

Daily Thai News Updates: 9 May 2017

1. EEC tied to China's One Belt, One Road

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

The government says the much-touted Eastern Economic Corridor (EEC) is ready to be an important part of China's One Belt, One Road initiative, which envisions connectivity between China and Eurasia. Speaking Monday at a seminar entitled "Thailand-Hong Kong-Shanghai Strategic Partnership on One Belt, One Road," Deputy Prime Minister Somkid Jatusripitak said the EEC will link up with One Belt, One Road via a Thailand-China rail development project. That project will connect Bangkok-Nakhon Ratchasima-Nong Khai with Vientiane, Laos and Kunming, China. A so-called maritime silk road will link eastern ports to Southeast Asia and the Indian Ocean rim. Thailand is also committed to investing in a submarine cable linking Bangkok with Hong Kong and mainland China in an effort to develop Thailand as the digital hub of Southeast Asia. The One Belt, One Road refer to China's proposed Silk Road Economic Belt and Maritime Silk Road. Connectivity covers five major areas of interest: Policy coordination, infrastructure construction (including railways and highways), unimpeded trade, financial integration and people-to-people ties. Among these, infrastructure construction is the dominant feature of the New Silk Road.

2. Hong Kong 'keen on investment'

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

Investors from Hong Kong aim to plough money into more than 100 projects in Thailand, notably in the government's ambitious Eastern Economic Corridor (EEC), says the Hong Kong Trade Development Council (HKTDC). Chairman Vincent Lo, who led a delegation of investors from Hong Kong and Shanghai to a seminar on Monday entitled "Thailand-Hong Kong-Shanghai Strategic Partnership on One Belt, One Road", said that investors from the former have been conducting feasibility studies on more than 100 projects in Thailand. The projects focus largely on infrastructure development in the EEC, including high-speed ports and property development. Investors from Hong Kong are also interested in using Thailand as a manufacturing base and point of connectivity for tourism, Mr Lo said. We are confident in skilled Thai labour and we hope that economic cooperation will tighten, especially in the EEC," he said.

3. Big retailers, manufacturers to clear up price hikes

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

The Commerce Ministry is scheduled to hold a meeting with consumer goods makers and big retailers today to discuss the product price structure and clarify indirect price hikes alleged by consumers. Deputy Commerce Minister Sontirat Sontijirawong said the Internal Trade Department has been tasked with holding the joint meeting after consumers complained about being charged the same prices for products that are smaller in size or volume. The consumer goods companies and retailers include Saha Group, Unilever Thai Trading Ltd, Colgate-Palmolive Thailand, Procter & Gamble Trading Thailand, Big C Supercenter, Home Product Center Plc (the operator of HomePro stores) and Ek-chai Distribution System (the operator of Tesco Lotus hypermarkets). Mr Sontirat said preliminary inspections had found that certain brands of shower gel and liquid detergents have seen size and volume cuts while being sold at the same prices. "But in talks so far, manufacturers have said their prices remain in the range which was previously communicated to the ministry," he said. More importantly, those products are just on the Commerce Ministry's watch list, not the price control list. The price control list covers essential items for daily use such as food, consumer goods, farm-related products, paper, petroleum and medicine. Consumer goods include detergent, sanitary napkins and toilet paper.

4. Asia-Pacific tops in March traffic growth

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

Asia-Pacific showed the strongest growth in passenger traffic in March compared with all other regions, fuelled by a rise in intra-Asia and Asia-Europe route volumes. Asia-Pacific demand, measured in revenue passenger kilometres, in March jumped 10.7% year-on-year, according to figures from the International Air Transport Association (IATA). That growth was above the global average of 6.8% recorded for the month. Latin America was the second best performer with 7.8% growth in March, followed by Europe (6%), Africa (4.9%), the Middle East 4.7%) and North America (3.2%). March's global demand growth represented a moderate slowdown relative to February's performance after adjusting for the distortion in year-to-year comparisons owing to the extra day in February 2016, said IATA analysts...Domestic passenger demand rose 7.6% in March, driven primarily by double-digit traffic increases in China, India and Russia, supported by strong single-digit growth in Japan.

5. Four fintech firms apply for sandbox

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

Four more financial technology (fintech) firms are in line to seek approval to experiment with their innovative products and services in the Bank of Thailand's regulatory sandbox after recently winning the policymaker's nod, says a central bank senior official. "We [the Bank of Thailand] have four applications that have requested permission to conduct tests in the sandbox," said Siritida Panomwon Na Ayudhya, assistant governor of the central bank's payment systems policy and financial technology group. "The central bank is in the process of reviewing their applications and expects to reach a conclusion within one month." These four fintech companies and financial institutions plan to offer financial services using new technology such as QR code payments, distributed ledger or blockchain technology, biometrics and machine learning. The sandbox is a safe space where banks and non-bank players can test and conduct trials on new fintech products and services without the need to fully comply with the regulations, while ensuring consumers are not exposed to risks. Ms Siritida said that the length of the test, which is proposed by the operator, depends on the complexity of the technology but should be within one year.

6. Bangkok welcomes Macron win as nerves calmed over EU

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

Thailand has welcomed the victory of the pro-European centrist Emmanuel Macron in the French presidential election, banishing for now the spectre of another departure from the European Union and steadying the nerves of investors. Kobsak Pootrakool, Vice Minister for the Prime Minister's Office, yesterday said Macron's win over far-right candidate Marine Le Pen, who had vowed to hold a referendum on the country's EU membership, was good news for Thailand. The poll result would have a positive impact on the global economy in the second half of this year, Kobsak said. The European economy had bottomed out and would gradually recover, while the US economy has picked up, while only Japan and China would take more time to recover, he added. He said the Thai economy would benefit from an export recovery under way, estimating that overseas shipments would expand between 8 per cent and 9 per cent per month for the rest of this year. The Commerce Ministry forecasts export growth of 5 per cent this year. The Thai bourse is expected to rise this week in line with stock markets worldwide in reaction to the Macron victory, which removes the fear of a global economic jolt from a potential French exit from the EU, had

Le Pen been able to deliver on a referendum promise. However, concerns persist over expected capital flows out of emerging markets and over US trade policy with the protectionist sentiment in the Trump White House, according to a brokerage.

7. KPN eyes market for Chinese language

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

KPN Group is set to focus on Chinese-language education and training business to serve the growing influence of China's economy on Thailand. The plan is to open more Chinese-language centres and push for online courses and more on-site training activities. The group operates five different business units: property, energy, entertainment, investment and education. Boonyapat Suvanamas, managing director of KPN Chinese Academy Co, said China not only contributes one-third of foreign tourist arrivals and tourism revenue to Thailand, but it also plays an important role as a key business partner in the Thai economy. "Chinese people are expanding their businesses into Thailand, other Southeast Asian countries and beyond," he said. "This means huge opportunities to do business with them, and there is high demand from Thais to learn Chinese language and culture." The need to understand Chinese language and culture extends to the US, which grants residency to foreigners who invest at least US\$500,000 in the country to create jobs.