

## Daily Thai News Summary: 31 May 2016

### 1. Govt spending shores up economy in April

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

The economy last month reflected improvements in private consumption and investment, particularly in the construction sector, while government spending remained a key support factor, with a 16.8-per-cent increase year on year. Krisda Chinavicharana, director-general of the Fiscal Policy Office, said private consumption showed signs of improvement from March as collection of value added tax at constant prices returned to positive territory at 2.5 per cent year on year. VAT collection based on domestic spending advanced 6.2 per cent. However, VAT collection on imports contracted 3.6 per cent. April motorcycle sales rose 2.9 per cent, attributed to sales promotions.

### 2. Thailand rises 2 steps in competitiveness ranking

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

Improvement in government efficiency is the key reason Thailand climbed two steps in the World Competitiveness Ranking for 2016, according to the IMD World Competitiveness Centre. Thailand ranks 28th among 61 economies. In 2015, the country dropped one place to 30th. All five sub-indicators in the government-efficiency pillar - public finance, fiscal policy, institutional framework, business legislation and societal framework - showed progress.

### 3. Property industry “could grow 5-10%” this year

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

The Real Estate industry could grow by 5-10 per cent this year despite the headwinds from both external and internal factors, according to the Housing Business Association. *“We project the condominium market will be flat or decline slightly this year, and the growth of the property sector will be driven by housing estates,”* said Athip Peechanon, president of the association. *“We will see new property projects this year in only Greater Bangkok, and they will be in the hands of only big property players,”* Athip told a forum on investment trends for the property industry hosted yesterday by NOW 26 and Krungthep Turakij newspaper. Banks are being extremely cautious about extending loans to small and medium-size property firms with no clear development plans. The high delivery of housing units to buyers was caused by the

government's stimulus measures for the property industry that ran from November to April. Consumers accelerated the transfer of their property to benefit from the stimulus package.

Now that the stimulus has expired, consumers might delay taking delivery of their properties. Housing transfers during the stimulus period soared 23 per cent to 68,500 units. The transfer of condos zoomed 106 per cent over the period to 63,000 units. Upcountry, many condo projects are struggling from oversupply problems, which will last for at least a year, Athip said. However, there is still real demand for housing estates in many provinces as they are recognised as a necessary asset by consumers there, he said.

#### **4. Stronger ties with Bangladesh urges at first trade expo**

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

Thailand and Bangladesh could form closer cooperation in bilateral trade and investment, with each acting as the other's springboard for trade in Asean and South Asian markets, according to Bangladeshi and Thai government officials and businesspeople. At the first-ever "Bangladesh Trade and Investment Expo", a three-day event that kicked off in Bangkok yesterday, Bangladeshi Commerce Minister Tofail Ahmed said the two countries could cooperate more in many sectors. *"Bangladesh's economy is expected to grow strongly, by more than 7 per cent this year from last year's 6 per cent,"* he said. *"The country has a policy to promote more export and promote more foreign direct investment to help develop our nation. Thailand, with [its] close relations [with Bangladesh], could seek greater trading and investment opportunities. Bangladesh has tariff privileges for being a least developed [country], while we can be a springboard to third markets,"* he said.

The minister said there were many sectors in which Thai investors and traders could do business in his country such as information technology, textiles and garments, infrastructure development, travel and tourism, beverages, pharmaceuticals and construction. The Bangladeshi government has a policy to promote special economic zones and offer many investment privileges for investors, he added. Thai Commerce Minister Apiradi Tantraporn said Thailand could be a gateway for Bangladesh to reach other Asean countries, while foreseeing Bangladesh as a springboard for producing and exporting goods to third countries. Thailand and Bangladesh will strengthen ties in trade, investment and economic activities at the upcoming fourth Thailand-Bangladesh Joint Trade Committee meeting to find more cooperation in various areas as well as solve problems for both countries in trading and investing, she said. Bilateral trade is expected to double to about US\$2 billion (Bt71 million) next year from the current level. Thai exports to Bangladesh last year were worth about \$900 million, while Bangladesh exports to Thailand were valued at \$39 million.

## 5. Bid plan for gas contracts

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

Energy Ministry to stage auction for key concessions following public pressure. THE government will attempt to boost transparency in the energy sector by holding an auction for the two major petroleum concessions in the Gulf of Thailand ahead of their expiration dates, instead of granting existing operators the right to extend the concessions without new bidders. The decision was made during a meeting of the energy policy committee, Energy Minister Anantaporn Kanjanarat said. On Sunday, the People's Network for Energy Reform issued a statement urging the government to invite new bids for the lucrative Erawan and Bongkot concessions, which expire in 2022 and 2023. Both concession contracts account for more than 70 per cent of Thailand's natural gas production in the Gulf. Thirachai Phuvanartnalanuban, a former finance minister, said the government had to hold a new round of competitive bidding to ensure the state got the maximum benefit from these concessions.

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**By Harsha Hazarika**