

## Daily Thai News Summary: 23 September 2015

### 1. Canadian investors wooed

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

Canadian investors are keen to invest in infrastructure development in Thailand, says Commerce Minister Apiradi Tantraporn. Canada has expressed special interest in investing in infrastructure development projects designated under public-private partnerships (PPPs) including airport extensions, road construction and rail development, Mrs Apiradi said after meeting with Canadian Ambassador Philip Calvert.

She said Canada would also encourage its small and medium-sized enterprises to invest. The Thai government hopes to ease its public debt burden by attracting private-sector investment in its multibillion-baht infrastructure projects, especially in telecommunications and transport, through PPPs.

The Transport Ministry and the State Enterprise Policy Office have been instructed to discuss raising the limit for PPPs in infrastructure development. Private-sector investment in infrastructure projects through PPPs is limited to 500 billion baht per sector, meaning the government budget is the main source of funding for capital-intensive projects in telecommunications and transport.

### 2. Ministry mulls incentives to lure investors

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

The Finance Ministry's list of short-term measures designed to boost private investment is expected to be ready next month, while long-term measures will be finalised in the next two months. Kanit Saengsuphan, chairman of the Finance Ministry committee tasked with creating measures to attract more private investment, said the government must now identify which industries should be given incentives and ask potential investors if the privileges, due to be launched soon, will be tempting enough for them to beef up investment here.

Such a proactive approach differs from the previous approach of policymakers issuing measures they believed would attract investors and waiting for them to apply for privileges, he said. *"If we want to attract industries that can serve as a new growth engine for the Thai economy such as robots or aeroplane parts, we must approach them about investing here by offering measures they really need,"* Mr Kanit said.

### **3. Thailand's economic recovery delayed to next year: ADB**

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

The Asian Development Bank has lowered its 2015 economic growth forecast for Thailand, in light of slowdown in the Chinese economy and disappointing rebound in major economies. The bank cut the 2015 and 2016 forecasts for Thailand to 2.7 per cent and 3.8 per cent. It previously projected the forecasts at 3.6 per cent and 4.1 per cent, respectively.

In the updated version of Asian Development Outlook released yesterday, the bank also said that the direct spillover impacts from China's economic slowdown could cut Thailand's growth rate by 0.2 percentage point. ADB's growth projections for China in 2015 and 2016 are also slashed to 6.8 per cent and 6.7 per cent, respectively, against previous forecasts of 7.2 per cent and 7 per cent.

### **4. Cluster plan approved**

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

The Cabinet has approved in principle the setting up of six "Super Clusters" in nine provinces across the country to increase Thailand's production, industrial and export competitiveness. The six clusters are Automobile and Parts, Electronics, Appliances and Telecommunications, Petrochemicals and Other Environmental Friendly Chemical Products, Digital, Garment and Clothing, and Processed Food.

The initiative will be spearheaded by Somkid Jatusripitak, deputy prime minister in charge of the economy. The Industry Ministry will set up the clusters with support from the Board of Investment (BOI), which will provide tax and non-tax incentives for targeted industries within the clusters.

*"In the past, the BOI has given investment privileges to foreign businesses but these businesses are scattered to where they can get the most benefit," Somkid said after the Cabinet meeting. "The concept of increasing production and industrial competitiveness is based not just on foreigners coming here to produce and sell their products. It involves the whole value chain, including the presence of raw materials, which eventually led to the cluster idea."*

## 5. SCCC to take 40% of Cambodia firm

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

Siam City Cement (SCCC)'s board of directors has approved a 40-per-cent share in a joint-venture company in Cambodia, Chip Mong Cement Corporation, a first step in its strategy to take advantage of the upcoming Asean Economic Community.

The joint venture will involve the construction and operation of a cement plant and related business, said Siva Mahasandana, acting SCCC deputy chief executive officer and senior vice president for marketing and sales. He said the company had signed a definitive agreement with Chip Mong Group and three individuals, known collectively as "CMG", to form the joint venture, which is expected to be in place by December.

Siva said the joint-venture company's registered capital would be US\$150 million (Bt5.38 billion), comprising 75,000 ordinary shares at a par value of \$2,000 each. Once fully established, the new company will be renamed Chip Mong Insee Cement Corp.

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