

Daily Thai News Updates: 23 May 2017

1. Asean-India summit planned for next Republic Day

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

New Delhi is gearing up for a double bonanza on Jan 26 next year when India celebrates its Republic Day. The event will feature the usual spectacular parade of India's military might in the capital, but with some very special guests. Foreign ministry officials say the government of Prime Minister Narendra Modi is inviting the heads of government of all 10 Southeast Asian nations to attend the Republic Day parade and the first Asean-India summit to be held on Indian soil. It will be the first time in the history of independent India that more than one national leader has been invited as Chief Guest on Republic Day. Former Thai Prime Minister Yingluck Shinawatra was Chief Guest for the 2012 event, only the third Southeast Asian leader to have been accorded the honour. "This is the plan. The invitations will be issued soon. It shows the kind of seriousness we attach to our relationship with the Asean," a foreign ministry source told Asia Focus. The diplomatic and logistics implications of the event will be daunting. Even the swearing-in ceremony of Mr Modi in May 2014, considered the largest gathering of international dignitaries in Delhi in recent years, only had representatives of eight governments -- Pakistan, Afghanistan, Bhutan, the Maldives, Nepal, Mauritius, Sri Lanka and Bangladesh. The January event will come at the end of a year in which Asean is celebrating its 50th anniversary, and will mark the silver jubilee of formal India-Asean ties.

2. Thai, Chinese EXIM banks ink deal to promote bilateral trade and investments and expansion of business in third country

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

EXIM Thailand and China EXIM have joined forces to promote Thai-Chinese bilateral trade and investment, as well as the expansion of Thai-Sino business to third countries. Pisit Serewiwattana, president of Export-Import Bank of Thailand (EXIM Thailand), and Liu Liange, vice chairman and president of Export-Import Bank of China (China EXIM), signed an agreement on May 12 on a bilateral credit-facility framework. Under the framework, EXIM Thailand will provide financial facilities equivalent to US\$300 million (Bt10.32 billion) to China EXIM, and will be granted \$500 million from China EXIM for the institutions' cooperation in sub-loans,

guarantees, funds, trade financing, cross-border investment, and other matters. Witnessed by Piriya Khempon, Thailand's ambassador to China, the signing ceremony was held at China EXIM's office in Beijing. The cooperation between the two countries' export-import banks falls under China's "One Belt, One Road" initiative to promote infrastructure linkage, bringing about significant improvement in the economic outlook and cooperation between China, Asean and the whole of the region. China is Thailand's second-largest export market, after the US. Last year, the value of Thai exports to China was over \$23.81 billion, up 0.3 per cent from the previous year, as China undergoes economic reform to achieve long-term stability.

3. Export rise, but less than expected

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

Thailand's customs-cleared exports rose for a second month in April, though less than expected, but the government is still confident of achieving its export target for the year. Exports rose 8.5% in April from a year earlier after March's 9.2% jump, commerce ministry data showed on Monday. A Reuters poll expected an annual rise of 11.3% in April. In January-April, exports rose 5.7% from a year earlier, the highest annual growth rate in six years, Pimchanok Vonkhorporn, an official at the Commerce Ministry, said at a briefing. That makes the ministry confident of hitting its 5% export growth this year, she said. Shipments, worth about two-thirds of Southeast Asia's second-largest economy, rose a modest 0.45% in 2016, the first annual gain in four years, according to the ministry. Imports in April rose 13.4% from a year earlier, compared with the forecast of a 17.0% increase and March's 19.3% jump...Many of the materials Thailand imports are assembled into completed goods and shipped out again.

4. IATA urges swift airport upgrades

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

The International Air Transport Association (IATA) wants Thailand to speed up efforts to upgrade its airports, especially Suvarnabhumi airport, to make sure they better serve the soaring number of air travellers in the next 20 years. Though Airports of Thailand Plc (AoT) has already come up with plans for the second-phase expansion of Suvarnabhumi airport, progress "is very slow", Transport Minister Arkhom Termpittayapaisith said Monday after talks with IATA executives. He did not elaborate on the hurdles but said given the information provided by the

IATA it is clear Thailand needs to take swift action. Suvarnabhumi is not the only airport that needs development. Other airports, including those supervised by the Department of Aviation, must also move in the same direction to provide better facilities and services, he said...The IATA's suggestions are based on its latest estimate that Thailand will become one of the world's top 10 tourist destinations and aviation markets within 20 years, so airports, which are gates to the country, must be developed, the minister said... Thailand is currently following advice given by the International Civil Aviation Organisation (ICAO), which on June 18, 2015 red-flagged the country over its failure to fix shortcomings in its aviation industry.

5. EEC law runs into temporary roadblock

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

Development in the Eastern Economic Corridor (EEC) is facing a snag, as a new law governing economic and investment activities and new cities in related areas will be delayed by about three months, says Industry Minister Uttama Savanayana. He said implementation of the law is still set for this year, although the delay has raised concerns among investors about development of the EEC, which could lead them to hold off on investing. Mr Uttama said the implementation of the EEC Act, which is being deliberated by the Council of State and was forecast to be ready in June, has been delayed until October. The act will be rewritten due to several issues that have proven cause for concern. He said the Council of State wants the government to double check that none of the articles contradict those in other chapters of the legislation, nullifying the law, which could damage the country's reputation and put a damper on investor confidence...Meanwhile, the EEC law will be sent back to the cabinet who will then pass it on to the related government agencies to be revised, after which it will be resubmitted to the Council of State for approval.

6. Consumer goods outlays weak

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

Consumer goods makers have expressed concern about tepid domestic consumption this year and are adjusting their strategy to cope. Leading consumer brands such as Lactasoy soymilk, Mama instant noodles, Morakot palm oil and Koh-Kae snacks agree consumer spending power was weak in the first quarter of 2017. Jariya Chirathivat, president of the Thai Retailers Association, said positive factors in the first quarter included a slight increase in the consumer confidence index, 5% growth in foreign tourist arrivals to Thailand, rising crop prices and a 15.4%

surge in car sales. These positive factors slightly improved the macroeconomic situation, but were insufficient to spur significant growth in consumer goods consumption. Market research firm Nielsen Thailand said fast-moving consumer goods contracted modestly in the first quarter while durable and semi-durable goods grew a little bit, with no signs of a strong recovery.