

## Thai News Update: 26 March 2018

### **1. Uber Exits SE Asia in New Retreat from Global Markets**

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

Uber sold its Southeast Asian business to rival Grab on March 26, ending a bruising battle between the ride-hailing behemoths and marking the US firm's latest retreat from international markets. Singapore-based Grab is taking over the ride-sharing and food delivery operations of Uber in the region, with the California-based company to receive a 27.5% stake in the business in return. The sale is Uber's latest withdrawal from a market where it had faced fierce competition, as new chief executive Dara Khosrowshahi seeks to stem huge losses and move past a series of scandals. After a fierce battle, Uber sold its China operations to rival Didi Chuxing in 2016 in return for a stake, and last year the US firm merged in Russia with the taxi-hailing app of internet giant Yandex. Grab, launched in 2012, has poured money into expanding its regional fleet and now has more than 2.1 million drivers in Singapore, Indonesia, the Philippines, Malaysia, Thailand, Vietnam, Myanmar and Cambodia.

### **2. Crossborder Trucking Traffic to Increase with Myanmar**

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

Thailand and Myanmar are expected by the end of this month to sign a memorandum of understanding for the Initial Implementation of a Cross-border Transport Agreement (IICBTA) to facilitate crucial improvements in logistics within the Greater Mekong Subregion (GMS). Within four months after the signing, 100 trucks each side would be allowed to cross the border back and forth in both directions between Myanmar's Mawlamyine and Thailand's Mukdahan along the east-west corridor, according to Aung Khin Myint, chairman of Myanmar International Freight Forwarders' Association. The MoU is a part of the Crossborder Transport Agreement ratified by six countries in the GMS – Cambodia, China, Laos, Myanmar, Thailand and Vietnam. Myanmar has not yet fully ratified annexes and protocols of the pact, making necessary the bilateral MoU with Thailand to facilitate the high demand for cross-border movements, Aung Khin Myint said. The country recently launched a national logistics masterplan with 167 projects to develop road networks and other facilities to bring Myanmar's logistics system up to international standard

and build strong connections to countries in the Mekong region, he said. “To link with the Asian Highway and GMS economic corridors, the surface condition and alignment of many roads in Myanmar needed an upgrade,” he said.

### **3. Durian-Fuelled Chinese Storm Stores**

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

Love it or hate it, Chinese visitors are driving Thailand's tourism sector, which accounts for about a fifth of the economy. Arrivals from China surged to a record 1.2 million in February. Their numbers are expected to top more than 10 million this year out of 38 million international tourists overall. Chinese tourists come to Thailand for a number of reasons, such as health checkups, buying condos and shopping. According to market researcher Nielsen, Thailand is the country where Chinese tourists spend the most money during overseas travel, with daily per-person spending of up to 7,023 baht. Somwalee Limrachtamorn, managing director of Nielsen Thailand, said capturing the hearts and wallets of Chinese tourists means understanding their specific wants and needs, their lifestyle, their behavior during travel (identifying the path to purchase) and how to appeal to them.

### **4. Thai Investors Buoyed by CLMV Investment Climate**

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

Following the strong economic growth in ASEAN, especially in CLMV countries (Cambodia, Laos, Vietnam, and Myanmar), Thai investors have expanded their regional investment by focusing on alternative energy, food and agriculture processing, tourism, and service business. According to a report by the Bank of Thailand, as of September 30, 2017 Thai investors showed outstanding direct investment worth US\$32.88 billion (about Bt1.05 trillion) in Asean countries – up 18.95 per cent from the same period last year. Up to 34 per cent of the total, or \$11.19 billion, was invested in Singapore, followed by Vietnam, Myanmar, and Indonesia. While Singapore led the countries attracting Thai investors last year, CLMV countries are expected to be the top five for Thai investors from this year until 2022. This follows the Thai government’s policy to encourage local investors to expand their investment in CLMV. Meanwhile, CLMV governments are also promoting their countries to foreign investors by offering additional incentives

## **5. Virtual War**

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

The battle lines have been drawn. On one side are the massed forces of the Indian government, represented by the Reserve Bank of India (RBI), tax authorities and other state agencies, along with public and private-sector banks. On the other side are the proponents of an ever-expanding number of decentralised, stateless virtual currencies. The first shots were fired in December when Finance Minister Arun Jaitley and then the RBI issued warnings to Indians trading in cryptocurrencies. The first shots were fired in December when Finance Minister Arun Jaitley and then the RBI issued warnings to Indians trading in cryptocurrencies.

## **6. Dubious Aid for Two Giants Draws Flak**

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

Public queries have bombarded the military-led government and the telecom regulator after their decision to take the inexplicably generous route of invoking Section 44 to ease the financial burdens of Advanced Info Service Plc (AIS) and True Move, the winners of the 4G licence auctions three years ago. The move is stirring widespread criticism, mainly because the two telecom giants' financial health does not appear to warrant such debt relief. Unlike the plan to assist financially beleaguered digital TV operators, questions are mushrooming about the real intention of the government's move to provide assistance measures for the two winners of the 900MHz spectrum through a new payment package.

## **7. U.S.-China Trade War Will Hurt Thai Exports: Experts**

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

Boosting domestic consumption seen as way out if trump goes ahead with plan to impose major tariffs. The government has been urged to brace for the impact from a possible trade war between the United States and China with US President Donald Trump planning to impose tariffs on many Chinese goods and China vowing to retaliate. Sompop Manarungsan, veteran economist and president of the Panyapiwat Institute of Management, said on March 23 that he was concerned about the risk of a full-blown trade war between the world's two largest economies. Trump announced on March 22 a plan to impose tariffs on Chinese goods, accusing it of intellectual property infringement. Reports suggest that more than 1,000 Chinese export items are on the list

targeted by Trump with a tariff cost of US\$60 billion (Bt1.8 trillion). Trump will consult with his party and businesses before making a decisive move. China is Thailand's largest export market, with export share of 12.4 per cent last year, while the US is Thailand's second-largest market with export share of 11.2 per cent. A trade war between the two will result in losses for both the US and China. "Thailand's exports would also be adversely impacted and our export target of 8 per cent growth this year may not be met," warned Sompop.