

## Thai News Update: 13 November 2020

### **1. Foreign funds pile into Thailand as vaccine progress boosts tourism hopes**

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

Progress towards a coronavirus vaccine is fuelling optimism Thailand will soon reopen for mass tourism. Overseas investors are already piling into the country's financial markets. Inflows into Thai sovereign debt have climbed to the highest in 17 months in November, even though the month is less than half over. The baht has strengthened almost 3% since the end of October, making it the best-performing currency in Asia after the Indonesian rupiah. The new Bank of Thailand governor, Sethaput Suthiwart-Narueput, will host his first Monetary Policy Committee meeting next week, though he is unlikely to do much to deter foreign funds.

### **2. Thailand remains 43rd in IMD ranking**

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

Thailand remained 43rd out of 63 economies in the talent competitiveness ranking by the Institute for Management Development (IMD), pressured by a decline in public expenditure on education and labour force growth. The pandemic weakened countries that base their overall competitiveness on the talent economy as a large part of this is attracting talent from abroad, said the IMD. Among this group are Singapore, Australia, the US and the UK, which have a long history of welcoming foreign students. "Talent across borders will play a key factor in the post-Covid economic recovery," said Christos Cabolis, chief economist at the IMD World Competitiveness Center (WCC).

### **3. Bangchak pours big bucks into overseas lithium mines to make batteries for cellphones, EVs**

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

Bangchak Corporation Plc has diverted 18.5 per cent of its investment budget to foreign lithium mines with the aim to make battery for electric vehicles (EVs) and mobile telephones, the company's president and chief executive officer, Chaiwat Kovavisarach, said. "The mines are now under construction in Argentina and Nevada, United States, while the factories to produce pure lithium should be finished by the year-end," he said. "The investment will give Bangchak the right to buy high-quality lithium at 6,000 tonne per year, which is enough to produce 3kW/hour batteries for 150,000 EVs, or batteries for 200 million mobile phones."

#### **4. BOT allows financial institutions to make dividend payments in line with overall economic stability, impact on stakeholders**

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

The Bank of Thailand's deputy governor Ronadol Numnonda said on 12 November that the central bank has come up with guidelines for 2020 dividend payments, which takes into account financial institutions' capital plans and stress test results for 2020-2022. He said results show that financial institutions have adequate levels of capital and loan-loss provisions to withstand the impact of Covid-19. Furthermore, financial institutions have enhanced their awareness and readiness to deal with uncertainty by continuously increasing their loan-loss provisions. According to data, the coverage ratio for non-performing loans (NPL) and bank for international settlements (BIS) ratio for the Thai banking system in the third quarter of this year are 150 per cent and 19.8 per cent respectively.

#### **5. BoI launches new promotion to woo EV manufacturers, ready to send Tesla a special invite**

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

At a meeting last week chaired by Prime Minister Prayut Chan-o-cha, the Board of Investment (BoI) agreed to a new round of investment promotion for electric vehicles (EV) in a bid to lure Chinese automakers as well as woo world-famous EV manufacturer Tesla with an eight-year corporate income tax exemption. The previous BoI plan (2017-2019) supported the manufacture of EV and hybrid EVs in the form of passenger cars, trucks and buses, while the new plan covers more vehicles, including motorbikes, motor tricycles and boats.

#### **6. Egat eyes power deal with Singapore to offset glut**

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

The move follows the success of a Laos-Thailand-Malaysia deal, in which Thailand buys electricity from hydroelectric power plants in Laos and sells it to Malaysia through transmission lines operated by the state-run Electricity Generating Authority of Thailand (Egat). The plans will be discussed for approval by regional policymakers through teleconference, hosted by Vietnam, next week as part of this year's Asean Sustainable Energy Week. At the meeting in Bangkok last year Asean energy ministers agreed that Egat could sell 300 megawatts to Malaysia. The deal with Singapore would see Thailand sell 100MW to the city-state.