

Daily Thai News Updates: 7 June 2017

1. S44 fast-track mulled for Thai-Sino rail

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

The government is considering invoking Section 44 of the interim charter to tackle stumbling blocks for the long-delayed Thai-Chinese high-speed railway project linking Bangkok and Nakhon Ratchasima to enable construction to start this year. Deputy Prime Minister Somkid Jatusripitak said the Thai-Chinese high-speed train project has been long-delayed thanks to a spate of technical problems and legal issues. "The government may need to ask for the National Council for Peace and Order's permission to invoke Section 44 to speed up the project's construction," he said. "And Prime Minister Prayut Chan-o-cha has ordered that construction on the project commence this year." Mr Somkid said the issues hindering the Thai-Chinese rail project must be addressed before Gen Prayut visits China in September to attend the 9th BRICS summit. BRICS is an acronym for the combined economies of Brazil, Russia, India, China and South Africa. Transport Minister Arkhom Termpittayapaisith said the ministry is consulting Deputy Prime Minister Wissanu Krea-ngam about which aspects of the rail project should be sped up with Section 44. He said the ministry will finalise details of the project before asking for the cabinet's approval next month.

2. Reform bid will endure, Somkid says

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

Deputy Prime Minister Somkid Jatusripitak has assured Japanese investors that the country will persevere with economic and social reforms, regardless of future changes in government. Speaking to an audience of about 1,000, mostly investors, at the Nikkei Forum entitled "Globalism at Crossroad -- Asia's Next Move", held in Tokyo Tuesday, Mr Somkid, who is leading an economic roadshow in Japan, played down Japanese investors' concerns about the dependability of Thailand's economic and social reforms. He said the government's ongoing social and economic reforms will be written into the 20-year national strategy and reform plan, which will be protected by law. For decades, Thailand has seen government policies scrapped or changed after changes in government. The country is expected to hold a general election late next year, after which the military-led government claims it will step down. The National Legislative Assembly in April

passed the first reading of a bill outlining drafting and implementation of the national strategy and reform plan, expected to direct the country's economic and social development over the next 20 years. This includes setting long-term goals for the country's social and economic development, containing strategies for every economic, social and political facet, be it security, quality of life or the role of the government relative to the public.

3. Budget of at least B50m to help poor

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

The Finance Ministry expects to spend at least 50 billion baht to fund the government's welfare and subsidy scheme for the poor. Around 30 billion baht will be used to finance free rides on public buses and trains, subsidise a certain amount of utility bills, and fares on inter-provincial buses for those who are at the bottom rung of the economic ladder, said Somchai Sujjapongse, permanent secretary for finance. The ministry is considering providing more aid including subsidising the cost of cooking gas, fares for electric train travel, and covering basic needs for those who qualify for the government's welfare and subsidy scheme, either this year or next, he said. Those living below the poverty line will also get an allowance to help them with living costs, said Mr Somchai. Thailand's poverty line stands at at 30,000 baht a year or 2,500 a month. The Fiscal Policy Office and Comptroller General's Department have already agreed what kinds of assistance will be offered to those who qualified for the scheme, but it must be approved by Finance Minister Apisak Tantivorawong. The number of registrants for the scheme this year stands at 14.1 million, up substantially from 8.27 million in 2016.

4. Firms jittery as baht keeps rising

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

The Thai business sector has voiced concern that the rapid gain of the baht will take a toll on exports, causing the economic recovery to falter, says the Thai Chamber of Commerce (TCC). Chairman Kalin Sarasin said the business sector wants the Bank of Thailand to monitor baht movement closely to ensure it is ready to curb appreciation if needed. "The baht is rising very fast and we want to ask the central bank to have some measures ready to help stabilise the currency, particularly to support small and medium-sized enterprises [SMEs]," said Mr Kalin. He also urged SMEs to use currency hedging to help reduce risks incurred by baht fluctuation. The baht edged

up to 33.94 to the dollar Tuesday, marking its highest point in nearly two years, on investor relief after the central bank did not introduce stricter measures to curb its strength. The local currency is one of the best-performing currencies in the region this year, rising about 5% against the greenback. The Bank of Thailand in April imposed a measure to scale back short-dated bond sales in an effort to lower short-term fund inflows, which are strengthening the baht. The measure is still in place. In another development, the Joint Standing Committee on Commerce, Industry and Banking (JSCCIB) reported the Thai economy grew 3.3% in the first quarter this year, said Mr Kalin.

5. Economy to grow more strongly in H2: JSCCIB

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

Gross Domestic Product in the latter half of this year is expected to grow more strongly than in the first half, driven by seasonal factors, accelerated state spending, increased foreign purchase orders and more activity in the Eastern Economic Corridor (EEC), said the Joint Standing Committee on Commerce, Industry and Banking. According to JSCCIB chairman Kalin Sarasin, the committee decided to maintain its estimate for this GDP growth at 3.5-4.0 per cent, with expected export growth of 2.0-3.5 per cent. The economy performed better than expected in the first quarter, growing by 3.3 per cent on improvements in exports and private consumption, said Kalin, who is also chairman of the Board of Trade and Thai Chamber of Commerce. Exports continued to sustain satisfactory growth in April, but the rapid appreciation of the baht since late May could affect Thailand's competitiveness, he said. Therefore, the JSCCIB urges business operators to hedge more against foreign-exchange risks and is ready to discuss with the Bank of Thailand measures for stabilising the Thai currency, he said. Despite the continued global economic recovery, the JSCCIB expressed concerns over political developments in the United States and the Federal Reserve's interest-rate decisions, which will affect the US dollar. The Federal Open Market Committee will convene on June 13 and 14, and the expectation is for an increase in the Fed's benchmark interest rate. Other external factors to watch are elections in the United Kingdom tomorrow and in Germany this September. In regard to the International Institute for Management Development's world competitiveness ranking this year, Thailand's score has increased consistently from 2014, coming in third place among five Asean countries ranked by IMD, a Swiss business school.

6. Qatar crisis deemed unlikely to hurt Thai oil and gas trade

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

The Arab world's severance of diplomatic ties with Qatar on Monday is unlikely to have any major impact on the Thai economy, particularly on oil and gas business, as experts and industry officials say the incident is seen as a short-term disruption. In contrast the rift is expected to weigh on global oil prices, keeping them at the relatively low US\$50-\$55 a barrel, they said. Bahrain, Saudi Arabia and the United Arab Emirates (UAE) -- among the world's biggest oil producers -- accused Qatar of supporting Islamist militants and Iran. Egypt, Yemen, Libya's eastern-based government and the Maldives have also followed suit in cutting their diplomatic links...Thailand is a major energy importing country, buying 1,331 barrels of oil equivalent per day. However, Qatar is not a major oil provider for Thailand, contributing to 10% of total Thai crude oil imports, with other major sources being the UAE, Saudi Arabia and Asean countries. Qatar is a major source for LNG imports, with Thailand contracted to buy 2 million tonnes from Qatargas this year to secure rising demand...Analysts and a source at a major Thai oil and gas company said there could be a glitch in transporting the gas from Fujairah overland to other ports in Oman or Iran, which could result in a longer than expected delivery period.

7. Suvarnabhumi in spotlight for congestion, limited capacity

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

When it comes to airports, Bangkok continues to be cited in global forums as one of the most congested and capacity-deficient cities in the world. Alexandre de Juniac, director-general of the International Air Transport Association (IATA), on Monday put a spotlight on Suvarnabhumi, among others, for facing bottlenecks. But he pointed to European as the extreme example regarding capacity-related issues during his speech at IATA's World Airport Summit in Cancun, attended by over 1,000 industry leaders from across the world...The Airports of Thailand Plc expects to cram 59 million passengers for the year to September (2017), against its 45 million passenger annual handling capacity. The expansion of Suvarnabhumi, which includes construction of a third runway and second passenger terminal, will cost over 10 billion baht and requires four years to be completed.

8. TGM to aid Thai firms on EV buses

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

South Korean bus manufacturer TGM Co has teamed up with four Thai automotive companies to produce electric buses in Thailand. TGM Co signed a memorandum of understanding (MoU) yesterday with two companies that assemble buses, Act One (1994) Ltd and Bus & Truck, as well as with gas installer PLT Green and vehicle components maker Cobra International. Under the terms of the deal, the Korean firm will provide its innovative technology, paving the way for electric buses to be built in Thailand soon. TGM president Sehyun Cho said the company is ready to transfer its technology for electric buses and related components to Thai bus assemblers so they could develop their own eco-friendly buses in the future. "With the Thai government's strong commitment to promoting all types of electric vehicles (EVs) here, TGM is interested in making electric buses for the Thai market," he said.