

## Daily Thai News Summary: 16 August 2016

### 1. Ministry unveils growth plan

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

The Commerce Ministry has unveiled a “Commerce 4.0” strategy as part of the broader government effort to drive economic growth, emphasising plans to promote service-business growth, as well as increase farmers’ incomes. Commerce Minister Apiradi Tantraporn said on Friday that the strategy would start to be implemented next year. The goal was to promote and back service-business growth, as well as encourage farmers' development under the "Farmers 4.0" model, which involves them not only growing crops, but also distributing them and drawing up marketing plans for their own produce, she said. The "Commerce 4.0" strategy was also aimed at increasing efficiency in the ministry's various works, in accordance with the 20-year national development strategy, she added.

Priority tasks for the ministry would be to stress a trading revolution, such as by developing trading in the service sector; solve export problems; promote trade growth through international negotiations; create and develop small and medium-sized enterprises into modern business operators; solve problems related to copyright and patent registration; and support the ministry's One Stop Service. It will also drive a "One Roof" policy for regional growth; amend business laws and enforce the Secured Transactions Act; control the cost of living; monitor the prices of agricultural goods; develop products to serve varied demand; and build community markets. Trade in services was a key focus in the ministry's plan, as the sector had grown strongly despite the global slowdown, Apiradi said. The International Monetary Fund has projected that the value of trade in services in the world market will grow by 2.5 per cent this year, in line with the expansion of the sector in the first quarter, which was up strongly by 8.1 per cent, compared with 0.9-per-cent year-on-year expansion during the first quarter of 2015. The service sector contributes 60.8 per cent of the Kingdom's gross domestic product.

### 2. Thai GDP expands 3.5% in Q2

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

The Thai economy in the second quarter expanded by 3.5 per cent, convincing the national think tank that the full-year economic growth would reach 3-3.5 per cent. The figures released by the Office of National Economic and Social Development Board (NESDB) showed that that the second-quarter economy expanded by 0.8 per cent from the first quarter, boosting

the first-half growth rate to 3.4 per cent. The growth rate in the first quarter was 3.2 per cent compared to the same period a year earlier.

An improvement in the agricultural sector raised farm income by 3.7 per cent in the second quarter - the first increase in ten quarters, said NESDB Secretary-General Porametee Vimolsiri at the press conference today. In the second quarter, the economy was driven exports of services and public investment, while merchandise exports continued to contract. The hotel and restaurant as well as construction sectors continued to grow at high rates, while the agricultural output and prices improved. While household consumption expanded by 3.8 per cent year on year, the number of international visitors increased by 8.2 per cent. Tourism receipts rose by 14.7 per cent. NESDB remains confident that at the end of this year, the arrival figures would reach the target of 33 million.

### **3. NESDB more upbeat on GDP growth**

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

The Thai Economy is expected to grow by 3.3-3.5 per cent this year, thanks to the passage of the referendum on the draft constitution, recovering crop prices, higher spending by the private sector, and government investment, the Office of the National Economic and Social Development Board forecast yesterday. The NESDB had previously forecast growth in the range of 3-3.5 per cent, but it now believes there is high potential for growth in the upper part of that range, which is more optimistic than May's forecast. Another reason for the more positive outlook is rising tourist numbers, NESDB secretary-general Porame-tee Vimolsiri said. He said last week's bomb blasts should not affect economic growth as they were one-off incidents, and was confident that everything would get back to normal soon. Moreover, with the majority vote in favour of the draft charter, the NESDB foresees stable politics and high foreign-investor confidence, as the junta now will follow its "road map to democracy". As a result, growth of gross domestic product in the remaining months of 2016 should be stable.

Porame-tee said the baht was expected to continue appreciating in the current second half of the year, which could be a damper on exports. The baht will average 35-36 against the US dollar this year, the NESDB says. The global oil price is projected in the range of \$35-\$45 per barrel. Based on the assumption of 3.3-per-cent GDP growth, the NESDB projects that investment will grow by 3.3 per cent this year. Investment by the private sector will increase 1.5 per cent, with the government sector's rising by 10 per cent.

#### **4. Land prices expected to drop when new tax law enters force next year**

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

Land Prices will drop by as much as 10 per cent next year after the land and building tax becomes effective, Pruksa Real Estate chief executive officer Thongma Vjijitpongpun has forecast. *"Most landlords who hold land banks will face higher costs when they have to pay tax, which will force them to sell their land. This will cut land prices by up to 10 per cent from this year's levels because the land supply in the market will be higher than now,"* he said after a press conference yesterday.

According to a survey by The Nation, land prices in the central business districts (CBDs) reached a high of Bt2 million per square wah (Bt500,000 per square metre) on Sukhumvit Road, as paid by SC Asset Corporation early this year to develop luxury condominiums. But another deal under negotiation for land on Rama IV Road looks like hitting Bt3 million per square wah when it is finalised, possibly by the end of this year. Pruksa paid Bt700,000 per square wah for land on Sukhumvit 61 that it will develop for a luxury condominium project next quarter. The company is also negotiating to buy land for Bt1.5 million per square wah on Sukhumvit 55 (Soi Thong Lor) for another luxury condominium. In a phone interview with The Nation yesterday, Prasert Taedullayasatit, Pruksa president for premium markets, said many landholders were putting their land in the CBDs on the market now so as to avoid having to pay the new tax next year.

Under the new tax law, which will be enforced by local governments nationwide, a first home valued below Bt50 million will be exempted from tax, while a maximum 0.5-per-cent rate will be applied to a second home or first home appraised above Bt50 million.

#### **5. Young people's online shopping driving debit card use, KBank says**

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

Thai consumers are spending more with debit cards than before thanks to younger people who use them for online shopping, according to Kasikornbank, the market leader in the debit-card segment. Customers aged 21-35 are the biggest users of debit cards for offline shopping, said Noppawan Jermhansa, executive vice president of Kasikorn bank. Debit-card holders spent an average of Bt3,600 per card per month on online shopping in the first six months, up from Bt1,000 in the same period a year earlier. A total of 17 per cent of debit-card spending was done on online. She said travel, mobile applications and online advertising were the three categories where debit-card customers spent the most online. But including offline shopping, motor fuel, supermarkets, furniture, dining and department stores are the top five categories for KBank debit-card users, she said.

Noppawan said customers were increasingly using debit cards instead of cash, and this trend is expected to take off after electronic data capture (EDC) has spread among small merchants nationwide, under the second phase of the national e-payment programme.

## 6. Vizrt sees rise in supply to TV industry both at home and CLMV

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

VIZRT Thailand targets at least 15-per-cent growth in revenue this year from supplying studio automation software, broadcasting equipment and media asset management technology to local TV stations amid rising demand to distribute their contents across multiple platforms. *"TV broadcasters are requiring not only more capacity to store their growing content library but also various ways to distribute those contents via multi-platforms. To deal with this challenge, it is very important to have high performance and cost-effective media asset management,"* Michael Namatinia, president for the Asia-Pacific market at Vizrt Thailand, said yesterday.

Over the next three years, local broadcasters would invest about US\$20 million (Bt690 million) to \$25 million on facilities and technology related to media asset management on top of regular expenditures on other advanced broadcasting systems and studio automation, he said. Vizrt Thailand has enlisted Hitachi Data Systems, a leading data management and technology company, to increase their capacity in managing media assets and supporting workflow from content acquisition to broadcasting and online distribution. *"Due to the change in new media, particularly online video consumption, the demand from local broadcasters in terms of content distribution across multi-platforms has shifted to exponential growth after experiencing linear growth during the past three years,"* said Marrut Manistitya, managing director for Thailand and Myanmar at Hitachi Data Systems.

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