

Thai News Update: 8 January 2020

1. TAT eagerly awaits Indian tourist surge

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

Thailand expects a windfall from the Indian tourist market if travellers stay away from the Middle East and turn eastward instead. Klissada Ratanapruk, executive director of the Asean, South Asia and South Pacific markets for the Tourism Authority of Thailand (TAT), said the ongoing Iran-US conflict could affect Indian travellers' confidence, resulting in their shunning Dubai for Thailand to avoid the Middle East. Dubai is the most preferred destination for outbound Indian tourists, with 2.1 million visitors in 2019. Thailand estimated that 1.9 million tourists came from India in 2019, a 22% uptick from 2018, generating 84 billion baht in revenue, up 27%, according to the TAT.

2. Thai Cabinet Approves \$8.6 Billion of Loan Measures to Help Smaller Firms

Source: New York Times ([Link](#))

Thailand's cabinet on 7 January approved loan measures worth 260 billion baht (6.54 billion pounds) to help small and medium-size companies, affected by weak exports amid global trade tensions and a strong currency <THB=TH>, a finance ministry official said. That includes soft loans worth 195 billion baht and 65 billion baht in loan guarantees to be arranged by state banks, Lavaron Sangsnit, head of the finance ministry's fiscal policy office, told a briefing. The government also offers tax breaks and fee reductions to help SMEs in debt restructuring, he said.

3. Thailand plans to increase budget deficit 11.5% for fiscal 2021

Source: Reuters ([Link](#))

Seeking to bolster a flagging economy, Thailand's cabinet approved on 7 January a plan to boost its budget deficit by 11.5% from the current fiscal year to 523 billion baht (\$17.33 billion) for the 2021 fiscal year starting on Oct. 1. "The government needs to help sustain economic growth, to be prepared for structural changes in the economy... and to support investment in the country, government spokeswoman Narumon Pinyosinwat told reporters. The budget plan projects

spending of 3.3 trillion baht, up 3.1% from the current year's 3.2 trillion baht, she said. The 2021 deficit is project to be equivalent to 2.8% of gross domestic product (GDP), higher than the target of 2.7% for the 2020 fiscal year.

5. Thailand's CPF to launch plant-based meat substitutes across Asian markets

Source: Reuters ([Link](#))

Thailand's largest agribusiness firm, Charoen Pokphand Foods Pcl (CPF), will introduce plant-based meat substitutes this year in response to growing customer demand and changes in behavior, a top executive said on 7 January. Chief executive Prasit Boondoungprasert told Reuters in an interview that the products would be sold first in Thailand this year, before being rolled out across the rest of Asia. "There is a global trend of 'flexitarians' - people who have vegetarian meals once or twice a week," he said. Restaurants will also want to offer this option to their diners, he said. Prasit, who took over as CEO in July last year, said introducing meat substitutes was part of the firm's strategy to expand its food business, including ready-to-eat meals and pre-cooked meats, in Thailand. The firm's domestic operations currently account for about a third of its revenue.

6. Japan pledges support for Thailand joining Pacific trade pact

Source: Kyodo News ([Link](#))

Japanese Foreign Minister Toshimitsu Motegi promised on 7 January to help Thailand join a trans-Pacific free trade agreement at an early date. "We would like to cooperate as much as possible" in ensuring Thailand's entry into the revised Trans-Pacific Partnership, an 11-member FTA, Motegi told Thai counterpart Don Pramudwinai in a meeting in Bangkok. Don explained that the Thai government is examining the technical aspects of joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, which entered into force in December 2018. The CPTPP involves Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. Thailand is considering joining it so it would not be left behind by regional competitors.

7. Kasikornbank boosting online lending

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

Kasikornbank aims to provide Bt60 billion in loans via its online channel this year, which is expected to boost its digital lending to Bt100 billion this year, president Kattiya Indaravijaya

said. The bank is using artificial intelligence to help it analyse customer data in order to help it find new segments of customers. The bank is keen to tap freelancers, taxi-motorcycle drivers or Grab drivers as well as online merchants, she added.

8. Thailand moves closer to US currency watchlist

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

Thailand's 12-month trade surplus with the US has exceeded US\$20 billion, increasing its chance of being included on the US Treasury's watchlist of currency manipulators. The surplus reached \$20.05 billion in the 12 months through November, according to US Census Bureau data released on 6 January in Washington. That exceeds the \$20 billion limit the Treasury has set for bilateral goods trade deficits, and means Thailand now violates two of the three criteria the Treasury uses to add a country to the watchlist. The latest development increases scrutiny on Thailand's currency policy at a time when officials are scrambling to rein in the baht's almost 6% gain against the dollar over the past year, the fastest appreciation among major Asian currencies. The US is Thailand's third-biggest trading partner, with total trade of \$47 billion in 2018.

9. KBank takes S-curve abroad

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

Overseas business and underserved customers represent new S-curve growth for Kasikornbank (KBank) from 2020 amid slow economic growth at home. The bank will play a larger role in the banking business regionally and the digital platform will be a game changer in enabling KBank to become a regional digital bank from this year and facilitate new business opportunities, said co-president Kattiya Indaravijaya. Vietnam and Indonesia are the bank's focus, given their high economic growth, in addition to neighbouring Cambodia, Laos, and Myanmar. Ms Kattiya will take over as chief executive after Banthoon Lamsam becomes chairman in April.