

Thai News Update: 20-21 March 2018

1. HM the King Marks Bicentennial Thai-US Ties

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

His Majesty King Maha Vajiralongkorn presided over the opening of an exhibition hosted by the US government on March 20 at Queen Sirikit Textile Museum, which features nearly 80 gifts exchanged between the country's heads of state and delegations over the past two centuries of bilateral relations. The exhibition features royal gifts from Their Majesties King Bhumibol Adulyadej and Queen Sirikit, King Prajadhipok, King Chulalongkorn, and King Mongkut to and from respective American presidents. Most of these gifts have never been seen by the public, and many will be displayed in Thailand for the first time. At the exhibition US Ambassador to Thailand Ambassador Glyn Davies showed HM the King the gifts which are on loan from the Smithsonian Institution, US National Archives, presidential libraries, Library of Congress, King Prajadhipok's Institute, the National Museum Bangkok, the Thai Department of Fine Arts and Thai Film Archive

2. FBA Upgrades under Review

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

Plans to amend the Foreign Business Act (FBA) of 1999 have resurfaced after three years of silence, with the Business Development Department vowing March 20 to improve the law, particularly with regard to a new definition of "foreigner" to tackle the nominee problem. Kulanee Issadisai, the department's director-general, said the amendment aims to bring the FBA in line with changing economic conditions and strike a balance between protecting Thai investors and promoting foreign investment. The current FBA limits foreign share-holding to 49% of a business and has three lists of work for which foreign participation may be prohibited or restricted. Activities in List 1 are designated as "businesses not permitted for foreigners to operate due to special reasons". Foreign companies are completely restricted from engaging in these activities. Activities in List 2 are designated as "businesses related to national safety or security, or affecting arts and culture, traditional and folk handicraft, or natural resources and environment". Activities in List 3 are designated as "businesses in which Thai nationals are not yet ready to

compete with foreigners”. Foreign companies must apply for and obtain a foreign business licence before taking part in these activities...

3. Exponential Technology Seen as Driver of Thai Growth

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

Exponential technology will play the leading role in driving Thailand’s economic growth in the next decade due to the advent of 5G telecom, cheap human genome sequencing, solar energy, cellular agriculture, among others, according to private sector executives. Natthaphol Vimolchalao, ambassador of the SingularityU Bangkok Chapter, said at an event to announce Southeast Asia’s first SingularityU Summit to be held in Bangkok during June 19-20 that the aim is to inspire changes by exposing new questions about the impact of innovation on productivity, talent, industries, and public policy. According to Natthaphol, the upcoming 5G (fifth generation) telecom technology will likely facilitate exponential economic growth rates in Thailand, while the low-cost genomic sequencing when combined with artificial intelligence (AI) software can deliver predictive medical diagnosis.

4. Exports Grow, Industries’ Confidence Drops

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

Exports rose 10% year-on-year in February, but the industries' sentiment index fell for the first time in four months on concerns about costs. The Commerce Ministry said on March 20 that exports were valued at US\$20.36 billion in February, up 10.3% year- on-year. Exports in the first two months of 2018 rose 13.8% to \$40.47 billion. Thailand posted a trade surplus of \$807 million last month and \$688.5 million in the first two months of this year. However, despite export figures, Chen Namchaisiri, chairman of the Federation of Thai Industries, said the Thai Industries Sentiment Index was down for the first time in four months in February, to 89.9 from 91.0, in January on the cost of raw materials and labour. Exports of natural rubber, sugar and seafood declined slightly. Industrial exports grew for the 12th consecutive month on automobiles and parts, computers and parts, and internal combustion engines and parts.

5. Green Light to Mekong Links

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

GREATER Mekong Subregion (GMS) countries have reached a deal on the implementation of a cross-border transport facilitation agreement (CBTA). Transport ministers from six GMS countries - Vietnam, Cambodia, Laos and Myanmar, as well as Thailand and China - on Thursday signed a memorandum of understanding (MoU) on the “Early Harvest” Implementation of the CBTA. This will allow the effective launch of GMS road transport permits and temporary admission documents for commercial vehicles, starting on June 1. The news was released at the sixth meeting of the joint committee for the CBTA, co-hosted by the Ministry of Transport of Vietnam and the Asia Development Bank (ADB), which concluded in Hanoi. The Early Harvest Implementation of the CBTA includes simplified procedures, such as simplified, standardised, temporary admission documents for vehicles; the waiver of guarantees for vehicles and containers; and the waiver of temporary admission documents for containers. “The signing of this MoU is very important, contributing to facilitating the travel of people and enterprises in GMS countries and contributing to the development of trade between countries,” said Minister of Transport Nguyen Van The.

6. Thai Vote Clarity Would Bring Back Foreign Investors, CIMB Says

Source: Bloomberg ([Link](#))

A firm date for the return of democracy in Thailand would help bring foreign investors back to its stock market, CIMB Securities (Thailand) Co. said, after the bourse suffered the largest net outflow this year in Asia excluding Japan. Clarity in the timeline for a vote should help to ease concern over political risk, said Kasem Prunratanamala, head of research at CIMB Securities in Bangkok. A stronger economic recovery and stable monetary policy are poised to support the benchmark SET index, he added. Election uncertainty undermines foreign interest in Thai equities but "overseas investors probably don't have many Thai stocks left to sell," said Kasem. Foreign funds have pulled out a net \$1.7 billion from the Thai stock market this year, while pumping \$3 billion into bonds in part to take advantage of a surge in the baht. The military government headed by Prime Minister Prayuth Chan-Ocha has repeatedly pushed back the timeline for a vote since taking

power in a coup in 2014 after a prolonged period of unrest. The latest schedule for a poll by February next year remains tentative because of wrangling over necessary election laws.

7. Cargill Welcomes Thailand 4.0, Reaffirms Commitment

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

Addressing the Thailand Board of Investment, Cargill expressed its strong support of the Thai government's "Thailand 4.0" economic model. Cargill also affirmed its strong commitment to continue investing in the Thai economy and contributing to the development of the country's agriculture sector. Over the past 50 years, Cargill has invested US\$1 billion to establish a strong agriculture business in Thailand that March 20 employs more than 17,000 people in 14 locations and offers vast business opportunities to farmers. Cargill Asia-Pacific chairman Alan Willits, speaking at the Board of Investment seminar, said, "Thailand is an important growth market for Cargill. We are confident that Thailand 4.0 will further advance the country's economic prospects and business opportunities.