

Thai News Update: 28 May 2018

1. SEPO Chief Hopes For Thailand Future Fund IPO In July

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

The IPO for the Thailand Future Fund (TFF), delayed several months, is set to launch in October after the Administrative Court turned down a request by the Expressway Authority of Thailand (Exat) labour union to revoke the infrastructure fund's launch plan. With the legal dispute resolved, the TFF's IPO filing will be submitted to the Securities and Exchange Commission (SEC) and the fund is expected to be offered to the public in October at the latest, said. Although the cabinet approved a proposal to use two expressways as underlying assets for the TFF in May 2017, the IPO process was stalled for months as the labour union filed a petition to stop the fund-raising contending that borrowing to refinance road construction carries cheaper costs. According to the cabinet's resolution, 45% of future revenue from the Chalong Rat Expressway (Ram Intra-At Narong) and Burapha Withi Expressway (Bang Na-Chon Buri), both owned by Exat, will be used to back TFF units. The TFF IPO will be used to finance construction of the expressway linking Rama III Road-Dao Khanong and the Western Outer Ring Road, worth 30.4 billion baht, and the third stage of the long-delayed northern Expressway linking the Kasetsart intersection and Nawamin Road, also known as the N2 section, valued at 14.4 billion baht.

2. Rice Exporters Buoyed By Bagging Lion's Share Of Philippine Imports

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

Four Thai exporters have won contracts to supply 212,500 tonnes of rice to the Philippines in a sales coup that makes up 85 per cent of that country's imports of that rice type in the latest round of government to government (G2G) bidding. Commerce Minister Sontirat Sontijirawong said the Philippines' National Food Agency (NFA) had invited bidding on 250,000 tonnes of the variety – white rice graded at 25 per cent. The balance of the rice will be provided by Singapore as a result of the city state's trading in the commodity. Delivery of the rice is scheduled for July and August. The four export deals follow the country's success in winning a bid from the Philippine food agency for 120,000 tonnes of the same grade of rice on the G2G basis. Delivery from that deal is for this month and June. The latest round of bidding success will help boost Thai export and

maintain the country's share of the rice market in the Philippines, which is the world's biggest rice importer, the Ministry of Commerce said. It would also help to stabilise prices for Thai rice.

3. Pig Industry Faces Dilemma

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

Thailand's food safety standard is under threat as the United States Trade Representative (USTR) is putting pressure on the Thai government to lift an import ban on US pork, forcing Thailand to choose between securing \$4.2 billion worth of trade deals and the health of consumers. Last week, The USTR office accepted the request from National Pork Producers Council (NPPC) to reconsider Thailand's trade benefit under the US Generalised System of Preferences (GSP), a tariff privilege that give an a competitive advantage to over 1,000 of Thai products in US market. The US pork council wants the Thai government to eliminate its restriction on US uncooked meat, allowing them to gain full access to the market. Jim Heimerl, president of NPPC cited unfair treatment as the reason behind the council's petition. "Thailand's treatment of US pork provides a clear basis for removing or limiting its GSP benefits." He said. The US pork has been banned by Thailand due to the use of ractopamine, a feed addictive commonly used by US pork producers for muscle leanness and enhancing growth rate. Thai government claims that there is not enough evidence to prove the drug is safe for the consumers in the long term.

4. INKA Aims At Thai Railway Expansions

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

Indonesian state-owned corporation PT Industri Kereta Api (INKA) says it wants to strengthen its foothold in Southeast Asia by participating in the many railway megaprojects planned by the Thai government to compete with larger peers from China and Japan. Countries in the region want high-speed and double-track railways to improve economic fundamentals over the long run, the company said. PT INKA sees many positive factors in the Southeast Asia railway market, even as many foreign investors are labelling it a red ocean. The East Java-based company produces a variety of locomotives, trains and cars. Its products have been successfully marketed in South Asia and Africa. PT INKA is ready to bid on the procurement of 100 diesel-electric locomotives and a lease agreement for 50 locomotives, worth 6.2 billion baht. This project has been submitted to the

SRT board for acknowledgment. The new locomotives will replace an old fleet that will soon be decommissioned. The project also aims to provide the extra locomotives to deal with several double-track railways that are set to be completed over the next few years, including the potential Jira-Ubon Ratchathani and Khon Kaen-Nong Khai rail lines.

5. AOT Finalising TOR For Suvarnabhumi Duty-Free Concession

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

BIDs for the concession to operate the duty-free zone at Suvarnabhumi, the country's largest airport, are likely to be called soon. Airports of Thailand (AOT) said it would soon be sending a proposal regarding bidding for the Suvarnabhumi Airport concession to its board of directors. AOT president Nitinai Sirismatthakarn said the terms of reference (TOR) for the bidding were in the process of being drawn up and were expected to be finalised within this month. After that it would proceed according to the 2013 Public-Private Joint Venture Act. The AOT aims to grant a new concession for management of the duty-free zone at Suvarnabhumi Airport two years before the current concession contract expires in September 2020. The current concession is held by King Power. The AOT consultant on the TOR has studied the pros and cons of the two major concession-awarding options – awarding to a single operator or to multiple operators. Suvarnabhumi Airport would be offering for management a total of 19,000 square metres of space. The dutyfree zone is divided into passenger terminal building one, totalling 11,000 square metres; passenger terminal building 2, totalling 5,000sqm; and satellite building, totalling 3,000sqm.

6. Screens To Kill Off Paper ID Copies At Govt Offices

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

Thai's will soon no longer need to show photocopies of their ID cards or household registration certificates when dealing with government offices. The Digital Government Agency (DGA) expects the administrative changes will take effect by the end of the year as people's records are accessed online. The DGA said it will submit to the Cabinet as early as next month a report on the resolutions of the Digital Government Development Steering Committee meeting that dealt with this issue. The agency will also set up an entity known as the Government Data Exchange Centre (GDX) that will serve as a hub for e-government services next year. Airada Luangvilai, senior

executive vice president of the DGA, said the submission to the Cabinet will recommend the scrapping of the long-established practice of people showing paper copies of their ID and household papers. The change would see digital verification of people's data applied when they go to any of the 300 government agencies and 60,000 government counters nationwide. Under the next stage of the programme, the government will enable Thai citizens to register businesses without having to hand over the paper copies of their ID and household registration. The DGA said exceptions may apply at some government agencies, such as the Lands Department and in the court system.