

Thai News Update: 24 October 2019

1. FTA with EU likely to increase Thailand's GDP by 1.7 percent

Source: Vietnam Plus ([Link](#))

A free trade agreement (FTA) with the European Union (EU) would boost Thailand's exports and gross domestic product (GDP), according to a study conducted by the Institute of Future Studies for Development (IFD). According to the study, which was announced on October 22, the EU-Thailand FTA is estimated to increase the Southeast Asian country's GDP by 1.7 percent or 250 billion baht a year, and exports by 10-14 percent a year. IFD Director Taweechai Charoensedtasin said Thai products expected to reap benefits from the pact include automobiles and parts, garments, electronics, chemicals, rubber, plastic, food and processed food products, machinery and parts, construction and leather products. Meanwhile, Thailand's products likely to be affected by the FTA would be dairy, sugar, tobacco and alcoholic drinks, he said.

2. Thai government extends visa on arrival fee waiver until the end of April 2020

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

The government will extend the waiving of visa-on-arrival fees for another six months to boost the number of foreign tourists to the Kingdom. Deputy government spokesperson Traisulee Traisoranakul, said the Cabinet approved a six-month extension to the exemption until the end of April next year. The visa fee waiver has been implemented since November last year and was due to expire by the end of this month.

3. Panel starts scrutiny of CP's airport plans

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

An assessment of a technical plan submitted by a CP-led consortium vying for the Eastern Airport City Project contract will begin on , according to the Eastern Economic Corridor (EEC) Office. The committee overseeing the project at U-Tapao airport will rate the plan which must receive a score of 80% or above to pass the assessment, said Kanit Sangsubhan, the EEC Office's secretary-general. He said the assessment is expected to be wrapped up before the end of the month. The committee was ordered by the Supreme Administrative Court to look at the CP-led

consortium's technical and financial proposals for the project. However, the technical plan must pass the assessment before the committee can move on to consider the consortium's financial plans.

4. Tourism Council of Thailand cites Thai baht as biggest challenge to tourism

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

The strong Thai baht is proving to be the biggest obstacle in trying to lure tourists, according to The Tourism Council of Thailand who have had to lower its projection of over 40 million foreign visitors this year down to 39.7 million. The president of the council says the surging baht is the main reason for the decline. “It’s frightening to see the baht so close to 30 to a dollar. It’s the key reason for arrivals and receipts growth being lower than expected.” The country’s significant current account surplus is being blamed for the strengthening of the currency and Somchai Amorntum from Krungthai Asset Management (KTAM) says that although the surplus is less than it was last year, it could still strengthen the baht, albeit at a slower rate.

5. Thailand likely to miss this year’s rice export target

Source: Vietnam Plus ([Link](#))

Thailand’s rice exports are forecast at 8 – 8.1 million tonnes in 2019, compared to the target of 9 million tonnes. Honorary President of the Thai Rice Exporters Association Chookiat Ophaswongse said that the projection is 3.5 million tonnes lower than last year’s export volume. He said many local exporters have suffered losses due to the strong baht but have nonetheless continued to trade to safeguard their market share. Rice exports during the first nine months totalled 5.9 million tonnes. Earlier, the association revised its target for annual exports down to 9 million tonnes from 9.5 million tonnes. In 2018, Thailand shipped 11.09 million tonnes of rice abroad, down from the 11.67 million tonnes in the previous year, but the export value still rose 8.3 percent to 5.61 billion USD.

6. Thailand’s Exports Record Negative Growth for September

Source: Chiangrai Times ([Link](#))

Thailand’s exports sector performance in September 2019 recorded at a negative 1.39 percent. The Trade Policy and Strategy Office said the bad performance was due to global economic slowdown. Director General Pimchanok Vonkorpon said that the sector generated 20.48 million

US dollars in revenue. Which has said was consequently lower than expected. Figure in the remaining months this year to need be higher than 21 million USD to prevent annual growth to be in negative territory this year. Despite the figure, export markets have improved for key industries such as; motor vehicles and parts, electrical circuits; and air conditioners previously affected by the trade war but now showing growth. As a result of better adjustment by business operators.

7. Out of 37 countries, Thailand has the worst pension system, says Bloomberg

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

Bloomberg published an article on the world's best pension systems, using information gathered from the 2019 Melbourne Mercer Global Pensions Index. The survey looked at the pension systems of 37 countries with metrics including employee rights, savings, the number of homeowners, growth of assets, and growth of the economy. The purpose of the analysis was to determine what was needed to improve state pension systems and to gauge the level of confidence citizens had in their state pension system. Thai Residents states that only those employed within the government system in Thailand are eligible for a pension based on salary. For most Thai citizens, pension amounts vary from 600 baht to 1,000 baht a month, depending on the recipient's age.