

Thai News Update: 28 October 2019

1. Thai competitiveness dropping due to stronger baht, ailing global economy

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

The global slowdown and continued appreciation of the baht have hurt Thailand's competitive edge in the world market, said Poj Aramwattananont, vice chair of Thailand's Board of Trade. He said these factors have affected the country's export sector, which is consequently affecting the employment situation. The global slowdown has resulted in a drop in orders from foreign customers, while the baht has continued rising against the currencies of Thailand's trading partners, he added.

2. Chiang Mai's Mae Chaem eyed for first community power plant

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

The Electricity Generating Authority of Thailand (Egat) will build the first model community power plant in Chiang Mai's Mae Chaem district, the agency's deputy governor for strategy Patana Sangsriroujana said. He added that Mae Chaem district had good potential as a location because it has plenty of raw materials to feed the plant. The district has up to 100,000 rai devoted to corn plantations, which can yield 45,000 tonnes of corn cobs and corn husk per year, as well as a similar amount in corn trunks. The district also has 50,000 rai of rice farms, which can yield tonnes of rice husks and straw daily.

3. U.S. duty-free loss could cost Thai products \$60 million: minister

Source: Reuters ([Link](#))

Thai exporters facing the loss of duty-free status for certain goods sold to the United States could incur losses of up to 1.8 billion baht (\$59.68 million) per year, Commerce Minister Jurin Laksanavisit told reporters on 27 October. The United States on 25 October suspended duty-free treatment for \$1.3 billion worth of Thai imports, including seafood products, under its Generalized System of Preferences (GSP) program, saying Thailand did not "afford workers in Thailand internationally recognized worker rights." The tariffs that would take effect in six

months would be 4-5% instead of zero, Jurin said. “Thai products that are sold in the U.S. will have a burden ... which comes to around 1.5 to 1.8 billion baht,” he said.

4. IMF calls for further easing of monetary policy, more govt spending amid slow growth

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

The IMF has urged the Thai government to spend more and suggested the Bank of Thailand should further ease its monetary policy amid an economic slowdown while the Finance Ministry is calling for the central bank to cut rate again. Jonathan Ostry, deputy director Asia and Pacific Department of International Monetary Fund, said in Bangkok on October 25 that after two consecutive years of sustained expansion, growth is expected to moderate to 2.9 per cent this year and 3 per cent next year, reflecting weaker external demand.

5. Red Bull’s Thai rivals top global peers on overseas ambition

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

Red Bull GmbH’s two Thai major rivals have outperformed most global beverage stocks as they extend their domestic success against the world’s biggest energy drink maker to overseas markets. Shares of Osotspa Plc, the nation’s biggest energy drink maker by market share, have delivered a total return of 45% in the past six months, the second most among about 100 global beverage makers with market value of at least \$1 billion, according to data compiled by Bloomberg. Carabao Group Plc, Thailand’s No. 2, has generated a 39% total return, the fifth best. Thailand arguably sparked the modern day energy-drink industry, with the Red Bull brand created by the late tycoon Chaleo Yoovidhya and Austrian billionaire Dietrich Mateschitz.

6. Big banks see strong growth in mortgages

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

Even though property developers are crying foul over the central bank's tougher loan-to-value (LTV) requirement, some commercial lenders, particularly large ones, still delivered strong mortgage lending growth for the first nine months. Kasikornbank (KBank) saw its housing loans outstanding at the end of September surge nearly 11% from the end of last year, well above the average industry's growth of 4%, to 310 billion baht, said Surat Leelataviwat, executive vice-president. The 11% growth also surpassed the bank's full-year target at 7% and could be attributed its strategy of shifting focus to provincial and refinancing markets, he said.

7. RCEP causing rifts in India

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

As talks for the Regional Comprehensive Economic Partnership (RCEP) enter their final stages, opposition to the 16-country Asian trade pact is growing among the Hindu nationalist groups that the government counts on for support. Nationwide protests this month have been orchestrated by Swadeshi Jagran Manch (SJM), translated loosely as indigenous awakening platform, an affiliate of Rashtriya Swayamsevak Sangh (RSS), the parent body of the ruling Bharatiya Janata Party (BJP). Rallies involving 224 farmers' groups and 165 trade and industry organisations took place in dozens of districts across the country from Oct 10 to 20. The aim was to step up pressure on Prime Minister Narendra Modi before he travels to Bangkok for the Asean and East Asia summits from Nov 2-4. Negotiators are hoping the region's leaders will have a trade deal to sign when they arrive.

8. Thai Commerce Ministry will appeal to the US for a review of GSP decision

Source: Thai PBS World ([Link](#))

Thailand is to ask the United States to reconsider removal of trade preferences for Thai exports under the Generalized System of Preferences, Commerce Minister Jurin Laksanavisit said on 27 October. He said that, in the past, whenever trade benefits for Thai products exported to the US were suspended, Thailand appealed to the US adding, however, that it was at the US's discretion whether to reconsider the suspension. Once trade preferences for Thai products are removed, Mr Jurin said that those products become subject to taxation of between 4% and 5%, making such products more expensive in the US market. He played down the impacts of the US move, however, saying that, although US\$1.8 billion worth of Thai exports were granted trade preferences by the US each year, only about US\$1.3 billion worth of Thai exports actually applied for the benefits.

9. Chiang Mai hotel has big plans for Loy Kratong

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

137 Pillars House in Chiang Mai has made elaborate arrangements for next month's Loy Krathong festival, better known as Yi Peng in the North. The full moon on November 11 will see celebrants floating lotus-shaped krathong with flowers, candles and incense on rivers and canals

to pay respect to the water spirits and carry away the sadness and setbacks of the year. Others will do the same with candlelit kongming lanterns that will float into the night sky. 137 Pillars House has 30 suites set around a former colonial teak homestead in a leafy residential enclave just a few minutes' walk from the historic Tha Pae Gate and the Ping River. The hotel's festivities will include a Lanna-style market and gala evening with cocktails, a three-course dinner, traditional entertainment, umbrella painting and making Lanna flags. After dinner, guests' krathong will be floated in the river.