

## Daily Thai News Updates: 23 August 2017

### **1. BoI urges expansion in emerging markets**

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

The Board of Investment (BoI) has encouraged Thai companies to start investing in other emerging markets to capitalise on special privileges as some countries have opened to foreign investment without many competitors. Chokedee Kaewsang, deputy secretary-general of the BoI, said there were several interesting emerging markets that have opened for foreign investment, including the United Arab Emirates (UAE), Ethiopia, India, South Africa and Tanzania. "We should not overlook those five countries as their economies have strong potential with lower production costs, particularly labour costs," said Mr Chokedee. He said those countries also offered several investment privileges to attract foreign investors...Orasa Paiboon, head of the Overseas Investment Promotion Division, said the BoI has in-depth information on 25 new emerging markets across the world available to Thai investors...India has over 1 billion consumers and increasing purchasing power in line with the growing economy.

### **2. Digital giants and the intimidation of regulations**

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

The government has torn down the system that was supposed to regulate over-the-top (OTT) content providers like Alphabet and Facebook. The move is the latest in a string of half-measures that ultimately cowed the National Broadcasting and Telecommunications Commission (NBTC) back to step zero. The stated reasoning behind the NBTC's flip has been the measure's lack of inclusion and potential to hinder innovation. Behind the scenes, in a confidential scene revealed early last month, a coalition of US businesses pushed the NBTC to back down from its plan to tax these entities ahead of Prime Minister Prayut Chan-o-cha's (now rescheduled) meeting with President Donald Trump...Earlier this year, the government set up a special committee led by Col Natee Sukolrat to regulate these entities. These companies, the argument went, are essentially freeloaders, which benefit from the Thai market without paying taxes like their legacy competitors. The commission decreed that providers doing business in Thailand should register in the country by July 22 for tax purposes or stop operating in the country. Facebook, YouTube and

other major organisations were no-shows. The framework crumbled. On July 5, the whole framework was scrapped.

### **3. Thumbs up to investments-grade bonds**

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

Swiss multinational financial services firm Credit Suisse has recommended Asian investment-grade bonds for investors but says Thailand's equities are relatively expensive. John Woods, managing director of Credit Suisse and chief investment officer for Asia Pacific, yesterday said he believed central banks in developed countries, especially in the United States, would continue to raise interest rates as they normalise their policies after many years of ultra-low interest rates and massive injection of liquidity into the markets. He expected the global economic recovery to be sustained and would remain relatively robust in the second half of this year. This is a good opportunity to consider appropriate income strategies, including floating rate notes, investment-grade bonds of short duration and other income-oriented investment offering resilient or rising income streams in such an environment, he said...Regarding Thailand's equity market, Woods said that Thai equities have underperformed emerging markets and Asian equities by 15 to 20 per cent, year-to-date, and the valuation remains unattractive...Moreover, earnings growth is rolling over with disappointing second-quarter results from banking and consumer sectors and 2017 earnings-growth expectation of 7.5 per cent remains well below the strong 20 per cent growth expected in Asian equities which could dissuade investors from increasing exposure in Thailand.

### **4. Cybersecurity still lagging**

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

Thailand ranked eighth out of 20 markets in the Asia-Pacific region for ransomware attacks in the first half of 2017, says a Japan-based cybersecurity firm. Thailand has mainly focused on security protection, but it still lags behind its international peers in terms of cybersecurity, specifically investment and awareness of detection implementation systems, said Dhanya Thakkar, managing director of Asia-Pacific for Trend Micro Inc. According to Trend Micro, ransomware attacks in Thailand in the first half of the year accounted for 4% of the total in Asia-Pacific. India and Vietnam are the top two countries in the region for ransomware attacks could total US\$4 billion (133 billion baht) for the period.

## **5. Moody's warns of banking sector risks**

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

Thai banks still face a variety of risks, including high household debt, economic growth with high exposure to external demand and rising restructured loans, says Moody's Investors Service. "Thai banks are still facing many downside risks looking forward, including growth that is not structural, high household leverage and low private investment," said Alka Anbarasu, a Moody's vice-president and senior analyst. She said Thai household debt has already stabilised but remains at a high level, which could dent loan growth. Private investment, which has not gained traction with close to zero growth recorded last year, lends little support to the banking sector's credit growth. "We estimate credit will grow 4-5% system-wide in 2017, moderately faster than the 3.2% in 2016," Ms Anbarasu said...SME loans, which make up the biggest proportion of Thai banks' exposure, still face downside risks, as there are still NPLs from that segment. The reason behind the deterioration in SME loans is that those companies have not adjusted to the new reality of slower economic growth, Ms Anbarasu said.

## **6. Singha's Maldives plan on track**

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

Property firm Singha Estate Plc expects the US\$311.5 million development of tourist facilities and hotels in the Maldives will remain on track despite a delay in the transfer of the concession. Singha's chief financial officer Methee Vinichbutr said the concession to develop the large-scaled project on nine islands in the Maldives, which was scheduled to transfer from Boon Rawd Brewery Co, owned by the same shareholder, the Bhirombhakdi family, to Singha this September is delayed for three months. Boon Rawd is talking with the Maldives government about dividing the lease contract into two phases...The project will be on Emboodhoo Falhu, one of the largest lagoons in the Maldives, including nine islands where Boon Rawd received a 50-year plus 49-year concession from the Maldives government. The first phase will cover three islands with a total investment of US\$311.5 million from 2017-20.

**7. Dusit International inks management deal for China properties**

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

Dusit International has signed a management agreement with Huizhou Yuetai Investment Company Limited to operate two new properties in Huizhou in China's Guangdong province. Opening under Dusit International's luxury Dusit Devarana and upscale dusitD2 brands respectively, both properties will be located in Shuangyue Bay, one of the region's most popular destinations and renowned for its scenic hiking trails, white sandy beaches and crystal-clear water.