

Daily Thai News Summary: 6 August 2015

1. SEZ pitch for consumer goods makers

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

The Board of Investment (BoI) is set to propose the reinstatement of investment privileges to consumer product makers who invest in special economic zones. Hiranya Sujinai, BoI secretary-general, said returning investment privileges to makers of consumer products, which Thailand is famed for among consumers in neighbouring nations, would help stimulate actual investment in SEZs.

The BoI will submit the proposal at the meeting of the national committee on SEZ development to be held mid-month. Privileges offered to consumer product makers were withdrawn early this year after the government announced the new seven-year investment strategy, which based privileges on the type of projects, favouring those that support the digital economy such as high technology, research and development, design and specific industries in the same designated cluster.

2. Private sector gets huge chunk of Bang Sue railway hub

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

The State Railway of Thailand will allow private sector participation in a multibillion-baht commercial development of 200 rai of land at Bang Sue train station in Bangkok, where a major transport terminus is planned.

SRT chairman Omsin Chiwaphruek said the SRT planned to allow private sector commercial development worth 68 billion baht on 218 rai of the 305.5 rai Bang Sue railway compound. He expected tenders for the project to be called in 2019. The winner would have the right to rent the commercial zone for long-term development and operation.

An initial development, to be called the Smart Business Complex, on 35 rai south of Bang Sue station was expected to open around 2023. Other developments planned over a 15 year period are an Asean commercial and business hub on 78 rai, about 700 metres from Chatuchak market; and the Smart, Healthy and Vibrant Town on 105 rai where the Mor Chit bus terminal is now sited.

3. Commerce cuts exports projection to 3% contraction

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

The Commerce Ministry has lowered its projection for the value of Thai exports this year, cutting its growth prediction to a 3% contraction for 2015, due to reductions in imports by major markets still struggling under a weak global economy. Somkiat Triratpan, director of the Office of Trade Policy and Strategy, said the new ministry estimate was for exports of US\$220.698 billion in total value, or 3% less than 2014's \$227.519 billion.

This is down from the earlier projection of \$230.304 billion, which was for a 1.2% growth over the 2014 figure. The new projection is based on the assumption of a global oil price of \$60 a barrel and exchange rate of 35 baht against the US dollar.

The new announced rate was lower than the zero growth referred to by Commerce Minister Chatchai Sarikulya. The minister held a meeting with senior officials on Wednesday to re-evaluate export performance before announcing the new figure.

4. FTI, chamber applaud decision to keep policy rate unchanged at 1.50%

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

Representatives from the private sector agree with the Bank of Thailand's decision to maintain the policy interest rate, as changing it would not help the economy and could cause the baht to depreciate too quickly.

"I agree with the decision, since the weaker baht has allowed exporters to relax. A too-rapid depreciation of the baht would hurt investment, and the country's financial stability is important," said Supant Mongkolsuthree, chairman of the Federation of Thai Industries. *"When it comes to investment, small and medium-sized enterprises are complaining about their restricted [access] to finance, not how much the interest rate is at the moment,"* he added.

The BOT's Monetary Policy Committee yesterday decided to maintain the benchmark lending rate at 1.50 per cent, among the lowest in the region. So far this year, the MPC has cut the rate by a total of 50 basis points, 25bps on March 11 and again on April 29. The MPC said yesterday that the Thai economy had *"continued to recover gradually and is expected to maintain the similar pace"* throughout the year, but downside risk had increased from the slowdown in China and the adverse impact of domestic drought.

5. ICT, NBTC to meet on spectra

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

The Information and Communications Technology Ministry and the National Broadcasting and Telecommunications Commission will discuss their plans to reclaim spectra from state telecom enterprises.

A ministry source said yesterday the ministry is considering asking the government to allow TOT to keep 10MHz of its total of 20MHz bandwidth from the 900MHz spectrum and allocate the remaining 10MHz to the NBTC for inclusion in the NBTC's auction. However, the ministry has to consult with the watchdog first whether that is possible, and if it is not, whether there is any other spectrum to be given to TOT.

The ministry views that TOT should be able to keep such spectrum after its concession expires to enable it to provide its service. The ministry will also ask TOT to submit its plan for using the spectrum. The NBTC will in November call the bid for two licenses of 900MHz and two licences of 1800MHz. If TOT can keep 10MHz in 900MHz, the NBTC will have only 10MHz in 900MHz left to put on the block. Originally it planned to auction two 900MHz licences, each with 10MHz of bandwidth.

By Harsha Hazarika