

Daily Thai News Updates: 7 April 2017

1. Expanding economies in Asia deliver 60% of global growth, ADB says

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

Growth is picking up in two-thirds of the economies in developing Asia, supported by higher external demand, rebounding global commodity prices and domestic reforms, making the region the largest single contributor to global growth at 60 per cent, according to the Asian Development Bank. In its “Asian Development Outlook 2017”, the ADB forecasts growth of gross domestic product in the Asia-Pacific region to reach 5.7 per cent in 2017 and 2018, a slight deceleration from the 5.8 per cent registered in 2016. The report is the ADB’s flagship annual economic publication. The bank also estimates Southeast Asia’s economic expansion accelerating. With normal weather supporting agriculture and the steady recovery in major industrial economies boosting exports, growth will pick up in nearly all economies in Southeast Asia, nudging average growth to 4.8 per cent in 2017 and 5.0 per cent in 2018.

2. BOT signs agreements with Philippine, Malaysia central banks

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

The Bank of Thailand (BOT) has signed a letter of intent to enter a bilateral agreement between Thailand and the Philippines under the Asean Banking Integration Framework (ABIF), and also signed a memorandum of understanding with Bank Negara Malaysia on banking supervision and financial-development cooperation. BOT Governor Veerathai Santiprabhob and Amando M Tetangco Jr, governor of Bangko Sentral ng Pilipinas, signed the ABIF letter of intent yesterday in Cebu, Philippines. The parties said the signing of this letter served as a solid foundation to enhance banking integration within Asean. In light of mutual benefits, greater market access and operational flexibility will be accorded to both countries on a reciprocal basis. This is a significant step towards increasing business opportunities and further deepening economic and financial integration between Thailand and the Philippines, they said.

3. Prayut reassures investors on EEC

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

Prime Minister Prayut Chan-o-cha yesterday assured investors that his government was firmly committed to developing the Eastern Economic Corridor on a long-term and sustainable basis and would warmly welcome participation by the private sector. He made the remarks during his visit to the eastern province of Rayong with his ministers to follow up on EEC development and the upgrade of U-tapao International Airport. He met with representatives of businesses who wanted to learn more about the EEC project. The EEC policy committee yesterday resolved to designate U-tapao and its surroundings as an “Eastern Aviation City”, whose 6,500 rai (1,040 hectares) of land would be developed at a cost of Bt200 billion over five years. The EEC draft bill will be tabled before the Cabinet at its Tuesday meeting. The prime minister told the business representatives that the government was deeply determined to turn the EEC into the country’s future growth engine and would continue to draw up investment privileges, issue regulations and increase manpower to support the corridor’s growth, said Lt-General Weerachon Sukondhapatipak, deputy PM Office spokesman.

4. Depa hopes to build smart cities in EEC next year

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

The Digital Economy Promotion Agency (Depa) says it can begin implementing an action plan for the development of a digital ecosystem conducive for innovation-driven enterprises in three eastern provinces in 2018. The development is part of the government's efforts to transform the three provinces -- Rayong, Chon Buri and Chachoengsao -- into smart areas in the Eastern Economic Corridor (EEC). The move is also aimed at promoting investment in new S-curve industries in the EEC, said Depa president Nattapol Nimmandpatcharin. These industries are meant to drive growth and consist of robotics, aircraft, digital business, biofuels and biochemicals. Depa was assigned by the Digital Economy and Society (DE) Ministry last month to draft an action plan for the development of smart areas in the EEC. "We expect to complete the action plan in July this year and submit it to the EEC committee chaired by Prime Minister Prayut Chan-o-cha for consideration," said Mr Nattapol.

5. Report warns of rough times for EU

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

Key elections and troubling political sentiments in Europe throughout 2017 pose significant risks not only to economic recovery in the region, but also to the very existence of the European Union, according to a report by the SCB Economic Intelligence Center. While the global economy has shown signs of recovery, political uncertainty in Europe now tops the list of potential disruptions to investor and consumer confidence. Inevitably, these risks will affect the Thai economy through global financial markets, fund flows, and Thai exports. The results of these elections will also reflect whether European citizens still support political and economic integration in the form of the EU. Economic inequality across Europe, which is partly a result of the introduction of the common currency, remains at the centre of the conflict among member states and could eventually lead to an end of the euro. Elections in France, Germany and Italy must be closely watched as the three countries make up 65% of the entire euro zone economy. Indeed, the results of these elections will dictate the future of the EU.