

Daily Thai News Updates: 21 June 2017

1. Thais gets 75% of rail deal

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

Bt134 billion of civil work on high-speed line to go to local contractors. TECHNOLOGY transfer will be included in all three contracts for construction of the Bt179.4 billion Thai-Chinese high-speed train project, Transport Minister Arkhom Termpitayapaisit said. After a teleconference with Chinese counterparts on Monday, he said Thai professionals would benefit from the transfer of technical know-how on designing, civil construction, track, electrical, mechanical and other work. In addition, he said that more than 100 Thai engineers would take part in the construction of the project, to ease concerns after a sweeping Article 44 order was issued by Prime Minister Gen Prayut Chan-o-cha to “facilitate” Chinese personnel to work in Thailand. Among the exemptions, Chinese engineers and architects would not have to obtain engineering licences issued by the Thai councils. Government spokesman Sansern Kaewkamnerd said the Engineering Council of Thailand would provide training and tests to ensure that Chinese counterparts follow domestic laws when working on the project. The government also promised the council that around 10 types of local materials would be used in the construction, with the exception of some parts that would need “advanced technology” from China, the spokesman said.

2. Citi: Economic growth to hit 3.4%

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

Citi forecasts the Thai economy will expand by 3.4% this year and accelerate to 3.6% growth in 2018, underscoring Asia as the most attractive destination for portfolio investment, followed by the European market. The US bank's projections are along the same lines as the Bank of Thailand's 3.4% in 2017 and 3.6% in 2018. The global economic recovery for the remainder of the year is seen to be on track, with growth estimated at 3% this year and 3.3% in 2018 amid receding structural headwinds, a recovery in investment activity and still-low interest rates. Even so, lingering political uncertainties and geopolitical risks remain. With growth and earnings likely to continue, Citi analysts still see an upside in emerging market equities. Given attractive valuations and improving fundamentals, European equities also present opportunities, although political and

policy challenges continue to linger. In Asia, India and Indonesia will have high growth, while Europe's highest will be in Germany, France and Italy.

3. Oil retailers urged to hold more biodiesel

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

Oil retailers have been urged to stock up on biodiesel to help absorb more palm crude supply from the market, which would indirectly push up the price of palm fruit and support farmers, says to the Commerce Ministry. Nuntawan Sakuntanaga, director-general of the ministry's Internal Trade Department, said the ministry had asked retailers to store additional biodiesel supply, which is blended with diesel petrol and sold as B7 nationwide. B7 is 7% palm-based biodiesel blended with another 97% diesel. The product is part of the Thai government's policy to make use of domestic biofuel crop to help reduce the expensive import of fossil-petrol... According to the plan, oil retailers would stock up a total of 90 million litres up to 40% from 50 million litres previously. That would help absorb 76,000 million tonnes of palm crude supply from the market. The country's rising biodiesel inventories could help cut the total palm crude supply to around 37,000 tonnes nationwide, which would also reduce pressure on price. Thailand, the world's third biggest palm oil producer after Indonesia and Malaysia, is forecast to produce 11.7 million tonnes of palm fruit in 2017. That would equate to 1.99 million tonne of crude oil production, according to Agriculture Ministry.

4. Tesco aim to boost online sales

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

Ek-Chai Distribution System Co, the operator of Tesco Lotus hypermarkets, has outlined strategies to serve omnichannel shoppers better. Due to the growth of mobile internet usage in Thailand, the boundaries between offline and online worlds are become increasingly blurry. Customer behaviours have shifted towards omnichannel shopping, where they receive information, converse with brands, do their research and finally shop both in brick-and-mortar stores and online, interchangeably, according to Mark Roughley, the company's online director. Internet penetration in Thailand in 2017 grew to 67% from 56% in January 2016. Nearly 45 million Thais now access the internet on their mobile phones. Due to these trends, the customer journey has changed tremendously, and the new retail ecosystem now involves several parties and providers to facilitate the new customer journey and offer more choice, Mr Roughley said...To

cope with this trend, the company continues to enhance its shopping fulfilment by extending more choices in terms of product delivery and shopping platforms...Mr Roughley said Tesco Lotus will focus on providing e-payment channels for customers. The retailer is considering setting its own e-payment system or using those of partners it would recruit. The launch of the government's national e-payment system will propel the country's e-commerce industry and online shopping business. And the company can see that more customers are aware of e-payment.

5. A Greener Growth Path to Sustain Thailand's Future

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

Global experience shows that growing first and cleaning up later rarely works. Rather, it is in countries' interest to prioritise green and clean growth. For Thailand, a country with rich natural resources contributing significantly to its wealth. According to World Bank data, annual natural resource depletion in Thailand accounted for 4.4% of gross national income in 2012, and it has been rising rapidly since 2002. The rate of depletion is comparable to that in other countries in East Asia and the Pacific, but it is almost three times faster than the rate in the 1980s. Rapid natural resource depletion in Thailand is increasingly visible in reduced forest areas. Illegal logging and smuggling have led to a decline from 171 million rai of forested area in 1961 to 107.6 million in 2009. Coastal communities face erosion and ocean waste, as well as the effects of illegal, destructive fishing. The coasts are also increasingly vulnerable to storm surges and rising sea levels, due to continued destruction of mangroves and coral reefs...On the contrary, the opportunities for Thailand to enjoy the benefits of sustainable growth are plenty. Such opportunities are outlined in a recent report by the World Bank. The systematic country diagnostic report, "Getting Back on Track: Reviving Growth and Securing Prosperity for All", includes some options for Thailand to make concrete progress on green growth. How can Thailand enjoy economic growth and also protect the environment? Aware of the need for change, policymakers have put in place strategies to address dwindling natural resources. Actions to accelerate identification and clarification of forest boundaries will be the first step to achieving this target. Investment in sustainable forest management is also important to increase forest areas both public and private investment. Such investments have proved successful, for example, in Latin America and Brazil...Thailand is on the right track in addressing its key energy and environmental

challenges. Greener growth will be critical for ensuring the availability of resources to power future growth, and for protecting Thailand's wealth of natural resources for generations to come.