

## Thai News Update: 15 January 2020

### **1. Cabinet allows greater imports of potatoes, onions from Australia, New Zealand under trade pacts**

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

The Cabinet has approved regulations for the import of onions and potatoes as well as their seeds from Australia and New Zealand on a free-trade basis, Government Deputy Spokeswoman Ratchada Thanadirek said on January 14. “In 2005, Thailand signed the Thailand-Australia Free Trade Agreement [TAFTA] and the Thailand-New Zealand Closer Economic Partnership Agreement [TNZEP], which erected tariff barriers on certain agricultural produce in order to protect domestic products,” she said. “The agreements will, however, gradually lower the tariff and limits over the years until fully free trade conditions are achieved, meaning unlimited quantities of the products can be imported free of tariff.”

### **2. Additional measure to help SMEs**

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

The Finance Ministry will introduce an additional measure to help small and medium-sized enterprises (SMEs). Minister Uttama Savanayana said the Fiscal Policy Office, the Bank of Thailand and the Board of Investment will jointly draw up the measure. The state agencies under the ministry earlier launched measures to enable SMEs to gain easier access to low-interest loans. On January 13, Deputy Prime Minister Somkid Jatusripitak instructed the BOI to consider launching more measures to boost competitiveness and cut operating costs.

### **3. Baht's moves dodge US watch list**

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

Thailand again managed to avoid placement on the US watch list for currency manipulation, while the Bank of Thailand affirmed that steps have been taken to curb the baht's gain with an almost US\$80-billion increase in foreign reserves over the past five years. According to the US Treasury Department's report to Congress on "Macroeconomic and Foreign Exchange Policies of Major Trading Partners", Thailand met only one of the department's three criteria for identifying

manipulation. Thailand had a current account surplus of 5.3% of GDP last year, exceeding the 2% set in the criteria, the department said. Although Thailand had a net purchase position of the US dollar to control the baht's strength in six of the 12 months in 2019, the net purchase was only 1.5% of GDP.

#### **4. Japan firms in Thailand plan average 4% wage hike**

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

Japanese firms operating in Thailand are planning to offer an average 4% wage hike this year, down 0.2 percentage point from the previous year's actual rate, an annual NNA survey showed. Of 477 respondents, 381, or 79.9%, said they plan to raise salaries. Planned bonuses averaged 2.9 months' worth of salary, according to the survey conducted from August to September. Planned pay increases averaged 3.1% in the logistics sector, down 0.5 point from the previous year's actual rate, while the figure stood at 3.9% for the automotive industry, down 0.4 point. The highest pay rise plan was reported in the financial sector at 4.7%, up 0.1 point, followed by 4.3% each in the food, trade, service, and wholesale and retail sectors representing a 0.4 point increase in the wholesale and retail sector, and a 0.2 to 0.4 point decline in the other three sectors.

#### **5. Thailand avoids US 'currency manipulator' tag**

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

Thailand was not included on the latest watch list of "currency manipulators" issued by the US Treasury. In its semi-annual report released in Washington, the Treasury cited 10 countries that are possibly using their exchange rates to gain an export advantage over the US. Three of them -- Singapore, Malaysia, and Vietnam -- were from Southeast Asia and retained on the list from May 2019, as expected. Thailand's goods trade surplus with the US soared past the critical \$20 billion mark in the 12 months through November, according to US Census Bureau data, while its current account surplus exceeds 2% of GDP. However, the currency's almost 9% surge against the dollar last year, the best performer in Asia, means "no one should consider Thailand as one that has tried to manipulate" its exchange rate to gain an export advantage, the nation's central bank governor said in an interview last week.

## **6. Thailand approves merger of state-owned telecoms firms**

**Source: Reuters ([Link](#))**

Thailand on 14 January approved the merger of two state-run telecommunication companies, CAT Telecom and TOT, into the National Telecom company (NT), which will compete with private operators in the upcoming spectrum auctions, a senior government official said. The National Telecom company will help promote the government's policy in digital infrastructure and provide services to the public, government spokeswoman, Narumon Pinyosinwat told reporters, adding that the merger should be completed in six months. The Digital Economy and Society Ministry will oversee the newly formed company, she added. The merged entity will participate in the upcoming 5G spectrum auctions on the 700 megahertz (MHz), 800 Mhz, 2600 Mhz and the 26 gigahertz frequency bands on Feb. 16, held by the National Broadcasting Telecommunication Commission (NBTC), she said.

## **7. Tourism Council of Thailand forecasts year over year tourism increase by 2.1 for this quarter**

**Source: The Pattaya News ([Link](#))**

The Tourism Council of Thailand forecasts 11.02 million international arrivals in the first quarter of 2020, up 2.1% year-on-year. Chairat Trirattanajarasporn, president of the Tourism Council of Thailand (TCT), said the tourism sector will benefit from the high season, the government's visa-on-arrival fee waivers through April 31 and several holidays and celebrations, including New Year, Chinese New Year, Valentine's Day and Makha Bucha Day. The TCT polled 600 local operators and found them hopeful for a better scenario when compared with 2019's fourth quarter, which saw many challenges globally. Local operators are concerned about slower economic growth resulting from the US-China trade war and the US decision to remove the Generalized System of Preferences for Thailand.