

Thai News Update: 7 January 2020

1. Central bank juggles interest rates, inflation and soaring baht

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

The central bank is mulling additional measures to curb the soaring baht and believes there is no need to raise its benchmark interest rate if inflation rises on supply-side shocks. The Bank of Thailand (BoT) remains worried about high household debt levels and is ready to review loan to value rules if they are seen as too harsh, Governor Veerathai Santiprabhob told a briefing on 7 January. The BoT also reiterates that the monetary policy committee (MPC) is concerned about the strength of the baht and suggests close monitoring and relaxation of rules to spur fund outflows, according to Assistant Governor Titanun Mallikamas.

2. Somkid gives deadline for EEC signings

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

Deputy Prime Minister Somkid Jatusripitak has given a deadline to the Eastern Economic Corridor (EEC) Office to speed up contract signings with private companies for the three remaining megaprojects by March. "Schedules to begin construction have been delayed and government plans for these projects are very important for EEC development," he said. The flagship EEC scheme has five planned megaprojects worth 695 billion baht in total. Two of them completed the contract signings with private companies in 2019: the high-speed railway linking three key airports (225 billion baht) and the third phase of Map Ta Phut seaport (55.4 billion).

3. Nissan vows to initiate hybrid investment in 2020

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

Nissan Motor Thailand has confirmed the beginning of an almost 11-billion-baht investment to produce hybrid vehicles with its e-Power technology this year at facilities in Samut Prakan. The plan is part of the government's electric vehicle (EV) scheme for which Nissan won Board of Investment (BoI) privileges in July 2018. After being granted the incentives, Nissan was frequently queried by the media about the schedule and details of e-Power technology in

Thailand, but the carmaker did not provide any updates until recently. Four Japanese companies participated in the EV scheme and won investment incentives for hybrid EVs. Toyota and Honda have been producing hybrid technologies for the Thai market since 2018 and 2019, respectively.

5. Thai-Chinese rail link gains steam

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

The government expects to sign 'Contract 2.3', worth more than 50 billion baht, of the Thai-Chinese high-speed rail project linking Bangkok and Nakhon Ratchasima early next month, said Transport Minister Saksayam Chidchob on 6 January. The signing is likely to proceed at the 28th meeting of the Thai-Chinese joint committee (JC) on rail cooperation early next month. Mr Saksayam said Ning Jizhe, vice-chairman of China's National Development and Reform Commission, who will attend the meeting, has asked that the JC meeting be held after Chinese New Year on Jan 25. Contract 2.3, worth 50.6 billion baht, involves the cost of purchasing track, electricity systems and machinery, as well as procurement of train carriages and training.

6. Commerce minister to lead trade delegation to India

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

Thailand's commerce minister will lead a private-sector trade delegation to India from January 16 to 20 to increase exports and expand trade channels since the large Asian country is an essential market for the kingdom. International Trade Promotion Department director-general Somdet Susomboon said Commerce Minister Jurin Laksanawisit will take private sector representatives to Bengaluru and Hyderabad to expand trade opportunities there and seek channels for export. The trade delegation visited Mumbai and Chennai in September, helping to successfully expand trade and other activities.