

Daily Thai News Updates: 20 July 2017

1. Strong baht yet to affect growth – finance minister

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

Economic growth has not yet been affected by a strong baht, the finance minister said on Thursday, as the currency hovered near 26-month highs against the dollar. "The baht's strength has not yet affected growth. We believe big business sectors can still handle it although SMEs may see some impact," Apisak Tantivorawong told reporters. The baht has risen 6.5% against the US dollar so far this year, the most in Southeast Asia. The finance ministry has forecast economic growth of 3.6% this year after 3.2% growth last year.

2. Asia growth outlook brightens on strong export - ADB

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

The Asian Development Bank raised its 2017 and 2018 growth forecasts for the region, reflecting rising exports as manufacturers of smartphones to cars to other consumer goods benefited from improving global demand. Developing Asia - made up of 45 countries in the Asia-Pacific region - is expected to grow 5.9% and 5.8% this year and next, the Manila-based ADB said in the update of its Asian Development Outlook on Thursday. They are a step up from April forecasts of 5.7% for both years. An upturn in global demand since late last year has given trade-dependent Asian economies much needed momentum, with the United States and Europe also showing improving growth. "Despite lingering uncertainties surrounding the strength of the global recovery, we feel that the region's economies are well-placed to face potential shocks to the outlook," Yasuyuki Sawada, ADB's chief economist, said in a statement.

3. Thailand targets skills gap: ‘We can’t even invent a motorbike’

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

Thailand’s Education Minister Teerakiat Jareonsettasin poses a rhetorical question as he ponders the task of making innovation a bigger engine of economic growth: Would people prefer an electric car developed in the Southeast Asian nation, or one made by Tesla Inc? “Are you dreaming?” Mr Teerakiat said in an interview. “We can’t even invent a motorbike.” Mr Teerakiat, who said he’s Thailand’s 20th education minister in 17 years, is trying to close the skills gap in a country

struggling to match some of the education gains made by Southeast Asian neighbours. His strategy includes giving more autonomy to schools, universities and teachers to boost standards. He also advises retaining a focus on traditionally strong sectors such as food, healthcare and tourism. Thailand's challenge is a major one: the latest triennial Programme for International Student Assessment results ranked it 54 out of 70 countries, even though education received about a fifth of the 2.73 trillion baht (\$81 billion) annual budget, one of the largest expenditure items. Singapore was the top performer in the PISA assessment, with Japan second, Taiwan fourth, China sixth, and Vietnam eighth. "We have a big gap in this country," said Mr Teerakiat, referring to the assessment rankings, which showed Thai student scores for maths, sciences and reading falling sharply since the 2012 survey to well below the international average...with the working age population expected to shrink by about 11% as a share of the total population by 2040, "the education and skills challenge takes on a special importance and urgency", said Ulrich Zachau, the World Bank's Southeast Asia Country Director in Bangkok.

4. Supachai worried about Alibaba investing in Thailand

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

Supachai Panitchpakdi, former director-general of the World Trade Organization, is wary of investments in Thailand by e-commerce giant Alibaba, warning that it could lead to monopoly. "The government should not make too many concessions by allowing them to do everything," he told reporters on the sidelines of "The Trade and Development Regional Forum 2017" hosted by the International Institute for Trade and Development. His remarks come after the China-based Alibaba announced plans to invest in Thailand. Supachai said Alibaba not only owns the e-commerce platform but also has its own logistics and payment platforms as well as Big Data of consumers and suppliers. He also called for the WTO and UNCTAD to create a code of conduct for giant digital technology companies like Google, Facebook, Apple and Alibaba, who he feared, could potentially control the world economy.

5. B619m to go to human development

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

The cabinet yesterday approved a five-year human development plan worth 619 million baht to accommodate the government's much-touted Eastern Economic Corridor (EEC) and the Thailand 4.0 initiative focused on added value, high technology and innovation. According to Kobsak Phutrakul, assistant minister to the Prime Minister's Office, the development plan will run from 2017 to 2021, aiming to improve the quality of human resources and strengthen the capability of teachers at educational institutes. Under the development plan, 192 million baht will be allocated from the fiscal 2018 budget, 179 million from the 2019 budget, and 124 million from 2020 and 2021 each. Mr Kobsak said the plan will be carried out under the Pracha Rat (People's State) public-private collaborative model. The private sector will partner with educational institutes to increase the number of vocational students from 20,615 this year to 37,930 in 2018, 42,145 in 2019, 45,500 in 2020 and 48,485 in 2021 -- a cumulative 194,675 in five years. In the short term, a vocational career centre will open in Chachoengsao, Chon Buri and Rayong under a dual-education system.

6. Bearish sentiment scares off foreign Mice

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

Global economic uncertainties have prompted Thailand Convention and Exhibition Bureau (TCEB) to cut its forecast for international trips and revenues for meeting, incentive, convention, and exhibition (Mice) this year. According to TCEB's newly-appointed president, Chiruit Isarangkun Na Ayuthaya, international and domestic Mice travellers are likely to make a total of 27.1 million business trips in the previous projection. Foreign Mice visitors are also expected to generate 101 billion baht in revenue, down from 102 billion last fiscal year. But total revenue from Mice business is expected to rise from 175 billion baht to 199 billion this fiscal year, thanks to an increase in average spending per head per trip and the robust domestic Mice market, which is expected to grow from 73 billion baht to 98 billion. "The main reason for bearish international markets is economic uncertainty, notably in the US and Europe," said Mr Chiruit. "Businessmen are still not confident in travelling abroad or organising business events overseas." According to TCEB, Thailand's Mice business dropped 2-3% year-on-year in the first half of 2017, although it started bouncing back in the third quarter and is expected to see a full recovery in the fourth.

7. Thailand retains Baa1 rating from Moody's

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

Moody's Investors Service has affirmed the Thai government's long-term foreign currency and local currency issuer ratings at Baa1 and maintained a stable outlook. The ratings agency said that relative to its peers, Thailand will sustain its substantial fiscal strength and low external vulnerability. It said near-term political uncertainties have eased, but have not dissipated. However, Moody's said Thailand's long-term growth outlook faces challenges from diminished competitiveness, which is evident in weakening foreign direct investment flows, as well as an ageing population.

8. List of jobs reserved for Thais to be revised

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

The Employment Department will revise the list of 39 professions reserved for Thai citizens to accommodate the changing circumstances of Thai workers. Director-general Varanon Peetiwan said on Wednesday the list had not been updated for a long time, but the circumstances of Thai society had changed. The list included bricklaying which proved not to interest Thai workers any longer, he said. The number of reserved professions was 39 but the cabinet had already allowed migrants to work as labourers and domestic helpers, Mr Varanon said. The Employment Department would invite representatives of professions to help revise the list to better respond to situation and economic condition, he said.