

Daily Thai News Updates: 29 September 2017

1. Govt to inject B46bn in river, sea transport upgrades

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

The government is investing more than 46 billion baht in a project to upgrade and build infrastructure for river and sea transport and increase the country's competitive edge in trade. The planned investment seeks to lower the cost of logistics by improving water transport infrastructure with expanded transport links with neighbouring countries in the sub-Mekong region, according to Deputy Transport Minister Pichit Akrathit. He said the aim of the project, valued at 46.2 billion baht, was to increase the proportion of water transport, currently accounting for 12% of overall domestic freight transport volume, to 17% in 20 years. At the same time, the project aims to limit the cost of domestic transport to no more than 12% per gross domestic product over 20 years. Mr Pichit said the budget earmarked for investment will deliver a high Economic Internal Rate of Return (EIRR) in the long run. The budget will be spent on the development of water transport along rivers and coasts as well as management policies and incentives to attract private investors to the water transport upgrade and construction plans, such as tax waivers.

2. US – Thai strategic panel on the table

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

Thailand is proposing the establishment of a US-Thai strategic partnership committee to boost trade and investment and underline cooperation on technology and education. Deputy Prime Minister Somkid Jatusripitak met US Commerce Secretary Wilbur Ross yesterday to discuss details of Prime Minister Prayut Chan-o-cha's official visit to the US on Oct 2. Mr Somkid said setting up the committee could lead to constructive cooperation on trade, investment, science, technology and education. "I've proposed a new key mechanism to drive bilateral cooperation between Thailand and the US," he said. "It will enable constructive cooperation apart from the existing US-Asean Business Council." Mr Somkid told Mr Ross that the government led by Gen Prayut has enacted myriad social and economic reforms, but it was unfortunate that Thailand's relationship with the US encountered some hiccups the past three years...GE and other US companies have expressed interest in investing in Thailand, and the country is keen to attract US

firms involved with electric locomotives and aviation, Mr Somkid said. Thailand also wants US carmakers like Ford to make electric cars here, he said.

3. FPO seconds 3.8% GDP growth view

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

The country's economy is likely to achieve the 3.8% growth forecast by the Bank of Thailand, mainly because of consistently strong export growth, says Krisada Chinavicharana, head of the Fiscal Policy Office (FPO). The Finance Ministry's think tank will review its economic growth forecast late next month. It predicts Thailand's GDP and exports this year will expand by 3.6% and 4.9%, respectively. State investment budget disbursement, expected to be the main economic driver, stood at 70.7% as of Sept 22, falling short of the 87% target set for this fiscal year. The fiscal year ends Sept 30. But if signed contracts are taken into account, the investment budget disbursement rate is 85.1%. For the overall budget, 93.3% was doled out as of Sept 22, almost reaching the fiscal year target of 96%. Mr Krisada said the undisbursed budget will be carried forward to the next fiscal year. Almost half of the 190-billion-baht mid-year budget was already taken out as of Sept 22. The Bank of Thailand this week raised its forecast for the country's GDP to grow 3.8% this year, up from 3.5%. The central bank predicts 3.8% growth for 2018, up from 3.7%. The bank also increased its export growth forecast for this year and next to 8% and 3.2%, from 5% and 1.7%, respectively.

4. EEC stokes interest of US giants

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

Giant US companies have shown great interest in investing in the Eastern Economic Corridor (EEC), Deputy Prime Minister Somkid Jatusripitak said yesterday after meeting US Commerce Secretary Wilbur Ross, adding that the two nations would set up a committee to consider opening up the local market to US pork imports. Somkid met Ross and American business people at Government House yesterday after Ross met on Wednesday with Prime Minister General Prayut Chan-o-cha. The Deputy PM told reporters that he and Ross talked about Prayut's upcoming visit with President Donald Trump in the United States early next month. Somkid said he told Ross that it was a wasted opportunity that although the two countries had a long-time relationship, it had cooled, with no formal meetings over the past three to four years. Somkid proposed setting up a

mechanism as a venue for strengthening future cooperation. The only ongoing formal contact now in place is via the Asean-US committee, which is a regional framework of cooperation.

5. E-commerce market heading for Bt 2.8 trillion this year

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

Thailand's e-commerce market is on track to reach Bt2.8 trillion by the end of this year, a gain of almost 10 per cent from the previous year, according to a government agency monitoring the sector. In the business-to-consumer (B2C) segment alone, the value of transactions reached US\$19.64 billion in 2016, said the Electronic Transactions Development Agency (ETDA), which surveyed 592,996 e-commerce entrepreneurs last year. Surangkana Waupard, executive director of ETDA, said the estimate for 2017 growth in the overall e-commerce market of 9.86 per cent drew on the responses to the survey. The business-to-business (B2B) segment is forecast to reach Bt1.67 trillion for 2017, accounting for the 59.56 per cent of the entire e-commerce market. That represents growth of growth of 8.63 per cent from 2016. The B2C segment is to reach Bt812.6 billion for this year, gaining 15.54 per cent from the previous year. It will account for 28.89 per cent of the e-commerce market. The business-to-government (B2G) segment is expected to be valued at Bt324.7 billion for 2017, growing 3.24 per cent from the prior year. It will take up 11.55 per cent of the e-commerce sector. Surangkana said retail and wholesale is the top category for e-commerce in the country, with Bt869.6 billion in transactions projected for 2017. This category makes up 34.96 per cent of the value of all transactions. The hospitality category is expected to booked Bt658.1 billion in transactions this year, accounting for 26.45 per cent of the market. Manufacturing industry is forecast to generate an e-commerce value of Bt417.2 billion, with a 16.77 per cent share. A key factor driving growth in e-commerce is support from the government sector, with promotions targeting small and medium-sized businesses.

6. Digital key to CLMVT value

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

Digital transformation is one of the keys to improving the tourism industry as it can reach a wider market while empowering travel experiences, executives said yesterday at the CLMVT (Cambodia, Laos, Myanmar, Vietnam and Thailand) Tourism in the Digital Era forum. Joern Gosewehr, Agoda regional director of partner services for Thailand, said organising travel online has become more popular both in Thailand and abroad, especially over the past 3-5 years. Only a

decade ago the online travel business was very small, he said. Mr Gosewehr said digital transformation is happening in many industries and tourism players needs to adapt to be more competitive and respond to consumer demands. Travellers tend to search for information about hotels, tourist attractions or even to compare prices before their trips and look up the most popular restaurants. The most important part is that they can make a direct review of the places they visited or the restaurants they dined at, be it positive or negative, he said. Mr Gosewehr said an online presence is significant and digital strategies need to be reviewed in order to be competitive in the industry.

7. Revenue down but ahead of 11-month goal

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

The government took in 2.13 trillion baht in the first 11 months of fiscal 2017, outpacing the target by 1.96 billion. Although value-added tax (VAT), a proxy for domestic consumption, missed its target by 41.4 billion baht or 5.7% during the October-August period, it was up 3.6% year-on-year, said Krisada Chinavicharana, director-general of the Fiscal Policy Office. He said higher-than-expected contributions by the Excise Department, state enterprises and non-tax-collecting agencies offset the weaker VAT. Excise taxes on beer and fuel and the corporate income tax significantly surpassed their targets, Mr Krisada said. "The constant recovery and growth of the Thai economy, coupled with a close monitoring of revenue collection, meant the government's revenue collection was in line with expectations and the Finance Ministry is confident that revenue collection will reach the full-year target," he said.

8. Red flag could soon go

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

Positive signs have emerged of Thailand being removed from the International Civil Aviation Organization (ICAO) list of "red flag" states with significant safety concerns (SSC). Senior officials of the Civil Aviation Authority of Thailand (CAAT) appeared hopeful as the UN's aviation watchdog team wrapped up its field audit on Wednesday. The ICAO team, which started its work on Sept 20, declined to speak about the result of the audit until further evaluation at ICAO's Montreal head office is completed. The team told the CAAT that the official result would be made known in mid-October and posted on ICAO's website...Thai aviation executives who dealt with the ICAO team echoed the CAAT's reaction. The ICAO team was quoted as saying it

saw "improvement" in the CAAT's aviation safety oversight compared with what was seen in 2015.

9. Imported steel gets a closer look

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

The Customs Department is implementing a stringent measure to prevent tax evasion and smuggling of low-quality steel into Thailand. The department will set up an inspection team to examine imported goods, particularly steel, which requires a team with knowledge and expertise on the issue, said customs director-general Kulit Sombatsiri. The department will buy equipment to inspect steel more efficiently, said Mr Kulit. There is a need for constantly updated information on the steel industry because of the fast pace of technological changes and greater sophistication of smuggling, he said.