

Daily Thai News Embassy: 3 August 2016

1. Japan firms keen on Thai digital economy: Minister

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

Japanese enterprises have shown high interest in investing more in Thailand's "digital economy" and foresee the government-supported industrial clusters as engines for strong economic growth, according to Commerce Minister Apiradi Tantraporn. After meeting with the president of the Japanese Chamber of Commerce (JCC) Bangkok, Shinko Sato, she said Japanese enterprises were interested in participating in the 10 industrial clusters targeted by the government. *"Japanese enterprises have foreseen Thailand as a centre of Asean and linkage to countries in the GreaterMekong [Subregion] and Asean,"* she said.

According to the latest survey by the JCC, 33 per cent of Japanese enterprises in Thailand plan to expand their investment in the country. Half of them said they would continue to use Thailand as a major manufacturing base. Apiradi said she had informed Japanese enterprises that the government has a policy to increase Thailand's competitiveness and facilitate more investment here. It has drawn up investment and economic policies as a national agenda for the next 20 years (2017-2035) to promote more investment in high technology and the "digital economy" policy. Thailand's policy could serve Japan's "Thailand Plus One" strategy, under which Japan will use Thailand as a major manufacturing and export base as well as cooperate with third countries. JCC Bangkok has also called for the Thai government to support more investment by Japanese small and medium-sized enterprises, as the Japanese government is encouraging SMEs to do business abroad. As the Thai government has a plan to promote SMEs as well, it has urged Japanese SMEs to join with their Thai counterparts to do business here and in other countries. The JCC also urged Thailand to accelerate the wrapping up of the Regional Comprehensive Economic Partnership by the end of this year so that Thailand, Japan and 14 other countries could strengthen economic cooperation.

2. BT 10 Billion lifeline to SMEs

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

The Thai Bankers' Association (TBA) is stepping in to help liquidity-lacking SMEs by launching on August 15 the "Pracha Rath for SMEs" soft-loan scheme worth Bt10 billion. The loans carry a fixed interest rate of 4 per cent for the first two years before changing to floating rate from the third to seventh years. Predee Daochai, chairman of the TBA, told yesterday's meeting of the Joint Standing Committee on Commerce, Industry and Banking (JSCCIB) that the

campaign would run to the end of the year. Each bank will open a credit line of Bt2 million per SME customer. The SMEs must not use the proceeds for refinancing, since the banks want to help them expand. Small businesses are the target of this programme because of the loan size of Bt2 million. Each bank has its own package to help SMEs but "Pracha Rath for SMEs" is an extra option. For example, the Government Savings Bank has prepared a Bt30-billion soft-loan package for SMEs to upgrade production machinery. Thanyalak Vacharachaisu-rapol, head of money and banking at Kasikorn Research Centre, said the cheap credit could stoke the loan appetite of SMEs. However, SMEs that have the potential to grow should be allowed to benefit from the soft loans because they can enjoy a lower cost of funds, while banks will get quality customers.

3. Fitch upgrades ratings of 9 Thai financial institutions

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

Fitch Ratings has upgraded the national long-term ratings of nine financial institutions in Thailand. The national long-term ratings of Bangkok Bank (BBL), Kasikornbank (KBank), Siam Commercial Bank (SCB), Easy Buy (EB) and Maybank Kim Eng Securities Thailand (MBKET) have been upgraded to AA+(tha) from AA(th), the rating agency said in a release. The same ratings of Kasikorn Securities (KS), SCB Securities (SCBS), CIMB Thai Bank (CIMBT) and CIMB Securities Thailand (CIMBS) have been upgraded to AA(th) from AA-(tha). The outlooks for BBL, KBank, SCB, KS, SCBS, CIMBT and CIMBS are maintained at stable.

4. AOT airports enjoy passenger boom

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

Passenger traffic through gateway Suvarnabhumi and five other big Thai airports showed robust growth in the first half of the year. Passenger traffic grew in tandem with aircraft movements, which rose by 9.1% to 389,740 as the country's political stability and growing tourism industry fuelled traffic demand.

Cargo movements through AoT-operated airports, which were in the doldrums, also showed an increase in the first half with 3.9% growth to 689,734 tonnes. Suvarnabhumi continued to hold the lion's share of overall passenger traffic with 28.39 million passengers, representing 46.5% of the total. Bangkok's Don Mueang airport, billed as one of Southeast Asia's busiest hubs for low-cost carriers, registered the steepest growth in passenger traffic, up 20.9% to 17.45 million.

5. NBTC to auction 11 telecom licenses in next 5 years

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

There are 11 wireless-telecommunication spectrum licences waiting for auction over the next five years, Takorn Tantasith, secretary-general of the National Broadcasting and Telecommunications Commission said during a meeting of the Asean Telecommunications Regulators' Council (ARTC) in Phuket yesterday. He said the NBTC's five-year (2016-20) plan called for licence auctions for four spectra: 2.6 gigahertz, 1,800 megahertz, 850 MHz and 700MHz. The 2.6GHz band is currently in the possession of a state-owned public broadcaster, MCOT. The NBTC is in the process of negotiating the return of the entire band - a total of 190MHz. The new NBTC law that is expected to take effect this year may allow compensation for government agencies currently holding spectrum. Takorn said that no less than 70MHz of the 190MHz of the 2.6GHz spectrum would be reallocated for mobile communications by 2017. The NBTC expects to grant at least three or four licences, each of 20-25MHz, for fourth-generation wireless service.

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