

Daily Thai News Summary: 27 November 2015

1. Govt aims to shore up trade with US

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

The government is attempting to protect Thailand's trade benefits with the United States after the US Trade Representative announced it would investigate labour practices in the Kingdom. The USTR is slated to begin a special investigation into Thailand's reported use of forced labour in January. The USTR may cut tariff privileges for Thailand, after recently extending the Generalised System of Preferences (GSP) for the Kingdom to more than 3,000 items. In response to a claim by the American Federation of Labour and Congress of Industrial Organisations, Deputy Commerce Minister Suvit Maesincee said yesterday that Thailand would prove to the US that the government and the private sector had stringently taken action against the practice of forced and illegal labour.

He said the US should have observed the country's serious attempt to solve the problem. The USTR's special investigation is expected take up to three years. The Labour Ministry will submit a report to the USTR on the actions taken to tackle the problem. Suvit said trade between Thailand and the US should not be affected as Thai and American traders normally had a close cooperation in terms of inspecting one another's operations. With the US economy getting stronger, Thai shipments to that country should increase gradually next year, he said.

2. Thailand, Iran target bilateral trade of \$1.2 bn within 3 years

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

Thailand and Iran are aiming at boosting two-way trade to US\$1.2 billion in three years, up from \$300 million in 2014, after the Thai government sent its first mission there to form closer economic ties now that trade sanctions on that country have been lifted. After meeting with key economic ministries - Trade, Petroleum, Roads and Urban Development, and Industry - in Tehran, Deputy Commerce Minister Suvit Maesincee said the two countries had great opportunities to strengthen trade and investment, and cooperate in the tourism industry. *"Thailand is being considered as a source of food for Iran and a gateway to Asean markets, particularly Cambodia, Laos, Myanmar and Vietnam, while Iran could be a gateway for Thailand to penetrate the Middle East market,"* he said.

The two countries agreed to reorganise the meetings of the Joint Commission between the two sides to drive closer cooperation on various issues starting next February. Deputy Prime Ministers Pravit Wongsuwan and Somkid Jatusripitak will lead Thai delegations to Iran again in early February. Bilateral trade averaged about \$600 million a year in the past, but fell to about \$300 million last year on lower oil prices. During the first 10 months of this year, Thailand's exports to Iran were worth \$181 million. With strong demand from Iran for many products and many investment projects, Thailand will also have greater opportunities to strengthen bilateral ties in promoting business-to-business, government-to-government and government-to-private cooperation in investment and in service businesses.

3. Ministry okeys start-up budget

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

The Information and Communications Technology Ministry has approved a Bt170-million new-venture budget for next year with the aim of promoting at least 10 start-ups as local champions. *"The government's role is not as a venture capitalist, but we offer funding in the very early stage of development to help them scale up and catch a round of seed funding later,"* Vice Minister Pansak Siriruchatapong said yesterday.

He said at "Echelon Thailand", one of the largest start-up events in Southeast Asia, that since start-ups are one on the government's priorities, the ministry would act as a facilitator to encourage development of a start-up ecosystem in Thailand. It expects 1,500 projects to be pitched to the government. The ministry will pick only 300 projects for funding, incubation, acceleration and training. Finally, it hopes to have at least 10 start-up projects as local champions to get the next round of support for training and workshops abroad. The two main criteria for winning incentives are to show a prototype of a product or service and a business model. *"The ICT Ministry will collaborate with the other key stakeholders to drive this project. We will start to roll this out in early 2016,"* he said.

4. Consumer confidence, hike in investments to spur Thai economy in Q4

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

The Thai economy is expected to see consistent expansion this quarter in light of increasing consumer confidence after the sharp rise in the government's domestic public investment, Fiscal Policy Office (FPO) director-general Krisda Chinavicharana said. Krisda, who is spokesman for the Finance Ministry, said at a press conference yesterday that consumer confidence in October rose for the first time in 10 months to 62.2 thanks to the short-term economic stimulus measures and the drop in retail fuel prices. Last month, the economy was

driven mainly by this year's Bt40-billion stimulus for small projects, public agencies' training, approved accrued budget and state investment, Krisda said.

He believes gross domestic product will grow by 2.8 per cent this year, as expected. If there were no other negative factors, GDP growth could be 3 per cent thanks to the increase in public investment, particularly infrastructure mega-projects and private-sector investment, in spite of an estimated 5.4-per-cent contraction in exports. Next year is expected to see 3.8-per-cent GDP growth, likely driven by more investment in infrastructure and water-management projects, acceleration of budget disbursement and more private investment.

5. UOB (Thai) to boost SME lending by branching out upcountry

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

Singapore-based United Over-seas Bank (UOB) has high hopes for its Thai unit in SME lending after allowing it to aggressively expand business banking centres upcountry. *"Lending from the provinces is 40 per cent but we aim to drive loans from upcountry to 50 per cent in the near future,"* said Sayumrat Maranate, head of business banking at UOB (Thai). As the pilot unit in the group, UOB (Thai) also got the green light from headquarters to adopt the streamlined end-to-end credit process to expedite approvals for SME customers, she said yesterday. The system will also help tackle the possibility of delinquent borrowers.

Credit approvals have been speeded up to five to 10 days from one month. SMEs are customers with annual turnover of up to Bt400 million and a credit line of up to Bt40 million. Geographically speaking, Thailand is an interesting market for the group, Sayumrat said. By expanding its SME base and loan portfolio to the provinces through its business centres, it hopes to avail of opportunities opening up with the dual-track railroad, which is expected to be completed by 2020. *"We have been operating business banking centres in Udon Thani, Khon Kaen and Nakhon Sawan provinces since 2013 and we plan to open more,"* she said.

6. Japanese investors buoyed by Thai policies, says Somkid

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

Japanese investors have responded warmly to the Thai government's roadshow led by Deputy Prime Minister Somkid Jatusripitak, with several deals signed by private organisations of the two nations. *"The Japanese investors are confident after we informed them about what we changed in our economic and investment policies,"* Somkid said yesterday after meeting with representatives from Japan's private sector.

Both the Japanese government and investors were interested in the Thai government's policy to support 10 targeted industries as future growth engines. They are next-generation cars; smart electronics; affluent, medical and wellness tourism; agriculture and biotechnology; food; industrial robotics; logistics and aviation; biofuels and biochemicals; digital; and medical. During his ongoing three-day official visit to Japan, which ends on Saturday, Somkid yesterday met Deputy Prime Minister Taro Aso and Japanese firms. The Thai delegation and 70 private firms hope to promote opportunities for investment in Thailand.

7. Contractors bank on 2016 govt projects

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

Construction companies target growth of up to 20 per cent next year thanks to the government's policy to speed up investment in infrastructure projects under the public-private partnership (PPP) fast-track programme, worth more than Bt347 billion. *"We are ready to bid on the new infrastructure projects when the government opens them to tender,"* Ch Karnchang chief executive officer Plew Trivisvavet said. The company aims to win 20-25 per cent of the government's infrastructure contracts next year, while this year it also targets securing about 25 per cent of the total project value of Bt150 billion. *"We believe that the government will start more infrastructure projects in the first quarter of next year. This will help the recovery of the construction business. We plan to bid on all of the government's new infrastructure projects, such as motorways, railway double-tracking and high-speed rail, targeting a share of between 20 and 25 per cent of the total value of projects put out to tender next year,"* he said.

Italian-Thai Development managing director Premchai Karnasuta said earlier that the company was ready to bid on the government's infrastructure projects such as the mass-transit system's Orange, Pink and Yellow lines, motorways, and railway double-tracking. The company is also interested in being a subcontractor for the Bt400-billion Bangkok-Nong Kai railway, a joint development by Thailand and China.

By Harsha Hazarika