

## Daily Thai New Summary: 30 June 2016

### 1. Thailand hopes to gain from WTO's expanded IT pact

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

Thailand is in a good position to gain from tomorrow's reduction in duties on information-technology products by many developed economies, mainly the United States and the European Union, under the World Trade Organisation's expanded IT Agreement, according to the Trade Negotiations Department. *"Thailand, as one of the world's suppliers of IT products, should benefit from the agreement, which will be effective this Friday, as member countries will decrease tariffs and other fees for trading in these products, while helping to develop new technology and innovation among themselves,"* Sirinart Chaimun, director-general of the department, said yesterday. Trade in IT products among WTO members is worth about Bt2 trillion a year.

The WTO has finalised the expansion of the Information Technology Agreement, which should help Thailand become more competitive in the IT industry. It will create opportunities to sell to the US, the EU, Canada, Taiwan, New Zealand, Iceland, Norway and the other ITA member states that agreed to the deal. The expansion will support the Thai government's policy to move towards a "digital economy", she said. IT products in Thailand that will benefit from the tariff reduction among WTO members include printers and parts, printer ink, electronic circuits for automated teller machines, starters for electric motors, movie projectors, monitors, cameras and digital cameras, transformers and multifunction printers. Thailand has been an ITA member since 1997. Under the new ITA, Thailand hopes to be able to draw more investment to its IT industry, as the country will be able to import products to supply the industry from upstream to downstream. Thailand should also be able to export more IT goods to other economies, especially the US and EU, with which the Kingdom does not yet have free-trade agreements.

### 2. TOT investing in Bt3 Bn for power line viaducts in metro

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

TOT will invest about Bt3 billion to lay viaducts in Greater Bangkok that telecommunications operators can lease for their lines and cables. TOT president Montchai Noosong said yesterday that the state enterprise was preparing a public fund to finance the construction of the viaducts for its own use and for lease to telecom operators, which will be required to bury their lines, including fibre-optic cables, in Bangkok. The government has announced a policy to move all overhead electricity and telecom lines in major cities to below

ground. TOT plans to list the fund on the stock exchange and hopes to raise about Bt10 billion from it this year. It estimates annual rental income of Bt1 billion from the viaducts. TOT already has 25,000 kilometres of underground telecom tubes nationwide, of which about 20,000km are in Bangkok. Last September the Cabinet approved a budget of Bt48.72 billion for the Metropolitan Electricity Authority (MEA) to replace 127.3km of aerial power lines in the metropolitan area with underground lines from 2016-25 in a bid to improve the cityscape. Krisada Boonrat, chairman of the MEA and permanent secretary of the Interior Ministry, said the MEA would shorten the 10-year plan to five years. The MEA, National Police, Bangkok Metropolitan Administration, TOT and National Broadcasting and Telecommunications Commission yesterday signed the agreement to cooperate in the project.

### **3. Thai firms eye increased investment in Laos**

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

More Thai businesspeople are interested in expanding their investments and seeking further trading opportunities in Laos, a meeting in Vientiane heard this week. Some 30 Thai business-people met with Lao counterparts at ITECC Mall in the capital on Tuesday ahead of the Thai Top Brands Exhibition from June 29-July 3. The meeting aimed to create business opportunities between the two neighbouring countries by building networks, exchanging trade and seeking potential business partners. The meeting heard from the Lao National Chamber of Commerce and Industry that foreign companies had begun moving their production bases from Thailand to Laos as its labour costs were lower than Thailand. Laos' numerous advantages for international investors were also outlined at the seminar. Laos has 11 Special Economic Zone (SEZ) being developed with the four of Savan-Seno, Vientiane Industrial and Trade Area, Saysettha Development Zone, and Champassak (Pakxe-Japan SME) intended specifically as industrial estate developments. These would form an important part of Laos' industrial development strategy with links to neighbouring countries, particularly Thailand, to be prioritised. This should help Thai investors in their decision making processes whether to invest in and trade with Laos.

### **4. Govt spending spurs Thai economy in May**

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

The Thai economy has staged a recovery in May, mainly driven by a 51 per cent surge year-on-year in the government spending on investment in light of signs of improvement in private consumption. According to Pornchai Thiraveja, deputy director-general at Fiscal Policy Office and finance spokesman, May's investment expenditure was disbursed at Bt36.9 billion, up 51.0 per cent year-on-year, which prompted a 7.6 per cent rise year-on-year in the current fiscal

year budget disbursement in total for the month. Private consumption, in May, signaled improvement, reflecting from a 1.7 per cent increase year-on-year in value-added tax at constant prices and sales of passenger cars which turned into the positive territory for the first time in 36 months. May's passenger car sales climbed 8.3 per cent year-on-year, while motorcycle sales continued to rise at 14.8 per cent in the month following higher purchasing power on the back of improvement in agricultural product prices and more real farm income.

Agricultural production index turned into the positive territory for the first time in four months at 0.3 per cent year-on-year with increases in major crops including tapioca, corn, fruits and livestock for consistent demand and no epidemic. Consumer confidence index on the Thai economy edged down to 61.1 on concerns over affected purchasing power from droughts and the global economic uncertainties that impacted Thai exports, in May, contracted for two consecutive months at 4.4 per cent year-on-year, led by fuel, electronics and agricultural products. In regard of tourism, the number of foreign tourists to Thailand continued to rise 7.6 per cent year-on-year in May, led by those from China, India, Russia, Cambodia, Laos and Myanmar.

## 5. Plants eyed for industrial tourism

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

The Tourism Authority of Thailand is mapping out "industrial tourism" to promote the East Coast while seeking more quality tourists from China. *"This idea of industrial tourism is popular in Japan. Many factories and production bases there are opening doors to tourism. Thailand has that potential too,"* Yuthasak Supasorn, governor of TAT, said yesterday. The agency plans to promote the East Coast of Thailand as a new destination for industrial tourism. The region could attract locals and tourists who want to learn about and experience manufacturing and industry through site visits. Industrial tourism was one of the areas the government is promoting this year.

The agency yesterday signed an agreement with the organiser of Miss Universe China to invite this year's beauty contestants to go camping in Thailand. The 16 finalists and more than 20 staff will be staying in Chiang Mai, Pattaya and Bangkok from October 28-November 3. Scenes from the camping trip will be featured during the final round in November. That will showcase Thailand's attractions and activities to millions of Chinese.

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