

Daily Thai News Summary: 5 August 2015

1. Businesses push for dedicated export committee

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

Businesses are urging the government to restructure the export promotion committee as a single command unit to lift exports in the second half as the outlook remains dismal, says the Joint Standing Committee, Industry and Banking (JSCCIB).

Thai Bankers' Association chairman Boontuck Wungcharoen said the committee should comprise all relevant ministers including those from the Commerce, Industry, Finance and Foreign ministries to align export strategy. The committee should be chaired by the prime minister rather than the deputy prime minister like it is now, as the committee has too low a profile, he said.

The business sector expects the overhauled committee will focus on 12 export sectors accounting for half the country's export value — automobiles and auto parts, jewellery and accessories, agriculture and food processing, lifestyle products, garments and leather products, electronics, building material and construction products, logistics, health care and beauty, halal food, digital content and printing products.

2. Cabinet approves Bt 6.5-Bn job creation scheme

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

The Cabinet has approved job-creation measures worth Bt6.529 billion in a bid to boost grass-roots purchasing power amid the slowdown of domestic consumption that was brought on by the economic slump that began last year, high household debt, and natural disasters.

The programme consists of nearly 5,000 projects that would create enough jobs to affect about 2 million households. The projects, which would comprise 6,740 "activities", are largely aimed at the agricultural sector. Meanwhile, Thailand is seeking bilateral trade relations with South Korea, as trade ties between the two countries currently exist only within the Asean framework.

Under the job-creation scheme, the Cabinet yesterday approved 4,966 projects. Besides directly creating employment, the projects aim to reduce various agricultural production costs. *"The aim is to help farmers and low-income earners and to stimulate the grass-roots economy,*

which currently needs the most help from the government," said Interior Minister General Anupong Paochinda, whose ministry is spearheading the measures.

The Bt6.529-billion cost of the projects will be allocated from the fiscal 2015 central budget, which was set at Bt80 billion at the beginning of the fiscal year. Budget Bureau director Somsak Chotrattanasiri did not reveal how much of the central budget has been disbursed or how much is left, as that is confidential information between the bureau and the prime minister, who has direct authority over its disbursement.

3. THAI dodges a bullet by ending LA service

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

The decision by Thai Airways International (THAI) to terminate its Los Angeles service in October has an added benefit to the primary reason of curtailing heavy losses. A downgrade of Thailand's aviation safety standards by the US Federal Aviation Administration (FAA) would not force the airline to stop its Bangkok-Incheon-Los Angeles flights, but the airline's decision will alleviate any direct consequences arising from such an action.

While the flag carrier's decision was not influenced by the possible consequences of such an FAA ruling, it coincidentally curtails risks and damages associated with uncertainty, industry observers said. A ban on THAI's flights into US airspace could not be completely ruled out if the FAA opted to heighten penalties beyond what were normally spelled out from a downgrade from Category 1, the status Thailand holds, to Category 2.

An FAA downgrade would mean carriers registered in Thailand could continue flying to the US but could not add new destinations in that country or change the types of aeroplanes used on routes.

4. Sansiri, Siamese Asset see strong demand for newest condo projects

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

Developers are confident the property market will recover during the rest of the year thanks to both local and foreign demand rising.

Sansiri says it witnessed strong demand after the company started a roadshow for its latest condominium project, The Line Sukhumvit 71, a development by BTS Sansiri Holding Co, a joint venture between Sansiri and BTS Group Holdings. The project is valued at Bt2 billion.

"We got bookings worth nearly Bt1 billion from foreign buyers after our roadshow in Taiwan, Hong Kong and Singapore early this week," said Uthai Uthaisangsuk, Sansiri's senior executive vice president for condominium business and project development.

5. Gloom prompts aggressive pricing plan at shops

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

Supercentres and convenience-store operators have been launching aggressive pricing campaigns to stimulate shoppers' spending and the frequency of store visits during the ongoing period of economic difficulty, which resulted in same-store sales dropping by between 1 per cent and 3 per cent in the first half.

Thailand has for some time been burdened by a high level of household debt, while the current drought has also negatively impacted lower-income earners, especially farmers. As a result, the spending power of consumers, especially at the grass roots, has been heavily diluted.

Chatrchai Tuangrattanapan, Director of the Thai Retailers Association, said that supercentres and convenience stores targeted middle- to lower-income earners as their key customers, and it was these groups of consumers that had been most affected by prevailing negative economic factors, leading to a plunge in their spending power.

"The sales growth posted by those supercentre and convenience-store operators in the first half of this year was generated by the opening of new stores over the period. Without the expansion, those operators witnessed a drop of between 1 per cent and 3 per cent on their same-store sales," Chatrchai said. Supercentres and convenience-store operators have been launching more proactive campaigns to encourage shoppers to increase their number of visits, he added.

By Harsha Hazarika