

Daily Thai News Updates: 8 June 2017

1. Baht upheaval carries across industries

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

Agriculture, electronics, and food and drink have been hit hardest by the baht's 6% year-to-date appreciation, according to Asia Plus Securities (ASP). Porranee Thongyen, ASP's head of research, said the stronger than expected baht hurt exporters like Sri Trang Agro Industry Plc, which earns most of its income in US dollars and mostly baht-denominated expenses. Exporters with large dollar expenses, such as Thai Food Group Plc, benefited from the currency's gain. Most exporters, including those that make parts and ship agriculture food products, will lose about 5% in profit for every additional baht the dollar loses in its exchange rate, Mr Porranee said. The baht has been one of the best performing currencies in the region. It has been appreciating since 2016, and it is currently trading at 33.96 to the dollar, the highest in almost two years.

2. Thailand braced for Qatar ban chaos

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

The Gulf blockade on Qatar poses a potentially serious disruption of air passenger traffic between Thailand and the Middle East, one of the world's busiest flight sectors. The risk looms large as four neighbouring nations -- Saudi Arabia, the United Arab Emirates (UAE), Bahrain and Egypt -- close their airspace to Qatar Airways, a major carrier in the sector. The impact could be significant because the airline has a large aircraft capacity between Thailand and Qatar, industry executives who are familiar with the airline said. Qatar Airways operates five daily non-stop flights between Doha and Bangkok, double-daily Doha-Phuket flights and four Doha-Krabi flights a week. It has also set sights on the debut of the first Doha-Chiang Mai non-stop from Oct 31, with four flights a week. Speaking to the Bangkok Post on the sidelines of the International Air Transport Association (IATA) World Airport Summit in Mexico on Tuesday, Bangkok Airways president Puttipong Prasarttong-Osoth said it was too early to assess the impact on Thailand with the development still unfolding. However, he said the effects of the possible suspension of Qatar Airways flights to Thailand on Bangkok Airways, as one its largest code-share partners, could be substantial.

3. OTT grounds rules seen as necessary

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

Popular Facebook fanpage operators have agreed to the regulatory framework for over-the-top (OTT) service, saying it will improve content quality and prevent illegal activity on the digital platform. The agreement followed the National Broadcasting and Telecommunications Commission (NBTC) meeting yesterday with 30 top Facebook fanpage operators led by Drama-Addict, E-Jun, Mhor Lab Panda, and SpokeDark TV to discuss the OTT regulatory framework. The page operators opined that the OTT regulatory framework is crucial to create business standard and rules for Facebook fanpage operators in Thailand. They believe the OTT regulations will benefit all parties by transparently regulating illegal actions and solving possible problems such as controversial advertising and violent content. Woody Milintachinda, a famous chat show host and operator of the Woody fanpage, said the OTT regulatory framework is suitable for Thai media, especially for online platforms...The OTT regulation will use the complaint-based concept. The regulator will intervene or investigate OTT operations when it gets complaints from related parties. The OTT business is categorised by the NBTC as a TV broadcasting service that does not use any frequency, similar to cable and satellite TV. The streaming video on OTT platform only differs from cable and satellite TV as OTT users can post their content directly to viewers.

4. Economy expected to drive car sales this year

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

Thailand's domestic car sales are expected to grow at a healthy rate of 10% this year to 845,000 units, driven by improving sentiment for consumption and a growing economy, says Inter-Media Consultant Co, the organiser of Thailand International Motor Expo. President Kwanchai Paphatphong said the local car market showed significant growth in the first four months with the pace expected to maintain its momentum until the end of this year. He cited the latest report by the Federation of Thai Industries where car sales from January to April tallied 273,757 units, up by 15.7% from the same period last year...Mr Kwanchai said although market sentiment was bearish in the fourth quarter last year because of the passing of King Bhumibol Adulyadej, the situation improved early this year. The expiry of the five-year ownership conditions under the previous government's first-time car buyer scheme is expected to stimulate the Thai car market over the

next few years..."The country's GDP is projected to grow by 3.3% this year, which should drive the local market."

5. Consumer confidence drops for 1st time in 6 months

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

Thailand's consumer confidence in May declined for the first time in six months, due to a bomb blast at a Bangkok hospital, low commodity prices and slow economic recovery, a private survey showed on Thursday. The index of the University of the Thai Chamber of Commerce slipped to 76.0 last month from 77.0 in April. Last month's bomb blast wounded 24 people, on the third anniversary of a 2014 military coup. Consumer spending is expected to improve in the second half of the year if the government speeds up spending and investment projects, the university said in a statement. The Bank of Thailand has forecast economic growth of 3.4% this year, after 3.2% last year.

6. Ministry working on plan to ease impacts of petroleum suspensions

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

The Energy Ministry will in the next few days come up with a plan to mitigate the impacts of the suspension of petroleum production by holders of concessions on agricultural land, following an order issued by the Supreme Administrative Court order on June 1, Energy Minister Anantaporn Kanjanarat said yesterday. In that ruling, the court revoked an order by the Agricultural Land Reform Committee allowing the exploitation of natural resources for purposes other than agriculture in areas earmarked for land reform. As a result, the Energy Ministry's Department of Mineral Fuels (DMF) has instructed all onshore concessionaires temporarily to cease petroleum operations in areas under the Agricultural Land Reform policy. Anantaporn said the suspensions would affect state revenue, especially the production halts in the S1 project, which will cause the loss of 16,000 barrels per day of crude-oil production. The ministry has convened with relevant private companies and consulted its legal team to seek solutions, he added. He said that at this stage the ministry preferred to seek normal legal avenues to solve the problem rather than proposing that the junta to invoke its special powers under the interim charter to solve the issue.