

## Daily Thai News Updates: 30 May 2017

### **1. Prayut demands clear-out of rice stockpiles before end of this regime**

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

Prime Minister Prayut Chan-o-cha has ordered the Commerce Ministry to accelerate sales of the rice in its stockpiles within the term of his military-led regime, as storage costs have been exceeding Bt1 billion a month. Speaking yesterday at the Thailand Rice Convention in Bangkok, an international event aimed at knowledge exchange and discussions on developing the rice industry, Prayut stressed the need to sell off the entire rice stockpile, which had been putting pressure of Thai rice prices for two to three years. To date, the Commerce Ministry has sold about 13 million tonnes of the 18 million tonnes of rice it had in stock, worth more than Bt100 billion. Prayut partially blamed corruption for the low revenues earned from sales of rice rather than the costs entailed by the last elected government's rice-pledging programme, while legal cases arising from that programme drag on in several courts. The other reason the government must expedite sales of the rice remaining in its warehouses is that its existence has severely distorted the normal rice trade mechanism. "Having rice in storage has cost the government more than Bt1 billion per month. The key target is to release rice in stock within this government's term so that it will not have to shoulder this burden further and the [rice] market mechanism will return to normal," Prayut said.

### **2. Momentum builds up for recovery**

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

Economic data for April suggests Thailand is sustaining the momentum from a strong first quarter, with the Finance Ministry looking ahead to a bright outlook for the rest of the year. Export growth, rising farm incomes and increased government spending pointed to further economic expansion in April, Krisda Chinavicharana, director general of the Fiscal Policy Office, told a press conference following the release of its monthly economic report yesterday. The economy in the second quarter would build on the 3.3 per cent growth in gross domestic product posted for the three months of this year, he said...However, value-added tax collection contracted by 2.6 per cent, suggesting consumers remains cautious...Exports in April rose 8.5 per cent year on year to

US\$16.8 billion, translating into rising incomes for farmers, especially in the rubber sector. Agriculture production index jumped 27.1 per cent, or 3.3 per cent on a seasonal adjustment. However, the Thai Industries Sentiment Index in April was at 86.4, decreasing from the previous month as manufacturers worried about the rising costs of production. Elsewhere, tourist arrivals rose 7 per cent to 2.8 million, with significant increases in the number of visitors from Hong Kong, Russia, Malaysia and South Korea, Krisda. The Finance Ministry forecasts that economic growth will be 3.6 per cent this year, shading the 3.5 per cent projected by the National Economic and Social Development Board (NESDB).

### **3. Export prospects remain bright despite sundry risks**

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

Operators are upbeat about the country's export prospects but warn that the baht's appreciation, escalating international conflicts and a looming container shortage could pose risks this year. Ghanyapad Tantipitpong, chairwoman of the Thai National Shippers' Council, said exporters are facing a shipping container shortage. Shipping lines have cut their allotment of containers to Thai exporters after opting not to take on the transport costs of shipping empty ones to Thailand, she said. The shipping container shortage has kept Thai exporters from delivering products to foreign buyers on time as agreed, said Ms Ghanyapad. She said the shortage is expected to be aggravated with inventory build-up from foreign traders intensifying from late last year until early 2017... Nonetheless, the Thai National Shippers' Council remains positive that Thailand's exports will grow in a range of 2.5-3.5% this year, boosted largely by higher oil prices and higher farm product output on greater rainfall, boosting the shipments of agricultural and agro-industrial products. Thai shippers raised their export growth forecast this month from an earlier forecast of 2-3% after the country's export performance fared better than expected in the first quarter.

#### **4. Public debt up Bt 101 bn in April compared to March**

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

Theeraj Athanavanich, a bond market adviser, reported that Thailand's outstanding public debt as of April 30 was Bt6.26 trillion - or 42.64 per cent of gross domestic product. The total public debt outstanding comprised Bt4.82 trillion of Government debt, Bt972.75 billion state-owned enterprise (SOEs) debt, Bt452.74 billion Government-guaranteed financial SOEs debt and Bt18.43 billion other Government agencies debt. Compared with last month, public debt increased Bt101.37 billion. Government debt outstanding increased Bt95.34 billion compared to March. This change was mainly contributed from the following: 1) Financing under the Annual Budget Expenditure Act BE 2560 (AD 2017) and for debt management in an amount of Bt69.26 billion for the development and enhancing competitiveness of the country. 2) Domestic debt to finance infrastructure investment increased Bt1.48 billion, which resulted from an increase in on-lending debt of Bt1.07 billion to the Mass Rapid Transit Authority of Thailand for the Green Line and Blue Line Projects, and an increase in on-lending debt of Bt409.79 million to the State Railway of Thailand for the double-track Chachoengsao-Klong 19-Kaeng Koi Project and the Red Line Mass Transit System Project (and other relevant points mentioned).

#### **5. Third-phase airport plan 'ready in Nov'**

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

A master plan for the third-phase development of Don Mueang international airport is likely to be forwarded to the board of Airports of Thailand Plc (AoT) in November, the airport's director said yesterday. Don Mueang airport director Petch Chanchaen said the blueprint is being drawn up with the aim of increasing the airport's capacity to 40 million passengers a year. The third phase of the airport, with an estimated investment of 32 billion baht, is expected to be completed in 2022. "The master plan is likely to be forwarded to the AoT board this November, and to the cabinet in the middle of next year," he said. If things go as planned, a bid to find contractors is scheduled to proceed in 2019 and the third-phase development will be complete in three years, or in 2022, he said. Demolition of 11 old buildings in the airport's compound will be carried out from June to August this year to pave the way for the development, he added. According to Mr Petch, the third-phase plan will upgrade operational efficiency at the airport, including the construction of 12

parking bays north of the airport and a junction terminal...Six airports under the supervision of AoT Plc handled 76.73 million passengers, an increase of 7.3% year-on-year, during October last year to April this year. Don Mueang airport alone handled 21.73 million passengers, rising 9% year-on-year. In another development, the Department of Airports will seek two billion baht from the mid-year budget for fiscal 2018 to fund Nakhon Si Thammarat airport's expansion.

## **6. Asia leading the digital way: Deloitte**

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

Asian economies are more digitally engaged relative to their global peers at similar stages of development, according to Deloitte, which on Tuesday released the second edition of their “Voice of Asia” series. Deloitte's digital engagement indices for government, businesses and consumers show that Asian economies are leveraging digital technologies to help them leapfrog development hurdles, resulting in them winning the race on connectivity. Asia has become the centre of global economic growth and by embracing digital and it will continue to lead global economic growth over the coming decade. Ric Simes, a Deloitte Australia economist, said: “Digital technologies have been synonymous with rapid and evolving change over the past four decades. While we have made significant progress, we are only at the tip of the digital iceberg when it comes to what’s possible in the future. “When applied on a global scale, we can see that Asian economies and societies are at the forefront of this revolution. Asia is leading the way in how digital developments can enable individuals, businesses and governments to do things differently and, often, more efficiently.”