

Daily Thai News Summary: 27 October 2015

1. FTI buoyed by effects of govt stimulus drive since August

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

Government stimulus measures introduced since August have already boosted private sector confidence and investments should be spurred further after more measures are introduced to stimulate private ventures in two weeks, the chairman of the Federation of Thai Industries (FTI) said. Supant Mongkolsuthree made his prediction yesterday at the FTI's internal meeting after Finance Minister Apisak Tantivorawong delivered his keynote speech. *"I have more confidence after hearing what the Finance Minister has told us at the seminar because the measures to help low-income earners and SMEs [small and medium enterprises] that have already been introduced will soon be followed, periodically, by added measures to stimulate investment,"* he said. *"The latest figures in terms of import contraction at around 20 per cent last month is something that is going on in every country because of the drop in oil and other prices so it does not truly reflect the willingness to invest,"* he added.

Apisak said more measures were on the way to stimulate private investment and they will be effective this year and next year only. Apart from the measures to support the real estate sector in two weeks and this round of measures, "most likely tax benefits", they will cover all types of businesses in all sectors and the benefits will be in a range that is almost similar but not more than the Board of Investment's privileges.

2. Baht remains stable as ECB maintains benchmark rate and China cuts rates

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

The Thai baht remained relatively stable last week in the wake of the European Central Bank (ECB)'s decision to maintain its benchmark rate and People's Bank of China's cuts of one-year benchmark interest rates, according to the Bank of Thailand (BOT).

Chirathep Senivongs Na Ayudhya, BOT spokesman, said yesterday that the Thai currency was relatively stable last week while two issues of monetary decisions have been made by other central banks. Last week, markets focused on the ECB's decision to leave its benchmark rate at 0.05 per cent and its 60-billion-euro-per-month asset purchase programme until the end of September 2016 or inflation to be close to the target of 2 per cent. The euro weakened from US\$1.135 to \$1.10 yesterday morning.

However, markets assessed the ECB statement to have concerns over the economic growth of emerging-market countries and that could become a downward risk to the euro zone in the next periods. The ECB will review its monetary policy in its December meeting again.

3. Dept to revise personal tax

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

The Revenue Department is considering revising its personal income tax structure to boost the nation's competitiveness. Prasong Poontaneat, director-general of the department, said the planned revision would bring the tax structure in line with other Asean countries. The department will also soon make an announcement involving a deduction of personal income tax as part of the government's stimulus for the property market. The deduction will be applied for the upcoming annual payment period for personal income tax from the beginning of January to the end of March 2016. About 20 per cent of the price of a property will be deductible on taxable income for five years.

Based on the planned 20-per-cent tax deduction on the maximum housing price of Bt3 million, the highest deduction is Bt600,000, with Bt120,000 to be deducted annually for five years. The Revenue Department yesterday joined forces with five other agencies to help strengthen small and medium-sized enterprises by requiring them to file only one set of financial statements. These five agencies are the Office of Small and Medium Enterprises Promotion, the Federation of Thai Industries, the Thai Chamber of Commerce, and Board of Trade of Thailand, the Thai Small and Medium Enterprises Council, and the Office of the Vocational Education Commission.

4. Tesco Lotus spending Bt 1.6 Bn over two years to expand mall

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

Tesco Lotus is investing at least Bt1.6 billion this year and next on a reshuffle of retail space at some of its 170 hypermarkets in Thailand, aimed at expanding the mall space available for rent by individual vendors. The company says the move will be in line with its strategy to strengthen its position as the shopping mall of choice for families. The increase in lettable mall space will allow Tesco Lotus hypermarkets to generate more income from diversified sources.

UK-based Tesco has invested about Bt800 million this year to add 46,000 square metres of mall space at 16 Tesco Lotus hypermarkets, which is up by 7 per cent from last year. At least Bt800 million will be also allocated next year to the increase of mall space at 15-20 more hypermarkets. *"We currently operate a total of 731,000sqm of mall space at almost all of the 170 Tesco Lotus hypermarkets across Thailand, making Tesco Lotus the second-biggest mall*

operator in the country," said Matthew Squire, mall-development director of Tesco Lotus. The mall business makes a significant contribution to Tesco Lotus's overall revenue and also complements its hypermarket business, though the company declined to disclose specific figures.

5. Modena by Fraser serviced apartments to be offered at FYI center

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

Frasers Hospitality, a Singapore-based provider of premium serviced apartments and boutique hotels, has announced that it will work with Golden Land Property Development to situate a "Modena by Fraser" complex at FYI Center on the Rama IV-Ratchada Intersection, targeted to launch in mid-2016.

Alan Tang, chief operating officer of Frasers Hospitality Group, said Thailand was an ideal market for the introduction of its Modena by Fraser brand, which appeals to socially conscious people who seek form and function. Modena by Fraser has proved to be successful as an affordable and stylish serviced-residence offering in China, he said. *"As we develop this brand further with an emphasis on eco-friendliness and sustainability, travellers to Bangkok will benefit from the rejuvenation of this brand, which advocates a green approach to modern serviced-residence living."* He added that the growth of Modena by Fraser was in line with the company's overall strategy to have 30,000 units in place within four years. *"Together with our other brand offerings - Frasers serviced residences, Capri by Fraserhotel residences and Malmaison and Hotel du Vin lifestyle boutique hotels - it allows us to cater to a wider spectrum of travellers in each market."*

Golden Land Property Development president Thanapol Sirithanachai said construction of FYI Center began in the fourth quarter of last year and was 85 per cent complete. It is expected to be completed by December and open for use in mid-2016.

By Harsha Hazarika