

## Daily Thai News Summary: 16 November 2015

### 1. Economy expands on stimulus spending

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

The economy grew more than analysts projected in the third quarter as government stimulus spending and a rise in tourist arrivals offset weak local demand and exports. Gross domestic product gained 2.9% in the three months through September from a year earlier, compared to 2.8% in the previous quarter, the National Economic and Social Development Board said in Bangkok.

That compares with the median estimate of 2.5% in a Bloomberg survey of 26 analysts. *"This was primarily because manufacturing production gradually resumed. In the meantime, service-related sectors still continuously boosted up; predominantly hotels and restaurants, transportation and telecommunication as well as wholesale-retail trade."* The projection for 2015 GDP growth is now 2.9%, compared to the range of 2.7-3.2% previously predicted in August.

### 2. Thai banker buoyed by Myanmar potential

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

The National League for Democracy's ability to make a smooth transition to power is the key not only to Myanmar's political situation, but also its economic development, the executive vice president of Bangkok Bank said. Kobsak Pootrakool urged Thai companies to react now as Myanmar's market will continue to bloom in the next four or five years and a smooth transition to democracy will attract more competition from abroad. *"If the transition is calm and peaceful and there is no violence, then it will be an important turning point because many people have been waiting for this clarity for a long time,"* he told The Nation at an economic seminar arranged by the Thammasat Economics Association last week. *"How will the power be distributed after the election? And who will be the one to manage and take care of the country's government?"* he asked.

In 2014, Bangkok Bank was the only Thai bank to receive preliminary approval for a license to commence banking operations in Myanmar and the bank opened its first branch in Yangon in June this year after officially receiving a final license from the government.

### **3. Coal plants seen as way to cut dependence on natural gas**

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

Two coal-fired power plants planned for Krabi and Songkhla's Thepha district are a crucial part of the national energy strategy to diversify power generation options, as well as reduce electricity costs and enhancing energy-supply security, a senior Energy Ministry official said last week.

Twarath Sutabutr, head of the Energy Policy and Planning Office, said the latest Power Development Plan (PDP-2015) - recently approved by the government - was designed to tackle imbalances inherited from the previous plan. This includes lowering projected national electricity demand and the country's dependency on natural gas for power generation, he said. Although the national power reserve is projected to continue to provide 30-per-cent surplus capacity over the next 10 years, even with the revised PDP, the country needed to proceed with the coal-fired power plants planned for Krabi and Thepha, in Songkhla province for the sake of diversifying national energy sources and a secure supply of power for the South, he said.

Without the planned power stations, electricity demand in the South was forecast to top the combined capacity of power plants in the region from 2020. Further, the average electricity tariff for the next 15 years would be cut to Bt4.587 per kilowatt hour under PDP-2015, from more than Bt5 in the previous plan, if the two plants, which would run on coal imported from abroad, go ahead, Twarath said.

### **4. Bid to finalize RCEP gathers steam**

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

ASEAN and six partner countries will announce a trade initiative called the Regional Comprehensive Economic Cooperation (RCEP) during the Asean Summit in Kuala Lumpur at the end of next week after member states put the finishing touches on the plan, which will be implemented next year before the Trans-Pacific Partnership (TPP).

Under the RCEP agreement, which will combine 10 Asean countries and China, India, Japan, South Korea, Australia and New Zealand, those countries will accelerate the reduction of tariffs for trade in goods between them within next year. Sunanta Kangvulkij, deputy director-general to the Trade Negotiations Department, said the respective trade ministers would meet at the 27th Asean Summit to finalise the RCEP.

The Asean Summit will be held in the Malaysian capital on November 19-22. *"This summit will facilitate the agreement by Asean and six partners to achieving integration in 16 markets. This will ensure that the RCEP will help compensate losses for member states following*

*the completion of the US-led TPP pact. The RCEP should be enforced before the TPP so that it will help ensure regional growth,"* Sunanta said. Leaders from the 16 countries are expected to announce the initiative in a joint statement on the last day of the summit.

## **5. DKSH Chief expresses long-term commitment**

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

Joerg Wolle, president and chief executive of DKSH Holding, has expressed his commitment to continue investing in Thailand and Asean, which show growth potential driven by a rising middle class and trade within the region.

He said the company believed in the strong future growth of Asean. Back in 2002, when DKSH was formed through the merger of Diethelm, Keller Services Asia, and Siber Hegner Holding, its focus strategy was on Asean. *"Of the 200 most important clients [manufacturers and suppliers] we represent, about 30 per cent are Asian clients, while another 30 per cent are in the US and 40 per cent in Europe. The [Asian clientele] is growing fast compared [with] 2012, when about 25 per cent of clients [were] from Asia,"* Wolle said. He added that the proportion of Asian clients would gradually increase year after year. "Our growth rates in Asean are quite strong compared with those in Europe. The Asian middle class is expanding extremely fast, and the increasing inner intra-Asian trade is further supporting the growth trend," said Wolle, who gave a media interview in Bangkok on Thursday.

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