo, acting president of the flag carrier, said after the THAI board meeting late on Wednesday. “Today, we’re profitable and can manage. The [details] of the procurement will be waiting for the manufacturers’ proposed specifications and prices,” she said. Of the 28 new deliveries, 19 will go to THAI and nine to Thai Smile, THAI’s wholly owned subsidiary.

6. IoT tipped to soar to Bt34 bn in 3 years

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

Transport and logistics along with services enabling smart cities are expected to be the key industries driving Internet of Things (IoT) technology in Thailand to an estimated value of Bt34 billion within three years. Takorn Tantasith, secretary-general of the National Broadcasting and Telecommunications Commission, said IoT would create benefits for people and businesses alike and was already growing in use. The NBTC regulates the 2,100- 1,800- and 900-megahertz spectra to support third- and fourth-generation technology that telecom operators use to provide IoT services. The commission is also regulating the 380MHz spectrum for the next three years. Takorn, citing a report by consultancy Frost & Sullivan, said the headline forecast of IoT services reaching Bt34 billion in three years was supported by the growth of the technology in sectors as diverse as manufacturing, automotive production and agriculture. The report said IoT services would begin to take on greater popularity in the country next year...A survey by Asia IoT Business Platform found that more than 70 per cent of Thai enterprises and organisations were exploring possible IoT solutions for their needs. However, only 7 per cent of them reported any benefit from IoT

implementation. These enterprises and organisations cite cost, legacy systems, and complexity as the top three concerns in adopting IoT.

7. Delta switches focus to EV parts for India

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

SET-listed Delta Electronics Thailand Plc, a maker and distributor of power management solutions and electronic components, is switching its focus to producing more electronic parts for electric vehicles (EVs) to serve rising demand in India. President and chief executive Hsieh Shen-Yen said the company plans to spend US\$30-\$50 million (1-1.7 billion baht) on research and development in India's Bengaluru city, where the company aims to create innovations that match the rising trend of EVs. "EV is a global trend as everyone on earth believes will help reduce carbon emissions so every country is going ahead with plans to support EVs, making the EV market very active, particularly in Asia," he said. For this reason, the company is switching from producing electronic components for existing auto industries and electronic equipment to producing electronic components that match EV specs, expecting to gain more revenue...Mr Hsieh added that Delta was eyeing India as its government has set a target to have only EVs on the roads with no fossil fuel-fed cars in the country by 2030, making India a very big export market for EV parts. With this strong demand, the company expects to make around 20% of total revenue from India.

8. Siam Gas snags stake in Myanmar power plant

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

SET-listed Siam Gas and Petrochemical Plc (SGP), Thailand's top liquefied petroleum gas (LPG) trader, has acquired a stake in a power generating business in Myanmar. Deputy managing director Jintana Kingkaew said SGP has acquired a 30% stake in Myanmar Lighting, a 230-megawatt gas-fired power plant in Mawlamyine, Mon State. She said the deal, worth US\$48 million (1.63 billion baht), was done via SGP's wholly-owned subsidiary, Siamgas Global Investment Ltd. "This investment is an opportunity to expand into other energy businesses that should bring in rising income and good returns," said Mrs Jintana. She added SGP is also negotiating another deal to acquire a second power plant in Myanmar. The Mawlamyine power plant was built by Singapore-based Asiatech Energy. The plant was initially designed to produce and supply power for the Myanmar Electrical Power Enterprise. The project cost copy70 million and began commercial

operations late last year. SGP's expansion into Myanmar comes as energy demand there is expected to grow in line with the economy. The company is also eyeing opportunities in the fuel segment.

9. New bids eat at inedible rice stockpile

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

Around 2.1 million tonnes of inedible rice stored by the state were expected to be sold in the latest bidding held yesterday by the Ministry of Commerce, leaving only a small amount of poor quality grade grain in the government stockpile to be put on sale next month. Keerati Rushchano, deputy director-general of the Commerce Ministry's Department of Foreign Trade, said local traders had offered to buy around 2.1 million tonnes of inedible grade milled rice, or around 95%, of a total 2.2 million tonnes the ministry put up in the bidding. Offer prices ranged between 2,000-6,700 baht per tonne and depended mostly on how poor the quality of the rice was. However, the offer prices were well above offers in the previous bid of around 4,000 baht a tonne, he said. The government is expected to collect about 76 billion baht from the latest round, Mr Keerati said. The rice to be sold in this round of bidding was from 137 warehouses in 37 provinces. It was mostly 5% broken grade white rice that would be suitable for animal feed, he said. The Commerce Ministry will spend a week submitting all the offers for approval by the Rice Policy and Management Committee...The benchmark 100% B grade Thai white rice is now priced at US\$450 per tonne, up from \$380 a tonne last month, according to exporters. Fresh demand from major rice importing countries also helped boost Thai rice prices since the Philippines, one of the world's leading rice buyers, planned to open bids to buy a total 250,000 tonnes of white rice grades next week to replenish its national rice stocks. Bangladesh has offered to buy 200,000 tonnes of parboiled rice from Thailand after being hit by drought and recent natural disasters.

10. Thailand post to deliver logistics to EEC

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

In addition to its courier business, Thailand Post will serve as a logistics enabler for the government's Eastern Economic Corridor (EEC) scheme. The additional business of logistics in the EEC will create greater revenue stream for the enterprise and benefit the country's economy, said Pichet Durongkaveroj, the digital economy and society minister. The government is in the

midst of developing special investment incentives for the three EEC provinces (Rayong, Chon Buri and Chancheongsao). The industries of the new economy that are to be promoted in the provinces include robotic, aircraft, digital, biofuel, and biochemicals. Mr Pichet said Thailand Post has been transforming its postal and delivery service and back-office systems, with operations to become fully automated within the next five years. The system modernisation is part of the company's plan to capitalise on the fast-growing e-commerce market. Thailand Post has a strong capability to complement the business ecosystem developed under the EEC project, the DE minister said. To become a major logistics facilitator, Thailand Post has to expand its logistics service capacity at the Sri Racha branch in Chon Buri to serve heavy traffic in the EEC. One possibility is the establishment of a duty-free zone for logistics business in the EEC in order to draw traffic from international private couriers. The Sri Racha branch at present is operating postal and delivery service at full capacity. Additionally investments will be done through automated operations.