

## Daily Thai News Updates: 4 May 2017

### **1. Shippers' Council raises export growth forecast to 3.5 per cent**

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

The Thai National Shippers' Council has revised up its forecast for this year's export growth to 2.5-3.5 per cent from its earlier estimate of 2-3 per cent. The more optimistic forecast is based on first-quarter export expansion of 4.88 per cent year on year, said TNSC chairwoman Ghanyapad Tantipatpong. She said the council now estimated that this year's export value would reach US\$220 billion (Bt7.58 trillion), up 3.4 per cent from a year earlier, and set a full-year official forecast in a range from 2.5 to 3.5 per cent. In March, export value advanced 9.22 per cent year on year, its five-year high, to \$208 billion. In the first quarter of this year, the figure rose 4.88 per cent year on year to \$564 billion. Rises in global crude-oil prices resulted in exports of agricultural and petroleum-related products seeing improvement, while Thailand's trading partners have seen signs of economic recovery, Ghanyapad said. Second-quarter export growth is expected to be close to 5 per cent, and the third and fourth quarters are projected to see steady exports despite risks, she said. For the latter half of this year, Thai exporters remain concerned over political tensions in various regions, uncertainties over US policies including on trade balances, and anti-dumping and non-trade barriers (NTBs), she said. Technological changes also affect consumer behaviour, which prompts higher consumption through e-commerce and will change the trade model in the future, she said.

### **2. Ministry ready for bigger stake in IBank**

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

The Finance Ministry may need to hold more than a 49% stake in state-owned Islamic Bank of Thailand (IBank) if the bank fails to draw new partners, according to the bank's recapitalisation plan scheduled to go before the cabinet for approval in the next two weeks. Finance Minister Apisak Tantivorawong said the ministry is amending the Islamic Bank of Thailand Act to allow the ministry to hold more than 49% of IBank. "The bank is increasing registered capital," he said. "If it fails to draw new partners, the Finance Ministry may need to hold more than 49% or take full control of the bank if there is no interest from any partners." IBank is among seven state enterprises under rehabilitation. The others are Thai Airways International, the State Railway of Thailand, the

Bangkok Mass Transit Authority, TOT Plc, CAT Telecom and the Small and Medium Enterprise Development Bank of Thailand. The State Enterprises Policy Commission (superboard) told IBank last month to step up finding new partners and raise its registered capital by June, saying the bank's rehabilitation plan had been delayed for too long.

### **3. High hope for tech FDI from China**

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

The government expects its two technology megaprojects -- the development of a digital innovation park and smart cities -- to attract foreign Chinese direct investment this year. The prospect follows the Digital Economy and Society (DE) Ministry's recent signing of a five-year memorandum of understanding (MoU) with the Shenzhen municipal government on collaboration supporting the development of Thailand's digital economy. The MoU signing was a highlight of the Thai government's roadshows in Hong Kong and mainland China last month as the state aims to boost economic ties and link the country to China's new overseas investment strategy. The agreement covered collaboration in the development of five areas: digital parks; smart cities; the Internet of Things; local tech startups; and national broadband infrastructure. DE Minister Pichet Durongkaveroj said the government plans to provide attractive tax incentives, including a 15-year corporate income tax exemption for a group of selected industries, plus personal income tax reductions for expatriates and foreign specialists working in the Eastern Economic Corridor (EEC).

### **4. Policy to extend helping hand to 'micro-SMEs' mulled**

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

The government is considering a new policy to lend support to "micro-SMEs" -- businesses that are smaller than small and medium-sized enterprises (SMEs) -- to help strengthen the Thai economy, says Industry Minister Uttama Savanayana. Deputy Prime Minister Somkid Jatusripitak will chair a meeting tomorrow to brainstorm with other senior officials from the Office of Small and Medium Enterprises Promotion and the Industry Ministry to seek new measures to support micro-SMEs, Mr Uttama said. "Micro-SMEs constitute a group that has been overlooked for such a long time," he said. "That's why we are trying to lend a helping hand to them, as we recognise those small businesses as a foundation of the Thai economy that should be supported." Micro-

SMEs were initially defined as small businesses, or family businesses, that have fewer than five employees and do not register as companies. Mr Uttama said that by supporting such enterprises, the government would eventually help bolster the overall economy.

#### **5. Small firms more dour**

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

The expectations of small and medium-sized enterprises (SMEs) for the second quarter have deteriorated to below the 50-point mark that splits optimism from pessimism for the first time in three years, according to a quarterly survey by TMB Analytics. The TMB SME Sentiment Index's expectation for the April-June period fell for a second straight quarter to 49.4 from 50.9, said Benjarong Suwankiri, head of TMB Analytics, the research unit of TMB Bank. "Stronger concern over operating costs came after higher crude oil prices this year and the recent minimum wage hike for the first time since 2013," he said. In late November, the cabinet approved a daily minimum wage rise of five, eight or 10 baht in many provinces. The new wages became effective from Jan 1 this year. It was the first minimum wage hike in "Operating costs will always be a main concern for Thai SMEs, as it's a factor they can't control," Mr Benjarong said.

#### **6. New agricultural institute to add value**

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

Thailand is setting up the Institute for Agricultural Product Innovation (API) in the country's latest attempt to add value to farm products such as rice. Duangporn Rodphaya, director-general of the Foreign Trade Department, said PM Prayut Chan-o-cha had recently given approval for establishing the API, to be run by a new board of directors chaired by the commerce minister. The board is scheduled to hold its first meeting in May to discuss the institute's management structure and operations. "The institute will hopefully function as a new unit not only to promote the agricultural industry and related entrepreneurs, but also to develop a marketing strategy, distribution channels, networking and credit cooperation in efforts to add value to Thai farm products, starting with rice," said Ms Duangporn. "Rice, for instance, should not only be a commodity. It should also be developed into medicine, cosmetics and other innovative products."... She said innovative rice products should be high on the agenda at the eighth Thailand Rice Convention 2017, to be held from May 28-30 and presided over by the prime minister.