

## Daily Thai News Summary: 5 October 2015

### 1. Welcome mat rolled out for German cash

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

The Thai government is inviting Germans to invest more in Thailand, especially in industries of German expertise such as automotive, food and petrochemicals, according to Industry Minister Atchaka Sribunreung.

The bid is part of Thailand's plan to encourage investors to start investing in small and medium sized enterprises (SMEs). Mrs. Atchaka said innovation and high tech investment in the new SMEs would help boost Thailand's competitiveness. *"Thailand and Germany have a long history of good relations. We have been cooperating with Germany in several aspects, especially in the high tech industry, as Germany is well known as one of the major high tech countries with many modern innovations"* she said after meeting German investors.

### 2. US extends tariff privileges for 11 Thai items

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

The United States has agreed to extend its Generalised System of Preferences (GSP) for 11 Thai products for another year, helping Thai exporters save at least Bt70 million in import tariffs, the Commerce Ministry reported.

Commerce Minister Apiradi Tantraporn said that for nine of the products, the US had decided to give tariff privileges even though they had more than 50 per cent of the import market but they did not exceed the value limit. The privileges were also extended to two products though they exceeded both the market-share and value limits. The tariff waivers took effect on October 1.

The products are fresh orchids, fresh durian, dried papaya, dried tamarind, processed corn, preserved fruits, processed papaya, processed food, ceramic dolls, processed coconut, and copper wire. Apiradi said the waivers would save Thai exporters at least Bt70 million a year.

Meanwhile, the Commerce Ministry announced controls on export of dual-use items, which are products or technologies that can be used for both beneficial and dangerous purposes, to ensure national security as well as to attract foreign investment, Apiradi said.

### 3. Stimulus to spur foreign investment

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

Govt working on incentive package to boost economic growth, Apisak says in a bid to rev up Thailand's sluggish economy, the new economic team led by deputy premier Somkid Jatusripitak will shortly unveil more special incentives to jump-start private investment, Finance Minister Apisak Tantivorawong has said.

In an interview with Nation Multimedia Group, Apisak said private investment in Thailand had been lagging behind other Asean countries in the past decade due to domestic political instability. As a result, the government would come up with a new tax and other incentives powerful enough to renew foreign investor interests in Thailand as the political environment had improved somewhat over the past year. *"We will announce details on this extra package of incentives in the next two to three weeks to convince businessmen and potential investors it would be economically worthwhile to invest here now,"* he said.

According to the finance minister, additional tax breaks and other incentives would be more generous and match or exceed those currently offered by other Asean countries. For example, Singapore offered a personal income tax exemption of up to 20 years for expatriates working in selective research and development projects like those in the pharmaceutical industry. *"We're studying this possibility and learning from neighbouring countries. We also need to focus on new growth engines that will drive the economy, such as higher technology projects and R&D schemes,"* the minister said.

### 4. SME lending to get a boost

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

Govt scheme spurs expansion of loans by banks. The government's Bt100-billion soft-loan programme for small and medium-sized enterprises could help some banks meet or even exceed their SME loan-growth targets this year. Siam Commercial Bank expects its new SME lending this year to reach Bt120 billion after the government launched the soft-loan scheme, said Vipon Vorasowharid, first executive vice president and head of SCB's business banking group. Previously, SCB expected its new SME loans to end the year at Bt100 billion after recording a Bt50-billion figure in the first half.

The economic slowdown has reduced the confidence of SMEs, causing them to tone down their investments and reduce credit withdrawal with the banks, which is why SCB had set its new-loan target at around Bt100 billion. However, after the soft-loan programme offering interest rates of 4 per cent per annum was launched, SMEs were encouraged to apply for loans, he said.

Some SMEs had planned to invest next year but have moved up their expansion schedules because of the soft-loan programme to the current quarter of this year. SCB now expects new lending in the second half to reach Bt70 billion, of which Bt15 billion will come from the soft-loan scheme, Vipon said. SCB was the first bank to meet the requirements of the soft-loan programme administered by the Government Savings Bank, and has already withdrawn Bt6 billion from the GSB to finance 300 SME clients.

## **5. Regional road and rail projects inching forward to facilitate greater linkage**

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

Laos will pursue the development of at least four rail lines that will turn the land-locked country into a land-linked nation. While a new section of the planned Asian highway linking India, Myanmar, and Thailand was operational in August, Myanmar's Construction Ministry won parliamentary approval recently for a US\$120 million loan to upgrade the Kawkaik-Mawlamyine-Thaton Road.

All countries involved are pushing to make the Greater Mekong East-West Economic Corridor happen. It will not only benefit countries in Southeast Asia but also those in South Asia. The idea for the corridor was launched in 1992 and involves Cambodia, Laos, Myanmar, Thailand, Vietnam, and Yunnan province in China.

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