

## Daily Thai News Summary: 7 October 2015

### 1. BOT helps overseas investment

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

The Bank of Thailand will allow qualified investors to directly invest abroad from 2016 before allowing retail investors to do so in 2017 as part of its effort to cut curbs on overseas investments and capital flows. However, the central bank will initially place limits on minimum and maximum overseas investments by retail investors, said Pariya Techamuanvivit, director of corporate affairs at the Securities and Exchange Commission (SEC).

Qualified investors are defined as individuals who have liquidity of more than 100 million baht and companies with assets of 1-5 billion baht. The Bank of Thailand recently said their overseas investments will be capped at US \$5 million a year. The plan is in line with the Bank of Thailand's roadmap to open up opportunities for Thai investors to balance their portfolios by allowing them easier access to overseas market and better returns.

### 2. GroupM forecasts slight growth in Thai ad

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

GroupM, the country's largest provider of media investment management services, predicts that the Thai advertising industry will experience only slight growth next year, mainly because of economic pressure both at home and overseas. *"We are predicting real advertising spend next year will grow slightly, after very flat growth this year, which has been a difficult year for the industry after experiencing a weak [domestic] economy, in line with poor consumption. Many advertisers have pulled back on spending as sales have not been up to expectations,"* Kevin Clarke, chief executive officer of GroupM Thailand and Myanmar, said yesterday.

GroupM currently manages about 40 per cent of total advertising expenditure in Thailand. Under its parent company, UK-based WPP, the agency has major clients such as Unilever, Procter and Gamble and L'Oreal. Rathakorn Surbsuk, trading partner at GroupM, said the industry would witness growth of 4-5 per cent next year, against the expectation of either flat growth or a decline of up to 5 per cent this year. In the current quarter, local business performance appears to be weak, so companies have cut their advertising budgets and allocated the money for online strategy and promotion to boost sales, he said. *"I would say this situation*

*can be seen across sectors, but particularly in consumer products, automotive, and banking and financial services," Rathakorn said.*

### **3. Domestic demand is the key to stay afloat: ESCAP analyst**

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

Thailand has been urged to boost domestic demand, in order to stay afloat amid the waves of external shocks that are likely to continue in the years to come. Hamza Ali Malik, chief of the Economic and Social Commission for Asia and the Pacific's (Escap's) macroeconomic policy and analysis section, noted that Thailand and other export-oriented countries in the region were all suffering as they have become closely tied with the value chain in China. *"The key is to boost domestic demand and try to lean away from some external demand,"* he said at a press briefing on Monday. Given high household debt, Thailand should instead focus on increasing wages to spur economic growth. Nearly 70 per cent of Thailand's gross domestic product is contributed by exports. This year's export growth is expected to remain in negative territory, for the third year in a row. The outlook for external demand is not bright.

### **4. Joint panel urges govt to join TPP**

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

The Kingdom's most powerful private-sector organisations have urged the government to consider joining the Trans Pacific-Partnership (TPP) and get moving on other free-trade talks to ensure the country's competitiveness in global trading, after 12 Pacific Rim countries agreed on Monday to create the world's largest free-trade area. After a monthly meeting of the joint standing committee comprising the Board of Trade, the Federation of Thai Industries (FTI) and the Thai Bankers Association, the chairman of the meeting, Isara Vongkusolkit, said private enterprises had expressed concern over the successful TPP agreement since it could affect Thailand's competitiveness in the future.

The joint standing committee encouraged the government urgently to consider joining the US-led pact while moving ahead with other free-trade talks such as with the European Union. Negotiations with the EU have been suspended for more than a year. *"The [private sector] organisations will set up a working committee to study the impacts and benefits of the TPP and other FTA talks to propose for the government's consideration soon,"* said Isara, chairman of the Board of Trade. The panel is expected to complete its study within two months. The working committee will consist of five representatives from each private-sector organisation. Isara said Thailand should join the TPP and carefully negotiate to ensure minimum losses and the utmost benefit for the country. The pact will create the world's largest free-trade area and include many

economic giants, mainly the United States, with which Thailand does not yet have a free-trade agreement.

### **5. Household's confidence in economy for next 3 months rises: KResearch**

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

Households have become less worried over the cost of living for the next three months after the government's economic team gradually launched stimulus packages, according to Kasikorn Research Centre's Household Economic Condition Index.

The index, based on a survey last month, showed that households' economic expectations for the next three months increased to 46.5 points, the highest figure in six months, said Kangana Chockpisansin, head of KResearch's macroeconomic research department. The baseline is 50. In August, the figure was 46 points, and 45 points in the July survey. The increase suggests that the stimulus packages have contributed to a positive mood for household spending.

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