

## Daily Thai News Summary: 23 December 2015

### 1. Thailand touted tourism driver

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

Thailand is taking on the role of the driver of the hospitality business in the Asean Economic Community, which is expected to ignite an explosion in tourism. Locally, stakeholders are beating the drums for the establishment of an AEC Tourism Centre to capitalise on the integration of the regional market and to strengthen and diversify strategies to maintain the country's spot on the global tourism radar.

Southeast Asia will become an emerging destination for the global market and the Thai tourism industry will continue to grow over the next three to four years, according to the Pacific Asia Travel Association (Pata). Arrivals in Thailand are expected to pass the 30-million mark for the first time next year, with 31 million visitors forecast, up from 28 million this year. Thailand is expected to be fifth-largest market in the Asia-Pacific region in terms of visitor numbers and the fourth-biggest in Asia this year and the next four years. The international tourism association also predicts arrivals to Thailand to climb to 35 million in 2017, 40 million in 2018 and 47 million in 2019, ahead of some other popular destinations in Southeast Asia such as Malaysia, Singapore and Indonesia.

### 2. BT 6 Bn set for financial infrastructure, digital economy

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

The Cabinet approved proposals by the Information and Communications Technology Ministry and the Finance Ministry to use a combined budget of around Bt5 billion-Bt6 billion to fund financial infrastructure projects and national policies that are expected to become the foundations for Thailand's digital economy. The ICT Ministry's proposal was to use its fiscal budget and the leftover budget from the previous government's one-tablet-per-child policy to fund 24 initial investment projects worth Bt3.756 billion. These include projects aimed at improving the competitiveness of domestic IT firms, reducing the digital divide and inequality, enhancing the government's Internet working process, increasing IT human resources, promoting e-commerce, and encouraging small and medium-sized enterprises (SMEs) to use electronic invoices for business transactions and other purposes.

*"There is no point giving out free tablets to children if there is no Wi-Fi for them to connect to the Internet,"* the Deputy Prime Minister in charge of economic affairs, Somkid Jatusripitak, told reporters after the Cabinet meeting. The further promotion of e-commerce has to be done as soon as possible, as the current number of online transactions via e-commerce

between B [business] and C [consumer] in Thailand has already reached a value of around Bt2.1 trillion per year, which is the highest in Asean at the moment," ICT Minister Uttama Savanayana said. The Finance Ministry's proposal, meanwhile, was to use the Revenue Department's fiscal budget of around Bt2 billion-Bt3 billion to complete the ministry's National E-Payment Master Plan. The plan aims to change Thailand into a cashless society via encouraging citizens and businesses of all sizes to use and accept universal electronic cards as a means of financial transaction instead of using cash.

### **3. New Year's spending expected to jump a record 6.4%, survey finds**

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

Year-end spending will exceed Bt125 billion this year, marking the highest increase in three years, according to an annual survey by the University of the Thai Chamber of Commerce (UTCC). Compared with last year, spending during the New Year's celebrations will increase by 6.4 per cent to Bt125.01 billion - a record for the 10-year-old poll, and double the rate of economic growth. *"As a result of higher spending, tourism-related businesses such as hotels, restaurants, transport companies and petrol stations will benefit as people travel more. However, consumers are still worried about higher goods prices and the economic recovery,"* said Thanavath Phonvichai, director of the UTCC's Economic and Business Forecasting Centre.

Based on a survey of 1,200 respondents from December 14 to 20, Thais will spend more during the festive season because of a positive outlook on the future economic growth of the country after the government's stimulus measures for rural areas and investment projects that should help drive business growth. Thanavath said New Year spending growth was normally twice as high as that of gross domestic product. This year's GDP is expected to grow by 3 per cent, reflecting a positive outlook. Saowanee Thairungroj, president of the UTCC, said most spending would go to New Year's celebrations and travel. On average, Thais will spend Bt13,926 per person during the New Year festivities. For domestic travel they will spend Bt12,332, while for overseas travel they will spend Bt90,247 per person during the New Year's holiday. The poll found most consumers planned to spend money on the same things they did during last year's festival - parties, merit-making, and purchases of consumer, luxury and durable goods, in that order.

#### **4. Movenpick expands SE Asia footprint**

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

Movenpick Hotels & Resorts, a Swiss hospitality group, will expand its network in Southeast Asia with a new property in Thailand next year and two in Malaysia and Vietnam in 2018. The new management deals come as the group's fifth property in Thailand, Movenpick Siam Hotel Pattaya, is scheduled to open next month. Andrew Langdon, senior vice president for Asia, said the group had signed a deal to manage the 30-storey Movenpick Hotel Kota Bharu in Malaysia. The 453-key resort in Kelantan, a state under rapid transformation on the country's east coast, is scheduled to open in 2018. This takes the group's portfolio in Malaysia to three properties, with an upcoming hotel in Kuala Lumpur and a beachfront resort in Terengganu.

Also in 2018, Movenpick Resort Cam Ranh Bay, an integrated beachfront resort in Khanh Hoa province in Vietnam, will open. It will span some 20 hectares and feature 250 rooms, 100 residences and 100 villas. This will be the company's fourth hotel in Vietnam. The brand is currently present in Hanoi, while new openings are scheduled for Phu Quoc and Quy Nhon in the next two years. The property in Malaysia is a certified green building featuring the latest environment-friendly technology to save energy and reduce wastage. It features a 815-square-metre Emperor Suite occupying the top three floors of the property, a helipad, an expansive banquet hall for 1,000 guests, a restaurant and cafe, stylish boutiques and retail outlets, male and female swimming pools, a spa and gym, a club lounge and a business centre.

#### **5. 404 foreign companies approved for operations**

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

The Business Development Department has given approval to 404 foreign firms to set up operations in Thailand worth more than Bt16 billion, creating at least 9,000 jobs for Thais. In December alone, 34 foreign businesses were approved under the Foreign Business Act to bring initial investment of Bt2.6 billion to the country.

Pongpun Gearaviriyapun, director-general of the department, said yesterday that allowing the foreign companies to conduct service businesses in Thailand would encourage technology transfers and create jobs for Thais. Foreign investors were keen on setting up in Thailand as they see stronger economic growth as the country becomes the hub of Asean integration. Most of the firms approved this month are related to trading, consulting, agency, retail and wholesale businesses, she said.

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**By Harsha Hazarika**