

Daily Thai News Summary: 12 June 2015

1. Songkhla SEZ catches the eye of investors

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

Many local and foreign investors are taking a close look at the Songkhla Special Economic Zone (SEZ), mainly for rubber processing and logistics, with a view to growing along with Asean's integration.

Commerce Minister Chatchai Sarikulya said yesterday that following the government's policy to promote the development of 10 SEZs to serve economic integration, many Thai, Malaysian and investors from other countries such as China, India and Sri Lanka have shown great interest in setting up in the SEZs.

The focus is on industries related to rubber such as rubber processing, rubber tyres and rubber gloves as well as integrated logistics including container yards and inland container depots, he said.

Besides Songkhla, SEZs in Tak, Sa Kaew, Mukdahan, Trat, Chiang Rai, Narathiwat, Nakhon Phanom and Kanchanaburi will also be promoted to draw more investors.

2. Ministry focus on state-owned firms

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

The Finance Ministry's plan to sell off its shares in about 100 companies to pare down government debt is "not a priority" for the State Enterprise Policy Office (SEPO).

SEPO's priority is to make sure that state-owned enterprises (SOEs) support their subsidiaries.

All of the seven loss-making SOEs have submitted business-rehabilitation plans and SEPO has promised that it will come up with a tangible reform plan and draft an SOE management bill, which will be presented to the public, the Cabinet and then the National Legislative Assembly over the next two months.

The reform plan will also include the setting-up of a holding company for state enterprises listed on the Stock Exchange of Thailand.

3. Bleak outlook for fishing and sea food sectors, exports to China

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

The fishing and seafood industries and businesses that export to China face risks in the remainder of this year because of the uproar over human trafficking and the economic slowdown in China, according to Kasikorn bank.

Speaking at a seminar on the Thai economy to the bank's clients, Nattariya Wittayatanaseth, market and economic research specialist, said the situation for the fishing industry could worsen due to human trafficking issues leading to US and EU considering banning seafood products from Thailand.

"The ban on fishing products could have a domino effect because of the large number of people employed in the fishing industry. Also, most of the businesses in this industry are small and medium businesses, so they do not have many choices to export to other countries," she said.

China's economic slowdown will have a serious impact, as 40 per cent of Thai exports go to China and Asean. The products that will be heavily affected by the recession are fresh food, beverage, and chemical products, including cement and steel. These products are considered 50 per cent of the exports to China and Asean.

4. Pridiyathorn applauds decision to maintain 1.50% policy rate, weaker baht

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

The decision by the Bank of Thailand's Monetary Policy Committee (MPC) to keep the benchmark interest rate at 1.50 per cent was correct, as the rate is currently the lowest in the region, said Deputy Prime Minister MR Pridiyathorn Devakula.

Meanwhile, the weakening of the baht is also appropriate because it will benefit Thai exports, which should become evident in the coming months, he said.

The central bank is avoiding intervening in the exchange rate, and has allowed market mechanisms to manage the baht's value.

5. Superblock to supply 2000 MW by 2016

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

Superblock expects to be supplying up to 2,000 megawatts of electricity within three years. The company will also proceed with its wind, solar and biomass energy businesses.

Superblock plans to distribute 600MW under power purchase agreements (PPAs) and another 500MW on a commercial operations date (COD) basis by the end of this year, which should boost second-half revenue sharply. Next year, Superblock hopes to supply up to 1,000MW and hit the 2,000MW level by 2017, supplying power locally and abroad.

Jomsarp Lojaya, chairman of Superblock's board of directors, said the company expected to meet its COD plan to supply 500MW of solar-generated electricity this year. As for PPAs, Superblock has secured 61.6MW, in addition to a previous PPA of 13.51MW, for a total of 75.11MW.

6. Nicaragua seeks gateway role for Thai products

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

Nicaragua is promoting itself as a springboard to Central America for Thai investors. *"Nicaragua clearly has competitive advantages in terms of labour costs and the 10-year tax-exemption policy. Manufacturing has been benefiting from the country's distinction as the hub of Central America to export to third countries,"* Saul Arana Castellon, deputy foreign minister, said on his visit to attract Thai investors to Nicaragua.

The minister asked the chairman of the Federation of Thai Industries (FTI) to encourage investors to do business there. The FTI vowed to send an educational tour to Nicaragua and conduct further study missions to the country.

The objectives of Castellon's mission were to promote and strengthen the commercial relationship with Thailand, which is more than 30 years old, and to attract Thai companies to the manufacturing, trading and services industries in Nicaragua.

The mission is seeking joint ventures for exporting to key markets like the United States, Mexico and South America, where Nicaragua has free-trade agreements.

By Harsha Hazarika