Daily Thai News Updates: 18 May 2017

1. BoT optimistic on recovery for private investment
Source: Bangkok Post (Link)

Private investment growth is expected to pick up in the second half of 2017, helped by a strong recovery for exports, says the Bank of Thailand. Thailand saw a contraction in private investment in the first quarter of 2017. "A more robust recovery in merchandise exports is expected to drive private investment growth in the country in the second half of this year," said Mathee Supapongse, deputy governor overseeing monetary stability at the central bank. But growth in private investment in the second half will be underwhelming because excess capacity remains in a number of sectors, he said. "Even though private investment contracted in the first quarter of this year, the results are better than what we had expected," Mr Mathee said. The National Economic and Social Development Board (NESDB) reported that private investments contracted 1.1% in the first quarter of 2017, worse than the 0.4% contraction seen in the fourth quarter of 2016. The NESDB also slashed its private investments outlook to 2% for this year from its previous forecast of 2.5%. Mr Mathee said the Bank of Thailand now expects private investments to grow by 2.4% in 2017, up from the 0.4% growth recorded in 2016.

2. Chamber to add value
Source: Bangkok Post (Link)

The Thai Chamber of Commerce has vowed to upgrade 50,000 entrepreneurs to make them more innovative and add value to their business in line with the Thailand 4.0 initiative. The chamber also aims to raise revenue in the business sector by 20-30 billion baht over the next two years and increase GDP growth by 0.2 percentage points. Kalin Sarasin, chairman of the chamber, said the focus of the upgrade will be on Thai strengths such as trade, investment, agriculture, food, tourism and services. "Our upgrade is meant to convince at least 50% of our 100,000 members to use the creative, cultural or digital economy models, as well as increase trade in services," he said. Mr Kalin said the service sector contributes just 52% of Thailand's GDP, compared with 80% in the US, 76% in Singapore and 72% in Japan.

3. Supachai raps govt on economy, weapons purchase
Source: The Nation (Link)

In a rare move, former World Trade Organisation chief Supachai Panitchpakdi yesterday criticised the Thai government on many big issues ranging from falling private investment to a potential bubble in the property market, and hinted that he frowned on the submarine-purchase deal. He also urged caution on China's One Belt, One Road initiative. In an interview to a group of reporters on the sidelines of a seminar hosted by the Neighbouring Countries Economic Development Cooperation Agency (NEDA), Supachai urged the government to tell the Thai public the truth about the current state of the economy. "Politically the government wants to project good news in order to win the people's confidence, but the government needs to tell the truth," said Supachai, who was director-general of the WTO from 2002 to 2005. He was also secretary-general of the United Nations Conference on Trade and Development (Unctad) from 2005 to 2013. He said he was concerned about declining private investment in Thailand. He said listed companies were paying high dividends to shareholders but were not investing in building up their research and development capacity. His comments came after the National Economic and Social Development Board revealed that private investment had contracted by 1.1 per cent in the first quarter of this year. Foreign direct investment in Thailand has also been declining for several years, Supachai said…As the Thai government is upbeat about China's New Silk Road project, Supachai said Thailand and other Asean countries were likely to benefit from the initiative but should not just stand back and let Beijing set the agenda. "I don't like 'big brothers', whether they are Chinese or American, in the region," he said. He suggested that the Thai government strengthen cooperation under the Regional Comprehensive Economic Partnership, which comprises Asean and many other countries including Australia, Japan, India, New Zealand and South Korea. Where RCEP and China have common interests, then cooperation with Beijing should go ahead, he said.

4. Tata Steel (Thailand) reports improved results in fiscal 2017
Source: The Nation (Link)

Tata Steel (Thailand) on Thursday reported a 38-per-cent growth in revenue year on year in the fourth quarter of its fiscal year 2016-17. Sales volume in the fourth quarter ended on March 31 was 14 per cent higher by 344,000 tonnes quarter on quarter and 9 per cent up year on year. Net sales at Bt5.84 billion was 26 per cent higher quarter on quarter and 38 per cent year on year. Sales volume for fiscal 2017 at 1.263 million tonnes was higher than fiscal 2016 by 10 per cent and net sales in fiscal 2017, at Bt19.7 billion, was 18 per cent higher year on year. Earnings before interest, tax, depreciation and amortisation (EBITDA), at Bt412 million in the fourth quarter was almost at par with the previous quarter and higher by 22 per cent year on year. The company has taken one-off adjustments of Bt618 million during the fourth quarter by provision of Bt528 million for impairment of MBF Asset, which remains mothballed since 2011, and provision for obsolescence and write-off of fixed assets and old raw material inventory worth Bt90 million.

5. KPMG offers to help firms with digital transformation
Source: The Nation (Link)

Professional-services firm KPMG says it is offering comprehensive consultation to help |companies in Thailand with digital transformation. A KPMG study indicates that the most significant technologies that will play key roles in consumer and enterprise markets over the next three years are the cloud, Internet of Things, mobile, data and analysis, artificial intelligence and robotics. KPMG Thailand recently partnered with KPMG Japan to acquire expertise in AI, robotics, D&A, IoT and cybercrime prevention. With rapid changes to business landscapes caused by disruptive technologies such as AI, robotics and IoT, companies find it increasingly necessary to adopt and integrate these new technologies into their businesses. According to KPMG's "The Changing Landscape of Disruptive Technologies" study, there are key technologies that have been given more focus by businesses; in both consumer and enterprise markets. In consumer markets, KPMG says the future indispensable technologies are the cloud, mobile service, D&A and IoT, with countries such as Japan being the lead adopters of many of |these.