

Daily Thai News Summary: 24 November 2015

1. Bt 2.1 Trillion motorway plans likely to have multiplier effect on economy

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

The Department of Highways yesterday revealed its new Bt2.1-trillion 20-year plan to develop the motorway network, expecting these investments to have a multiplier effect by more than two times worth Bt5.7 trillion for the economy. *"The plan is aimed at serving higher demand for travel and logistics transport, especially for tourist destinations and cross-border areas,"* said Anon Luangboriboon, deputy director-general of the Highways Department. At the third public hearing held by the Highways Department of the Transport Ministry in Bangkok yesterday, TLT Consultants Co, the project manager of a study, briefed some 200 representatives of the state and private sectors on the latest motorway-network planning.

The development plan for 2016-36 will cover 21 routes with a combined length of 6,612 kilometres. It will be in line with the country's 11th National Economic and Social Development Plan (2012-16). The Public Private Partnership (PPP) gross cost scheme will be used as the investment model - a model in which the state will bear the risks instead of private investors. Infrastructure funds will be a source of money apart from the fiscal budget, said Vasu Chaisuk, traffic and transport engineer of TEAM Consulting Engineering and Management Co.

2. 70 foreign firms approved under FBA in first 11 months

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

The Business Development Department approved the operations of 370 foreign companies under the Foreign Business Act (FBA) during the first 11 months of the year, bringing more than Bt13.48 billion in investment capital into the country. However, the number of foreign companies approved dropped by 4 per cent, while initial investment capital was down by 78 per cent, as many companies had invested in finance-related businesses last year.

The department said permitting these companies to operate service businesses in Thailand would encourage technology transfer and create jobs for Thais. Pongpun Gearaviriyapun, director-general of the department, said many foreign investors were highly interested in establishing businesses in Thailand as part of their regional integration policies amid continued growth in the region. *"More investment will be seen in the remaining months of the year, as well as throughout next year. The government will try to facilitate more investments*

under the economic stimulation policies in preparation for the forthcoming Asean integration," she said.

This month alone, 34 companies were approved under the FBA, representing an increase of 10 per cent from November last year, with initial investment capital of Bt479 million. The approvals in November will create more than 400 jobs for Thais, Pongpun said. Most of these new companies are subsidiaries, agencies of overseas corporations, companies contracted to state-owned enterprises, and retailers and wholesalers.

3. TAT hopes pacts boost numbers of Japanese tourists

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

The Tourism Authority of Thailand (TAT) will sign separate memoranda of understanding with the Japan External Trade Organisation, the Japan Association of Travel Agents and Asahi TV during the visit of Deputy Prime Minister Somkid Jatusripitak to the country from November 25 to 28.

TAT governor Yuthasak Supasorn said the MoUs were for a joint cooperation to help Thailand attract 2 million Japanese tourists by 2020 or to account for no less than 10 per cent of all Japanese outbound travellers at that time. The number of Japanese tourists to Thailand peaked at 1.6 million in 2013 but it fell to between 1.2 million and 1.4 million this year because of an economic slowdown in Japan and political unrest in Thailand. Meanwhile, the Commerce Ministry said it would bring 70 Thai small and medium-sized enterprises on the Japan trip to meet up with Japanese companies interested in importing or exporting goods to or from Thai SMEs. So far, 165 Japanese importers and exporters have confirmed their intention to join the matchmaking event.

4. Economy set for boost post-Paris attacks: NIDA

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

Thailand could benefit from the Paris terror attacks as they could adversely affect European economies and result in an inflow of capital to Asia, according to the National Institute of Development Administration. NIDA executive Montri Sokatyanurak also said more foreign tourists, particularly Chinese and Japanese, could switch travel plans and instead of travelling to France might come to Asia. Thailand would obviously benefit from that. He said if that happened and Thailand sped up the disbursement of its investment budget for fiscal 2016, the country's gross domestic product could expand by 3.5 per cent this quarter. That would take this year's growth to 3.0 per cent, he said.

5. New bidding for petroleum concessions in mid 2016

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

Thailand is expected to kick off its long-delayed 21st bidding round for petroleum concessions around the middle of next year, Energy Minister General Anantaporn Kanjanarat said yesterday. The drafts of amended petroleum laws have been submitted to the Cabinet's secretariat office and the Cabinet could consider them tomorrow or next Tuesday, he said. The new laws will allow the energy authorities to consider using either concessions or production-sharing-contract (PSC) regimes, or both systems, to govern petroleum exploration and production activities, whereas the current laws only allow the concession system.

The 21st round of petroleum-concession bidding, the first since 2007, was cancelled last year because of opposition from some energy activists and non-governmental organisations who urged the adoption of the PSC regime, among many other things. Of the 29 blocks up for auction, six are offshore in the Gulf of Thailand, and 23 are on land, mostly in the Northeast. Regarding the expiring petroleum concessions, Anantaporn said his ministry might be able to finalise guidelines to solve the contentious issue by the end of next month.

6. Slim growth seen for car industry in 2016

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

The Thai automobile industry is expected grow only slightly next year as consumers' purchasing power continues to be weak, despite the government's injection of huge budgets into infrastructure. Surapong Paisitpatnpong, vice chairman and spokesman of the Federation of Thai Industries' Automotive Industry Club, said purchasing power would not improve much next year because people were still worried about their future incomes as well as because of persistently high household debts. He said that although the government was investing in infrastructure projects that would generate income for people, a lot of them still needed to get rid of their household debts before buying big-ticket items like cars.

This year, car companies in Thailand are expected to produce between 1.95 million and 2 million units, an increase from 1.85 million last year. However, only 750,000 are likely to be sold in the domestic market, lower than last year's 800,000 units. *"Car sales this year have not really improved, and this may continue through next year as the government plans to increase car taxes,"* Surapong said. Meanwhile, the Board of Investment (BOI) yesterday held a conference on investment, chaired by Prime Minister Prayut Chan-o-cha. The conference attracted 2,000 businesspeople, local and foreign investors, and industrialists.
