

Daily Thai News Updates: 23 November 2016

1. ThaiBev keeps B4bn annual investment

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

Thai Beverage Plc is optimistic about the economic outlook and will continue with its plan to invest 4 billion baht to expand its beverage operations in Thailand next year as part of its Vision 2020 business scheme. "I believe Thailand will have a smooth transition regarding the monarchy and the upcoming general election. 2017 will be better than 2016 because the government will inject more money into the economy to boost local consumption and Asean will continue to have strong growth," said Thapana Sirivadhanabhakdi, group chief executive of ThaiBev. The country's largest alcoholic beverage company will spend 4 billion baht to maintain its machinery and increase production capacity of its Crystal drinking water. New technologies will also be used for beverage manufacturing. The Vision 2020 scheme began in 2015 and the six-year roadmap called for average revenue growth of 12-16% per year. The company aims to become a top beverage company in Asean by 2020. Revenue during the first nine months this year increased 14.8% to 139 billion baht with net profit rising 14.3% to 19 billion. Last year revenue tallied 172 billion baht. It produces both alcoholic and non-alcoholic beverages. ThaiBev is listed on the Singapore Exchange. It also owns Fraser and Neave in Singapore, holding about 90% stake.

2. Fresh stimulus in the pipeline

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

The government is considering a new stimulus measure to boost private investment with the aim of reaching economic growth of 4% next year, says Finance Ministry permanent-secretary Somchai Sujjapongse. The new measure, which is yet to be finalised, is targeted at encouraging the private sector to accelerate investment. However, this measure should not simply replicate previous tax incentives, he said. Under the earlier measure, companies that started their investment before the end of 2015 were eligible to receive a two-fold corporate tax deduction on investment expenses incurred. "The current growth of 3.2% for all of 2016 is not bad compared with 2.8% in 2015 and 0.8% in 2014. However, even though we are quite happy with the growth this year the Finance Minister [Apisak Tantivorawong] believes we have the potential to do better than this. He [Mr Apisak] wants to see the economy grow at its full potential, which should be at least 4% or even 4.5%," said Mr Somchai. Mr Apisak had earlier told senior officials at the Finance Ministry that even though the global economy will grow at a near-zero rate that does not mean Thailand would have to grow at the same pace. Instead it should use its potential and find ways to make the best use of the country's strengths to shore up the economy. "We have to think outside the box and find creative ways to push ourselves beyond the current domestic limitations and the sluggish global situation. We hope to see our economy

expand by 4% from this year," said Mr Somchai. The Fiscal Policy Office has been assigned to find measures to achieve the ambitious target. Mr Somchai said the measure must be suitable for the economy and must efficiently stimulate the right sectors.

3. Cabinet okays B13bn handout

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

The cabinet yesterday approved 12.8 billion baht in handouts to help low-income earners in the latest government bid to boost consumption. Nathaporn Chatusripitak, an adviser to Commerce Minister Apiradi Tantraporn, said the cash handouts will be distributed to 5.4 million jobless people and those earning under 100,000 baht a year. Those earning 30,000 baht a year or less will be entitled to receive 3,000 baht per person, while those earning 30,000 to 100,000 baht a year will receive 1,500 baht per person. Some 3.1 million low-income earners are eligible for the 3,000 baht, while 2.3 million qualify for 1,500 baht, he said. Eligible recipients must have already registered with the Finance Ministry via the Bank for Agriculture and Agricultural Cooperatives, the Government Savings Bank or Krungthai Bank. Distribution is to take place in December. Funding will come from the government's 2017 fiscal budget, with the three banks transferring the cash to low-income earners before government reimbursements. "The purpose of the handouts is to help low-income earners pay their bills, not economic stimulus," said Mr Nathaporn. "Stimulus measures will include infrastructure development projects and accelerated state expenditures." On Sept 27, the cabinet approved a similar cash handout worth 6.54 billion baht for 2.9 million farmers.

4. Platinum Fashion Mall aims to be wholesale hub

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

Platinum fashion mall is strengthening its shops to ship fashion products to the Southeast Asian market with the aim of becoming the wholesale fashion hub of the region in a few years. "We want to help SMEs expand overseas, and Southeast Asia is the target. Meanwhile, Platinum Fashion Mall hopes the centre will become the best wholesale fashion hub of Asean by 2017," Chanchai Phansopha, president of The Platinum Group, said yesterday. Under its project called "Empowering SMEs", small and medium-sized enterprises will learn to create fashion goods that can meet the demands of other countries. Already 20 shops have joined the pilot project and more are on the waiting list. The selection criteria are having their own brand, designing by themselves or having their own factory, having a deep understanding of basic marketing to extend their business significantly, and being exemplary. The shop-development model will focus on promoting knowledge of marketing, improving shop assistants' service skills, giving advice on accessing loans, organising business-matching activities, recommending shops to foreign tourist groups, and advertising and providing public relations for shops in various media

both inside and outside the shopping mall. The company says the project has developed at a satisfactory level, with target groups inside the country and overseas asking about products through various channels. The owners of the shops are also satisfied as the number of customers is growing. Group profit up 14%. The group raised its profit by 14 per cent year on year to Bt523 million and its revenue by 7 per cent to Bt1.38 billion in the first nine months of the year.

5. Consumption, service exports spur growth in third quarter

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

The economy in the third quarter of this year was propelled ahead mainly by private consumption and service exports, as public-sector momentum lost some steam, according to Siam Commercial Bank's Economic Intelligence Centre. Private consumption perked up 3.5 per cent year-on-year on the back of a 7.9-per-cent revival in vehicle purchases, while service exports jumped 14.7 per cent on the uptrend in foreign-tourist arrivals. Year on year, merchandise exports showed growth of 0.4 per cent, but public-sector consumption in the quarter contracted 5.8 per cent on declines in expenses after strong state budget disbursements in the previous period, which saw a 1.5-per-cent rise, the EIC said. Public investment expanded by 6.3 per cent, compared with 11.9 per cent in the second quarter, as fewer stimulus measures were in play. Private investment shrank 0.5 per cent year on year, reflecting sluggish investment for manufacturing. Construction of manufacturing plants fell 24.2 per cent, while investment in machinery dropped 0.5 per cent, reflecting still-weak private-sector confidence in the economy, the centre said. Nalin Chutchotitham, an economist at HSBC's Bangkok branch, said third-quarter GDP growth came in slightly below the market's consensus forecast but above its expectation of 3.2 per cent year on year. Gross domestic product grew 0.6 per cent quarter on quarter, a tad below second-quarter growth. Exports of both goods and services contributed more to overall GDP growth in the third quarter, offsetting the lower contribution from domestic demand, which decelerated. Private consumption and public investment remained key drivers of growth, in contrast to flattish private investment.

By Nandini Malhotra

