

Daily Thai News Updates: 31 August 2017

1. PPP panel Oks joint projects

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

The Public-Private Partnership (PPP) Committee has approved a five-year strategic plan for joint investment projects worth 1.62 trillion baht, a move to accelerate infrastructure investment amid budget constraints and sharpen the country's competitive edge. Under the five-year strategic plan through 2021, 94% of the 1.62-trillion-baht budget will involve transport infrastructure and overall logistic costs will be cut by 2-3 percentage points from 13-14% of GDP once the projects are completed, said Ekniti Nitithanprapas, director-general of the State Enterprise Policy Office. The transport projects under the five-year PPP strategic plan will be divided into two groups: projects for which the government wants the private sector to play a role in, such as high-speed trains, rail systems in Bangkok and ports for shipping goods, and projects in which the government encourages the private sector to invest, such as airport and motorways. Mr Ekniti said 600 billion baht worth of projects under the fast-track PPP scheme will be a part of the 1.62-trillion-baht strategic PPP plan.

2. Prayut's invitation shows Thailand's key role in regional growth

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

To Thailand, the upcoming ninth BRICS summit means so much. It is expected to witness the signing of draft contracts for a high-speed railway project vital to the Southeast Asian nation. Moreover, Thai Prime Minister Prayut Chan-o-cha will also discuss on political and security issues on the sideline of the summit attended by leaders of the bloc's five emerging economies and other countries. Such opportunities for non-BRICS leaders like Prayut are attributed to the "BRICS Plus", a model progressively developed by the bloc grouping of Brazil, Russia, India, China and South Africa to seek a wider partnership, particularly with developing countries. The new model is expected to play a key role in making the bloc, that now contributes more than half to the global growth, a leading platform for South-South cooperation. The BRICS summit to be held on Sept. 3-5 in Xiamen, China, will thus represent an important moment in Thailand-China relations. The railway project will create Thailand's first high-speed railway network and has been the focus of widespread attention.

3. Budget deficit at Bt610 for first 10 months of fiscal year

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

The Finance Ministry has reported that the country's budget deficit stands at Bt610 billion for the first 10 months of the fiscal year. The Finance Ministry said income was Bt1.9 trillion for the 10 months, while budget spending was Bt2.5 trillion for the period, Kritsada Jinavijarana, director-general of the Fiscal Policy Office of Finance Ministry, said on Wednesday. He said the government had issued bonds to compensate for the budget deficit, adding that its treasury status on July 31 was Bt258.41 billion.

4. Robotics partner sought

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

The Industry Ministry Uttama Savanayana has planned to seek collaboration with overseas education institutes and private companies with robotics expertise in Japan, the US and China. This will help enable the establishment of R&D institutes for robotics in the Eastern Economic Corridor (EEC). The ministry has also signed MoUs with 14 state and private organisations to help lift the robotics and automation industries off the ground. Among them are the Office of Industrial Economics, Board of Investment, the EEC Office, the Industrial Estate Authority of Thailand, The Federation of Thai Industries, SCG Group, Charoen Pokphand Foods, PTT, WHA Corp, and Home Product Centre. The move follows Tuesday's Cabinet approval of the ministry's proposed incentives and measures to promote the robotics and automations industry as a key plank to attract upto Bt200 billion of investment within five years under the Thailand 4.0 initiative. Kanit Sangsubhan, secretary-general of the EEC Office, said that in the initial stage, the EEC would promote the automation warehouse business by drawing foreign firms to set up plants in the area for warehouse systems. BoI promotional measures will be sought as an incentive, he added. The Office of Industrial Economics director-general Siriruj Chulakaratana said there are 20 foreign companies showing interest to invest in robotics parts and robot productions here.

5. BoT: QR system unveiled

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

Consumers will be able to use standardised quick response (QR) code payment on their smartphones to pay for purchases at shops, street vendors and motorcycle taxis starting in the fourth quarter of this year. Yesterday, the Bank of Thailand teamed up with five international

payment networks and financial service providers in Thailand to roll out a standardised QR code for payment. With the single QR code, merchants can display only one QR code to collect payment. Given the convenience, digital payment is expected to gain a strong footing and hasten the electronic payment era in Thailand. Thanks to the national e-payment initiative, digital payments have grown at a faster pace and played a greater role in daily purchases in recent years. QR code payment can be used with credit and debit cards, e-wallet and bank savings accounts.

6. PTT unit to adopt more automation in 4.0 move

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

IRPC Plc, the petrochemical and refinery arm of national oil and gas firm PTT Plc, will embrace robotics and automation to help the country upgrade to Thailand 4.0, the company said yesterday. Thailand's use of robotics in industry was officially set in motion by the government on Tuesday when the cabinet approved a 200-billion-baht long term master development plan. IRPC plans to provide polymers with ultra-strength polyethylene -- as strong as steel but lighter -- to develop a second prototype of a walking assistance robot (WAR) at Sripatum University. The first pilot model has yet to be commercialised.

7. Services focus of Bhutan talks

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

Thailand and Bhutan will hold their second round of joint trade talks in Bangkok this week, expecting to double annual trade value and foster cooperation in the service sector within the next few years. Commerce Minister Apiradi Tantraporn said the meeting is expected to lead to further cooperation not only on trade and investments issues, but also in the service sector and in particular the tourism aspect...the two countries have their own strong points that could be exchange and also improved upon to add value, with Thailand offering strong expertise on tourism promotion and Bhutan possessing several interesting tourist attractions of its own...Bhutan is a country with strong potential for Thai investors to expand their business, particularly in construction services, hotel and tourism-related endeavours.

8. Fast-moving consumer goods see sluggish growth

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

The sales of fast-moving consumer goods (FMCG) grew by just 1% in the first half, the lowest rate in the past decade, says market research firm Kantar Worldpanel Thailand. The consumable products in the category cover those which are sold quickly and are inexpensive, including non-durable goods such as soft drinks and processed foods. The company's new business development director, Aitsanart Wuthithanakul, said the growth of Thai FMCG sales has been sluggish this year because of the slow economic recovery, weak commodity prices and lower farm income affected by last year's drought crisis. "Moreover, while the government is trying to boost domestic consumption, household debt remains a strong barrier," Mr Aitsanart said. Household debt in Thailand is 80%, much higher than the 40-60% range reported in Taiwan, Indonesia and Singapore...Sales in three major product categories -- household goods, personal care, and food and drinks -- dropped significantly in the first half.