

## Daily Thai News Summary: 26 May 2016

### 1. Strongest GDP in 3 years brightens 2016 outlook

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

The economy expanded 3.2 per cent in the first quarter of this year, the quickest pace in three years, thanks to strong public spending and the deluge of international tourists. Public spending led the recovery, as public consumption rose 8.0 per cent year-on-year and public investment jumped 12.4 per cent. On the external front, the influx of tourists drove exports of services up 18.8 per cent, while exports of goods recovered to 1.0-per-cent growth, ending a four-quarter streak of contraction. Domestic demand, however, remained subdued, with private consumption picking up 2.3 per cent and investment 2.1 per cent. By sector, agriculture remained in recession for the sixth quarter, contracting 1.5 per cent.

Manufacturing reverted back to contraction of 0.3 per cent on the back of the slowdown in car manufacturing after the front-loaded demand ahead of the excise tax increase at the turn of the year. On the other hand, services (15.8 per cent) remained a bright spot, led by tourist-driven hotels and restaurants. Construction (11.2 per cent) benefited from aggressive public investment projects, while wholesale and retail (5.1 per cent) maintained strong momentum. With public spending, tourist arrivals and merchandise exports exceeding our expectation, we see an upside risk to our 2016 GDP growth forecast of 2.7 per cent.

### 2. Microsoft on mission to deepen digital inclusion

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

MICROSOFT has donated more than US\$2 million (Bt70 million) worth of free software and training to 430 non-profit organisations in Thailand, helping communities across the country to fulfil unmet needs, the company said. It has also equipped non-profit organisations with the right tools to empower them to achieve more for their beneficiaries, it added. This is a part of Microsoft's \$1-billion donation for use of Microsoft cloud services by non-profit organisations and university researchers around the world over the next three years. The \$1-billion donation aims to provide support to more than 75,000 non-profit agencies worldwide and was launched under the umbrella of Microsoft Philanthropies, a new organisation within Microsoft dedicated to social contributions through technology. Thailand will be one of the countries to benefit under this \$1-billion initiative. Microsoft chief executive officer Satya Nadella said yesterday at the "Technology for Good" event in Bangkok that throughout its 22-

year presence in Thailand, Microsoft has continuously worked hard to be a long-term partner with the country.

The company has collaborated with non-profit entities and businesses from around the world to help identify how cloud technology can break down barriers to digital inclusion. *"At Microsoft, our mission is to empower every person and every organisation on the planet to achieve more. Delivering on this mission starts with great technology, but great technology alone is not enough. Too many of its benefits have yet to reach the people who need them most. To fulfil our company's mission, we ourselves need to do more - empowerment begins with inclusion,"* said Nadella. One Thai non-profit entity working with Microsoft to improve society is the Population and Community Development Association (PDA), founded in 1974 by development activist Mechai Viravaidya. PDA also operates the Mechai Pattana School in Buri Ram province. Known affectionately as the Bamboo School since its foundation in 2009, the school serves as a lifelong learning centre for the entire community and a hub for economic and social advancement beyond the normal academic curriculum.

### **3. Govt plans to promote export of value added food products**

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

The government will promote more export of value-added food and agricultural products to ensure higher income for farmers and people in the food supply chain, Deputy Prime Minister Somkid Jatusripitak said yesterday. After presiding over the opening of "THAIFEX-World of Food Asia", which runs until Sunday at Challenger, Muang Thong Thani, Bangkok, Somkid said Thailand had strong capacity to develop its food supply chain to make more value-added products. *"Thailand's strengths in the food industry are a great variety of raw materials and highly experienced producers. The government in cooperation with private enterprises will encourage more modern technology in food processing to add value for the products,"* he said. About 45 per cent of Thai food exports are unprocessed raw materials. That proportion should decrease in the near future after the country adopts more modern technology and promotes more innovation. Tomorrow, Somkid will witness the signing of a memorandum of understanding to establish "Food Innopolis", the city of food innovation.

More than 30 agencies including nine government units, 13 food companies and 12 universities will sign the MoU to develop foods for the future and create bio-based industries that keep Thailand competitive and benefit the entire value chain. The project will support innovation in developing food quality, food ingredients, packaging, information technology and logistics so that Thailand has high potential truly to become the "Kitchen of the World" in the near future, Somkid said.

#### 4. Agro food to spearhead Betagro

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

BETAGRO Group is consolidating six business units into two to allow the agribusiness and food group to play a more prominent role in the regional and world markets. The six old business units were food, swine, poultry, regional, feedmill and animal health. The two new core businesses are agro and food. The consolidation started at the beginning of this year. Narongchai Srisantisaeng, chief operating officer of the food business, said yesterday that the reshuffle will support the group's strategy to align all businesses clearly in the same direction. Enterprise resource planning software has been employed to sharpen efficiency and competitiveness. The new integrated business management package will allow Betagro to collect, store, manage and interpret data from many activities, including product planning and purchasing, manufacturing or service delivery, marketing and sales, inventory management, as well as shipping and payment. *"We are also setting up our first food innovation centre located at the group's head office in the North Park venue on Vibhavadi-Rangsit Road in Bangkok. The centre, which will be opened by the end of this year, will be in charge of the development of new food product and packaging initiatives to be in line with the real demand of today's consumers. It will help promote the development of food knowledge and technical information as well as provide the right solutions to any problems raised by individual consumers in the food business group,"* he said.

Founded in 1967 with registered capital of only Bt10 million, it produced and distributed animal feed. Its head office was located in Prom Prab in Bangkok with its first feedmill in Samut Prakan's Phra Pradaeng district. The group has grown from strength from strength, beginning with the establishment of its first animal husbandry facility in Nakhon Ratchasima's Pak Chong district, comprising poultry and swine farming, a feedmill and hatchery.

#### 5. Krungsri rejigs e-business units

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

Bank of Ayudhya Plc, trading under the Krungsri corporate identity, has restructured its e-business units under the new name of commercial digital solutions to give a clearer focus to digital banking including financial technology or fintech. The restructuring will allow bank staff to focus on customer and commercial solutions and fintech, Thakorn Piyapan, head of Krungsri Consumer Group and head of digital banking and innovation, said yesterday. Each bank has its own model in studying fintech, but Krungsri wants the entire bank to participate in the trend of digital banking and fintech in order to adjust the culture of the bank to full digital banking and full innovation, he said. The restructuring is part of the three-year plan (2016-18) launched after it studied fintech since 2014 and sponsored the Krungsri Uni-Startup project last year. The bank is going into the second stage of investing in fintech start-ups by joining with RISE, an expert in

start-ups and the first corporate accelerator in Thailand, to launch the Krungsri RISE Fintech Accelerator project.

Krungsri will leverage its 20 million-strong customer base to help fintech start-ups. *"We can provide consumer insight and business intelligence and tailor match-making, potential business partnerships and investment to them,"* he said. The third stage is investment through venture capital. The bank has discussed this with Bank of Tokyo-Mitsubishi UFJ, its major shareholder. The bank is looking to see if Krungsri RISE Fintech Accelerator's output of fintech start-ups can help it solve the problems of customers and if the solutions can help solve the bank's problems. The bank can also learn from the Krungsri RISE programme what are the trends in fintech now and in coming years, which could open up opportunities and cause disruptions to the banking industry. Supachai Parchariyanon, founder and managing director of RISE, said the project was not an incubator. Fintech start-ups that want to join the programme must grow enough to present ideas. They want knowhow about marketing and capital from investors. Krungsri RISE will select 10 teams of fintech start-ups to participate in an intensive eight-week boot camp coached by top professional experts in the start-up business.

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