

Daily Thai News Updates: 17 August 2017

1. Prayut urges regional development, aid to poor

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

Prime Minister Prayut Chan-o-cha yesterday instructed state agencies to map out budgets for fiscal 2019 to focus on regional development and the country's 20-year national strategic plan to reduce income disparity. Speaking to 1,600 chiefs of state agencies and state officials, the premier also gave them the guidelines to design the 2019 budget plan so it conforms with the 12th National Economic and Social Development Plan. The plan aims to raise Thailand's world competitiveness ranking to 25th, with export growth averaging 4% and tourism revenue of 3 trillion baht a year. Thailand's world competitiveness ranking edged up one spot this year to 27th, helped by improvements in the economy and the institutional framework. The World Competitiveness Center, a research group at IMD Business School in Switzerland, compiles the rankings. Improvements in the adaptability of government, central bank policy and the effectiveness of government decisions also led to the higher spot. To achieve its goals, Thailand needs to secure annual average economic growth of 5% a year. Thailand's expenditure on research and development should reach 1.5% of GDP in 2021 when the 12th plan ends... "Most importantly, development projects should set a target to narrow income disparity," he said.

2. BoI tells Thai firms to look at expanding into Asean

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

Thailand's Board of Investment (BoI) is encouraging Thai investors to invest more in several Asean countries to capitalise on growing demand at a time when labour costs in these countries remain low... "Expanding business in Asean countries would provide at least three positive outcomes for Thai companies. It is an opportunity to create a new production hub, an opportunity to reduce labour, energy and raw material costs and an opportunity to access Asean market," Ms Hiranya said. She said having production bases elsewhere in the Asean region would also help enhance their market access capacity to other regional market via Asean trade ties with other global trade blocs. This would allow Thai companies to access other markets with lower tariffs or with other markets in general via special trade benefits Asean has with other regional trade agreements.

3. Ministry leads action plan to raise competitiveness

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

The government is drafting a national e-commerce strategy and action plan, hoping to capitalise on growing trends and push Thailand's e-commerce value to 5 trillion baht by 2021, says Commerce Minister Apiradi Tantraporn. The Commerce Ministry will play a leading role in pooling efforts from relevant public and private agencies to brainstorm an action plan for 2017-21 and submit it to the cabinet for approval. "The major focus will be four strategies aimed at increasing the competitiveness of Thai companies to compete on the e-commerce platform," Ms Apiradi said. The first strategy is to increase the competitiveness of Thai e-commerce companies by increasing the efficiency of existing e-commerce companies to sell more products domestically and export products that meet international standards. The second strategy is to help develop an e-commerce ecosystem and develop the online platform to help facilitate Thai e-commerce companies...The third strategy is to increase the effectiveness of e-commerce transactions to create confidence among buyers...The fourth strategy is to build trust among consumers and sellers by improving consumer payment protection and prompt call centres to help solve problems in a timely manner to retain consumer confidence.

4. Tata ups capacity to meet surging demands

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

Tata Steel Thailand Plc (TSTH), the local arm of India's largest steelmaker, plans to spend 75-85 million baht to expand production capacity and capitalise on rising demand over the next few years. President and chief executive Rajiv Mangal said the plan is aimed at increasing production of cut-and-bend steel to meet the requirements of general construction projects as well as major infrastructure projects, which are expected to push overall demand for the steel up by 10,000-13,000 tonnes per month. With rising demand, Tata plans to initially increase production by 3,000-5,000 tonnes every months over the next few months, Mr Mangal said. Mr Mangal said the major reason for increasing demand for cut-and-bend steel is the government's latest policy to control migrant workers, a significant number of whom cut and bent steel. As migrant workers return to their hometowns to register, a labour shortage has resulted, forcing construction companies to purchase steel that is already cut and bent. "In our view the labour shortage is a positive factor, helping boost demand for cut-and-bend steel," Mr Mangal said.

5. Banpu mines Indonesia for coal mergers

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

Banpu Plc, Thailand's biggest coal mine operator, is in talks with industry peers in Indonesia on possible mergers and acquisition (M&As) deals to help increase its long-term coal reserves, says deputy chief executive Somyot Ruchirawat. The talks are part of a plan to acquire coal mines near Banpu's existing Bharinto and Trubaindo operations in Kalimantan, Borneo. Mr Somyot said most of the mines are yet to be opened, and still need more funding to get operations off the ground, creating M&A opportunities for Banpu. Banpu's Bharinto operations generate 2.5 million tonnes of coal annually, while 5.2 million tonnes are produced at Trubaindo. "If we can seal the merger deals, they will also help cut production and operating costs for Banpu," Mr Somyot said. The capital expenditure prepared for the M&A deals is not included in the company's annual capex outlays, he said. Mr Somyot said Banpu is also planning to increase its coal reserves by drilling deeper at its existing mines in Indonesia.

6. CAAT helps airlines hit by ICAO ban

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

The Civil Aviation Authority of Thailand (CAAT) has agreed to allow airlines required to halt international flights during the International Civil Aviation Organisation's (ICAO) red-flag re-evaluation next month to operate an additional domestic flight per day per route until January. CAAT director Chula Sukmanop yesterday said the measure was to help airlines that will need to temporarily stop operating international flights from Sept 1 because they have yet to be reissued Air Operator Certificates (Re-AOCs). Those airlines have to pass an ICAO safety standard inspection due to take place around the third week of next month...So far, Asia Atlantic Airlines, Thai VietJet Air and Orient Thai Airlines have submitted requests to the agency. However, if airlines receive their Re-AOCs in time they will be allowed to resume international routes immediately. Airlines that have already sold tickets for after Sept 1 but are required to cancel flights have to find other flights for their passengers.

7. More traffic in the skies

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

Five international airlines are expanding air access to Thailand with new flights from Beijing, Doha, Istanbul, Maldives, Jaipur and Tiruchirappalli in India, and Singapore all strengthening the Kingdom's status as a global aviation hub. "Thailand has long been the key portal to Asia and a global aviation hub. Steady passenger growth depends on more flights and finding new entry points to the country. These new flights provide visitors with more choice, flexibility and convenience when travelling or making connections to major cities around Thailand. We hope that the expanded air access boosts tourism arrivals," said Yuthasak Supasorn, governor of the Tourism Authority of Thailand (TAT)... TAT recently inked Memoranda of Understanding with EVA Air to work on joint tourism promotion strategies for the US and Canada markets; with Etihad Airways to jointly promote travel to Thailand from the UAE, the UK, France, Germany, Italy, Egypt, and Kuwait; with Qatar Airways for travellers from Europe, Africa and the Middle East, and Singapore Airlines' important inbound markets including Singapore, Australia, New Zealand and South Africa.