

Thai News Update: 19 December 2019

1. BoI upgrades EEC perks to garner HR outlays

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

The Board of Investment (BoI) agreed on 18 December to upgrade investment privileges for projects in the government's flagship Eastern Economic Corridor (EEC) to make them more enticing and promote human resource development. Duangjai Aswachintachit, secretary-general of the BoI, said the upgraded version extends privileges to cover investment projects located outside the EEC's industrial estates and promotion zones. The privileges also cover investment in target technology development categories such as biotechnology, nanotechnology, advanced materials and digital, as well as electronic design, R&D and scientific testing services.

2. BoT slashes GDP view on export woes

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

The Bank of Thailand left the policy rate unchanged at a record low but offered a grim outlook by cutting forecasts for economic growth to 2.5% for this year and 2.8% the next as the US-China trade spat continues to hurt exports. The economy expanded below its potential as merchandise exports contracted more than previously assessed and were projected to recover more slowly than expected, said Titanun Mallikamas, secretary of the Monetary Policy Committee (MPC). Thailand's economic growth was estimated in September to expand by 2.8% this year and 3.3% in 2020. The downgrade for 2019 is below the National Economic and Social Development Council's 2.6% projection.

3. FM Don backs push for multilateralism

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

Thailand has joined the 52 other members of the Asia-Europe Meeting (Asem) in stressing the need to revitalise multilateralism amid ongoing challenges to the world order. The 14th Asem Foreign Ministers' Meeting held in Madrid on Sunday and Monday ended with a chairman's statement. "Ministers underlined the value of Asem as a building block for strong and effective multilateralism and the rules-based international order, anchored in international law with the

UN at its core," it read. Ministers also reaffirmed the need to uphold, strengthen and reform the rules-based multilateral trading system with the WTO at its core. Asem ministers also underlined the importance of denuclearisation and peace-building on the Korean Peninsula, as well as the repatriation and protection of people displaced from Rakhine state in Myanmar.

4. Ministry taps state banks to boost rural economy

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

The Finance Ministry plans to prioritise strengthening the rural economy and accelerate infrastructure investments in 2020 as a means to cushion against external headwinds. The Finance Ministry will use state-owned banks, including Krungthai Bank (KTB), Government Savings Bank, GH Bank and the Small and Medium Enterprise Development (SME D) Bank, to boost the rural economy, said Finance Minister Uttama Savanayana. Under the rural economy strategy, the ministry plans to enhance the farming sector to collaborate with community enterprises, Mr Uttama said. If the external economy remains uncertain, the domestic economy will buffer the country through the economic downturn, he said.

5. FTAs make Thailand world's 6th biggest exporter of fruits: Thai Commerce Ministry

Source: Xinhua Net ([Link](#))

The Thai Ministry of Commerce on 18 December said in a media brief that Free Trade Agreements (FTAs) that Thailand has signed with others countries have made the country the world's 6th biggest exporter of fruits. Despite the reduction in global fruit exports, Thai fruit exports were growing steadily as current consumers expressed interests in healthy nutrition. furthermore, FTAs offer tariff reduction, said Auramon Supthaweethum, director general of Thailand's Department of Trade Negotiations. Thailand's FTAs with China, Australia, New Zealand, Chile, Peru and China's Hong Kong have led to zero tax on Thai frozen fruits, said Auramon. "However, other FTA partners including Japan have either waived or reduced tariffs on most Thai fruit products."

6. Foreigners record higher transfer of condo units

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

Despite the stronger baht, foreigners recorded a higher transfer of condo units nationwide in the first nine months this year. Vichai Viratkapan, acting director-general of the Real Estate

Information Center (REIC), said a year-on-year rise of 1.8% in condo transfers among foreign buyers during January to September suggested foreign buyers rarely dumped units they booked at transfer time. "Most of these condos were booked as off-plan units more than one year ago," Mr Vichai said. "Buyers accepted the unit transfers even though the baht strengthened against the yuan." But there could be a drop in condo transfers among foreigners from the fourth quarter to next year, he said, as the baht remains strong and the world economy is in a rut.

7. Export-Import Bank of Thailand launches New Year schemes to help SMEs

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

In making the announcement, the bank's president Pisit Serewiwattana noted that the 2019 global economic and trade expansion at 10-year low rates of 3.0 per cent and 1.1 per cent respectively and the prevailing low inflation and interest rates have dampened Thailand's international trade. Coupled with the rising number of global players from new frontier markets who have been able to build up their own production bases, the increasing number of workers-turned-entrepreneurs and the greater role of online trade, exporters now have to bear higher costs in addition to those incurred on improvement of product and service quality to meet international standards that involve increasing rules and regulations, while also aiming to boost their competitiveness amid the intensifying risks from global economic and political uncertainties.

8. Four projects granted BoI tax privileges

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

The Board of Investment (BoI) has approved tax incentives for four projects worth Bt30.170 billion, BoI secretary-general Duangjai Asawachintachit has said. One of them is an ethanol production plant in Nakhon Sawan province worth Bt7.8 billion. The project is in line with the government's policy of promoting a bio-economy. Another one is the production of radial tyres for cars worth Bt11.018 billion. The project is situated in the Laem Chabang Industrial Estate in Chonburi. It will use local natural latex of around 17,006 tonnes per year. Another one is the extract of some ores such as copper, nickel and tin from the waste of printed circuit boards for reuse.