

Thai News Update: 29 October 2019

1. Trade perk cuts spur govt to act

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

The Commerce Ministry's Department of International Trade Promotion has announced it will adopt seven measures to soften the impact of the US suspension of trade benefits for Thailand. Somdet Susomboon, the department's acting director-general, on 28 October said the department has prepared the seven measures to mitigate the impact of the US action which will see US\$1.3 billion (39.2 billion baht) of benefits under the generalised system of preferences (GSP) removed. Set to take effect on April 25 next year, the suspensions cover a total of 573 types of goods which will no longer receive duty-free treatment and will face import tariffs of 4-5% worth 1.5-1.8 billion baht annually. The US has claimed that the suspensions were triggered by concerns over labour rights in Thailand.

2. Dairy Farming Promotion Organization prioritises farm tourism

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

The state-run Dairy Farming Promotion Organization of Thailand (DPO), the producer and marketer of Thai-Danish dairy products, wants to highlight farm tourism together with dairy products to create greater brand awareness. Although income from tourism is small for the group at less than 1% of 10 billion baht in total revenue, DPO sees agro-tourism as vital. "Our Thai-Danish Dairy Farm and Training Centre at Muak Lek district in Saraburi province not only strengthens dairy farming by adopting the sufficiency economy theory for modern dairy operations, but also provides knowledge for local farmers and tourists," said Narongrit Wongsuwan, director-general of DPO.

3. BBL concerned that clients might be affected by GSP suspension

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

Bangkok Bank is concerned after the US announcement of a suspension of its Generalised System of Preferences (GSP) to numerous Thai products currently enjoying duty-free treatment, said Deja Tulananda, the bank's chairman of the Board of Executive Directors. The upcoming

suspension might have an impact on their businesses, both in sales and use of loans. Banks must keep a close watch on the situation and offer prompt assistance as it may affect their ability to repay debts. Deja hopes the issue will come up for discussions at the 35th Asean summit, hosted by Thailand between October 30 and November 5. Thailand's GDP is forecast to grow 2.5 per cent next year, compared to 3 per cent in bank loans.

4. Agency, traders to discuss E20 plan

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

The Energy Business Department plans to hold talks with oil traders this week about a mandatory plan to make gasohol E20 the fundamental petrol available at pumps in the near future. The department was assigned by the Energy Ministry to study the feasibility and impact of gasohol E20 as the main option at pumps, said director-general Nantika Thangsuphanich. The department reported current consumption of gasohol E20 stands at 8-9 million litres per day. Last Thursday, Energy Minister Sontirat Sontijirawong said gasohol E20 would be made the primary petrol available at pumps, with gasohol 91 phased out of the market soon.

5. Thailand to push forward digital development to strengthen ASEAN connectivity

Source: Xinhua Net ([Link](#))

Thai Prime Minister Prayut Chan-o-cha on 28 October said he will lead Thailand to drive digital development in Southeast Asia as a means to strengthen connectivity among the Association of Southeast Asian Nations (ASEAN) members. Speaking at the "Digital Thailand Big Bang 2019" in Bangkok, Prayut said digital economy was a key part in his government's Thailand 4.0 policy, as it was a key component for economic growth. Through the use of digital technology, the Thailand 4.0 economic development model will help leverage incomes across segments of society, said the prime minister.

6. Thailand's Sept foreign tourist arrivals up 10% y/y - ministry

Source: Yahoo News ([Link](#))

Tourist arrivals in Thailand rose 10.11% in September from a year earlier, after an increase of 7.35% in August, the tourism ministry said in a statement. A total of 2.9 million tourists in September spent 139.6 billion baht (\$4.62 billion), up 8.73% from a year earlier. Visitors from China, Thailand's biggest source of tourists, totalled 852,130 in September, up 31.56% from a

year earlier. It rose 18.89% in August. In the January-September period, overall tourist arrivals totalled 29.47 million, up 3.5% from a year earlier. Foreign tourist receipts make up about 12% of Thailand's gross domestic product (GDP). (\$1 = 30.20 baht)

7. Thai exports will suffer from Trump labour rights decision

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

US President Donald Trump announced on 25 October that the US will suspend 1.3 billion dollars worth of duty-free trade for certain items from Thailand, claiming that Thailand has not taken steps to protect labor rights. In a letter to US House of Representatives Speaker Nancy Pelosi and Vice President Mike Pence, Trump said he had suspended duty-free treatment because Thailand had not taken steps to “afford workers in Thailand internationally recognized worker rights.” The US Trade Representative’s office said the move amounted to a suspension of 1.3 billion dollars in trade preferences under the Generalized System of Preferences (GSP) program. At present, the GSP program covers around 4.5 billion dollars worth of Thai exports.

8. Chinese Premier's trip to Uzbekistan, Thailand to cement ties, all-round cooperation among SCO, East Asia

Source: Xinhua Net ([Link](#))

Premier Li Keqiang's upcoming trip to Uzbekistan and Thailand is of great importance to cementing cooperation among both SCO members and East Asian states, as well as solidifying Chinese relations with Uzbekistan and Thailand, senior officials said at a press briefing on 28 October. Premier Li is scheduled to attend the 18th meeting of the Council of Heads of Government (Prime Ministers) of the Shanghai Cooperation Organization (SCO) in the Uzbek capital Tashkent, pay an official visit to Uzbekistan, and attend the 22nd China-ASEAN (10+1) leaders' meeting, the 22nd ASEAN-China, Japan and Republic of Korea (10+3) leaders' meeting and the 14th East Asia Summit (EAS) in the Thai capital Bangkok before paying an official visit to Thailand, from Nov. 1 to 5. During the SCO heads of government meeting, Li will explain Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and share the successful construction experience of the People's Republic of China in the past 70 years, according to Assistant Foreign Minister Chen Xiaodong.