

Daily Thai News Summary: 28 October 2015

1. Nod for Bt5 Bn to prop up SMEs

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

The Cabinet has approved more measures worth Bt5 billion to support small and medium-sized enterprises in a bid to increase their competitiveness, Industry Minister Atchaka Sibunruang said. The ministry expects the measures will help around 100,000 SMEs. The Finance Ministry earlier introduced a Bt100-billion policy loan programme offering 4-per-cent interest rates and a Bt100-billion guarantee scheme for SME loans along with Bt6 billion worth of state venture-capital funds to increase SMEs' liquidity. This second round of measures is meant to support that initial effort, Atchaka said.

The Bt5-billion budget includes Bt2.947 billion to strengthen SMEs that are currently operating, which is expected to help 55,338 operators. Another Bt408.47 million will support SMEs' innovations and new start-ups, benefiting 22,715 operators. Urgent measures to help SMEs in need of business restructuring will account for Bt630 million, helping 17,000 operators, while Bt1.112 billion allocated to help SMEs with research and development is expected to benefit 2,450, she said. *"The 2016 fiscal budgets from various government agencies will be used to fund the measures to help increase existing SMEs' competitiveness and the measures to help with their innovations. The funding to help SMEs that are in dire condition will be allocated from the budget of Office of SMEs Promotion."*

2. Upper North East tourism continues to boom

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

More than four million visitors are expected in the upper northeastern provinces in 2015, with tourism spending estimated at over 11 billion baht for the region. Nopparat Kokwan, director of the Tourism Authority of Thailand, Khon Kaen office, said 95% of visitors to the upper northeast were domestic travelers arriving by land or air transport.

The provinces, known for heritage and traditions, in 2014 welcomed a total 3.9 million visitors, who spent about 9 billion baht. TAT's Khon Kaen office would in 2016 try to draw domestic tourists with campaign promoting travelling on normal working days, from Monday to Friday, as tourist destinations would not be so crowded and the cost would be cheaper, Mr. Nopparat said.

3. Food exporters told to tap into China

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

Exporters have a unique opportunity to tap into the growing demand for foods in China, according to Reorient Group. *"While Chinese imports overall are well down year on year in value and volume terms and hence Chinese demand would appear to be an unlikely driver of Thai exports, one category of Chinese imports, food, is growing substantially,"* Uwe Parpart, executive managing director and chief strategist of the group, said yesterday. China is shifting from export- to domestic-demand-driven growth, as outlined in the next five-year plan to be discussed and approved at the Chinese Communist Party's central committee's plenary from October 26-29.

The People's Bank of China's third "double cut" this year is deemed part of the measures to maintain growth and support the transition, he said. *"That provides a unique opportunity for Thai exporters who can discern and identify the food items in greatest demand."* Food is a critical category of consumption with large growth potential as the Chinese consumer is, and will remain, distrustful of foodstuffs made in China. Food imports in September were up 24 per cent year on year by volume, he said.

4. CEOs, govt officials to brainstorm strategy for trade promotion

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

Amid the steep slide in shipments, the Commerce Ministry has come up with a strategy to bring CEOs from various industries to meet with Prime Minister Prayut Chan-o-cha and Deputy Prime Minister Somkid Jatusripitak to brainstorm plans to promote trade. The target industries are food and beverage, jewellery and ornaments and wellness (health, beauty and medical care). Deputy Commerce Minister Suvit Maesincee said yesterday that the meetings would help give the government and officials a better picture of the situation so that they can draw up measures to drive the sale of each product to a particular market, as CEOs will share their experience and knowledge of market trends.

The Commerce Ministry will also launch missions to push exports to some specific emerging markets such as Cambodia, Laos, Myanmar and Vietnam (CLMV), and some countries in the Middle East, mainly Iran, under a short-term measure to drive Thai exports in those markets. According to the ministry's report, despite total shipments contracting by 5.0 per cent to US\$161.56 billion (Bt5.73 trillion) in the first nine months of the year, shipments to CLMV countries were up by 7.7 per cent. This reflected strong demand for consumer goods from Thailand, especially clothing, jewellery and ornaments, and lifestyle products. The government will also call for a meeting next month of the international trade development committee to draw up a trade strategy and find solutions for sweeping away export obstacles in driving Thailand's trade next year.

5. TOT plans fund for underground cable project

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

TOT plans to establish a telecom infrastructure fund to finance the removal of its overhead cable lines nationwide, and their replacement with underground cabling. The underground-cable project is part of the government's plan to move all telecom cable lines underground in the Bangkok metropolitan area and other major cities across the country. This in turn forms part of the government's digital-economy policy.

A TOT executive source said yesterday that the state agency was currently in the process of hiring a consultant to evaluate its cable-line assets nationwide, with a view to setting up the infrastructure fund. Assets earmarked for the fund include its existing cable lines, planned new lines and planned underground viaducts. TOT will generate revenue from these assets by leasing them to telecom operators.

The planned removal of its overhead cable lines will commence in the Bangkok metropolitan area, before expansion to other major cities. TOT has around 20,000 kilometres of hanging cable lines in Bangkok and its suburbs. Currently, there are two telecom infrastructure funds: True Corp's Digital Telecommunications Infrastructure Fund, and Jasmine International's Jasmine Broadband Internet Infrastructure Fund.

By Harsha Hazarika