

## Daily Thai News Summary: 14 December 2015

### 1. Roadshows to woo foreign investors, drive exports

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

Thailand will organize more international roadshows in an effort to stimulate exports, restore foreign investors' confidence and woo foreign investment, particularly in the 10 targeted industries being promoted as clusters. Deputy Prime Minister Somkid Jatusripitak said his economic team would organize roadshows similar to those held in Japan last month. This time they will go to China, South Korea, Germany, India and the US over the next year and a half, a period this government is expected to still be in office. The 10 industries are next-generation cars; smart electronics; affluent, medical and wellness tourism; agriculture and biotechnology; food; robotics for industry; logistics and aviation; biofuels and biochemicals; digital and medical.

A study by the Finance Ministry found if Thailand seriously promotes the 10 industries, GDP growth could reach 5-6% a year based on private investment, which is expected to increase by 10% in 2016.

### 2. US rate hike would mean no Thai rate cut

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

Better-than-expected job numbers in the US should result in the Federal Reserve hiking interest rates on Wednesday, a rate-normalising move that would prevent the Bank of Thailand delivering another rate cut this year, leading economists said. Uwe Parpart, chief strategist and head of research at the Reorient Group, said the rosier jobs situation in the US and the markets' favourable reaction to that pointed to a rate rise. *"A Fed rate hike on December 16, barring some horror event, is now a foregone conclusion, and markets would rather see a stronger than a weaker [US] economy as the inevitable comes to pass,"* Parpart said. However, he said the Reorient Group was not persuaded that the stronger job numbers "portend stronger US growth".

He said the optimistic market reaction to the jobs situation was not due to expectations the US economy would grow above 2 per cent but probably because the predicted federal funds rate would be less than 1.4 per cent in two years' time as implied by the 24 months Fed futures. That translated into continued near-zero real rates for what was a long time in the world of finance. The US economy generated 211,000 new jobs in November, 11,000 higher than expected, while the October number was revised up from 271,000 to 298,000. Parpart said the

US employment report reinforced the market's conviction that the Fed would be extremely cautious about raising interest rates after it was expected to do so last month. The US unemployment rate remained at 5 per cent last month.

### **3. Sосуco eyes ASEAN as Chinese tiles corner Thai market**

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

SOSUCO and Group (2008) Co Ltd, a producer of floor and wall tiles, is coping with an influx of cheaper products from China by shifting its market focus to Asean, especially Myanmar, and rolling out new designs and patterns. *"Myanmar is a future market for our wall and floor tiles that still has a lot of room for growth,"* said Sosuco president Kittichai Kraikokit. Sosuco, a subsidiary of Siam Cement Group, now has a 16-per-cent share of the Bt30-billion Thai market for floor and wall tiles. He said annual demand for floor and wall tiles per capita in Thailand was about 3.3 square metres. But products imported from China accounted for 40 million square metres, 20 per cent of the total demand of 185 million square metres. *"In particular, the [market for] floor tiles used for bedrooms and living rooms has been eaten up by Chinese products, accounting for 90 per cent of total consumption,"* Kittichai said.

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### **4. Thailand joint winner of prestigious regional banknote of the year award**

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

Thailand's new Bt1,000 banknote has been jointly named Best Regional Banknote of the Year with New Zealand's latest polymer banknote series. The co-winners of the High Security Printing Asia award were announced at an event in Jakarta this week. The award ceremony was organised by Reconnaissance International. The award recognises outstanding achievement in design, technical sophistication and security of a banknote or a banknote series.

The key judging criteria stipulated that successful banknotes should combine visual artistry and high levels of technical and security sophistication, with considerable emphasis placed on reflecting the cultural heritage of the issuing country. The overall design and symbolism should be relevant to the issuing country, according to Reconnaissance.

Reconnaissance is a global source of business intelligence on holography and on authentication for document security, personal identification and brand protection. The awarded Thai banknote is the fifth and final note to be issued as part of the country's Series 16, which went into circulation in September.

## **5. Auto lenders expected to refocus 2016 strategy**

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

Hire-purchase operators are expected to focus more on existing customers to maintain business growth next year, in light of vehicle bookings at the "32nd Thailand International Motor Expo", which ends tomorrow, not showing positive signs for the auto-loan industry. The motor expo, which is held in December every year, is an indicator of the likely growth of the automobile industry and auto lending for the next year, and the show's organiser had expressed optimism that bookings for new vehicles at the 2015 expo would reach 50,000 units - the same as last year's level.

However, cumulative bookings for only 23,893 vehicles were reported during the first nine days of the event, well below expectations. Applications for auto loans at the expo similarly came in below the targeted level. Furthermore, sales of some larger-engine models, for which several instalment-plan lenders had expected to see greater demand at the show, have also achieved lower-than-forecast bookings. With the new excise-duty system based on a vehicle's carbon-dioxide emissions coming into effect on January 1, the prices of cars with large engines will increase, while the prices of cars with small engines - such as eco-cars - will be unchanged.

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By Harsha Hazarika