

Thai News Update: 8 August 2018

1. Private Sector Fears Trade War Hit On Exports Next Year

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

The nation's peak private-sector advisory grouping has voiced fears that the escalating trade conflict between the United States and China could harm the export sector – a standout performer in the Thai economy – next year. Predee Daochai, chairman of the Joint Standing Committee on Commerce, Industry and Banking (JSCCIB), said the committee has been closely watching developments in the trade conflict and other potential issues in the global economy. The trade tensions have so far had only a limited impact on the world economy and in Thailand, Predee said. If the US sets out a new list of targets - both in terms of the particular Chinese goods and the tariff rates - for possible retaliation, Thai exports could come under pressure and regional currencies may depreciate amid a period of volatility that would likely follow a weakening in the Chinese yuan, he said.

2. 'Made In Thailand' Poised For Comeback

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

Businesses are calling on the government to reintroduce the Made in Thailand campaign to persuade Thais to eat and use Thai products in an effort to recreate the drive's success of three decades ago. They also called on the government to procure more locally made products. Supant Mongkolsuthree, chairman of the Federation of Thai Industries (FTI), said after a meeting with Commerce Ministry officials that the Made in Thailand campaign would greatly benefit small and medium-sized enterprises that not only face technological disruption but also shrinking sales and mushrooming non-tariff barriers. According to Mr Supant, despite this year's growing economic prospects, concerns still exist such as volatile foreign exchange and oil prices, not to mention natural disasters such as the floods that are ravaging several provinces in the country.

3. Thai-Myanmar Border Commerce To Double By 2026

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

The value of border trade between Thailand and Myanmar is expected to double to US\$2 billion by 2026, says the assistant spokesman of the Prime Minister's Office. The cabinet has approved the proposed draft of policies and initiatives for the ninth Meeting of the Myanmar-Thailand Joint Commission, as diplomatic relations between the two nations turn 70. A commemorative reception will be hosted by Myanmar in Nay Pyi Taw on Aug 14 to celebrate the 70th anniversary of the establishment of diplomatic relations between Thailand and Myanmar. Another important development between the two countries to be discussed at the joint commission is the development of the Dawei Special Economic Zone (DSEZ). Once completed, the DSEZ will enhance connectivity and supply chains along the Eastern Economic Corridor (EEC) of Thailand and the Southern Economic Corridor (SEC).

4. Thai Union's Profit Nearly Erased By Tuna Price-Fixing Litigation

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

Thai Union Group has reported a 99% year-on-year plunge in group net profit for the three months through June after setting aside \$44 million to cover potential costs related to U.S. litigation over alleged price fixing. The world's largest producer of canned tuna logged net profit of just 9.63 million baht (\$290,000) for the quarter after this expense, the company said this week. From 2015 through 2016, American wholesalers and retailers including Walmart sued a Thai Union subsidiary that produces shelf-stable tuna under the Chicken of the Sea brand, along with its two largest competitors, for allegedly colluding to set prices. Thai Union said it reached a settlement with Walmart last quarter and that it is in "advanced negotiations" regarding other litigation. The \$44 million provision "reflects potential risks," it said.

5. New Business Models Stoke Growth Opportunities In The ASEAN Automotive Industry, Finds Frost & Sullivan

Source: Business Insider ([Link](#))

Sustained economic growth, infrastructure developments, and automotive original equipment manufacturers' (OEMs') periodic introduction of models are giving a huge boost to the Association of Southeast Asian Nations (ASEAN) automotive industry. Thailand is expected to experience the

highest growth in 2018 on the back of private sector revitalization, but Indonesia will retain the top spot due to the impetus from a positive fiscal policy. Overall, vehicle sales in the region are set to cross 3.5 million units in 2018. "The ASEAN automotive industry benefits significantly from governments' continued promotion of infrastructure development through investments. There is also ongoing support for energy-efficient vehicle programs," said Dushyant Sinha, Mobility Senior Director at Frost & Sullivan. "Already, e-hailing has started to impact vehicle sales in some ASEAN countries and is likely to have a larger impact in the medium and long terms."