

Daily Thai News Summary: 20 November 2015

1. PM sets sights on trade pact now that TPP ship has sailed

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

The Free Trade Area of Asia-Pacific (FTAAP) negotiations should be pursued since the Trans Pacific Partnership (TPP) agreement is now concluded, Prime Minister Prayut Chan-o-cha suggested yesterday. Speaking at the Asia Pacific Economic Cooperation (Apec) summit in Manila, Prayut said Thailand hopes Apec member countries will be able to achieve a FTAAP partnership that will encompass all member countries, including those that are also TPP members. At present, the TPP consists of 12 member countries: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam. These countries will have to ratify the deal as soon as possible. Afterwards, the TPP could be further expanded and could lead to the creation of FTAAP.

During the 23rd Apec summit, entitled "*Inclusive Growth Through Integrated Economies*", the prime minister said Thailand would fully cooperate with Apec to reach the Bogor declaration on liberalisation of trade and investment by 2020. Meanwhile, in a related discussion with CY Leung, Hong Kong's chief executive, on the sidelines of the summit, Prayut invited Hong Kong businesses to invest as clusters and super clusters in Thailand's special economic zones, which will provide special investment promotion privileges. According to Weerachon Sukhonthapatipak, Thailand's deputy government spokesman, Prayut and Leung agreed to push small-and medium-sized enterprises (SMEs) to drive both economies. They proposed discussions between private-sector agencies, such as chambers of commerce, in both countries. Hong Kong is one of Thailand's main trading partners and investor.

2. UACJ has ambitious plans for Thailand

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

UACJ Group, Japan's largest aluminium manufacturer and the world's third-largest, yesterday announced the official opening of its wholly-owned aluminium rolling plant in Rayong, which is the first of its kind in Southeast Asia, built at a cost of Bt21 billion. The plant started operations in August this year with annual capacity of 200,000 tonnes to be achieved in 2017. The Rayong plant will supply 33 per cent of its aluminium rolling capacity to the Thai market, while 67 per cent will be exported to major markets around the world in Asean, Asia, the Middle East, India and Africa.

The Rayong plant employs 700 people of whom 600 are Thais and 100 are Japanese. The number of Japanese staff will be gradually reduced and be replaced by Thai staff. Mitsuru Okada, president and CEO of UACJ Corporation, said the company is also considering additional investment to its aluminium rolling facility in Rayong to increase annual capacity to approximately 300,000 tonnes in 2020. Akinori Yamahuchi, president of UACJ (Thailand), said that Thailand has good infrastructure, including supplied industrial estates and strong support industry, compared to neighbouring countries. He added that the country also has a good location from a logistics point of view as a centre among the company's major customers. About 80 per cent of annual capacity at the Rayong plant will be for aluminium cans, 15 per cent for heat exchanger materials and the rest 5 per cent for closure sheets for beverage containers and others.

3. Govt unveils assistance measures for farmers

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

Deputy Prime Minister Somkid Jatusripitak has instructed the Ministry of Agriculture and Cooperatives to extend assistance to farmers in two phases - short- and mid-and-long term. The short-term phase will involve measures designed to prepare farmers for the upcoming drought season in an expected two to three months. Somkid advised the ministry to work with the Ministry of Interior and use the 882 agricultural learning centres nationwide to advise farmers on how they can boost their income. Agriculturists and irrigation experts will help farmers prepare for the drought by digging wells and building facilities to dry crops. The government has allocated a budget to support this assistance. Somkid admitted that the government could not afford to extend cash support to farmers forever.

4. Thailand Future Fund to be launched for infrastructure projects

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

Finance Minister Apisak Tantivorawong revealed yesterday that the government will introduce the "Thailand Future Fund" to support the country's need for infrastructure investment next year. Apisak said it will be introduced in the next "2-3 weeks" but did not clarify what kind of projects or incentives will be supported by the fund. Prime Minister Prayut Chan-o-cha had instructed deputy prime minister in charge of economic affairs, Somkid Jatusripitak, at Tuesday's Cabinet meeting to speed up introduction of the infrastructure fund. *"Next year, as correctly identified by Deputy Prime Minister Somkid, is Thailand's year for investment and the fund will be used to support our proposed investments next year,"* the minister said at "SET In the City" exhibition arranged by the Stock Exchange of (SET) yesterday.

The minister revealed to reporters that the scheme will be similar to the Finance Ministry's earlier infrastructure fund called Vayupak Fund, offering a minimum percentage return on investment. He did not clarify how much the minimum return rate would be or what kind of projects the scheme would endorse. Based on international practice, the infrastructure fund can either be used to fund "green" (government projects that are new) or "brown" (existing government projects that are generating money) fields government projects while the minimum return could be equal to Vayupak's 3 per cent minimum return or more than that.

5. Tata Steel sees positive outlook

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

Tata Steel (Thailand) is hopeful of a positive performance this fiscal year and sees a better business outlook next year, according to its president and chief executive office Rajiv Mangal. Part of the contributive factor for the better outlook next year is the government's attempts to launch several mega-infrastructure projects. This year the company has continued to improve both its bottom line and top line through continued sourcing on cost-competitive basis and cost control. The company revised its forecast of total sales to about 1.15 million tonnes from the previous estimated 1.25 million tonnes, in line with the forecast annual flat growth of consumption of combined long and flat steel products in Thailand this year from between 17.3 million and 17.5 million tonnes last year. However, the company is hopeful of maintaining its domestic market share of rebar steel of between 32 per cent and 35 per cent this year.

Of the company's total sales this fiscal year, exports are expected to account for more than 10 per cent. It expects to obtain final approvals by early next year from Australia and New Zealand to export steel to their markets. The attempt to increase exports is to offset the declining demand in the domestic market. The company has forecast steel consumption in Asean of between 65 million tonnes and 68 million tonnes this year, a growth of between four per cent and five per cent year on year. The company is hopeful that it would finish the third quarter (October to December 2015) and this fiscal year 2016 (April 2015-March 2016) in the black, despite some challenges, such as the softening economic situation and influx of some steel products from China.

6. Reed sees bright prospects in Thailand

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

UK-based Reed Exhibitions, a global event organiser, is committed to long-term growth in Thailand as the heart of the dynamic and vibrant Asean countries. *"Thailand is a bright spot for exhibition industry with steady growth for us while other key markets like Europe and China see slowdown,"* Chet Burchette, chief executive officer, said yesterday. Burchette landed in Bangkok to meet his customers and business partners at his company's flagship machine tools and metal working technology exhibition METALEX, which is being held until tomorrow at the Bangkok International Trade and Exhibition Centre.

This event has been collaboration with local partners for more than 25 years. Preecha Sananwatananont, co-founder and a director of Reed Tradex, a member of Reed Exhibitions, said the CEO's visit signified the strong commitment of the parent company to put more effort into Thailand as the hub of the growing Asean region, particularly after the full implementation of the Asean Economic Community at the end of this year. The expansion of next year's edition of METALEX is a good example. It is considered as Asean's largest machine tools and metalworking technology exhibition, representing more than 2,700 global brands from 50 countries and attracting more than 70,000 international buyers.

By Harsha Hazarika