

Daily Economic News Summary: 10 May 2016

1. New talks on G2G rice deal with China

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

The government plans to renegotiate with China deals for the sale of rice and other agricultural products after deciding to go it alone in the Bangkok to Nong Khai high-speed rail project instead of engaging in a joint venture with the economic powerhouse. Commerce Minister Apiradi Tantraporn said she would lead a Thai delegation for a mission to Beijing on Thursday and Friday to discuss with Chinese representatives the agricultural deals. Apiradi said the main aim was to sell more rice to China following this month's end of the current rice contract with China under a government-to-government deal. The one million tonnes of rice negotiated under that contract commenced early last year. Apiradi said she aimed to negotiate the sale of another one million tonnes of rice to China. Transport Ministry representatives will be in China from Wednesday to Friday to discuss the high-speed rail project.

Chutima Bunyapraphasara, permanent-secretary to the Commerce Ministry, said the mission also aimed to negotiate the sale of other agricultural crops including rubber and tapioca. To promote sales of rice, the ministry will send a delegation to South Africa and Mozambique in June. It will also discuss the sale of other products while there. Chutima said these two countries had a strong demand for rice as it was now a major staple and they should become gateways for Thailand to penetrate central African countries such as Angola with rice sales. Mozambique used to import about 600,000 tonnes of rice from Thailand a year. Chutima said Thailand was expected to export 9.5 million tonnes this year due to high demand in many markets because of drought.

2. SME business confidence up again in first quarter

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

Small and medium-sized enterprises' business confidence continued rising from late last year to early this year on the government's economic stimulus, according to TMB Analytics. Benjarong Suwankiri, first vice president and team head of TMB Analytics at TMB Bank, said yesterday that the TMB-SME Sentiment Index rose for the second quarter in a row for the first time in nearly four years to 42.1 in the first quarter of this year.

3. Lazada starts up tech hub in Thailand

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

LAZADA GROUP has opened a technology hub in Bangkok to drive strategic mobile development initiatives that it says will elevate the experience for Lazada's shoppers and sellers across Southeast Asia. The Lazada Tech Hub in Thailand will focus on advancing the design and engineering of the e-commerce group's mobile shopping and selling sites and apps for Southeast Asia. With almost 30 million app downloads and more than 60 per cent of its gross merchandise volume represented by mobile sales by the end of 2015, Lazada Group has been investing in m-commerce through new app and mobile site initiatives. *"Mobile innovation is a discipline any serious online player must build, and having the best talent is critical to designing products and solutions that are not only intuitive but improve the quality of experience and life for our consumers and sellers,"* said Ifor Evans, Lazada's chief technology officer for operations. *"We believe that Thailand attracts a highly skilled talent pool. And, as the leading shopping and selling destination, Lazada is both enviably positioned and committed to raising the bar for mobile and tech development in the region."* In the next few months, Lazada Tech Hub aims to hire more than 50 talents, including iOS and Android developers, Go Programming Language developers, and quality assurance automation engineers. The tech-hub team will operate from EmQuartier in Bangkok's central business district.

4. MITI-IV which includes Thailand could represent a "New China" of manufacturing

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

They are all expected to be included in the top 15 nations by 2020 and could represent a "New China" in terms of low-cost labour, agile manufacturing capabilities, favourable demographic profiles, and market and economic growth. The prediction is based on an in-depth analysis of responses from more than 500 chief executive officers and senior leaders at manufacturing companies throughout the world to a survey by Deloitte's global consumer and industrial products industry group and the US Council on Competitiveness. As in the 2010 and 2013 "Global Manufacturing Competitiveness Index" reports, the executives ranked 40 countries on their current and future manufacturing competitiveness and also rated the top drivers of global manufacturing competitiveness.

Although all but Vietnam showed a drop in overall competitiveness ranking from 2013-16, viewed as a group, the MITI-V nations can be seen as offering an attractive option for market and economic growth as well as growing the customer bases of manufacturers. *"The Southeast Asian countries of Indonesia, Malaysia, Thailand and Vietnam continue to garner the interest of global manufacturers looking for alternatives to China with the availability of skilled workforces and growing labour productivity, as well as a lower manufacturing labour cost in comparison to*

China," Ng Jiak See, leader of industrial products and services for Deloitte Southeast Asia, said yesterday. *"Other advantages that these countries offer to global manufacturers include numerous tax incentives in the form of tax holidays ranging from three to 10 years, tax exemptions or reduced import duties and reduced duties on capital goods and raw materials used in export-oriented production,"* she said. From a global perspective, the United States is expected to become the most competitive manufacturing nation in five years, with the current leader, China, slipping into second position.

5. Three areas earmarked for sustainable tourism

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

The Designed Areas for Sustainable Tourism Administration (DASTA) plans to push three communities to develop sustainable tourist attractions this year, newly appointed board chairman Weerasak Kowsurat said yesterday. The targeted areas are Hua Hin and nearby Cha-am, Ayutthaya, and Chiang Saen. For Hua Hin and Cha-am, it proposed late last month that the government help develop the two beach towns as sustainable attractions. It will soon ask the authorities to promote Chiang Saen district in Chiang Rai province as a relaxed-travel destination for tourists, especially from Europe. And Ayutthaya is set to become a new centre for community-based tourism, highlighting night-time attractions. "This year, DASTA will move forward to help local authorities and government bodies develop new attractions. We aim to push communities to develop sustainable tourist attractions," he said.

DASTA has already launched tourism development and management plans for six areas in Trat, Chiang Mai, Loei, Nan, Sukhothai and Kamphaeng Khet provinces. It recently began targeting two new areas in Suphan Buri and Chon Buri. *"Over the past decade since DASTA was established, we have been developing and managing only our designated areas, but this will be first year we assist other areas to develop attractions,"* Weerasak said. He said DASTA would continue organising training courses developed by the Global Sustainable Tourism Council to help local residents and communities understand about tourism development and how to manage attractions. The GSTC is a global tourism organisation that has set 41 tourism indicators for long-term development, such as green and low-carbon tourism.

Koh Mak, Thailand's first low-carbon island destination, was introduced to Western markets in order to attract visitors concerned about the environment. The island received just under 1.5 million tourists last year but 90 per cent of them were Thais; the 10 per cent who came from overseas were largely from Europe. DASTA has also promoted a gastronomic destination, Baan Rai Gong King Village in Chiang Mai, which is now becoming popular for community-based tourism.

.....