

Thai News Update: 15 January 2018

1. Asia Named as Growth Catalyst

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

Asia-Pacific will drive demand for air travel over the next two decades, according to the 2018 Air Travel Outlook Report produced by Expedia in collaboration with the Airlines Reporting Corporation (ARC). China is expected to displace the US as the world's largest aviation market by 2022, while India will overtake Britain, currently ranked fifth, by 2025, with Indonesia catching up by 2030. Thailand is anticipated to enter the world's top largest aviation markets during the forecast period. Most of Asia's busiest airports are concentrated in northern Asia, with the exception of Bangkok and Singapore in Southeast Asia. For economy travel, Bangkok, Hong Kong, Seoul, Singapore and Taipei emerged as the top five hubs in Asia, with a majority of passengers originating from airports within the region.

2. Committee Urges Govt to Boost Energy Competition

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

The export of petrochemical products is one of the top income earners for the country. The national reform committee for energy has proposed to the government that it hurry to finish the plan for the fourth phase of petrochemical development within two years in order to raise industry competitiveness, said committee chairman Pornchai Rujiprapa. The request is part of the committee's proposal for reform of the petroleum and petrochemical industry. Another proposal is that the government give a tax break to the petrochemical industry that matches that given new investment in the Eastern Economic Corridor (EEC). Pornchai added that in the long run the government should seek new locations for the expansion of petrochemical business in order to distribute income to other regions. Some areas in the South could be suitable for developing the complex, he said. The development of the petrochemical industry over the past 30 years attracted massive foreign investment to Thailand, representing around Bt1 trillion in accumulated investment.

3. E-Wallets and the Need for Speed

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

As in many markets around the globe, retailers and restaurant chains in Thailand are facing a rapidly changing business landscape. Technology has altered consumer behaviour, making people less patient and more open to online shopping and dining. E-payment at retail stores is picking up after the Bank of Thailand recently allowed seven banks to provide QR code payment service commercially. In November 2017, QR code payment was made available, including mPay and BluePay, while Alipay and TrueMoney Wallet will be made available this quarter. The company aims to drive the proportion of cashless payment to 50% of the total by year-end. Shell Company of Thailand is furthering the government's national e-payment strategy by joining with Siam Commercial Bank (SCB) to provide cashless payment services at petrol stations, convenience stores and coffee shops.

4. Large Banks Embrace Debt Fund-Raising

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

Large banks have raised local and foreign currency debentures to lock in cheap costs and increase liquidity in anticipation of higher loan demand, which they expect to be driven by Thailand's positive economic momentum. Kasikornbank (KBank) offered dollar-denominated senior 5½-year unsecured notes worth US\$400 million (12.8 billion baht) last week through its Hong Kong branch. KBank president Predee Daochai said the bank prepared a dollar-denominated reserve to respond to customer demand for foreign currency loans, which will be used, among other things, for trade finance, in line with the country's strong export growth and robust economic outlook. The Bank of Thailand expects the country's GDP to grow by 3.9% in 2018, with merchandise shipments rising 4%.

5. EEC to align with One Belt, One Road

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

The government plans to talk about speeding up future investment in its flagship Eastern Economic Corridor (EEC) project in line with China's One Belt, One Road initiative, says Industry Minister Uttama Savanayana. Mr Uttama said the government wants to push the EEC as a support valve for

China's scheme. “We believe both schemes offer much potential for China and Thailand, with the EEC set to act as a bridge to attract Chinese investors in the near future,” he said. Mr Uttama said the ministry is confident that the implementation of the EEC Act will begin this January, helping to ensure investors that the government has a clear-cut roadmap for development. The government wants to propel the country's economy towards Industry 4.0, which aims to upgrade the industrial sector through the use of high technology.

6. China to Keep Buying Rubber

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

China has pledged to buy more rubber and rice from Thailand this year, while Thailand wants China to speed up inspecting production of Thai-made red edible bird's nests and rice. Thailand also asked China to rev up certifying geographical identification (GI) registration applications for three Thai indigenous products: Thung Kula Rong Hai jasmine rice, Siam ruby grapefruit from the Pak Phanang district of Nakhon Sri Thammarat, and sweet tamarind from Phetchabun. The Commerce Ministry signed a deal to sell 1 million tonnes of rice to the China National Cereals, Oils and Foodstuffs Corporation, a Chinese state-owned food conglomerate. The Rubber Authority of Thailand signed a deal to sell 200,000 Thailand, tonnes of rubber to Sinochem, a conglomerate representing the Chinese government. China is currently Thailand's No.1 trading partner, with two-way trade between China and Thailand totalling US\$65.8 billion (2.1 trillion baht) in 2016.

7. Rise Seeks to Elevate Startups

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

Bangkok-based corporate innovation accelerator Rise says it will boost Thailand's GDP by 1% in the next two years by collaborating with corporate giants to promote innovation and attract more Asean startups to the country. “To build a successful startup community in Thailand, we need to connect and collaborate with corporations in order to understand their business challenges and access their customers,” said Supachai Parchariyanon, founder of Rise. Rise's activities focus on accelerating innovation by cooperating with the top 10 leading enterprises in Thailand and managing a training and mentoring academy. Rise has strong partnerships with giant companies in FinTech, construction and energy that can be lodestones for startups in ASEAN.