

Daily Thai News Summary: 19 April 2016

1. Kingdom leading the world in using social media to shop: PwC

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

THAI consumers are leading the world in embracing social media as a way to buy goods, leading to a new set of opportunities and challenges for retailers. More than half (51 per cent) of online shoppers in Thailand said they purchased goods directly via a social-media channel, outpacing India (32 per cent), Malaysia (31 per cent) and China (27 per cent), according to PricewaterhouseCooper's annual "Total Retail" survey. The global report, titled "They Say They Want a Revolution", polled some 23,000 online shoppers in 25 countries to track consumer behaviour across retail channels, including mobile shopping and social-media influence.

Social media influenced 78 per cent of shoppers globally, up from 68 per cent in a similar study last year, with 92 per cent of emerging-market shoppers buying products based on social-media recommendations. Some 60 per cent of all respondents cited price as the biggest influence on where and how they shop. Sira Intarakumthornchai, chief executive officer for PwC Thailand, said Thai consumers were moving quickly towards social media as the explosive growth of mobile devices offered a new shopping tool. *"Social media is set to become a driving force in influencing online shopping behaviour,"* Sira said. *"As more consumers buy online products and services based on peer reviews, comments and feedback through the use of virtual social networks, the stakes for Thai retailers and consumer-goods companies have never been higher."* The report found that 53 per cent of Thai online shoppers said customer reviews influenced their buying behaviour. Some 48 per cent compared prices using mobiles while in a store.

2. Panels aim for "innovation economy"

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

The 12 public-private steering committees under the Pracha Rath project have proposed "Thailand 4.0", a master plan to establish an innovation economy within a decade. Under the Thailand 4.0 plan, the country will be turned into a regional innovation hub by developing human resources, research and development, and innovative products, and reforming the educational, legal and other systems. The focus will be on 10 business clusters, Deputy Prime Minister Somkid Jatusripitak said yesterday as the steering committees reported their progress to Prime Minister Prayut Chan-o-cha. The 10 clusters are robots for industry, medical hubs, logistics and aero-industry, biochemical industry, digital industry, alternative auto industry,

innovative electronic industry, high value and health tourism, innovative agriculture and biotechnology, and food processing, he said. *"They will drive Thailand out of the middle-income trap to become a high-income country in 20 years under the country's strategic-economy master plan,"* he said.

To achieve the country's goals, the public and private sectors have to collaborate on the Pracha Rath project, he said. Legal reform is one of the ways to help the country achieve its targets, Kan Trakulhool, said co-chairman of the Pracha Rath steering committee on legal reform. He said the legal reform group planned to propose the revision of 5,000 bills that affect business investment and long-term national development. This will be complete by August next year. Meanwhile, the country needs to boost the investment in research and development to 1 per cent of gross domestic product by next year from 0.47 per cent in 2012, said Kan, who is also co-chairman of the Pracha Rath steering committee on innovation and productivity. *"We will join together to encourage big corporates, especially listed companies in SET50 and SET100 [indices], to include their investment in R&D in their annual reports. Investment in R&D will help increase the demand for researchers, of whom there are 70,000 now in Thailand."*

3. Reboot of TIFA talks sought with US

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

Thailand and the United States will expand trade and investment cooperation under the Trade and Investment Framework Agreement (TIFA) after meetings were suspended for 13 years. They will also discuss the possibility of Thailand joining the Trans-Pacific Partnership (TPP). Thailand will ask for more Thai goods to come under the United States' Generalised System of Preferences (GSP). Commerce Minister Apiradi Tantraporn said yesterday that she would lead a delegation to Washington, DC, from tomorrow to Friday. Thailand will encourage the US to expand GSP for Thai goods since US brands would like to use Thailand as a manufacturing base for travel products and re-export them to the United States. The US brands include Coach, Tumi, Michael Kors and Under Armour. They support GSP for additional Thai goods, as that would lower the duties on their own products shipped to the US. Thailand will also ask the US to expand tax privileges for coconut juice, as demand has surged after the product became known as a high-nutrition beverage. During the visit, Apiradi will also meet with US Trade Representative Michael Froman, representatives from the American Chamber of Commerce and leading American buyers for possibly strengthening trade and investment. Thailand will ask for in-depth information about the TPP, and raise its concerns about participating in the agreement.

4. PDMO to issue savings bonds worth BT 20 Bn

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

The Public Debt Management Office will launch Bt20 billion worth of savings bonds next month with five- and 10-year maturities to offset the budget deficit and satisfy market demand. The coupon rates are expected to be close to the market averages at 1.44 per cent for five-year bonds and 1.72 per cent for 10-year bonds. *"The savings bonds will have the lowest coupon rates in history," said Suwit Rojanavanich, director-general of the PDMO. "Anyone [can] purchase either maturity at any amount but no more than Bt20 billion in total."* He noted that interest rates were on a downward trend, with several countries adopting a negative-rate policy.

5. BBL to raise provisions in wake of NPL increase in Q1

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

Bangkok Bank has to increase provisions to deal with higher non-performing loans in the first quarter amid the economic slowdown. *"If we have enough profit, we should take additional provisions because the economic circumstances are gloomy and this reflects adversely on the money of people and their ability to pay debt,"* Suvarn Thansathit, senior executive vice president, said yesterday. BBL's NPL ratio in the first quarter climbed to 2.9 per cent from 2.8 per cent in the previous quarter mainly due to delinquent retail and small business customers. Corporations are stronger than small and medium-sized enterprises and retail customers but they have to be careful about doing business because the global economy is a factor that needs to be monitored. However, SME and retail loans are a small part of BBL's credit portfolio.

The bank recently cut its minimum lending rate (MLR) by 25 basis points to help SME customers. The move might not be of much financial help to the customers but it can give them a psychological uplift. The bank has seen more business customers requesting debt restructuring and some of them are those affected by the massive flooding in 2011. *"Besides waiving principal payments and cutting the interest rate to help customers, we have to help them through new loans. The Thai Credit Guarantee Corporation can help the bank to make the decision to lend to SMEs more easily but some customers have no way to survive. They will end up having to give up their business,"* Suvarn said. The only hope for the economy is government spending, the bank believes. It anticipates that the government will come out with more measures to enhance the economy and speed up investment.

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