

## Daily Thai News Updates: 30 June 2017

### **1. 35.7% foreign firms to invest more**

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

About 35.7 per cent of 600 foreign companies with investments in Thailand will increase them this year, while the rest will maintain current investment levels, a survey by the Board of Investment has found. About 50.9 per cent of the 600 firms surveyed by the BOI said they were pleased with the country's supply-chain capability. Other reasons to continue expanding are the country's infrastructure (50.6 per cent) and tax incentives (49.2 per cent), Bongkot Anuroj, an investment adviser at the BOI, said yesterday.

### **2. Thai May factory output unexpectedly rises 1.4% y-o-y**

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

Thailand's industrial output unexpectedly rose in May, thanks to higher production of electronics and rubber, suggesting the economy was gaining momentum. The Industry Ministry said on Friday its manufacturing production index (MPI) in May increased 1.4% from a year earlier, defying a Reuters poll that had forecast a fall of 0.2%. April's index was revised to a 1.8% fall year-on-year from a 1.7% decline. Capacity utilisation at factories rose to 62.1% in May from 53.6% in April. Industrial goods accounted for about 80% of total exports, which jumped about 13% in May from a year earlier, customs data showed. Exports are traditionally a key driver of growth in Southeast Asia's second-largest economy. The Bank of Thailand has forecast the economy will grow 3.4% this year and exports will rise 2.2%. It is due to provide its updated forecasts next week.

### **3. Exports jump by 12.7% in May, private**

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

The economy marked improvement in May on the back of 12.7-per-cent export growth to US\$19.9 billion, reinvigorated private consumption and galloping tourism. Krisda Chinavicharana, director-general of the Fiscal Policy Office, said outbound shipments were driven mainly by electronics components, agricultural products, vehicles and parts, rubber products, electrical appliances, fuel, plastic pellets, chemicals and agro-industry products. Private

consumption also rose, as indicated by a 7.6-per-cent year-on-year increase in value-added-tax collection at constant prices in May and a 15.4-per-cent increase in new motorcycle registrations. Farm income edged up 5.1 per cent year on year, while passenger-car sales rallied for the fifth month, by 4.4 per cent year on year. Foreign arrivals climbed by 4.6 per cent year on year to 2.59 million. Private investment signalled a recovery in machinery and tools, a reflected by a 13.7-per-cent rise in imported capital goods.

#### **4. Ministry to keep rice prices steady**

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

The Commerce Ministry is brainstorming policies to stabilise paddy prices ahead of the harvesting season in the third quarter of the year, when 24-26 million tonnes of paddy are due to flood the market and depress prices. Commerce Ministry Apiradi Tantraporn said the ministry has sent local officials to observe production of the coming 2017/18 main crop as well as to conduct a survey to gauge the need for more price subsidy schemes. But there will be no more populist schemes as employed by previous governments -- including buying rice from farmers at higher than market prices and keeping it in state inventories -- which later resulted in massive stockpiling costs and added pressure on prices. "All price stabilising projects are due to be compiled and proposed to the Rice Management and Policy Committee shortly," said Mrs Apiradi, adding that the first lot of rice from the main crop for 2017/18 is due to be reaped in August. Tentatively, the government plans to use the existing price supporting scheme for which the state-owned bank offered soft loans with a 3% interest rate to millers and local traders to encourage them to stock up on paddy during the harvesting season, both helping farmers while preventing the crop from flooding the market.

#### **5. Big future for Thai tech startups**

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

Thai tech startups are in a good position to expand throughout Southeast Asia as the local ecosystem proceeds to the next level, says Singtel Inno8 Ventures Pte. The corporate venture capital arm of Singapore Telecommunications (SingTel) said the company is eyeing strategic investments in cybersecurity, digital marketing, Internet of Things (IoT), and artificial intelligence globally. "Local startups that operate business to business to consumer models under Advanced Info Service (AIS)'s startup program network are especially promising. Some of these companies

have the technology to scale regionally and internationally," said Edgar Hardless, chief executive of Singtel Inno8 Ventures Pte. Thailand's local startup scene has expanded and diversified during the last five years. Today, the industry is in the expansion stage. Companies are seeking Series B or Series C funding; compared to the past, most only reach Series A or seed funding...Thailand needs pool of experienced mentors to invest and share what they have learnt from failure.

## **6. BoT tightens belt on consumer loans**

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

The Bank of Thailand is set to announce tighter regulations governing unsecured loans next month as part of its effort to discourage consumers, particularly low-income earners, from accumulating further debt. The central bank is conducting public hearings on the regulations, expected to be announced in the Royal Gazette in July, said Ruchukorn Siriyodhin, deputy governor overseeing financial institution stability. The bank's latest move came after the Puey Ungphakorn Institute for Economic Research (Pier) found Thais have better access to personal loans than mortgages, but also tended to default more, especially younger borrowers. The report stated 17% of Thais take out personal loans, including 30% of first-time workers aged 25-35. Some 20% of first-time workers defaulted on their personal loans, above the 15% default average for all Thai debtors. Reports from the National Credit Bureau and Pier stoked concerns because half of Thais aged 30 shoulder debts, most of which are personal and credit card loans. Moreover, one-fifth of Thais aged 29 failed to service their debts...Mrs Ruchukorn said the regulations to be amended will focus on consumers who are at risk of default. She said the central bank is considering ways to ensure tougher regulations do not drive low-income earners to loan sharks.

## **7. PM admits new law too tough**

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

Prime Minister Prayut Chan-o-cha has instructed the Labour Ministry to come up with urgent measures to soften the impact of the executive decree on foreign workers as the stringent new labour law has raised concern about manpower shortages in some businesses. Varanon Peetiwan, director-general of the Department of Employment at the Labour Ministry, said Thursday the prime minister has told the ministry to mitigate the labour law fallout. Gen Prayut also stressed the need for authorities to avoid exploiting legal loopholes when the law is first enforced to demand benefits from entrepreneurs and foreign workers. Any officials found guilty of wrongdoing will

be severely punished, Mr Varanon said, adding that the government is expediting efforts to limit the negative impact of the new regulation.

### **8. Govt to speed up mass transit schemes in big cities**

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

The government plans to speed up the construction of mass-transit rail projects in major provincial cities to ease worsening traffic congestion and boost economic growth. The Management of Road Traffic Committee, chaired by Deputy Prime Minister Somkid Jatusripitak, decided yesterday the detail of projects in Phuket and Chiang Mai will have to be finished and approved by the cabinet this year. Mr Somkid said the two provinces will either have a monorail or a tram project depending on the suitability of locations and traffic patterns in those areas. "The Phuket project will be built first and can be pursued now the Public Private Partnership [PPP] committee has approved the scheme as a fast-track project," said Mr Somkid. Projects in other provincial cities including Hat Yai, Songkhla, Khon Kaen and Nakhon Ratchasima will be proposed for cabinet approval next year. Transport Minister Arkhom Termpittayapaisith has been assigned to speed up the process.

### **9. Hybrid-renewable power bidding due**

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

The bidding process for licences of up to 300 megawatts of power from hybrid-renewable resources is set to be launched in the second half of this year, according to the Energy Policy and Planning Office (Eppo). Eppo director-general Prasert Sinsukprasert said this falls under a scheme to grant licences to small power producers (SPPs), which generate 10-50MW of power from such resources. It is also part of a broader move to switch the power purchasing agreement (PPA) for renewable energy from non-firm to firm contracts. A firm PPA is a contract under which operators need to supply power as required by the Electricity Generating Authority to ensure the state enterprise gets the exact amount of energy specified in the contract. The bidding will be held by the Energy Regulatory Commission (ERC). The hybrid-renewable power resources for each SPP will vary as renewable feed stocks differ by region. Rubber wood chips are found mostly in the South while paddy husks and other agriculture waste predominates in the Central and Northeast.

**10. Saha, Lazada unite for e-commerce expansion**

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

Saha Pattana Inter-Holding Co, an investment company of Saha Group has entered into a partnership with Lazada Thailand Co. aiming to use the e-commerce channel to explore its business at home and abroad. Saha Group Chairman Boonsithi Chokwatana said the cooperation will fully take place this year after both parties started working together in 2014 to improve their selling platforms, warehouse system, logistic management, payment method and customer service centres. The companies have since signed a memorandum of understanding (MoU) enabling the Thai group to explore markets abroad, with Asean countries and China being targeted in particular...Mr Boonsithi said Lazada is the leader in the Southeast Asian e-commerce market and seventh in terms of overall website popularity. It has a strong business base in Indonesia, Malaysia and other Asean market as well as China, the hometown of Alibaba, which is the parent company of Lazada.