

## Daily Thai News Summary: 6 January 2015

### 1. JSCCIB forecasts GDP growth at 3-3.5%

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

The Joint Standing Committee on Commerce, Industry and Banking (JSCCIB) has forecast growth in gross domestic product of 3-3.5 per cent and 2-per-cent export expansion in 2016, partly due to the government's economic stimulus and public spending through mega-projects. Supant Mongkolsuthree, president of the Federation of Thai Industries, said this year was expected to see no less than Bt1.5 trillion in public and private investment, which result in GDP growth of 3 per cent. He said that the Board of Investment was expected to see Bt450 billion worth of projects apply for investment promotion in 2016. Of that total, about 30-40 per cent or Bt135 billion to Bt180 billion in investment was projected to be made this year.

In addition, about 40-50 per cent of Bt2 trillion worth of projects approved in 2014 and last year were in the pipeline, and 20 per cent of the government's Bt1.9 trillion worth of mega-projects, or about Bt380 billion, were estimated to make investments this year. Isara Vongkusolkit, chairman of the Thai Chamber of Commerce, said exports were estimated to rise by no more than 2 per cent this year in light of a sluggish global economy, the country's drought and global political conflicts. China was expected to see its economy grow by no more than 7 per cent this year, while Europe would likely continue to see economic slowdowns. However, the baht is expected to depreciate further, which could help Thai exporters, he said.

### 2. Fishery sector hopeful of smoother waters ahead after strenuous attempts to get house in order

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

Thai seafood enterprises faced a tough year of engagement in 2015 with non-tariff obstacles to trade, including the European Union's Illegal, Unreported and Unregulated (IUU) regulations and the United States' Trafficking in Persons Report (TIP). However, they are optimistic that the fishery industry this year can move towards sustainable growth and continue to have unfettered access to every market, following strenuous attempts by the government and the private sector to tackle problems during the past 12 months.

Businesses in the sector - medium and large-sized companies, in particular - stress they have already adjusted their operations and developed new supply chains as part of their commitment to comply with international standards. Although it has not yet been severely affected by the IUU regulations or the TIP report, the Thai fishery sector accepts that the EU and US measures have had a psychological impact on the image of the country's fishery products. The Kingdom's frozen-food industry employs about 300,000 workers. Seafood exports in 2014 totalled US\$6.42 billion (Bt231 billion), with about 24 per cent being shipped to the US and 12 per cent to the EU market.

### **3. TBA outlines 5 themes for banking industry**

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

Digital business in CLMV countries (Cambodia, Laos, Myanmar and Vietnam) offer opportunities for this country's banking industry, said Thai Bankers' Association (TBA) chairman Boontuck Wungcharoen. He believes the TBA has to embrace five major themes and 13 initiatives. The five themes are digitisation and next-generation payment infrastructure; financial inclusion and supporting the real economy; contributing to society; preparing for regional integration; and legal and regulatory enabling. The association assigned seven sponsors to draft frameworks to cover the five themes. For example, Chatsiri Sophonpanich, president of Bangkok Bank, is the sponsor for financial inclusion and supporting the real economy. Teeranun Srihong and Predee Daochai, co-presidents of Kasikornbank, are the sponsors for financial literacy. Vorapak Tanyawong, president of Krungthai Bank, is the sponsor for a banking-industry code of conduct. Arthid Nanthawithaya, deputy chairman of the executive committee and chief executive officer of Siam Commercial Bank, is the sponsor for preparing for regional integration, including the Asean Economic Community (AEC).

### **4. NBTC panel to seek remedies for troubled digital TV broadcasters**

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

The National Broadcasting and Telecommunications Commission will form a panel to seek proper ways to save struggling digital-TV broadcasters as part of its goal for this year of speedily clearing up outstanding problems. Takorn Tantasith, secretary-general of the NBTC, said yesterday that the panel would comprise all 24 holders of digital terrestrial TV licences, all five members of the NBTC broadcasting committee, and representatives of the Finance Ministry, the Attorney-General's Office, the Council of State and the banks that guaranteed the 24 operators.

Some of the bigger banks involved are Bangkok Bank, Siam Commercial Bank and Bank of Ayudhya. This panel will meet every week to hear the complaints and solutions of successful and struggling operators and see if their suggestions can be put in practice. The solutions to their problems must be selected within 90 days and forwarded to Prime Minister Prayut Chan-o-cha for consideration. Thai TV Co - the operator of Thai TV digital news station and MVTV Family channel - is an example of a broadcaster suffering in the intensely competitive digital-TV market.

### **5. Govt aims to clear current 13m tonnes of stockpiled rice by Mid-2017**

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

The Commerce Ministry expects to clear the remaining 13 million tonnes of rice stockpiled in the government's warehouses within the next 18 months. This will partially be achieved by the targeted sale of least 2 million tonnes of rice through government-to-government (G2G) deals this year, mainly with China, the Philippines and Indonesia. The government this year will focus on strategies to clear its rice

stocks and create sustainable growth for rice production and marketing, Chutima Bunyapraphasara, permanent secretary of the ministry, said yesterday. *"The government expects to sell the remaining 13 million tonnes of rice from the stockpiles within a year and a half, with at least 2 million tonnes being sold through G2G contracts this year,"* she said. This year, Thailand should be able to export at least 9 million tonnes of rice in total, against almost 10 million tonnes that were shipped in 2015, she added.

To facilitate more exports, Chutima said the government was currently considering providing soft loans for rice exporters that penetrate new markets - especially those in Africa - as they would face a high risk in diversifying sales to such areas. Meanwhile, the ministry announced it was proceeding with four key working strategies this year: a plan to develop rice production and marketing under a 20-year strategy for the sector; driving export and service business growth; reform of the ministry's responsibilities as a trade facilitator; and adoption of technology and innovation in its work. She said that since trade was a key economic driver for the Kingdom, the ministry would focus on these four strategies to support sustainable long-term growth.

## **6. Asset Pro Management plans financial advisory in Singapore**

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

Thai financial advisory company Asset Pro Management (APM), under ambitious growth targets by 2020, is aiming to set up a branch in Singapore this year to support dual listings on Asean stock markets. Two years ago, APM received a financial advisory licence in Laos, under which it set up APM (Lao) Securities. Somphob Sakpunpanom, chairman of APM, said APM International in Singapore would help upgrade the international image of the parent firm, as Singapore is the major fund-raising market in Asean and having a presence there would help APM get a clearer picture of business flows in the region. Singaporean regulations require capital equivalent to Bt10 million for setting up a financial advisory company, but APM International plans to inject capital above that requirement.

## **7. Budget earmarked for stimulus in H1**

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

The government has set aside a significant portion of the central budget to finance economic stimulus measures that are likely to be necessary in the first and second quarters of this year to maintain growth momentum. The deputy prime minister in charge of economic affairs, Somkid Jatusripitak, has instructed the Budget Bureau to reserve an unspecified amount for such measures, as there are already signs that the global economic recovery this year will not be as good as what the economic team expected earlier. The central budget for fiscal year 2016 was set at Bt402.13 billion, or 14.78 per cent of the overall state budget worth Bt2.72 trillion. *"The deputy prime minister told the meeting that the 2016 fiscal budget would be mainly used to support economic reform towards a more domestic-led economy so that the budget is not wasteful and is directed towards the building of local infrastructure,"* said Government Spokesman Major Sansern Kaewkamnerd. The GOVERNMENT has set aside a significant portion of the

central budget to finance economic stimulus measures that are likely to be necessary in the first and second quarters of this year to maintain growth momentum.

The deputy prime minister in charge of economic affairs, Somkid Jatusripitak, has instructed the Budget Bureau to reserve an unspecified amount for such measures, as there are already signs that the global economic recovery this year will not be as good as what the economic team expected earlier. The central budget for fiscal year 2016 was set at Bt402.13 billion, or 14.78 per cent of the overall state budget worth Bt2.72 trillion. *"The deputy prime minister told the meeting that the 2016 fiscal budget would be mainly used to support economic reform towards a more domestic-led economy so that the budget is not wasteful and is directed towards the building of local infrastructure,"* said Government Spokesman Major Sansern Kaewkamnerd.

## **8. Customs to hold talks with private sector on luxury duties, duty-free**

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

The Customs Department will this month discuss with the private sector a proposal to reduce the import duty on luxury goods and open more pick-up centres for duty-free goods. *"We will see what we can do to help, as part of promoting [domestic] spending and tourism. We will have a discussion [with the private sector] this month to finalise the direction and propose the issues for consideration to the Finance Ministry permanent secretary and those at the policy level,"* Kulit Sombatsiri, director-general of the department, said yesterday. The pros and cons of the import-duty reduction would be taken into consideration and if the reduction were made, domestic businesses would not be affected. The current import levy on luxury goods is 30 per cent of their declared prices. The department is considering raising the number of pick-up centres for duty-free goods from about 10 duty-free shops and pick-up centres nationwide now. That would facilitate shopping by travellers. Prasong Poontaneat, director-general of the Revenue Department, said his agency wanted to increase the number of shops that provide tax-refund services from 7,000 now to 100,000.

\*\*\*\*\*

**By Harsha Hazarika**