

Daily Thai News Updates: 1 June 2017

1. Thailand up in competitiveness ranking

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

Thailand saw a slight improvement in its competitiveness ranking, moving up from 28 last year to 27 this year, according to the IMD World Competitiveness Ranking 2017 released late Tuesday. The top five economies of the 63 rated this year are: Hong Kong, Switzerland, Singapore, the United States and Netherlands. Thailand's ranking improved in the areas of economic performance and government efficiency, but its digital competitiveness ranking, however, dropped to 41 this year from 39 last year. Thailand was rated poorly in many areas: e-governance, software piracy, IT education and training, and digital and technological skills. Thailand's digital competitiveness ranking is a reflection that the government's 4.0 policy has yet to bear fruit. The IMD World Competitiveness Centre this year published for the first time separate digital competitiveness rankings.

2. Russia keen to offer network, search services

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

Russia's Ministry of Telecom and Mass Communications has proposed offering social network and search engine services in Thailand based on Russian platforms. RUSSIA'S Ministry of Telecom and Mass Communications has proposed offering social network and search engine services in Thailand based on Russian platforms. Takorn Tantasith, the secretary-general of the National Broadcasting and Telecom-munications Commission, said this week that the Russian ministry proposed that both countries seek ways to set up a holding firm in Thailand to provide the services here, with the partners to share revenue from these services. The Russian ministry floated the idea to the NBTC on Tuesday when it and the NBTC signed an agreement in Moscow to collaborate on telecom services and cybersecurity. Takorn said he would inform Prime Minister Prayut Chan-o-cha of Russia's suggestion. Russia's Facebook and Google equivalents include social media site Vkontakte and Yandex, respectively.

3. Consumer prices dip for first time in 14 months

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

Annual headline consumer prices dropped in May for the first time in 14 months, due mainly to last year's high comparative figure, government data showed on Thursday. The fall gives the central bank room to keep interest rates low to aid economic recovery. Headline consumer prices dipped 0.04% in May to stand at 100.64 points, compared with the 0.17% rise forecast in a Reuters poll. The ministry said last year's food prices were high because of drought. In April, the index rose 0.38% from a year earlier. The central bank targets headline inflation of 1-4%. The core CPI index, which excludes raw food and energy prices, rose 0.46% in May from a year earlier, against a rise of 0.50% seen in the poll. In April, it was 0.50%. Inflation in Thailand has been contained by state price controls, subsidies and sluggish domestic demand. The Bank of Thailand has left its benchmark interest rate unchanged at 1.50%, near the record low, since a cut in April 2015. It next reviews monetary policy on July 5. Most economists expect no policy change through 2017.

4. Food exports forecast to grow 10.8%

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

Thailand's food exports are expected to fare better than earlier projected, fuelled by the world's economic recovery, abundant raw materials and more value-added food items. Speaking at Thaifex-World of Food Asia 2017, one of the largest regional food and beverage trade fairs which is being held until June 4, Deputy Prime Minister Somkid Jatusripitak said Thai food exports are expected to grow by 10.8% this year to US\$26.6 billion (900 billion baht) Earlier in the year, the government projected overall exports would grow by 5%. Thailand shipped \$24 billion of food last year, making it the largest food exporter in Asean and the 12th largest worldwide. Strong exports of rice, processed chicken meat, canned seafood products, semi-cooked and frozen shrimp and seasoning items contributed to growth in 2016. Mr Somkid said Thailand's trade partners have also gained greater confidence in Thai food safety and labour protection measures, while Thai food is popular among international consumers. The government is also trying its best to promote more innovative food products with added-value.

5. Export growth 'to hold'

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

The export recovery is set to hold steady for the remainder of the second quarter, but its knock-on effects on other sectors remain unclear, says a Bank of Thailand senior official. "The recovery in Thai merchandise exports is expected to continue throughout the second quarter, supported by three primary factors," said Pornpen Sodsrichai, director of macroeconomic and monetary policy at the central bank. These factors are the income effect in trade partner countries, the larger supply of goods produced in Thailand, especially agricultural products, and the rising trend of the Internet of Things (IoT). On a balance-of-payments basis, Thai merchandise exports -- representing 70% of the country's GDP -- reached US\$6.5 billion (562 billion baht) in April, up 5.9% year-on-year. Excluding gold export value, exports reached \$6.3 billion, up 5.5% from a year earlier. Ms Pornpen said the trend of IoT had helped increase the export of electronics and appliances, which grew 3.9% year-on-year in April. Export growth resulted from strong demand abroad, supported by a recovery in crude oil prices.

6. Cheap online tour packages patrolled

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

Some 44 travel companies and attraction operators have worked closely with the tourism authority to control online operators selling extremely low-priced tour packages to free independent travellers (FIT) from China. They formed the Online Tourism Club (OTC) in January this year, aiming to seek ways to control online tour operators from selling these cheap packages as well as protecting the Thai tourism industry from being affected by price wars. During the first quarter this year, the Tourism Authority of Thailand (TAT) found that 2,664 local and Chinese websites sold tour packages to Thailand at very cheap prices to lure Chinese FITs to visit Thailand. OTC president Nipon Boonmasuwanran said the club is now working with the TAT to try to reduce this inappropriate behaviour.