

Daily Thai News Summary: 19 November 2015

1. PM seeks closer ties with PNG, Colombia

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

Prime Minister Prayut Chan-o-cha yesterday held separate meetings with the leaders of Papua New Guinea and Colombia on the sidelines of Asia-Pacific Economic Cooperation (Apec) Summit in Manila. They agreed to boost bilateral cooperation on trade, fishery, tourism and education. Deputy Government Spokesman Werachon Sukondhapatipak said Prayut told Papua New Guinea PM Peter O'Neill that both countries should expand cooperation to cover more fields, including agricultural products and fishery. O'Neill focused on Thai rice, saying his country wished to get suggestions on rice growing in order to develop opportunities in Papua New Guinea.

Prayut thanked O'Neill for his country's faith in Thai rice and assured him that Thai rice has the best quality in the world. Prayut asked Papua New Guinea to consider buying other kinds of agricultural products from Thailand. They also agreed to cooperate more on fishery as the Thai side has expertise and experience while Papua New Guinea is rich in fishing resources.

2. Somkid to lead roadshow seeking investments in 10 "future" industries

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

Thai Economic ministers will shortly embark on an international roadshow to promote foreign investment in Thailand's 10 "future" industries, according to Deputy Prime Minister Somkid Jatusripitak. Speaking at a seminar yesterday titled "Thailand Economic Outlook 2016" organised by Bangkok Biz newspaper and NOW 26 Channel, Somkid also urged Thai businesses to go ahead with their investment projects in 2016. *"Next year is the year of investment. We've already provided a lot of incentives and confidence has returned due to various stimulus measures implemented in the past three months. If the private sector does not invest next year, then what are you saving the money for?"* Somkid asked. The Cabinet on Tuesday approved a list of 10 industries as Thailand's new economic growth engines, including next-generation cars; smart electronics; affluent, medical and wellness tourism; agriculture and biotechnology; food; robotics for industry; logistics and aviation; biofuels; and biochemical, digital and medical sectors.

The Finance Ministry is currently working on details of extra tax and non-tax incentives for the 10 targeted industries. In order to attract investors, the incentives will go beyond the Board of Investment's privileges that they already receive. The measures could include the

establishment of funds to support private investment, corporate income-tax exemption for 10-15 years and reduction or exemption from personal income tax for researchers or experts. *"The new economic S-curve [future industries] has been identified [for Thailand] and we will show and elaborate during the roadshow,"* Somkid said. Japan is one of the first destinations for the Thai economic ministers' roadshow at the start of the New Year.

3. Dialogue established for Thai, Italian firms

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

Last weekend, 26 major Italian and Thai companies gathered in Milan for the first meeting of the Italian-Thai Business Forum. The forum was initiated by Italian Ambassador Francesco Saverio Nisio and Isara Vongkusolkrit, chairman of the Thai Chamber of Commerce and the Board of Trade of Thailand. It was supported by the Italian Foreign Ministry and Confindustria, the General Confederation of Italian Industry. The idea met an enthusiastic response from leading Italian companies and the members of the two Thai organisations. The two Thai bodies can count assets of US\$315 billion (Bt11.3 trillion). By establishing a "private-sector-only" channel of dialogue at the highest level of the business communities of Italy and Thailand, they hope to promote two-way trade from \$3.8 billion in the last four years and also investment.

This direct link establishes an informal group that can discuss common issues in meetings to be held alternatively in Italy and Thailand, with a view to paving the way for SME cooperation. The industries involved so far range from automobile to banking, cement, food, infrastructure, insurance, lifestyle, oil and gas, steel machinery, sugar and renewable energy, retail, rubber, petrochemicals and tourism.

4. Chiang Mai to draw 2 million tourist during high season

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

Chiang Mai province is expected to attract more than 2 million tourists during high season, which starts next week and ends in February, the director of the Tourism Authority of Thailand's Chiang Mai office said. Wisoot Buachum said Chiang Mai would kick off the peak season period next week with the Yi Peng Festival, also known as Loy Krathong Festival. *"During a three-day Yi Peng Festival alone, between November 24 and 26, we expect tourists to contribute more than Bt750 million to the economy,"* he said.

The province hopes to receive 8.7 million tourists this year, a 10-per-cent increase from last year. Revenue for the entire year is expected to reach Bt74 billion. The number of visitors is also expected to climb by 10 per cent during the coming year as Chiang Mai celebrates 720

years. TAT joined forces with the private sector last week to launch the *"Check in Chiang Mai to High Season 2015-2016"* campaign to encourage local and international tourists. *More than 60 per cent of the tourists are local and the rest are foreigners. China is one of the emerging markets for the province,"* said Wisoot.

5. Push for investments expected to enable GDP growth of 5% in 2016

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

Thailand's total investments are expected to grow by 8-9 per cent next year, compared to 2-3 per cent on average during the past several years, because of government initiatives, especially in the high-technology sector, resulting in an economic expansion of 5 per cent next year.

Speaking at the seminar yesterday on "Thailand Economic Outlook 2016", co-hosted by Krungthep Turakij newspaper, Now26 channel and partners, Industry Minister Atchaka Sibunruang said that investment grew by 9 per cent annually on average between 1994 to 2003, which helped drive GDP growth by more than 5 per cent. She added that after a slowdown in investment expansion, the country's gross domestic production (GDP) grew only 3.4 per cent a year.

Slowdown in investment meant lower income for labourers and the public sector, which led to Thailand being trapped as a middle-income country for too long. *"Strong investment promotion by the government and cooperation of private enterprises should drive investments both from foreigners and domestic to grow by 8-9 per cent in 2016,"* said Atchaka. She said the government would accelerate investment stimulation, especially in the high-technology sector and in the super-cluster sector to ensure stronger growth of Thai industries in the long run.

6. AEC to spark surge of new firms

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

With the full implementation of the Asean Economic Community, new company registrations in Thailand are set to surge past 65,000 next year. *"More businesses in various industries, mainly construction, trading and services, will set up in Thailand next year, as they see greater opportunities for growth from Asean's integration and the strengthening of the economy in the country,"* Pongpun Gearaviriyapun, director-general of the Business Development Department, said yesterday.

The Kingdom is considered the centre of regional integration with the linkages to penetrate other Aseannations, according to the department. The positive outlook for next year

will encourage more start-ups. Economic growth in the country is expected pick up to 3.5-4 per cent from 2.5-3.5 per cent expected this year, thanks partially to the dividends from seamless trade and services.

7. E-commerce market on path of growth

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

Thailand's total e-commerce market will be valued at Bt2.1 trillion by the end of this year, a 3.65-per-cent growth year on year. Computer and electronics, beauty and cosmetics as well as fashion are potential categories for e-commerce in Thailand. The Thai e-commerce market in 2014 was valued at Bt2.03 trillion, with business-to-business (B2B) deals worth Bt1.23 trillion, business-to-consumer (B2C) valued at Bt0.41 trillion and business-to-government (B2G) valued 0.31 trillion.

Surangkana Wayuparb, the chief executive officer of Electronic Transactions Development Agency (ETDA), said that the agency has spent seven months conducting the e-commerce survey, covering all industries in Thailand, representing 502,676 people from eight sectors: manufacturing, retail and wholesale, transport, accommodation, information and communication, insurance, art, entertainment and recreation as well as other services.

B2B e-commerce was valued at Bt1.230 trillion, a contraction of 0.33 per cent over 2014, while B2C was valued at Bt474,648.91 million, a growth of 15.29 per cent over 2014 and B2G was valued at Bt402,883.74 million, growing 3.96 per cent year on year. *"It is a huge opportunity for e-commerce business in Thailand since the new Thai generation believes in shopping via online channels. The 4G will also be a factor in driving the growth of the e-commerce market in Thailand,"* said the CEO. The e-commerce market in Thailand was worth Bt2.03 trillion in 2014 of which B2B was worth Bt1.234 trillion or 60.69 per cent, followed by B2C Bt411,715 million or 20.25 per cent and B2G valued Bt387,552 million.

By Harsha Hazarika