

Daily Thai News Summary: 12 January 2016

1. Bt 2.4 tn revenue targeted for tourism

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

The government and private sector are preparing more tourism packages to drive domestic travel and boost total tourism revenue from Bt2.2 trillion last year to Bt2.4 trillion this year. *"It seems that the global economy will not be good this year. However, Thai tourism should not follow that. Instead, it should squeeze through all the problems this year, as the industry has faced and survived many crises,"* Somkid Jatusripitak, the deputy prime minister in charge of economic affairs, said yesterday. To keep tourism on its growth trajectory and strengthen the overall economy this year, the government has outlined plans specifically aimed at promoting domestic tourism. *"The Tourism Authority of Thailand and the Tourism Ministry are ordered to work with the private sector such as hotels, airlines and related businesses to create attractive tour packages as well as marketing tactics to encourage domestic travel throughout this year,"* he said.

One of the big campaigns being planned is to hold a lucky draw for Bt1 million every month for 12 months. Tourists who purchase packages from travel agents or assigned operators will have a chance to win these grand prizes. The lucky-draw campaign will soon be launched, probably late this month or early in February. Besides the cash prizes, some other big gifts being planned include a car, house and travel deals. Tourists from neighbouring countries such as Myanmar and Laos could join the campaign and have the same chance to win all the prizes as locals have.

2. ASEAN economic ministers to meet on 10 year strategy, restart of EU talks

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

After the full economic integration of Asean, regional officials will pursue a 10-year plan for further cooperation, and prepare for resumption of negotiations on a free-trade agreement (FTA) with the European Union. At the Asean Senior Economic Officials Meeting to be held in Vientiane from January 19-21, officials will call for a high-level taskforce to brainstorm on the next steps after regional integration, Sirinart Jaimun, director-general of the Thai Commerce Ministry's Trade Negotiations Department, said yesterday.

At the meeting, Asean members will follow up on the remaining plans under the AEC Blueprint 2015, discuss a Strategic Action Plan, and continue drawing up

the AEC Blueprint 2025, which is a 10-year strategy for strengthening the Asean Economic Community (AEC). Moreover, the meeting will discuss issues regarding trade and investment relations between Asean and the EU, and plan for a resumption of talks between the two regions that have been suspended for many years. Sirinart said Asean officials needed to prepare information and update details on trade and investment and other issues before continuing the talks with the EU in the near future. This month's meeting will also discuss details of the Regional Comprehensive Economic Partnership and Asean FTAs with other trading partners such as Hong Kong, mainland China, Japan and South Korea.

3. GSB signs deal with banks for soft loans to SMEs

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

Government Savings Bank yesterday signed a memorandum of understanding with 19 banks to extend a second tranche of soft loans totalling Bt50 billion to provide small and medium-sized enterprises with working capital. Chatchai Payuhanaveechai, president of GSB, said that according to a new condition, soft loans would be reduced to a maximum of Bt10 million, from Bt50 million earlier. The new tranche is expected to help 10,000 SMEs. About 70 per cent of the first tranche of Bt100 billion in soft loans was extended to SMEs in Bangkok and its vicinities and the rest to businesses in the provinces. *"GSB sees nearly no risk for soft loans as it extends them to commercial banks. About 1 per cent of the total loans to be extended are expected to be non-performing,"* Chatchai said.

He said the bank had targeted extending loans, including those under Bt10 million, to more SMEs while promoting start-ups and venture-capital funds. GSB's SME centres will be increased from six to 18. *"Usually GSB takes care of SMEs. The government needs us to give more help as GSB is the biggest state-run bank with more than 1,000 branches nationwide,"* Chatchai said. Apart from the expansion of loans, the government assigned GSB to join the Small and Medium Enterprise Development Bank of Thailand and Krungthai Bank in establishing venture-capital funds worth Bt2 billion at each bank.

4. Commerce Ministry, private sector work towards 5% export growth

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

The Commerce Ministry and the private sector are set to finalise a working plan this quarter to ensure that exports expand by 5 per cent this year. After the first meeting of a task force on driving export and investment growth under the Public-Private Steering Committee, Commerce Minister Apiradi Tantraporn said the government would help find ways to expand export value by 5 per cent to US\$225 billion (Bt8.16 trillion) this year. The meeting also agreed

to set up two subcommittees to draw up export-promotion plans and lead Thai investment overseas, focusing on Cambodia, Laos, Myanmar and Vietnam (CLMV) as priority countries for this year. She acknowledged that the global economy was still fragile. The slowing growth of China has also affected the Thai economy, as that country is one of our major markets.

However, the government and the private sector have agreed that they will offset a decline in exports to China by focusing more on emerging markets and CLMV, where exports were still growing well last year. Under the ministry's working target, it is projected that exports to Asean will grow 6 per cent, while those to CLMV alone will expand by 13.6 per cent. Shipments to other markets will grow more slowly; those to China will expand by 3.5 per cent, to the European Union by 2.8 per cent, and to North America 3.1 per cent. Meanwhile exports to Japan and Russia will face continued contraction this year, by 1.5 and 15 per cent respectively. Exports to new markets will continue to increase, including to Latin America by 17.2 per cent, to Australia by 10 per cent, and to India by 9 per cent.

5. TCT forecasts 8% rise in foreign tourists this year

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

International arrivals are expected to pass 32.5 million this year, 8 per cent more than last year, according to the Tourism Council of Thailand. TCT president Ittirit Kinglake said that barring any crises, the number of foreign visitors should be more than last year's 29.8 million. He said international tourists would generate revenue of Bt1.6 trillion while domestic tourists would contribute more than Bt700 billion to the economy. The TCT's total tourism-revenue projection for this year is Bt2.3 trillion, lower than the government's forecast of Bt2.4 trillion announced on same day.

Last year, the TCT recorded revenue of Bt2.2 trillion from international arrivals. This year, the European market is expected to continue to be slow, dropping the average length of stay slightly to 9.1 days. However, average spending per head for all markets will increase to Bt48,028 per tourist per trip. Ittirit said the TCT had signed a memorandum of understanding with the Designed Areas for Sustainable Tourism Administration (DASTA) to develop eight domestic attractions in provinces such as Nan, Loei, Sukhothai and Chon Buri. The two bodies also plan to promote agricultural, medical and cultural tourism. To strengthen the tourism sector this year, the council suggests that the government improve infrastructure systems, particularly such things as air-seat capacity, as well as promoting more new attractions.

6. SCB still plans to open first China branch despite woes

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

Although China is witnessing an economic slowdown, Siam Commercial Bank is going ahead with its plan to establish its first branch there and is also considering expanding its footprint into southern China. Yol Phokasub, president of SCB, said no one could predict whether China would have a hard or a soft landing, so the bank's investment there should be adjusted according to the actual situation. He said SCB was sticking with its plan to set up a branch in China because that country is a long-term investment destination for the bank. SCB has had a representative office in Beijing since October 2013, and it recently applied for permission to set up a branch in Shanghai.

Arthid Nanthawithaya, chief executive officer and deputy chairman of the executive committee, said a branch in Shanghai would provide transactional banking opportunities and the bank could support lending to large Chinese investors keen on Thailand. *"Lending to local Chinese companies is not the target because our [funding cost is higher than local banks],"* he said. Arthid added that while the bank was interested in branching out into southern China, it was not yet part of the business plan. However, the southern provinces of China are close to the CLMV sub-region (Cambodia, Laos, Myanmar and Vietnam), a market on which SCB focuses. Therefore, it is possible that SCB might have another branch in southern China at some point. SCB has a presence in every CLMV country. Cambodian Commercial Bank is a wholly owned subsidiary; it has a branch in Vientiane; and it has a representative office in Yangon, which it hopes to upgrade to a branch when the Myanmar regulators allow it to do so. SCB will open a branch in Ho Chi Minh City in March after receiving a foreign-branch licence from the Vietnamese authorities.

BY Harsha Hazarika