

Daily Thai News Updates: 17 April 2017

1. Signs of an improving global economy

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

The global economy is regaining its strength with improving economic numbers being seen in most parts of the world. DBS economists believe that the US labour market is now at the stage of supply shortage, as job openings are being created at a more rapid pace relative to hiring. The current situation is now very close to the peak of the economic boom during the dotcom and subprime bubble periods. Encouraging signs from the euro zone include accelerating credit growth to both households and corporates. In Asia, one of the best gauges of the global economic situation is Singapore's open economy. We have seen positive signs from Singapore's manufacturing and services sectors. Its economy is expected to grow 2.8 per cent this year compared to 2.0 per cent growth during 2015-2016. Meanwhile, geopolitical risks are rising, particularly in the Korean peninsula and Syria. Thai bourse vulnerable. There are signs of flight to safety, with money flowing into the yen, gold, and bonds. We believe the Thai stock market is vulnerable to negative news. The market is currently trading at a 2017 price to earnings of around 17 times, well above the 15-year historical average of 15.1 times.

2. Thai e-commerce player expands services, aims to support 620,000 stores

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

E-commerce player LnwShop has expanded its service offerings in the sector, and expects to support 620,000 online shops by the end of this year. Managing director Nuttawit Polwattanasuk said LnwShop would add three services for online stores aimed at boosting the productivity of the ventures while stimulating the e-commerce market. Under the latest initiatives, LnwShop has set up a cross-border e-commerce platform, a service it calls Be Brand and short messaging system (SMS) services. For the cross-border e-commerce platform, the company is cooperating with business partners such as the 11street online marketplace. Shop owners will be able to provide their products via another website, such as 11street, after an update procedure on the company's LnwMall. The products will then display automatically on both LnwMall and 11street. The shop owners can also check their stock in real time. The Be Brand service allows online shops to use LnwShop infrastructure and the e-commerce platform as a back office.

3. Competition seen spurring take-up of robots

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

Thailand should see increasing adoption of collaborative robots in response to intensifying competition locally and from neighbouring countries under the Asean Free Trade Area Agreement, according to Denmark-based Universal Robots. “Another key driver for the adoption of cobots in Thailand would be the large pool of unskilled workers,” said Shermine Gotfredsen, general manager for Southeast Asia and Oceania, referring to the name for these types of robots. “While these cobots are not meant to replace the workers, they serve as an assistive tool to enhance performance and raise productivity by delivering high-quality results each time.” Through the deployment of cobots, workers can be redeployed from dangerous and repetitive tasks to more stimulating and responsible tasks, allowing them to upgrade their skillsets, she said. Universal Robots is a manufacturer of cobots that can be used to streamline processes across a wide range of industries including agriculture, pharmaceuticals, automobiles and electronics. Its product portfolio includes the collaborative UR3, UR5 and UR10 robotic arms named after their payload in kilograms. “Contrary to popular belief that many jobs will be lost through the automation process, an entirely new set of roles will be created,” Gotfredsen said.

4. Spending boost for regional airports

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

Airports of Thailand Plc (AoT) is eyeing fresh investment to upgrade Mae Sot and Khon Kaen airports under its plan to build regional aviation hubs to serve a growing number of passengers. The airports are supervised by the Department of Airports, but AoT, which runs the country's six major airports including Don Mueang and Suvarnabhumi, sees a need to use its experience as the government's Upgrades of the airports must be done in tandem with a good marketing strategy, said AoT president Nitinai Sirismatthakarn. AoT owns Chiang Mai and Mae Fa Luang airports in the North. If Mae Sot airport located in the northwestern province of Tak, is developed, it will help support its plan to build a regional aviation hub, he said. Development of Mae Sot airport will assist travel to Tak, one of 10 provinces under the government's special economic zone (SEZ) policy to promote border trade between Thailand and neighbouring countries Logistics and tourism are among the industries expected to benefit from the SEZ policy. Mae Sot is a far-flung district opposite the town of Myawaddy in Myanmar.

5. Joint China-Thailand highspeed rail project to be tabled for Cabinet approval in June

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

Transport Minister Arkhom Termpittayapaisith plans to submit the Nakhon Ratchasima-Bangkok highspeed rail project to the Cabinet for approval in June. The long-delayed China-Thailand project is estimated to cost about Bt180 billion. Arkhom said on Tuesday that if the Cabinet gave its approval, bidding for construction of the first and second sections – for a combined length of about 15 kilo metres – could be held in the middle of this year, with construction commencing in August. The minister acknowledged, however, that an environmental impact assessment had not yet been completed for the total route length of 253km. The EIA hurdle has only been cleared in respect of the BangkokBaan Pha Chee section, he added.

6. Alibaba bets big on Thai prospects

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

Alibaba Group Holding Ltd expects to complete the construction of an e-commerce and logistics hub in Thailand by 2019, taking the internet behemoth closer to Southeast Asian economies and its goal of shedding its reliance on the Chinese market. Building of the park is on a "steady course" and marks the company's long-term investment in Thailand, Alibaba said in an emailed statement to China Daily. Under an agreement with the Thai government in December, Alibaba vowed to help develop the country's e-commerce sector through providing training to small businesses and individuals, and exploring ways to enhance its logistics capabilities. Alibaba said the hub is designed to provide a one-stop service connecting SMEs, manufacturers, service providers and logistic partners, complementing its existing investment in Lazada Group, a dominant regional e-commerce platform in which Alibaba holds a majority stake. "We hope the park will empower Thailand's innovative internet startups and boost the country's technology ecosystem," the statement added.

7. Property firms cash in on EEC

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

Property firms have shown strong confidence in the Eastern Economic Corridor (EEC) with the launch of new residential projects worth over Bt200 billion in Chon Buri, Rayong and Chachoengsao provinces since last year. This drive has resulted in EEC land prices rising by over 20 per cent this year compared to last year, property experts said. Last week the Cabinet approved in principle the State Council's draft bill for the EEC development project. According to the Act, EEC investors will get a package of investment incentives including a sharp cut in personal income tax to 17 per cent, land lease of up to 50 years and a free flow of foreign currencies in Chon Buri, Rayong and Chachoengsao. The government has targeted an investment budget of over Bt700 billion to develop the EEC from this year till 2021, while over 700 domestic and foreign firms have expressed an interest in the EEC. The EEC is expected to employ over 50,000 from this year till 2021. This will boost demand for homes in the area. It has been a challenge for property developers to expand their investments to develop residential projects in this location since last year.