

Daily Thai News Summary: 20 October 2015

1. China to succeed Japan as biggest FDI investor

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

With CHANGING investment promotion policies, Japan will no longer be Thailand's largest foreign direct investor this year. China will go on top by bringing in the most money directly from that country and indirectly via Singapore. However, under the Kingdom's clear-cut policy to promote high-technology clusters, Japanese should return to become the largest investors in Thailand next year, according to the Board of Investment (BOI).

In the first eight months of this year, Singapore was the largest foreign direct investor as measured by BOI-approved projects. It invested in 51 projects worth Bt13.14 billion, followed by China with 37 projects worth Bt10.73 billion and Japan with 92 projects worth Bt9.91 billion. A total of 332 projects from foreign investors worth Bt50.26 billion applied for BOI privileges from January-August. This would create at least 18,250 jobs for Thais and 2,431 jobs for foreigners.

Since the BOI was set up 49 years ago, Japan has usually been the leader of foreign investors. Hirunya Sujinai, secretary-general of the BOI, said Chinese companies had invested in many large projects focusing on alternative energy generation, solar-cell production, automobile manufacturing and rubber-tyre production.

2. Investors warned about EM fluctuations

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

The latest funds flow to emerging markets will continue to be sensitive to expectations surrounding the US Federal Reserve's short-term interest rates hike so investors need to beware of money market fluctuations, said Bandid Nijathaworn, president and chief executive officer of the Thai Institute of Directors Association. *"Two weeks ago it was all about how the Fed might hike their rates so the flow was going out and the markets were extremely fluctuated," he said. "Now this story has calmed down and the markets are now starting to talk about the delay in the Fed rates hike so the funds are flowing back to the region in the short term."*

Bandid said this would continue to add to the ups and downs in capital markets due to the uncertainty and the differences in expectations. He predicted the baht would be stronger as a result of the funds flow since investors would continue to look for short-term gains during this period of uncertainty. Investors have to understand that there are fluctuations, he added.

Maybank Kim Eng Securities (Thailand) economist, Tim Leelahaphan, said the securities firm expected further monetary easing in China, Europe and Japan since their economies still needed the support of monetary policies.

3. Developers add to govt stimulus with promotional campaigns

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

Property firms are launching promotional campaigns to cash in on demand awakened by the government's stimulus package, including discounts of 3-5 per cent and free furniture. Sansiri has launched a "Now or Never" campaign for its 62 residential projects nationwide, whose homes range in price from Bt1.5 million to Bt40 million. The campaign offers discounts of 0.99 per cent, making the homes even more affordable after the Cabinet approved cutting the residential-transfer fee from 2 per cent to just 0.01 per cent.

Normally, the company has to pay half of the transfer fee, with the rest paid by the customer. When the Cabinet approved the reduction, Sansiri decided to use this to offer a 0.99-per-cent discount. For example, for a home priced at Bt1.5 million, the company will discount that by Bt14,850. The campaign will run from now until November 30. *"We have homes ready for sale worth Bt9 billion for this campaign,"* said the company's chief operating officer, Wanchak Buranasiri. Quality Houses plans to launch promotions, especially discounts, next month to support the government's stimulus package, chief executive officer Chatchart Sitthiphan said. Pruksa Real Estate plans to launch "Pruksa Best Buy Moment" this Thursday. The campaign will offer special discounts to boost sales in the final quarter of the year. AP (Thailand) will launch a two-day promotion called "Pack Your Bag" for its condominium projects from October 31 to November 1, offering free furniture and free transfer and mortgage fees.

4. Thai TV hit with end-October deadline

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

The broadcasting regulator has set a deadline for the operator of Thai TV and MVTV to pay its Bt288-million installment on licence fees and related fines by the end of this month to avoid a temporary suspension of its digital TV licences, which could eventually land it on a blacklist.

Sombat Leelapata, acting deputy secretary-general of the National Broadcasting and Telecommunications Commission, said yesterday that the NBTC's five-member broadcasting committee agreed to give one last chance to Thai TV Co, which had been declining to pay the second instalment of its upfront licence fees since early this year. The NBTC office will soon

issue a notice to the company in the hopes that Pantipa Sakulchai, president of Thai TV Co, will show up and pay the outstanding amount, which includes the Bt288-million installment plus the incurred 7.5-per-cent interest and fines.

5. GH Bank may double soft loan

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

The Government Housing Bank is considering doubling the amount of soft loans set aside for low- and medium-income earners to Bt20 billion as part of the government's economic stimulus campaign, after witnessing high demand for the loans on the first day of their availability. There were around 2,000 applications for Bt2 billion in loans, said GH Bank president Angkana Chaimanat.

GH Bank will take at least two weeks to evaluate whether to increase the amount, she said. Chatchai Sirilai, GH Bank senior executive vice president, said soft loans of Bt10 billion would help around 7,000 people borrow money and the Bt10 billion in loans should be approved this year. The bank's board of directors will consider doubling that amount, Chatchai said.

Angkana said the number of applications from Bangkok and the provinces was about the same. GH Bank expects to receive applications for about Bt1 billion per day. The bank will consider each application within three days, she said. She said the bank would allow borrowers who had been approved for soft loans to delay signing loan contracts in order to reduce their worries over their financial burden in the case of those waiting for the new mortgage fees to be announced by the Interior Ministry.

By Harsha Hazarika