

Daily Thai News Summary: 15 December 2015

1. Rice export goal for 2015 still on course

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

The government is upbeat about achieving this year's rice shipment goal of 10 million tonnes. Commerce Minister Apiradi Tantraporn said Thailand already exported 9.29 million tonnes worth 148 million baht as of last Tuesday. The Ministry set a target to ship 10 million tonnes this year worth \$5.1 billion, but the Minister yesterday said actual shipments might reach 10 million tonnes but with a value of \$4.85 billion.

Thailand's rice shipments rose 66% last year from 2013. Export value rose by 23% last year to \$5.43 billion. Mrs Apiradi said Thai rice shipments still faced many challenges next year including drought conditions, anticipated low oil and commodity prices and weak purchasing power of buying countries due to the global economic slowdown.

2. Influx of tourist expected

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

Up to 800,000 foreign tourists are expected to visit the country in the next two weeks, but total annual arrivals is likely to miss the 30 million target predicted by the private sector. The Tourism Authority of Thailand (TAT) on Sunday celebrated the 28 million visitor through Suvarnabhumi International Airport this year. The agency expects a total visitor number of 28.8 million this year, slightly higher than the original projection of 28-28.5 million.

Juthaporn Rerngronasa, deputy governor for international marketing for Europe, Africa, Middle East and Americas at the TAT, said a lot of the large volume of foreigners tourists travelling to the Kingdom over the next fortnight were coming to celebrate Christmas and the New Year. Private sector entities such as the Tourism Council of Thailand (TCT) earlier forecast the country should receive up to 30 million tourists this year due to large numbers of visitors arriving from China. The TCT is still optimistic about the situation for the remaining weeks this year despite the market facing many negative factors. Ittirit Kinglake, president of the TCT, believed the deadly bomb blast in Bangkok in August and violence in some western countries were key factors negatively affecting inbound business. The country's previous highest number of tourists was at 26.5 million in 2013, with the figure falling to 25 million last year.

3. No rise in BOT's policy rate expected

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

Economists expect the Bank of Thailand's Monetary Policy Committee (MPC) to maintain the country's policy interest rate at 1.50 per cent at its meeting tomorrow as the economy is developing in a positive way. Adding to that is the US Federal Reserve's expected rise in interest rates hours earlier. Kasikorn Research Centre believes that the MPC will probably wait to see the effects of the imminent 0.25-percentage-point rate increase in the United States on the region's money markets before deciding on the direction of this country's monetary policy.

KResearch said the interesting points that had to be looked out for at the Fed's upcoming press conference were its predictions for the United States' gross domestic product, unemployment and inflation rates. It said it was also worth noting whether the Fed's handling of interest rates next year was not as aggressive as expected (around two more increases in 2016). If that is the case there should be no severe effect on emerging markets' capital outflow, it said.

4. Proposal made to govt on increasing foreign tourist spending

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

The Thai Retailers Association has presented to the government a proposal to increase foreign-tourist spending as a way to boost incomes in many industries and to help the country compete with its neighbours. *"It is important to increase the number of foreign visitors arriving in Thailand. But it is even more important and of greater benefit to more Thais across many more sectors if we can get foreign visitors to want to spend more in Thailand than they are currently spending,"*

Chatrchai Tuongratanaphan, executive director of the association, said yesterday. This would also strengthen Thailand's chances of becoming the shopping hub of the impending Asean Economic Community. The tourism proposal includes convenient value-added-tax (VAT) waivers and more downtown duty-free shops. Currently only tourism is playing a major role in driving the economy. The export and agricultural sectors as well as domestic consumption have stayed flat. The proposal aims to strengthen Thailand's appeal to tourists as a shopping destination so that they leave more money behind in this country.

5. SMEs welcomed to apply for soft loans by December 2015

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

The Federation of Thai SMEs, in collaboration with the Small and Medium Enterprise Development Bank of Thailand, plans to help more businesses take advantage of low-interest policy loans before the end of the year. Many smaller SMEs could not secure the 4-per-cent-interest soft loans under the government's Bt100-billion programme earlier this year. SMEs interested in applying for these loans can download application forms from www.federationthaisme.org and submit the applications by December 25, said Dr Noppong Theeraworn, chairman of the federation.

The Thai Credit Guarantee Corporation (TCG) will serve as guarantor for loans not exceeding Bt1 million. Loans of Bt1 million to Bt5 million will have to pass a screening process by a bank that has the TCG serving as loan guarantor. For loans exceeding Bt5 million, commercial banks' standard loan-collateral policies will be applicable. Maximum loan period is five years, and the maximum principal-free repayment period is six months. The soft loans are only available to organisations or business operators that are members of the Federation of Thai SMEs. SMEs can apply for free membership via www.federationthaisme.org, Noppong said.

6. Japan invests in Dawei

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

The multibillion-dollar Dawei special economic zone (SEZ) and related projects will go ahead at full scale after Japan yesterday agreed to take a one-third equity stake in the associated special purpose vehicle (SPV) jointly set up by Myanmar and Thailand. The deal was struck at the fifth Myanmar-Thailand Joint High-Level Committee Meeting that was attended by top officials from all three countries.

Japan's equity holding will be equal to Myanmar's and Thailand's. The SPV currently has maximum registered capital of Bt100 million. Thai Deputy Prime Minister Somkid Jatusripitak said the Myanmar government had given top priority to the Dawei project since it would not only help Myanmar's economic expansion but also contribute to the prosperity of many other countries in the region, including Thailand. Thailand is currently developing land-transport connectivity along the East-West Economic Corridors linking the country's Eastern Seaboard with the Dawei deep-sea port and industrial estates. Previously, Myanmar was not sure if Japan would join the Dawei SEZ, so initial projects were small, such as a two-lane road, a power plant and an industrial park.

By Harsha Hazarika