

Thai News Update: 4 April 2018

1. Trade War Concerns Spook Investors As Asia Markets Fall

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

Stock markets suffered falls across the region yesterday as investors took their cue from a plunge on Wall Street triggered by sharpened fears of a trade war between the United States and China. The Stock Exchange of Thailand (SET) Index dropped 0.95 per cent, or 17.04 points, to 1,765.24 at the close, with a trading value of Bt62.1 billion. The decline came despite 487 companies listed on the SET and the exchange's junior board, the Market for Alternative Investment, having announced they would pay out a total of Bt478.09 billion in dividends based on their financial results for 2017. The baht rose to Bt31.179 per US dollar at the close of trading, up Bt0.036 from Bt31.215 on April 2. Elsewhere in Asia, Singapore, Straits Times Index dropped 18.61 points to close at 3,412.15. Tokyo stocks ended lower, with the benchmark Nikkei 225 Index slipping 0.45 per cent, or 96.29 points, to 21,292.29. The broader Topix index shed 0.29 per cent, or 4.98 points, to 1,703.8.

2. Industrialists Rosy On Growth

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

The Joint Standing Committee on Commerce, Industry and Banking (JSCCIB) is optimistic about the country's economic outlook in 2018 after witnessing better sentiment over the first two months of the year. The committee increased the group's 2018 GDP projection from growth of 3.8-4.5% to 4.0-4.5%. Chen Namchaisiri, chairman of the Federation of Thai Industries (FTI) who chaired the JSCCIB monthly meeting on April 3, said major economic engines have performed better than the Thai private sector expected. The Commerce Ministry reported shipments totalled US\$40.5 billion (1.26 trillion baht) from January to February, up 13.8% from the same period last year, with imports totalling \$39.8 billion, up 20.1% . year on year. The trade surplus for the two-month period totalled \$689 million. Mr Chen said the country's tourism sector is expected to shine throughout the year as the Tourism and Sports Ministry reported international arrivals to Thailand over the first two months totalled 7.1 million, up 15.5 & year on year. But the private sector has expressed

concerns that public investment may not grow as forecast after contracting 6% year-on-year in the first quarter of fiscal 2018 (October-December 2017).

3. Esteemed In Asia, Naraya Seeks To Take Milan, London

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

Narai Intertrade Co, a Thai maker of handbags and textile products under the NaRaYa brand, seeks to become a globally recognised label and make its presence felt in major fashion cities. "We spent 29 years building the NaRaYa brand to be recognised in Asia, and our next step is the global market," said Wasna Lathouras, president of Narai Intertrade. She said the company will build its own stand-alone shops with NaRaYa products in fashion destinations like Milan and London. The company's investment of 2 billion baht this year is its largest ever, Mrs Wasna said, adding that 1 billion baht will go to a new distribution centre to serve online channels, cross-border trade and shop expansion in Phuket and Pattaya. Narai plans to manage its business as a group of companies comprising seven brands, up from three now, to diversify its products and target groups. NaRaYa has 11 shops overseas and 25 shops in Thailand. Ten new branches will open this year, including in Phuket, in Pattaya and at CentralWorld. Narai Intertrade is reorganising, hiring more professionals and talent to aid the business expansion.

4. Cabinet Okays PPP Promotion Act Draft Bill

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

The cabinet on April 3 greenlighted a long-awaited draft bill of the PPP Promotion Act, which aims to facilitate and ensure transparency in joint public-private investment in infrastructure projects. Ekniti Nititanprapas, director-general of the State Enterprise Policy Office (Sepa), said the new act, which repeals and replaces the Private Investment in State Undertakings Act, will also conform with international standards, the country's national economic and social development plan, effective risk management, and mutual benefits between the public and private sectors. The new act is expected to encourage the private sector to team up more with the government in developing infrastructure and public services, expedite infrastructure development and ensure greater efficiency.

5. British Minister Visits Thailand For Trade Talks

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

British International Trade Secretary Liam Fox arrived in Thailand on Wednesday to boost trade relations between the two countries. The first United Kingdom trade minister to visit Thailand in 15 years, he is seeking to expand trade ties and is expected to raise the subject of Thailand holding democratic elections. While in Bangkok he will meet leading businesses and Thai government ministers, including Deputy Prime Minister Somkid Jatusripitak, his counterpart Sonthirat Sonthijirawong, the Thai Minister of Commerce, and Pichet Durongkaveroj, Minister of Digital Economy and Society. “The UK’s trade with Thailand is growing steadily, but there is still huge untapped demand for British goods and services across the Thai economy, which is growing strongly and has a large middle class,” Fox said in press statement. “The IMF (International Monetary Fund) predicts 90 per cent of global growth in the coming years will come from outside the EU, and this government is putting the UK in a position to benefit, particularly by boosting export finance and showcasing British companies to the Asian market,” he said. Thailand is the second largest economy in Southeast Asia and bilateral trade with the UK increased by 2.8 per cent to £5.6 billion (Bt246 billion) in 2015-2016. Currently, the majority of UK exports are in machinery, vehicles and mechanical appliances.

6. Consensus Builds On Growth Path

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

A peak private-sector grouping has raised its forecast for economic expansion to 4-4.5 per cent, backed by an upward revision for growth in the country’s exports to 5-8 per cent. The Joint Standing Committee on Commerce, Industry and Banking (JSCCIB) also cites the sustained recovery of the global economy and the steady gains in Thailand’s export and tourism receipts. JSCCIB chairman Chen Namchaisiri said Thailand’s economic indicators for the first two months of 2018 show consistent expansion in overseas shipments on the back of the positive global economic conditions, as well as the tourism boom. Also rising were imports in categories including capital goods, raw materials, intermediate goods and goods for consumption. This reflects an improved outlook for manufacturing activities and domestic spending, said Chen, who is also chairman of the Federation of Thai Industries. However, there remain challenges for Thai growth,

ranging from trade conflicts between the United States and other countries to the rate of progress in Thailand's state investment, he said. The committee proposed the postponement of the scheduled enforcement of the International Financial Reporting Standard IFRS 9 from next year to 2022, as it could broadly affect the business sector, Chen said.