

Daily Thai News Summary: 14 August 2015

1. PM lauds fossil fuel power

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

Prime Minister Prayut Chan-o-cha has told the Energy Ministry to boost public understanding about the cost of producing electricity from renewable or alternative energy sources, which he said would lead to higher power bills.

He said he had made the order during an interview given after chairing the National Energy Policy Committee. *"We have to understand that if we switch to using more renewable or alternative sources of energy, our electricity bills will inevitably go up,"* he said.

By switching to using palm oil, for instance, electricity production costs would double, he said. He did not explain how he arrived at the figure. That might benefit the palm oil trade but the cost of electricity production using this type of alternative energy would cost much more than fossil fuel energy, he said.

2. FTI cuts food export target

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

Thai food export value is expected to miss its target this year because of weak demand amid a gloomy global economy, says the Federation of Thai Industry's (FTI) food processing club.

Club chairman Boonpeng Santiwattatam said the export growth target was 6.9% from 1.01 trillion baht in 2014. However, with several negative factors persisting, the club is cutting its target by two percentage points, he said. *"We expect the value of food exports to be less than the 1.08 trillion baht we predicted earlier,"* said Mr Boonpeng.

The negative factors included the recent draught that cut Thai agricultural output, the main raw material for the food processing sector, leading to falling production capacity and lower exports, he said.

3. US chains keen on Thailand, ASEAN

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

More than 20 American food chains are planning to enter Thailand as a springboard to expand into its Asean neighbours. Sethaphong Phadungpisuth, managing director of Gnosis Co, a franchise consulting company, said among those interested were Arby's sandwich chain with 3,400 branches worldwide; Denny's, a family restaurant with 2,100 branches globally; Fuddruckers, a top-five American hamburger chain; PJ's Coffee and Round Table pizza brand.

These brands and other chains such as Rocky Mountain Chocolate Factory, Mosquito Squad and Wow Cafe will attend RetailEX FranchisEX Asean 2015 from Sept 17-19 at Impact Muang Thong Thani.

Apart from exploring franchise opportunities here, exhibitors from 20 countries will showcase the latest retail technology and innovative concepts and designs on 50,000 square feet. Retailers from Myanmar, Vietnam and Malaysia will join the event.

4. Opportunities as Mideast embarks on “Look East” policy

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

The Middle East is playing up its tremendous opportunities for trade and investment by instituting a "Look East" policy and developing major facilities to support upcoming world-class events.

Vitavas Srivihok, deputy permanent secretary for the Foreign Ministry, said yesterday that the Middle East had not received enough interest from the business community in Thailand, which considers it far away and riddled with unrest.

"However, I would like to say here that the Middle East is a market with good potential and tremendous business opportunities. It is also a prominent gateway to West Africa," he said.

5. Delayed state projects likely to increase public debt, PDMO says

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

The Public Debt Management Office has conceded that delayed state projects could push up the nation's public debts, with consistent budget deficits for three or four years, while expecting the public debt to reach 52 per cent of gross domestic product by 2020.

Theerat Attanavanij, deputy director-general of the PDMO, said some state projects had been delayed and budgets would not be disbursed as targeted. As a result, the office will adjust

its public-debt-management plan for the third time, particularly concerning the railway double-tracking project.

That project has been delayed by difficulties in its environmental impact assessment (EIA). This results in a drop of Bt125 billion in borrowings for fiscal 2015. Under the PDMO's adjusted plan, borrowings will likely rise by Bt638 billion.

Of these, about Bt390 billion will be for the main state budget and the remainder for investment in state and state-enterprise projects. Most of the planned borrowings are expected to come from local sources, with a limit on external borrowings at Bt60 billion. Under this plan, the public debt is expected to reach 48.3 per cent of GDP in fiscal 2016. The public-debt-management plan for fiscal 2016 will be proposed to the Cabinet for approval this month.

By Harsha Hazarika