

Daily Thai News Summary: 18 January 2016

1. FBA change to allow foreign investors in four sectors

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

Foreign investors in the banking, bank branches, life insurance, and non-life insurance sectors in Thailand will no longer need to ask for permission from the Foreign Business Act's committee to hold more than 50 per cent shares once they are removed from the list of businesses requiring such permission.

The Council of State has finished vetting the Commerce Ministry's draft regulations designed to remove these four types of business from the Annex III list of the Foreign Business Act (FBA) and the draft will soon be sent to the Cabinet. The FBA obliges foreign investors wanting to own more than 50 per cent in business types in the Annex III list to seek approval from the FBA committee. Pongpun Gearaviriyapun, director-general of the ministry's Business Development Department, said after the new regulations take effect, foreign investors can directly apply for an operating licence from the authorities or regulators of these four businesses, such as the Bank of Thailand, or the Office of Insurance Commission. Currently, they have to seek the FBA committee's approval first and then approach the regulators.

2. Private sector sees 3% growth in exports

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

The Private sector now accepts that Thailand's overseas shipments could expand by as much as 3 per cent this year, but says the government needs to push support for the farm sector as a priority if this is going to be achieved. The government, however, is maintaining its target of exports achieving 5-per-cent growth, as it expects the challenging goal to encourage closer collaboration among the private and state sectors to see that it has every chance of being met. After discussing the matter with private enterprises, Deputy Commerce Minister Suvit Maesincee said on Friday that exporters had agreed that export growth of 3 per cent was achievable this year.

The figure is higher than the private sector's previous target of 2.2 per cent, and has been agreed on the basis that the government seriously help unlock export problems and take measures to drive shipments of farm crops. As a priority measure to help drive shipments, exporters called for the government to accelerate the release of rice from its stockpiles and export rice under government-to-government contracts as much as possible. It also called for the government to facilitate added value for farm products from crops such as rubber, rice and

tapioca, and for processed foods. With the slowdown of economic growth in China, exporters have also asked for the government to support shipments to 'new' markets with good potential, with Cambodia, Laos, Myanmar and Vietnam being highlighted this year. Moreover, the government should support Thai companies in making their own products and creating their own brands, which would help increase the value of the Kingdom's exports.

3. Call to push community based tourism

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

Communities and local people could serve as a draw with their unique tourism products to serve a new global trend of Community-Based Tourism (CBT). Speaking at a forum entitled "Stability, Prosperity, and Sustainability: Community-Based Tourism as a Global Trend" held by Tourism Authority of Thailand (TAT), CBT experts said Thailand must offer tourists more experiences while they are staying in the Kingdom as well as push more domestic tourism by offering chances to learn about the people and culture in the provinces, instead of only visiting major cities. *"Thai tourism is already big, as the Kingdom has been offering many attractions. More foreign tourists are still coming, but it is challenging to market CBT,"* said Peter Richards, the tourism expert at Thailand's Community Based Tourism Institute (CBT-I) located in Chiang Mai.

The Thai government last week announced plans to boost domestic tourism by asking every sub-district to promote their attractions. TAT began emphasising Thainess as a new product in the global markets through its national campaign. According to CBT-I, community-based tourism has been developed around the world since the 1990's, in many countries including Costa Rica, Kenya, Mongolia, Indonesia and Laos. *"CBT travellers include active senior persons, couples with kids who would like their children to learn about the world outside school, and individual tourists. In ASEAN, there is also great potential for CBT communities to welcome school and university students, to learn about local history, culture, arts, and community development achievements. This will be the new trend for the next decade,"* Richards added. To initiate and promote a new product in each community, he suggested that key stakeholders like local people, government, and perhaps non-government organisations work together in a systematic way to build business and prepare activities for tourists.

4. Commerce moves to shake up farm sector

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

The Commerce Ministry plans to restructure four economic crops. Deputy Commerce Minister Suvit Maesincee said yesterday that the ministry was doing this so that Thailand would

no longer face problems of oversupply and dropping prices that hurt farmers. The ministry aims to change farming logic to the demand-driven method, with the goal of restructuring the crops within five years, perhaps as early as three years. The ministry plans to restructure the rice industry by making it a priority crop from the farming stage to the marketing stage. It will limit plantation areas and the production of rice, while focusing on quality and rice grains that create value-adds.

It aims to reduce production of rice from between 30 million and 33 million tonnes of paddy to 25 million tonnes each year so that rice will not be in oversupply, while prices do not decline. Rice production should also be varied - going from focusing only on white rice to a variety of grains such as Geographical Indication, riceberry and Sung Yod rice, which have high nutritional value and better prices. The government will also focus on innovation and technology support in an effort to reduce the cost of production and increase the value of products such as processed rice, rice-bran oil, rice snacks, and cosmetics made from rice.

5. Covestro inaugurates regional hub in Thailand

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

COVESTRO, a Germany-based manufacturer of high-tech polymers, has inaugurated a regional headquarters in Bangkok as it seeks to strengthen its foothold in Southeast Asia. The Asean region is of growing importance for Covestro as it represents the company's second-largest market in the Asia-Pacific region after China. Thailand was chosen as the new regional hub because one of Covestro's eight largest production facilities is situated in Map Ta Phut, an industrial region on the Gulf of Thailand. At that site, the company mainly produces polycarbonate, which is a high-tech plastic used in many areas of daily life.

Covestro's portfolio also includes raw materials for polyurethane foams as well as for coatings, adhesives and speciality products. The new headquarters was opened on Thursday in the presence of Frank Lutz, Covestro's chief financial officer. *"As a world-leading supplier of high-value polymers and innovative solutions for thousands of customers in key industries such as the automotive, construction and electronic sector, Covestro is well positioned for success,"* he said. *"Our investments and portfolio are strategically situated and fit to the market."*
