

Daily Thai News Summary: 21 September 2015

1. PM launches “people’s state” policy

Source: **Bangkok Post** ([Link](#))

Prime Minister Prayut Chan-o-cha unveiled a new strategy to build “a people’s state” to bring together the state, the people and business for the long term sustainable development of the country.

The Prime Minister said that the *Pracha Rat* (people’s state) strategy aims to strengthen the country’s economy at the grassroots level and empower local communities and local enterprises. The strategy is in line with the government’s recently approved 136 billion baht stimulus package to boost the economy.

The government has also introduced a second stimulus measure to help small and medium sized enterprises (SMEs) gain access to loans. The measure includes 100 billion baht in soft loans, 1 100 billion baht credit guarantee to encourage banks to lend to SMEs, a 10% tax rate for two years, a five year corporate income tax exemption for SME start-ups and 6 billion in venture capital to be contributed by state-backed banks.

2. Japanese food traders target more exports to Thailand

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

To help reach its target of exporting 1 trillion yen (Bt300 billion) worth of food and agricultural products worldwide by 2020, Japan has set up a strategy to penetrate many markets, including Thailand.

Last year, Japan's exports of food and farm products reached 610.7 billion yen. Koichi Takano, director of the agriculture, forestry, fisheries and food division at the Japan External Trade Organisation (Jetro), said Thailand was a high-potential market because many Thais liked Japanese foods, while the country is a centre of Asean, which means many visitors come here.

Thailand is Japan's six-largest food importer, with imports last year worth 248 billion yen, up by 1.1 per cent from 2013. In the first half of this year, Japanese food imports by Thailand increased considerably, by 4.9 per cent year on year. Most Japanese food companies are small and medium-sized enterprises. Last week, Jetro Bangkok held a business-matching event between 40 Japanese food enterprises and more than 200 Thai businesses, including

modern trade, retail and wholesale, hotels and restaurants. The event aimed to increase trade opportunities for Japanese producers of food and agricultural products in Thailand.

3. Developers flock to city hotspot as land prices soar

Source: **Bangkok Post** ([Link](#))

The Ratchathewi-Phetchaburi zone in Bangkok has become a hotspot attracting significant interest from property developers thanks to its potential to become a major urban transit interchange in 2020. Land prices in the area have risen at a pace comparable with the Siam Square area, according to consultancy Plus Property Co.

While new projects are few and far between, they have registered a spectacular take-up rate of 95%. Data from the first half of this year showed a 6% year-on-year increase in prices.

4. Aircraft centre on AOT agenda

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

An aircraft maintenance centre may be built at the Chiang Rai International Airport in the North to cope with the growth in air travel and tourism in Southeast Asia and China, the Airports of Thailand (AOT) said.

Nitinai Sirismatthakarn, president of AOT, said last week the company was studying the feasibility of building an aircraft heavy-maintenance centre at Mae Fah Luang Chiang Rai International Airport, to handle the significant growth in the aviation and tourism industries in the North and the region as a whole. *"AOT is planning an aircraft heavy-maintenance centre in the north of Thailand. Chiang Rai airport has high potential. If the project happens, AOT should take benefit from many airlines operating in the southern part of China and as well as in Southeast Asia and Thailand,"* he said. AOT is the operator of six international airports in Thailand.

5. ERC to issue solar licences by year-end

Source: **Bangkok Post** ([Link](#))

Thailand's total solar power generation capacity could reach 3,800 megawatts, more than double the 1,602 MW as of July 31. Viraphol Jirapraditkul, a member of the Energy Regulatory Commission (ERC), said his agency would soon start developing additional capacity of 2,198 MW.

The additional solar power would be over half the country's target of 6,000 MW by 2035, as indicated in the Power Development Plan (PDP). Total power generation from all renewable energy sources is to be 8,686 MW or 44.2% of the target of 19,634 MW by 2035.

The ERC yesterday said it would provide licences to develop and operate solar farms during the fourth quarter. The PDP calls for state agencies and agricultural cooperatives to have the right to obtain licenses first including universities, local administrations and local military organisations. Solar power generation is limited to 5 MW per licence. The total solar power capacity granted this round is 600 MW. State enterprises were not granted any licences this round, Mr Viraphol said. The ERC estimates the licences granted this round will require total investment of 40 billion baht by next year.

By Harsha Hazarika