

Thai News Update: 21 August 2019

1. Finance ministry cuts 2019 GDP growth forecast to 3%

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

Thailand's finance ministry has cut its 2019 economic growth forecast to 3.0% from the 3.8% it projected in April, due to falling exports. The ministry also said it changed its 2019 estimate for exports, a key driver of growth, to a fall of 0.9% instead of a 3.4% rise. However, the economy will be helped by a \$10 billion stimulus package approved by the cabinet on 20 August, it said. The outlook downgrade came a day after Thailand reported second-quarter growth of 2.3%, the weakest annual pace in nearly five years.

2. Robust baht, travel trends rattle Thai tourism market

Source: CNA ([Link](#))

A strong Thai baht and a slowdown in arrivals from China are battering the kingdom's moneymaking tourism machine even as the country hopes to welcome a record 40 million visitors by the end of the year. Most travellers to Thailand are from China and other countries in the region, but millions also come from Europe and the US and currency conversion rates impact decisions when budgeting for trips. Last week Thailand proposed a US\$10 billion economic stimulus package that included spending money to boost domestic tourism and visa-free proposals for Chinese as well as Indian travellers, whom travel operators are hoping to court.

3. BoT sees small stimulus impact

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

The Bank of Thailand's initial estimation has the government's new economic measures contributing less than half a percentage point of economic growth. The planned stimulus is worth 316 billion baht and focuses on cash giveaways, but the economic bump will not be significant, said Don Nakornthab, senior director of the economic and policy department at the central bank. The Finance Ministry has forecast the new stimulus package to provide a boost of 0.5 percentage

points for the economy in 2019. Kobsak Pootrakool, deputy secretary-general for political affairs to Prime Minister Prayut Chan-o-cha, expects the stimulus to boost growth by at least 0.3 percentage points.

4. Cabinet blocks visa plan

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

The cabinet on 20 August shot down the Tourism and Sports Ministry's visa waiver proposal for Chinese and Indian visitors but agreed to extend the waiver of visa-on-arrival fees for tourists from 18 countries for another six months. Speaking after a cabinet meeting which approved a 316-billion-baht economic stimulus package covering subsidies for the poor, domestic tour incentives and soft loans for farmers, Prime Minister Prayut Chan-o-cha said the cabinet did not take up the visa waiver proposal for consideration due to concerns raised by several agencies.

5. PM to keep e-cigs illegal

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

Prime Minister Prayut Chan-o-cha has vowed to retain Thailand's ban on e-cigarettes, insisting the new government will not yield to lobbying from an interest group that has been working hard to lift the prohibition. "Someone wants these black-market products, which have a substantial value, to be legalised," Gen Prayut said, responding to questions from reporters on 20 August. "But in making decisions on this matter, the government cannot simply consider the economic impact," the prime minister said. "E-cigarettes will also impact people's health and place an extra burden on the country's health-care budget," he added.

6. Chinese Taipei, Thailand sign seven MOUs on industrial cooperation

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

Taiwan's Chinese National Federation of Industries signed seven memorandums of understanding (MOU) with the Federation of Thai Industries (FTI) in Bangkok on 20 August to create new opportunities for cooperation across various industries. At the annual Thailand-Taiwan Industrial Collaboration Summit, Taiwan Vice Economics Minister Lin Chuan-neng said the MOUs will increase the willingness of Taiwanese businesses to work with Thai companies in the food, textile, machinery, unmanned aerial vehicle and "smart city" sectors. According to the

vice minister, the MOUs could give Taiwan and Thailand a big advantage and help the two countries get more orders amid the ongoing trade war between the U.S. and China.