

Thai News Update: 13 June 2018

1. Rail Link To Tak Gets Nod From Cabinet

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

The cabinet accepted in principle June 12 a proposal to construct a double-track railway linking Tak and Nakhon Phanom as part of the transport routes under the East-West Economic Corridor. Speaking after a mobile cabinet meeting in Nakhon Sawan, government spokesman Lt Gen Sansern Kaewkamnerd said the proposed 902km railway development scheme would see Nakhon Sawan as a connecting point. Under the proposal, the double-track railway would connect Tak's Mae Sot district with Nakhon Phanom in the northeast via Kamphaeng Phet, Nakhon Sawan and Khon Kaen. The scheme was roughly divided into three sections -- a 250km stretch from Tak to Nakhon Sawan, a 291km length of line from Nakhon Sawan to Khon Kaen's Ban Phai district, and a 355km route to Nakhon Phanom. The double-track railway project was one of a number of proposals under review by the Prayut Chan-o-cha-led government which this week picked Nakhon Sawan to host the weekly cabinet meeting.

2. Thailand Climbs In Global Rankings For Cost Of Living

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

Cities in Thailand have risen in rankings for the cost of living, with Bangkok entering the global top 100 for the first time, according to a survey by ECA International, a provider of knowledge, information and software for the management firms. Elsewhere in the region, Singapore is now the 20th most expensive location in the world, as Hong Kong drops from second to 11th in the Cost of Living global rankings. Tokyo is the most expensive Asian city on the global list in seventh place. Alongside rising trend for Thai cities, Malaysian cities have also moved up the index. Commenting on Thailand's and Malaysia's rise in the rankings, Lee Quane, regional director Asia, ECA International, said that once again prices increased at a relatively low rate, in both countries. In the case of Malaysia, especially in Kuala Lumpur, this shows that the inflationary impact of the imposition of a goods and services tax seems to have been brought under control. "Rather, it is the relative appreciation of each country's currency that saw Bangkok and Kuala Lumpur rise in our rankings to 99 and 182 respectively," Quane said.

3. TPIPP Seeks New Assets And Licences

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

SET-listed TPI Polene Power Plc (TPIPP), a waste-to-energy power plant operator with the largest capacity in the Thai segment, plans to acquire new assets this year after licences for eight power plants are all operational. Pakkapol Leopairut, executive vice-president for accounting and finance, said the company has been approached to acquire new assets, particularly a refuse-derived fuel (RDF) power plant, either to take on new licences or make a green field investment. TPIPP is conducting due diligence on several acquisition deals, which are expected to be closed this year. Mr Pakkapol said most power plant operators lack liquidity, while some of them need RDF expertise, and TPIPP can offer know-how in this segment. Energy policymakers and the Interior Ministry granted licences for waste-to-energy development to several dozen firms for a combined capacity of 505 megawatts over the last three years, but only 265MW was developed. The Interior Ministry recently increased the quota for waste-to-energy licences by another 300MW, raising concerns about environmental management policy. Mr Pakkapol said TPIPP aims to receive licences from existing holders as well as new developments. The firm has four projects in the pipeline. Two are RDF and waste-heat power plants with combined capacity of 100MW, which began operating in April.

4. Govt Spending Comes In At Slower Pace For First 8 Months

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

Government spending in the first eight months of the fiscal year came to only 64.4 per cent of the total investment budget of Bt2.9 trillion. Up to 71.8 per cent of spending was for regular expenses, with the remaining 37.1 per cent for investment, a source from the Finance Ministry said. “We are spending the investment budget at a lower rate than our estimates, which is for us to spend the investment budget at up to 87 per cent of the total investment budget for the year,” the source said. Currently, state agencies have signed contracts that come to 63.9 per cent of the total investment budget for this fiscal year. Most of them expect to spend the remaining allocation in the rest of this year, the source said. Meanwhile, the state own agencies have continued to expand their investment in line with their targets, such as for the National Housing Authority of Thailand to spend its investment budget at a rate of 78.87 per cent of its total investment budget this year. The Tourism

Authority of Thailand has spent 67.7 per cent of its total investment budget for this fiscal year. The Mass Rapid Transit Authority of Thailand has spent 59.87 per cent of its total investment budget this year.

5. Election Boost Seen For Market

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

Most investment analysts are factoring in a general election before May next year, believing that if the oft-delayed poll went ahead it could help to support the earnings performance of companies listed on the Thai bourse, a survey has found. Sombat Narawutthichai, secretary-general of Securities Analysts Association, said that most of the securities analysts surveyed estimated the election would occur between March and May in 2019, with 63.64 per cent taking this more optimistic view. Some 24.24 per cent of those polled think the election would be pushed back beyond November 2019. The June survey of analysts on the investment outlook and investment direction for 2019 was conducted on 25 securities companies, six asset management companies, one investment advisory securities company and two gold futures companies. “The association has had special issues particularly concerning the election for analysts in this survey and this could reflect their views that it may be the main factor for Thai bourse in the future,” Sombat said. In the most recent shift by the government, it has said the election would happen in February 2019, or May at the latest.