

Daily Thai News Summary: 17 November 2015

1. Thailand and India aim to boost trade ties

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

To boost bilateral trade between Thailand and India, the government hopes to encourage Indian companies to invest in business sectors in special economic zones as India aims to use Thailand as a gateway to the rest of Southeast Asia. Harsh Vardhan Shringla, the Indian ambassador to Thailand, said that apart from the historical and cultural connection shared by the two countries, trade and tourism were playing key roles. Currently, more than 40 Indian companies actively do business in Thailand while about 30 Thai companies operate in India. *"We would like to encourage Thai entrepreneurs to put more investment in India, which has a vibrant economy with gross domestic product (GDP) growth of 7.5 per cent per annum,"* he said.

He was speaking at a seminar called "Make in India Roadshow and Business Opportunities in Thailand," which was co-organised by the Foreign Ministry and the Thai embassy in New Delhi in conjunction with the Indian embassy in Bangkok. Started by Narendra Modi, the prime minister of India, in 2014, the "Make in India" initiative involves a number of key policies such as business environment development, building capacity of manufacturing, innovation, smart cities, economic corridors and industrial infrastructures. The policy aims at opening up foreign direct investment from overseas.

2. Thailand and Japan pledge to boost ties

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

Thailand and Japan have pledged to expand economic ties and arrange high-level visits including one by the Japanese foreign minister, Foreign Minister Don Pramudwinai said yesterday. Speaking after meeting his Japanese counterpart Fumio Kishida, Mr Don said the discussion was constructive as the two countries have enjoyed close ties for 128 years. These were his first official talks with Mr Kishida since taking office. He said the previous meetings between Prime Minister Prayut Chan-o-cha and his Japanese counterpart Shinzo Abe also demonstrated the firm relations between Thailand and Japan. He added that Deputy Prime Minister Somkid Jatusripitak, who oversees economic affairs, will also meet Mr Abe during his visit to Japan from November 25 to 28.

3. Paris attacks to impact Thai insurance sector

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

The Paris terrorist attacks will indirectly affect the insurance industry in Thailand in 2016 as they will put pressure on trade activities and the tourism sector, the Thai General Insurance Association has said. Before the attacks, the association projected non-life insurance premiums to expand by 3.5 per cent in 2016 and 2 per cent this year because exports in 2016 are expected to return to positive growth next year after a drop this year.

Based on the assumption of 3.5 per cent growth, total premiums would be Bt216.9 billion. Government spending on investments will be a key trigger for insurance growth in 2016, said Arnon Vanvasu, president of the association. If the government speeds up spending, the private sector will become more optimistic and non-life insurance growth in 2016 might reach 7 per cent, Arnon said.

4. Competitive enhancement fund being considered

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

The Finance Ministry has submitted an initial study on the proposed national competitiveness enhancement fund to Deputy Prime Minister Somkid Jatusripitak. Somchai Sujjapongse, the ministry's permanent secretary, said Somkid suggested the ministry study the guidelines of the national innovation fund that the Science and Technology Ministry had considered setting up in terms of applying to the competitiveness fund.

The objective of the competitiveness fund would be to attract "industries of the future" to invest and help the country get out of its middle-income trap. The fund has to provide more incentives than the general incentives that the Board of Investment offers. Six industries are identified as the targets, including robotics, bio-energy, and logistics. Thai companies are expected to slightly reduce their annual salary increases next year, but will marginally raise their bonus payments, according to a survey by management consulting firm Hay Group.

The overall salary increase in 2016 is forecasted at 5.8 per cent, up slightly from 5.8 per cent this year. The power sector leads both the salary and bonus-payment forecasts for 2016. The top three industries that are projected to have the highest pay rises are power (6.6 per cent, telecom (6.5 per cent), and oil and gas (6 per cent). The top three sectors for bonus payments are expected to be power (four months), chemicals (four months), and oil and gas (3.5 months).

5. Thailand to gain from lower rice supply

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

The Commerce Ministry is set to release 13 million tonnes of rice from the government's stockpiles by the end of 2018, while it expects Thailand to export at least nine million tonnes of rice next year due to lower-than-normal rice supplies globally because of climate change. The ministry also expects rice shipments to reach 10 million tonnes this year, with shipments of about eight million tonnes worth US\$3.8 billion (Bt127 billion) between January 1 to November 10.

Chutima Bunyapraphasara, permanent-secretary to the ministry, said yesterday that the government was confident it would clear the stockpiles within the next two years as many countries had lower rice stocks because of the El Nino climate effect. She said that the government set up a strategy to release rice from the stockpiles in June 2014. "So far, from about 18 million tonnes of rice in stockpiles, about 13 million is remaining and this amount should be release continuously," she said.

The government is scheduled to sign a rice contract with the Chinese government on December 19 that will result in a second shipment of rice to China under a government-to-government deal for one million tonnes of rice. The first G-to-G between Thailand and China for one million tonnes of rice will be completed early next year. Thailand has already shipped about 800,000 tonnes of rice to China. Thailand will soon sign a contract to sell 500,000 tonnes of rice to the Indonesian government.

By Harsha Hazarika