

Thai News Update: 6 June 2018

1. Firms, Agencies Pledge To Cut Plastic

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

More than 20 businesses and state agencies have set about tackling the nation's mounting plastic waste problem with the roll-out of a "plastic waste killer" campaign aimed at cutting plastic waste in half by 2027. The parties signed a memorandum of understanding June 5 in Bangkok meant to cut their plastic waste. The announcement was made on the occasion of World Environment Day, which promotes the joint efforts of state and private entities to handle the country's severe plastics contamination problem. State agencies included Bangkok Metropolitan Administration (BMA), the Natural Resource and Environment Ministry, and the Local Administration Department. Among the businesses were Central Pattana Group, PTT Global Chemical PLC, Siam Cement Group and Dow Chemical. Thailand produced more than 27.4 million tonnes of rubbish last year, 12% (2 million tonnes) of which was plastic, according to a report by the Marine and Coastal Resources Department. Only a fourth of the 2 million tonnes was recycled, while 1.5 million tonnes remains in landfills and other locations across the country. Most plastic waste is offshore, said the report.

2. Confidence Dips In May As Fuel Prices Bite Consumers

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

Consumer confidence in May dropped on negative factors such as rising oil prices and concerns over the slow economic recovery, low commodity prices and higher living costs. According to the latest survey by the University of the Thai Chamber of Commerce (UTCC), the consumer confidence index in May slipped to 80.1 after climbing to 80.9 in April. Thanavath Phonvichai, vice-president for research at the UTCC, said rising fuel prices led to the highest cost of living since July 2014. "Consumers are concerned about higher spending and they are more careful," he said. "It was surprising that the economy grew continuously but the index still dropped due to fuel prices." Rising oil prices of only 2-3 baht per litre have forced consumers to spend an additional 5 billion baht a month, excluding increases in LPG or natural gas, Mr Thanavath said. Other negative factors included the unstable political situation due to the potentially postponed

national election, which remains a pressure on confidence. Moreover, flat prices for crops and agriculture products such as rubber, rice, pork and chicken also struck income and purchasing power, mainly in rural areas.

3. Caterers Gain Access To More Airports

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

The Cabinet has unlocked draft contracts on air catering between the Airports of Thailand (AOT) and Bangkok Air Catering Co Ltd (BAC) and LSG Sky Chefs Co Ltd of Germany in a move that allows the two caterers to expand their services beyond Suvarnabhumi International Airport to other airports in the country. Transport Minister Arkhom Termpittayapaisith said the Cabinet June 5 gave the green light to the draft amended contracts concerning the services of the air catering operators. The move came after BAC and LSG Sky Chefs sought to expand their catering services to customers in other locations, including the Hua Hin and U-Tapao airports. “Earlier, AOT and both caterers had contracts determining that the caterers would operate air catering within Suvarnahumi International Airport only,” Arkhom said. “Now, we have opened up Don Mueang International Airport to them, so there will be more customers for them. Besides, U-Tapao airport, which will be upgraded to a higher level of commercial operations, has not yet had air catering services. With these contracts unlocked, the private sector will be able to begin services immediately and this will be beneficial for everyone.”

4. IMF Backs Bank Of Thailand's Policy Stance

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

The IMF supports the Bank of Thailand's stated stance, saying monetary easing could help bring inflation back within the targeted range this year as the country's economic recovery gains momentum but struggles to become broad-based. Headline inflation averaged 0.7% in 2017, below the central bank's 1-4% target band for the third year in a row, reflecting low food prices and weak core inflation. Thailand's headline inflation in May registered 1.49% on an annual basis, the highest level in 16 months. The directors said enhanced communication would improve the effectiveness of monetary policy transmission by strengthening the expectations channel. Growth momentum is expected to continue in 2018 and 2019, supported by sustained

export dynamism. A rebound in public investment, in line with the government's infrastructure plans, is expected to crowd in private investment.

5. JSCCIB Maintains Year's Growth Forecast, Highest Rise Expected For Q1

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

The Joint Standing Committee on Commerce, Industry and Banking (JSCCIB) will review its economic forecast in the next meeting on July 3, while expecting this year's economic expansion to be within its estimated range of 4.0-4.5 per cent. Predee Daochai, chairman of Thai Bankers' Association, said the country could see the highest quarterly economic growth at 4.8 per cent in the first quarter of this year. However, economic expansion might then slow down, but no less than 4.0 per cent, for the following quarters of the year. This year's economic growth, therefore, is expected to be within JSCCIB's estimated range of 4.0-4.5 per cent with export growth forecasted at 5-8 per cent, said Predee who is also president of Kasikornbank. Headline inflation is projected at 0.7-1.2 per cent. "This year's economic growth will be reviewed to touch the upper estimated range of 4.5 per cent. Information and figures for June will be gathered for the review in the next meeting on July 3," he said. Thai growth is projected at 4 per cent or higher for the other three quarters of the year, the bank said. It projects headline inflation and core inflation at 1 and 0.7 per cent, respectively.

6. Airport 'Soft Spots' To Get Concrete Fix

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

Airports of Thailand Plc (AoT) is set to inject 2.5 billion baht to replace all 700,000 square metres of asphalt with concrete on all the runways at Suvarnabhumi airport to permanently solve the threat of "soft spots" that have been reported there. Terms of Reference (ToR) for the project will be announced by year end, AoT president Nitinai Sirismatthakarn said on June 5. The announcement comes after the International Federation of Air Line Pilots' Associations (IFALPA), which represents over 100,000 pilots and flight engineers in almost 100 countries, issued an alert last month specifying the risks of operating at Thailand's largest international airport. AoT's planned replacement of asphalt with concrete will increase the life expectancy of its runways to 10 years before they need maintenance, as opposed to the current five to seven years, he said. He said the

ToR for the asphalt replacement plan will be announced in the new fiscal year, which begins in October. Once bidding commences and contractors are chosen, construction can begin by the middle of next year, he added.