

Daily Thai News Summary: 11 August 2015

1. SEZs seek to boost Thai-Lao partnership

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

Thailand and Laos have pledged to raise bilateral trade to US\$8 billion over the next three years, driven mainly by underlined partnerships through special economic zones (SEZs). Commerce Minister Chatchai Sarikulya told a seminar that SEZs along the border areas of the two countries would be instrumental not only in boosting trade over the next three years but also investment.

Thailand plans to develop SEZs in 10 provinces, six of which have been designated in the first place-Tak, Sa Kaeo, Trat, Mukdahan, Songkhla and Nong Khai.

2. State rice deal with China set for September

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

Thailand is set to sign a government-to-government deal with China next month to sell 1 million tonnes of rice, with delivery starting in December. Commerce Minister Chatchai Sarikulya said after his return from China last week that the deal would be signed on Sept 13 or 14.

The grains, which are mainly new 5% white rice and Hom Mali fragrant rice, are part of 2 million tonnes of rice for which Thailand and China signed a memorandum of understanding last December.

The contract will be made through the China National Cereals, Oils and Foodstuffs Corporation, the giant state enterprise that oversees rice imports, as a way of ensuring transparency. Gen Chatchai said Thai authorities would discuss further with Chinese counterparts about the proper period for the deal for the remaining 1 million tonnes to be signed.

3. Petroleum exploration ready to roll

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

Thailand is likely to start its 21st round of petroleum exploration this year, expecting to grant licenses to upstream petroleum investors by next month, says the Mineral Fuels Department. Director-general Puangthip Silpasart said investors would be allowed to choose whether they wanted to be under the existing concession system or the new production-sharing contract.

The 21st round of petroleum exploration will feature 29 blocks covering 66,463 square kilometres. Of the total, six are offshore petroleum blocks. *"We're ready to grant licences if the National Legislative Assembly (NLA) finishes revising the Petroleum and State Revenue Acts,"* Ms Puangthip said.

4. FTI predicts further decline in car sales

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

The Federation of Thai Industries (FTI) is set to cut this year's projection for domestic car sales to 800,000 vehicles from 850,000 in view of mounting downside risks to the automobile industry. Surapong Paisitpatanapong, a spokesman for the FTI's automotive industry club, cited negative factors such as slower-than-expected budget disbursement by the government.

The FTI just last month revised down the forecast to 850,000 vehicles from 950,000, marking a third straight year of decline. Only 40% of the fiscal-2015 budget was spent in the six months to March 31. *"Now the Thai economy is in dire need of a cash injection to boost consumer purchasing power and private-sector investment,"* Mr Surapong said.

5. Advert spending could plunge 8% this year

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

If the economy grows by less than 3 per cent this year, the Thai media industry could suffer an 8-per-cent drop in advertising spending as corporates tighten their belts, the Media Agency Association of Thailand has warned.

"Current business sentiment does not seem to meet our expectations. Advertising expenditure in the Kingdom is slowing down," said MAAT chairwoman Wannee Ruttanaphon. *"In the first half, we estimated that overall spending had suffered a decrease of about 2 per cent from the same period last year. This forecast was based on actual spending."*

She acknowledged that the poor economy was directly influencing advertising expenditures. As the export sector performs poorly in line with the global economic slowdown, the Bank of Thailand is now considering lowering its growth forecast for this year's gross domestic product to less than 3 per cent. Many corporates, including those in fast-moving consumer goods, are taking a cautious approach in preparing for this tough situation by tightening their belts and cutting their advertising expenditures.

By Harsha Hazarika