

Thai News Update: 4 November 2019

1. RCEP delay, India doubts, China plea, split world fears: Asean update

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

Meetings hosted by the 10-member Association of Southeast Asian Nations resumed on 3 November with doubts emerging on whether the weekend would see a breakthrough in talks on the world's largest regional trade pact. The China-backed Regional Comprehensive Economic Partnership (RCEP) has been jeopardised by last-minute requests from India after it earlier agreed to terms, leading a Thai spokeswoman to say the deal is unlikely to be signed until February 2020 at the earliest. Leaders had planned to announce a preliminary deal on 4 November, paving the way for countries to finalise details on the legal framework of an agreement that would cover one-third of the global economy, but the Philippines said Saturday that negotiations now wouldn't be completed until February.

2. Prayut asks US to reconsider trade preferences cut

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

Thailand has asked the United States to reconsider Washington's decision to cut some Thai products from its list of low-tariff imports under the Generalized System of Preferences. Prime Minister Prayut Chan-o-cha raised Thai concerns about the decision in talks with US Commerce Secretary Wilbur Ross on the sidelines of the Asean Summit on 3 November, the government said in a statement. Gen Prayut said the cut, to take effect early next year, will affect the private sector and the public. He said he had asked the US to reconsider the decision since the two countries are close allies. The US announced on Oct 25 the planned suspension of \$1.3 billion (39.2 billion baht) in trade preferences, ostensibly because of failure to curb labour abuses in the fishery industry.

3. Prayut highlights EEC at ASEAN business forum

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

Prime Minister Prayut Chan-o-cha this morning used the annual ASEAN business and investment forum to reiterate Thailand's commitment to bringing the country's economic

development to a new level through his government's "Thailand 4.0" initiative with the Eastern Economic Corridor (EEC) as its major driving force. In his opening address at the ASEAN Business and Investment Summit 2019, Prayut stressed the importance of cooperation and partnership between the government and private sector in realizing the goals under the project. The summit is being attended by more than 1,000 business leader, high-level government officials and representatives of private sectors as well as academics and members of civil society from across the region. The summit, which is ASEAN's premier annual business and investment event, is being held in conjunction with the ASEAN Summit by ASEAN-Business Advisory Council and the Foreign Ministry. It serves as a platform for the business community to engage with ASEAN leaders, business executives, entrepreneurs and key decision-makers who are shaping and influencing ASEAN's economy.

4. Myanmar, Thailand inaugurate second friendship bridge

Source: Nikkei Asian Review ([Link](#))

As the Thai market matures and attracts more overseas money, companies are being held to higher standards of corporate governance, owing to the close scrutiny of asset quality by long-term international investors. Data from investment bank UBS showed that foreign investors' share of Thai equities reached over 40% in the second and third quarters of 2019, more than doubling after hitting bottom in the third and fourth quarters of 2014. Between Jan. 1 and Nov. 1, foreign investors traded 9.06 trillion baht (\$300 billion) worth of stocks, accounting for 42% of market volume, according to data from the Stock Exchange of Thailand. After the global financial crisis of 2007-2008, investment has moved steadily into passive funds, such as index-tracking funds, and away from higher risk trades. More than \$800 billion has flowed into mutual funds in the U.S. since 2011, while over \$1.2 trillion has leaked from active funds, according to UBS.

5. Thailand looks to Indian arrivals for new wave of tourism

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

With two million Indian tourists expected for this year, reports in both Thai and English language media claim visitors from India are 'set to transform' Thailand's tourism landscape. TNN reports, via Thai Visa, that tourist numbers to Thailand from India are expected to increase

to 14 million a year by the end of the next decade. Thai language news outlet TNN says Indian visitors currently spend an average of 5,800 baht a day, nearly as much as the 6,400 baht a day spent by Chinese tourists, but adds that visitor numbers from India are unlikely to overtake the number of Chinese arrivals any time soon. Independent travellers with families make up 67% of all Indian arrivals and this category has risen by 25% in recent years, with Thailand's theme parks, zoos and beaches being the main attraction.

6. New air routes launched between Vietnam, Thailand

Source: Vietnam Plus ([Link](#))

Prime Minister Nguyen Xuan Phuc attended the launching ceremonies of new air routes between Vietnam and Thailand on November 2, on the occasion of his attendance at the 35th summit of the Association of Southeast Asian Nations (ASEAN) and related summits in Bangkok. The PM joined Thailand's Deputy Prime Minister Anutin Charnvirakul at a ceremony of Vietnamese budget carrier VietJet Air to launch two routes connecting Bangkok and Chiang Rai with Udon Thani – a main transportation centre in the northeast of Thailand with a large number of expatriates, including Vietnamese. Charnvirakul expressed his belief that with the support of the two governments, the travel between Vietnam and Thailand will become easier, thus facilitating business cooperation and people-to-people exchanges. The air route between Bangkok and Udon Thani will be put into daily operation from November 25, while that between Chiang Rai and Udon Thani will start from November 26 with three flights per week on every Tuesday, Thursday and Sunday.

7. Wilbur Ross says US open to further talks on Thai trade privileges

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

US Commerce Secretary Wilbur Ross has promised to rdecision to suspend Thailand's tariff privileges. Government spokeswoman Narumon Pinyosinwat said on Sunday (November 3) that Prime Minister Prayut Chan-o-cha had met with Ross on the side lines of the Asean Summit to discuss trade and investment. Prayut expressed his concern over the US suspension of tax privileges under its Generalised System of Preferences (GSP) programme on Thai products collectively worth about \$1.3 billion. Ross replied that the US remained open to further talks before GSP cuts take effect over the next six months, Narumon quoted him as saying. Ross was

accompanied on his visit to Bangkok by a group of American investors, whom Prayut invited to invest in Thailand, especially in the aircraft, digital and biotechnology industries and medical manufacturing.