

Daily Thai News Summary: 15 October 2015

1. ASEAN told of Thai connectivity

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

Thailand is urging Asean countries to make use of the connectivity created by the government's policy to invest in overland infrastructure and special economic zones (SEZs) in border areas, while the private sector pointed out that the greatest difficulty for them in doing business across the region is human-capital development. *"If the ASEAN countries become one, then transport will become important to them,"* Transport Minister Arkhom Termpittayapaisith told the Asean Business Forum. The forum organised by the Thailand Management Association ends today.

As a keynote speaker on "Asean Physical Connectivity: A Key to Regional Integration", Arkhom said all Asean countries should think of how to stay together amid the new normal of slowing economic growth. Those countries should help create more value in terms of getting connectivity within the region for the sake of their economies. Both terrestrial and marine transport systems are the key to regional integration. As for Thailand, the government has pushed for many infrastructure projects, especially those that enable the linkage of the regions' economies, he said. Since the country had never invested in infrastructure for years, it is now promoting the four plans covering road, rail, air and sea transport modes, Arkhom said. Many projects are under study and development such as the double-track railway systems to be lined up along the economic corridor linking China's southern areas with Malaysia and Singapore via Thailand, and the corridor that will connect Myanmar with Vietnam via Thailand and Laos.

2. FTI sees improved Q4 economic growth on back of govt stimulus measures

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

Economic Growth is expected to improve in the current quarter as a result of government stimulus packages introduced in the past two months, while the latest round of short-term stimulus to boost the property sector will generate more economic activities in the first quarter of next year, said the head of the Federation of Thai Industries (FTI). Meanwhile, the Thai Industries Sentiment Index (TISI) increased for the first time in nine months in September, while industrial confidence in relation to the next three months is at its highest level in 10 months. "If the measures that were introduced are successfully implemented, then it should definitely help with economic expansion in the final quarter of the year, while the economy will definitely recover in 2016 from the ongoing economic stimulus measures, progress in the government's

mega-infrastructure projects, and the expected increase in agricultural prices," said FTI chairman Supant Mongkolsuthree.

The Joint Standing Committee on Commerce, Industry and Banking, of which the FTI is a member, has been expecting 2015 gross domestic product to expand by 2.5-3 per cent since its last prediction in July, but Supant commented last week that growth should now be closer to 3 per cent because of the government's stimulus measures. The Council of Economic Ministers, led by Somkid Jatusripitak, has so far introduced measures to help low-income earners via an increase in the Village Fund's budget and other job-creation measures worth around Bt139 billion in the first phase of its economic stimulus efforts.

3. 20% corporate tax rate made permanent

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

The cabinet has made the temporary 20% corporate income tax rate permanent to instill confidence in investors and maintain Thailand's competitiveness, according to Deputy Prime Minister Somkid Jatusripitak.

Finance Minister Apisak Tantivorawong said that while the move was made to reduce worry among business, the rate was still higher than that in some neighboring countries. Thailand cut the corporate income tax rate from 30% to 23% in 2012 to increase the country's competitiveness for the ASEAN Economic Community. The rate was cut to 20% in 2013. With the rate maintained at 20% , government revenue will shrink 150 billion baht a year.

4. Manufacture ramp up car production to beat excise tax rise

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

New excise tax rates due to take effect early next year have prompted car makers to rev up production, particularly for passenger pickup vehicles (PPVs). The new tax regime is based on carbon dioxide emissions, E85-gasohol compatibility and fuel efficiency instead of engine size. Large PPVs normally have high emissions and will be subject to a higher tax.

Surapong Paisitpatanapong, spokesman for the automotive industry club of the Federation of Thai Industries (FTI), said the country's output of PPVs started rising significantly in July.

5. Acer makes big play for Thai gamers

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

Acer Inc, the world's fourth-largest computer maker, is gearing up in the fast-emerging gaming computer segment in Thailand to foster a new engine for growth. Acer Inc, the world's fourth-largest computer maker, is gearing up in the fast-emerging gaming computer segment in Thailand to foster a new engine for growth. *“Despite the sluggish domestic economy, we see strong sales of high performance computing devices for hard-core gamers here”* said Nitipat Praweenwongwuthi, Marketing Director of Acer Computer (Thailand). Teenagers and first jobbers are the customer segment driving the high performance computer market, he said.

Computer games are gaining momentum in Thailand, thanks to aggressive promotions by digital game developers and computer makers. The traditional internet café has transformed into a new style of entertainment and gaming club, particularly in the big cities. With the greater availability of high speed broadband networks and the popularity of mobile devices, hard core gamers are shifting to games designed specifically for notebooks and smartphones. Mr. Nitipar estimates there are 10 million online gamers in Thailand, up to 30% of whom are professional gamers.

6. KBank sees SME rush for soft loans

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

Small and medium-sized entrepreneurs (SMEs) are rushing to apply for the state-owned Government Savings Bank's (GSB) 100-billion-baht soft-loan scheme, with 1,800 of Kasikornbank's customers seeking a combined 15 billion in loans. Some 70-80% of the loan amount is expected to be approved, said Patchara Samalapa, a KBank executive vice-president. It has already granted 2 billion baht of the 15 billion worth of loan applications. The government's soft-loan scheme is aimed at helping SMEs that have been battered by the economic slowdown and weak purchasing power. Applications for the programme began in mid-September. Under the scheme, the GSB will charge commercial banks interest at 0.1% and the latter will relend to SMEs at 4%.

By Harsha Hazarika