

Thai News Update: 6 August 2019

1. Vietnam and Thailand sign MOUs on financial cooperation

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

Veerathai Santiprabhob, Governor of the Bank of Thailand (BOT), and his counterpart, Le Minh Hung, Governor of the State Bank of Vietnam (SBV) signed two Memoranda of Understanding during the bilateral meeting on 5 August 2019 in Hanoi, aiming to promote banking and financial cooperation in the following two critical areas. The MOU on Cooperation and Exchange of Information in Banking Supervision supersedes the original MOU signed in 2010. The MOU is aimed at strengthening the effective cooperation on Banking Supervision, particularly in areas of exchange of information and crisis management. The MOU on Cooperation in the Area of Financial Innovation. This MOU aims to promote cooperation between the two sides in the development of financial services and new service channels that leverage financial technology in order to deliver more efficient, more secured and more easily accessible financial services at a much lower cost.

2. Fruit certification speeded up to sweeten Chinese market

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

The Department of Agriculture has paved the way for increasing the value of Thai fruit exports to the Kingdom's biggest market, China, by meeting the standards set by that country. The department will facilitate Good Agricultural Practices (GAP) and Good Manufacturing Practices (GMP) certification for exporters, especially during the golden period of durian and mangosteen production in the South. Failing to meet the standards could lead to loss of shipments. Currently 425 southern fruit-packing plants have already been certified. Department chief Sermsuk Salakpetch explained that Thailand currently exports 22 kinds of fruit to China valued at around Bt10 billion per year, especially durian, longan and mangosteen that are the favourites of Chinese customers.

3. Economic stimulus package to be announced this month

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

A two-step economic stimulus will be announced this month to help all groups, the finance minister said on August 5. The planned economic stimulus package will support all groups of people, address the impact from the drought, help low-income groups, startups, small businesses and people holding welfare cards, Finance Minister Uttama Savanayana said on 5 August. The plan is the outcome of discussions between Deputy Prime Minister Somkid Jatusripitak, Uttama, top officials and executives of state-owned banks. Uttama said the package would be implemented in two parts: part one will be financed by the fiscal 2019 budget and part two will be financed under fiscal 2020.

4. Thailand's global trade force called to summit on export woes

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

The Commerce Ministry's International Trade Promotion Department will meet the directors of its offices around the world later this month to discuss likely impacts from the US-China trade war. Banjongjit Angsusing, the department's director-general, said on 5 July the directors will be bringing foreign buyers to attend the logistics show "Tilog – Logistix2019" in Bangkok from August 28-30. It's a prime opportunity to discuss with them adjustments to Thailand's export strategy for the second half of the year, she said. Banjongjit noted that Washington plans to apply a 10 per cent import tax to \$300 billion worth of products from China starting on September 1 and there will be a significant impact on Thai exporters.

5. Thai Airways gets all clear to boost fleet

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

Transport Minister Saksayam Chidchob has given the green light to loss-making Thai Airways International Plc (THAI) to purchase and lease 38 new aircraft for an estimated 136 billion baht, despite objections from the workers' union. He said the aircraft acquisition will definitely go ahead because it is a necessary investment, adding an assessment would be conducted to ensure the new planes boost the national carrier's competitiveness. The acquisition is opposed by THAI's workers' union, which fears the project will add further strain to a company facing

accumulated debt of more than 100 billion baht. Despite the crippling debt, Mr Saksayam said THAI must invest because the existing fleet is ageing, describing it as a bold move that the national carrier has to make to survive.