

Thai News Update: 5 June 2018

1. Final Edible Stock Sale Okayed

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

The government has approved the sale of the final edible-grade rice stocks totalling 43,700 tonnes with a value of 534 million baht to nine bidders after postponing the auction for almost a year. The lots includes 24,000 tonnes of 5% white rice, 7,000 tonnes of 100% hom mali and 6,000 tonnes of provincial fragrant rice. The remaining rice comprises glutinous rice, broken white rice and broken hom mali rice. Adul Chotinisakorn, director-general of the Foreign Trade Department, said Prime Minister Prayut Chan-o-cha, chairing the Rice Policy and Management Committee, approved the sale and selected nine of the 35 bidders. The winners will sign a contract with the Public Warehouse Organization and the Marketing Organization for Farmers within 15 official working days. The government disposed of 14.8 million tonnes of the state's rice stocks worth 135 billion baht from May 17, 2017 to April 25, 2018. state's rice stocks worth 135 billion baht from May 17, 2017 to April 25, 2018.

2. Thailand Plans Regional Infrastructure Fund To Reduce China Dependence

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

Thailand is taking the lead in creating a regional fund with its neighbors, Cambodia, Laos, Myanmar and Vietnam, to back infrastructure and other development projects and to lessen reliance on Chinese investment. Prime Minister Prayuth Chan-ocha is expected to propose the idea to the leaders of the five countries in Thailand on June 16 at the 8th summit of the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy, or ACMECS. This regional organization was initiated by Thailand in 2003. The fund will be operational by 2019, Arthayudh Srisamoot, deputy permanent secretary of Thailand's ministry of foreign affairs, told the Nikkei Asian Review. To get the scheme up and running "as soon as possible," Thailand is set to contribute an initial "substantive figure," likely millions of dollars, he said. Contributions from financial institutions and countries outside the ACMECS framework are also welcome. The fund will also raise money through the stock and bond markets by issuing debt for projects such as in power generation, as initiated by ACMECS.

3. 75% Foreign Cap Mulled For Port

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

LEAM CHABANG Port officials have conducted a feasibility study on setting the level of foreign investment in the development of Phase 3 of the deep-sea port at 75 per cent - the same level as that for the the high-speed train project linking the Don Meuang, Suvarnabhumi and U-Tapao airports. Laem Chabang Port managing director Montree Lergchumniel said after the second “market sounding” on the development of the port’s phase 3 on June 4 that from the preliminary study the project might allow private investment at the ratio of between Bt95 billion and Bt105 billion. Both international and local investors are allowed to take part in the bidding. The foreign investment ratio in the port's first and second phase development is capped at 49 per cent. He added that if the foreign investment ratio in the third phase is raised to 75 per cent, this ratio in the first and second phase development will remain the same at 49 per cent. The port has also studied the legal aspects in the event of raising the foreign ownership ratio in the first two phases to 75 per cent after concessions of the first two phases have expired. The biddings for the development of the third phase is divided into three contracts. It might develop an additional contract if it is later found that the project has attracted overwhelming interest from investors. Montree said that the project has already drawn interest from foreign investors from China, Japan, and Europe.

4. Power Capacity Reserve To Be Raised

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

Thailand's 15% electricity generation capacity reserve will be increased following a recent power outage in the Northeast, says Energy Minister Siri Jirapongphan. The increase suggests the country's electricity capacity is in dire need of more domestic supply after heavy reliance for several years on imported power. The government has wanted to push forward construction of new power plants for years, for both coal and nuclear, but both are heavily opposed by activists. The new power reserve proportion is being revised by the Energy Policy and Planning Office (Eppo), which has had the responsibility of adjusting this international standard for more than four decades. A lightning strike on the high-voltage power transmission line from the 1,878-megawatt Hongsa Lignite coal-fired power plant in Laos a little after midday caused an hour-long power outage in the region on June 1. The new reserve percentage has yet to be studied by policymakers,

but the reserve will be divided by region. Regions have supply imbalances that go from 15% in the southern part of the country to upwards of 40% in central Thailand.