

## Daily Thai News Updates: 4 August 2017

### 1. ASEAN, India ministers aim to bridge gaps for trade pact

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

Ministers from Asean countries and India plan to work together to resolve key issues related to a proposed regional free-trade pact when they meet next month in Manila, Commerce Minister Apiradi Tantraporn said yesterday. The ministers had informal talks on the possibility of wrapping up the free-trade negotiations after Prime Minister Prayut Chan-o-cha made positive comments on the matter, Apiradi said on the sidelines of the Asean-India Expo and Forum in Bangkok. She said India had pushed hard to open service sectors in which it has a competitive advantage, but Asean is reluctant to agree to that. Prayut expressed confidence that the Regional Comprehensive Economic Partnership (RCEP) will get the green light this year as planned. In his keynote speech at the Asean-India Expo and Forum, the Premier said he believed that the 10- member Association of Southeast Asian Nations along with India, China, Japan, South Korea, Australia and New Zealand would reach agreement on the free-trade proposal. He urged them to narrow their differences in order to reach an agreement that would lead to a win-win outcome for everyone. Prayut cited opportunities in trade, investment and transport that would benefit Asean and India, such as linked roads and seaports in Myanmar, Thailand, Laos, Cambodia and Vietnam. He also urged the adoption of an “open skies” policy. Apiradi said trade ministers will try to agree on the major outstanding issues related to the RCEP at the September meeting in Manila...Meanwhile, Nirmala Sitharaman, India’s Minister of Commerce and Industry admitted that in the past foreign investors found it difficult to do business in India, given many sectors were closed off and there was bureaucracy and red tape in government services, “India has now reformed and opened its economy,” Sitharaman said. “There are lots of opportunities for investment as the country has a large scale of infrastructure investment planned for every part of the country to be linked by rail and road networks. There are also 100 smart cities projects, she said.

## **2. Somkid, Bishop discuss TAFTA revision**

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

The Thailand-Australia Free Trade Agreement (TAFTA), which came into being in January 2005, is to be revised to broaden the partnership and include the service sector. Deputy Prime Minister Somkid Jatusripitak, who met Australia's Foreign Affairs Minister Julie Bishop yesterday, said since the TAFTA has been in force for quite some time, a revision is imperative as the the situation has completely changed. Mr Somkid said the cooperation should grow to cover other sectors including education, adding that Thailand is in the process of reforming education and agriculture and ramping up infrastructure and information technology. The TAFTA was signed on July 5, 2004 and came into effect on Jan 1, 2005. The agreement calls for liberalisation of trade in goods, services, and investment, as well as cooperation in working out obstacles to trade caused by non-tariff measures, such as restrictive sanitary and phytosanitary regulations and anti-dumping measures. The cooperation also extends to accommodating trade in certain categories, such as customs procedures, electronic commerce, intellectual property, government procurement and competition policy.

## **3. All eyes on Asean as regional deals are forecast to rise**

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

Rich with investment opportunities and positive demographics -- a young and dynamic population with growing disposable income and upward mobility -- Asean continues to pull international parties seeking out mergers and acquisitions (M&As). According to the report "Asean connections: Cross-border M&A", which tracks cross-border deal-flows of Asean's fast evolving investment landscape, the 10-member bloc recorded 118 deals worth UScopy4.7 billion (489 billion baht) in the first quarter. This was a year-on-year increase of 8% in value and 7% in volume. The report was by produced by Kroll, a global leader in risk mitigation and response solutions, and Mergermarket, a leading independent M&A intelligence service provider. In 2016, the region recorded 534 M&A transactions valued at \$57.9 billion. For foreign inbound M&As, Asean saw 223 deals worth \$23.7 billion in 2016, a 10% rise in volume but a 16% drop in value, from \$28.1 billion (202 deals), in 2015...M&As within Asean may become more pronounced as the Asean Economic Community (AEC), formalised in December 2015, begins to take off, ushering in a new era of tightened intraregional cooperation, trade and development. The pact could result in

heightened collaborative competition as local enterprises begin to face off against neighbouring rivals. The AEC represents the establishment of a unified market of \$2.6 trillion with a combined population of more than 622 million, though its efficacy as an economic reality remains to be seen. Thailand was the top target jurisdiction for intra-Asean M&As by value from 2014 to the first quarter of 2017, boasting 38 deals worth copy0.3 billion. With the country in mourning the passing of King Bhumibol Adulyadej and the coronation of His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun possibly months away, there is speculation over a dampening of investment interest in the interim amid fears of political uncertainty.

#### **4. Rice goal within reach**

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

The Commerce Ministry is confident that rice exports will achieve this year's target of 10 million tonnes with about 6.37 million tonnes already shipped out in the first seven months. White rice led the exports at 48 per cent of the total, while Hom Mali rice amounted to 22 per cent and parboiled rice the same share. For the latter half of this year, rice exports are expected to see a satisfactory trend following demand in major markets, after rice production in several countries including Bangladesh and Sri Lanka was slashed by drought and floods.

#### **5. Migrants registrations 'unrealistically low'**

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

The Thai Chamber of Commerce has urged employers to speed up registering their illegal migrant workers by the Monday deadline, saying the number of applications to date was unrealistically low. Poj Aramwattananont, vice-chairman of the chamber, said on Thursday that the number of registrations in domestic service, construction and farming sectors was very low and did not reflect the actual numbers of migrant workers in the sectors. The government opened 100 registration centres nationwide. Each could handle up to 2,000 workers a day but applications were filed for 700-800 workers daily. He said that the private sector had asked the government to postpone legal action against illegal migrant workers and sought the July 24-Aug 7 grace period for their registration before harsh punishments under a new law take effect. Under the new executive decree on the employment of foreign workers, an employer with illegal foreign workers will be fined up to 800,000 baht per worker while the employees face a jail term up to five

years...Sombat Niwetrat, deputy director-general of the Employment Department, said from July 24 to Aug 3, some 113,000 employers registered 396,000 undocumented migrant workers -- 59% from Myanmar, 27% from Cambodia and 14% from Laos. Most registered workers, or 23%, were in farming, followed by construction (20%), food and beverage sales (9%) and domestic services (7%).

## **6. Engineering, procurement, construction: a guide for foreign companies in Thailand**

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

The pace of infrastructure development in Thailand has continued to grow in the past few years, bringing numerous opportunities for foreign-based engineering, procurement and construction (EPC) firms looking for ways to participate in projects in the country. However, potential investors need a solid understanding of the legal and regulatory framework before investing significant time, energy and capital. The most significant law relating to the participation of foreigners in business activities in Thailand is the Foreign Business Act BE 2542 (1999). List 3 of the FBA places restrictions on a number of activities in which engineering and construction firms will likely engage, such as architectural, engineering and construction services, as well as wholesale or retail trading with registered capital under 100 million baht and other ancillary services. A company that has half or more of its shares held by non-Thais will be deemed as "foreign" under the FBA and thus subject to its restrictions. Foreign companies and foreign majority-owned Thai companies wishing to engage in these activities in Thailand must first obtain a foreign business licence or foreign business certificate from the Department of Business Development at the Commerce Ministry. Importantly, each business line will be treated separately for the purposes of assessing compliance under the FBA.

## **7. Machine learning can now appraise your house**

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

Machine learning (ML) has become a buzzword to describe a world of intelligent automated devices and systems equipped with the data they need to take over tasks performed by humans. In some service businesses, machines can perform these tasks better and at less cost than humans, while reducing the "pain points" that people often experience when dealing with institutions – including banks. Any doubts people might have had about the ability of machines to apply what

they learn were dispelled when Google's AlphaGo, powered by "deep learning", beat two world champions at Go, a board game that offers vastly more possible moves than chess. The most high-profile application of machine learning at present involves self-driving cars. Google is among those working on autonomous vehicles, as are the ride-hailing application developers Uber and Lyft. US carmakers have recognised that the coming transport revolution could severely disrupt their business in as little as five years, so they too are investing in R&D for self-driving cars. In the context of Thailand, self-driving cars are probably far from where we are standing, for a number of reasons. But machines are on the rise, make no mistake. Instead of waiting for self-driving cars, let's focus on another indispensable factor: Houses. Within one or two years, machine learning is going to disrupt the housing loan market in Thailand. Why? Because it's clear that ML can already solve some borrowers' pain points, among them the tiresome appraisal process...Fortunately, the rise of ML helps remove this inefficiency. TMB Bank is already moving to disrupt the norm of the appraisal processes by applying ML algorithms to estimate the value of borrowers' houses, eradicate customer pain points and improve their experiences.