

Daily Thai News Summary: 5 November 2015

1. Trade with Chile to double as FTA starts

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

Annual trade between Thailand and Chile should double to US\$2 billion (Bt71 billion) in the next three to five years, thanks to the free-trade agreement (FTA) between the countries, which comes into force today. "Bilateral trade and investment should grow after the liberalisation of both markets, since Chile can be a gateway for Thailand to penetrate Latin American countries. While it will help Thailand open opportunity to be part of the Trans-Pacific Partnership in the future, as Chile is already part of this, the world's largest trade bloc," Commerce Minister |Apiradi Tantraporn said yesterday.

The free-trade pact with Chile is Thailand's second bilateral FTA with a Latin American country - the other being with Peru - and the seventh overall, after the agreements with China, India, Japan, Australia and New Zealand. The pact should also help increase the Kingdom's trading competitiveness with key rivals, including China and Vietnam, as Thailand has negotiated better benefits than those contained in Chile's FTAs with those two countries, she said. Thai rice should also gain greater market access to Chile, as import tariffs for the produce will be reduced to zero within five years, she added. Besides the trade in goods, the FTA will also cover service-sector liberalisation, while negotiations between Thailand and Chile on investment liberalisation will be held within the next two years.

2. Alibaba eyes joint investment with Crown Tech Advance

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

ALIBABA, China's giant e-commerce group, is in talks with a Thai company for a joint investment project. Crown Tech Advance released the information yesterday as it was suspended from trading on Tuesday following a takeover rumour. In a filing to the Stock Exchange of Thailand, chief executive officer Amorn Meemano denied the rumour of a takeover. He said the company and Alibaba were in the preliminary stage of negotiations for the joint investment project. There has not yet been a formal letter confirming the talks, he added. He also mentioned progress in the planned joint venture with YTO Express, a Chinese logistics company. *"The management is currently considering the business plan and scope of work with YTO Express, to conclude the framework of investment within the fourth quarter of this year,"* he said.
- The Nation

Supinya seeks clarification from NBTC over radio station. Supinya Klangnarong, a member of the National Broadcasting and Telecommunications Commission (NBTC), yesterday lodged letters with the chairman and secretary-general of the watchdog for further clarification

on the selection process of content provider for the FM 98.5MHz - 1 Por Nor - radio station, on bandwidth held by the Office of the NBTC.

3. Balanced growth eyed via Village Funds

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

After driving headline growth this year through quick-acting stimulus packages, the government says it will spend a year and a half creating balanced growth through the community fund scheme. *"To strengthen the foundations of the country, we will use the Village Funds as a mechanism to develop the country. In drafting the next fiscal budgets, the central government will not initiate the budgets and allocate them to each province as it did in the past,"* Deputy Prime Minister Somkid Jatusripitak said yesterday.

The stimulus packages will impart their full force on the economy from this quarter to early next year, he told a seminar held by Prachachart Turakij newspaper. The government will not launch any more economic packages, except if the external situation continues flashing bad signs. Then the government will consider the external factor again. However, the existing packages should be sufficient to shore up the domestic economy, Somkid said. The recent packages cost the government Bt52 billion, regarded as a small figure. The cost would not badly crimp the fiscal budget, he said. The recent packages were unleashed to help halt the economic slowdown.

Even though the Village Fund programme has been heavily criticised, the government needs it in order to create cash flows in the economic system, he said. The Village Funds are a good mechanism for creating balanced growth, he said. Even though this might be a weak spot, the government will follow the execution of the Village Fund scheme to provide loans to villagers.

4. MoU signed for Tak SEZ under PPP scheme

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

The Fast Track measures for public-private partnerships (PPPs) approved by the Cabinet on Tuesday to speed up implementation of infrastructure mega-projects will help reduce dependence on state budgets and ease the country's public debt burden, Ekniti Nitithanprapas, director of the State Enterprise Policy Office (SEPO), said yesterday. Under the PPP programme to help develop the special economic zone in Tak's Mae Sot district, the International Trade Promotion Department yesterday signed a memorandum of understanding with Saha Pathana Inter-Holding (SPI) and PPT Global Chemical (PTTGC) to develop infrastructure, utilities, and the logistics and transport system. This collaboration of PTTGC and SPI will also support the

development of plastic products at a plant in the SEZ, which will lead to new innovation, while help saving the environment, according to the government.

The department will help enterprises to conduct marketing and distribution of their plastic products arising from this cooperation to penetrate overseas markets. Ekniti said the PPP fast-track programme would cover eight projects next year worth Bt347 billion. They are the Khae Rai-Min Buri stretch of the MRT Pink Line, the Lat Phrao-Samrong section of the Yellow Line, the Bang Sue-Ta Phra extension of the Blue Line, two waste-treatment plants in Nonthaburi and Nakhon Ratchasima, a Maritime Business Centre, and maintenance of the Bang Pa-in/Nakhon Ratchasima and Bang Yai/Kanchanaburi motorways.

5. MPC notes recovery, leaves rate at 1.50%

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

The Central bank's Monetary Policy Committee (MPC) says government stimulus measures are starting to support the economy, especially those supporting small and medium-sized enterprises and the real-estate sector, but their effects will be more apparent next year. The MPC left the policy interest rate unchanged at 1.50 per cent yesterday, as the economy is recovering somewhat from improved domestic spending on non-durable goods and private investment, but there are "more negative factors from abroad", particularly the slowdowns in China's and other Asian economies. The committee said the real interest rate was currently minus-0.4 per cent.

The Bank of Thailand currently predicts that gross domestic product will expand by 2.7 per cent this year, but expects to revise its economic forecasts at the next meeting of the MPC on December 16. *"The Thai economy in the third quarter of 2015 gradually recovered to a pace close to our previous assessment,"* said Jaturong Jantarangs, the newly appointed secretary of the MPC. This was the first meeting of the MPC under the new BOT governor, Veerathai Santiprabhob, who was appointed to the position at the beginning of October. The BOT believes the government's stimulus measures are starting to help the economy but it wants to see a more complete picture, including the Public-Private Partnership Committee's fast-tracking of six projects, before making any new assessment of the stimulus' impact on the economy next year. Meanwhile, Jaturong said the MPC believed that the market consensus was pointing towards a US interest-rate increase this year, and the uncertainty surrounding this was one of the factors creating volatility in the global money market.

By Harsha Hazarika