

Thai News Update: 8 June 2018

1. Govt Unveils Bt600 Bn EEC Projects

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

As PM prepares for Europe visit, ministers assure diplomats of continuity after poll. In what is seen as a economic road show before Prime Minister Prayut Chan-o-cha's high-profile trip to Europe later this month, the government said on June 7 it was accelerating six key investment projects worth Bt600 billion in the Eastern Economic Corridor (EEC). Despite upcoming political changes after the next election, key ministers told diplomats from 56 countries that they expected the next cabinet to continue the projects. "There are about six to eight projects for which bidding would be held by the end of this year," Kobsak Pootrakool, minister attached to the Prime Minister's Office, told the diplomats during a briefing session at the Foreign Ministry. Thai ministers and senior officials briefed the envoys about the progress of investment projects in the EEC after the legislation came into effect last month. Utama projected investments in the EEC over the next five years would reach \$43 billion (Bt1.3 trillion). The EEC is not an isolated project but an integral part of Thailand 4.0, which is aimed at driving innovation, he said. The government has given generous incentives to investors who invest in the EEC zone, which covers Chon Buri, Rayong and Chachoengsao provinces.

2. THAI Eyes Boost From Engine Repair Centre

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

THAI Airways International (THAI) and Rolls-Royce on June 7 signed a cooperation agreement with a view to equipping its maintenance facilities at Don Mueang airport to service the British engineering giant's line of Trent aircraft engines. The agreement signed for 10 years will see the two companies work together to explore how to expand Rolls-Royce's Trent CareNetwork by building on THAI's existing maintenance, repair, and overhaul (MRO) capabilities. Becoming an authorised maintenance centre for Rolls-Royce would enable THAI to generate annual revenue of around Bt4-5 billion for the service within three years, an airline executive said. THAI acting president Usanee Sangsingkeo said the agreement would build on THAI's existing MRO facilities to enable the national carrier to repair the new engine types used by commercial airlines on June

8. THAI has the capability to expand its engine maintenance services for the Rolls-Royce Trent 700 engine used by Airbus A330 aircraft and the Trent 1000 engine on the Boeing 787 Dreamliner. Moreover, the establishment of MRO facilities for Rolls-Royce would serve as a new growth engine that will help in the development and eventual readiness of an aircraft maintenance centre in the Eastern Economic Corridor (EEC). Skills in the field of aircraft engine maintenance would be further developed and this would help the nation's aviation industry become the best in the region, Usanee said.

3. SET Slips, Other SE Asia Stock Markets Rise

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

The Stock Exchange of Thailand index closed lower on June 7, while other Southeast Asian stock markets ended higher on June 7, with the Philippines surging to its highest close in three weeks. The SET main index lost 5.65 points or 0.32% to close at 1,733.05, in trade worth 50.96 billion baht. MSCI's broadest index of Asia-Pacific shares outside Japan rose as much as 0.6% in its sixth straight gaining session to a two-and-a-half-month high. Philippine shares closed 1.5% higher, as BDO Unibank, the biggest Philippine bank in terms of market capitalisation, surged 5% in its third consecutive winning session. "Financials experienced heavy sell-off during past five months," said Rachelle Cruz, an analyst from AP Securities in Philippines. The country's annual inflation quickened in May at the fastest pace in at least five years, data showed on June 5. Malaysian shares rose 0.5% to their highest close in two weeks. Financial stocks such as CIMB Group Holdings and Malayan Banking were the biggest boosts on the index.

4. SET Bids To Catch Up With Singapore Bourse

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

THE NEW chief of the Stock Exchange of Thailand said on June 7 that the Thai bourse is expected to see its market capitalisation equal to that of the Singapore's exchange within 2023, provided the SET Index maintains its current uptrend with continuing entries of new listings. Pakorn Peetathawatchai, the 13th president of the SET, said the continuous growth of the Thai exchange is the result of the entries of 40 new listings per year with a combined market cap, based on initial public offering prices, of Bt250 billion in addition to the capital increase of Bt250 billion. The

SET Index has risen an average of 10 per cent annually. If the Thai bourse is able to maintain its growth at this level, its market capital can be equal to that of the Singapore bourse in a few year, Pakorn said. In the past five years, the Thai exchange's market cap stood at US\$350 billion, while the total of the Singapore exchange amounted to US\$700 billion. To foster the bourse' adjustment, SET and capital market human resources will be well equipped for higher efficiency and new businesses. Regulations and work procedures with supervisory units will also be reformed for more flexibility and less obstacles in doing businesses and investment.

5. Thaitrade.Com Elevated To National E-Commerce Platform

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

The Ministry of Commerce on June 8 announced plans to scale up the government's Thaitrade.com website to become the national e-commerce platform as part of plans to turn Thailand into an e-commerce hub for the region. Commerce Minister Sontirat Sontijirawong said that Thaitrade.com would expand from its status as a cross-border platform for exporters running small and medium-sized enterprises (SMEs) to become the national online business gateway with the full features of business-to-business (B2B), business-to-consumer (B2C), and business-to-business-consumer (B2B2C) transactions Sontirat, speaking at the E-Commerce Big Bang event, said the latest feature to be offered on Thaitrade.com, Thaitrade Shop, provides an e-commerce platform for SMEs selling into the domestic market. Thaitrade Shop also connects with business partners, including local e-marketplace and e-commerce players, as well as e-payment and e-logistic service providers. The move is aimed at helping to strengthen local SMEs and local e-marketplace vendors as well as to increase the country's competitiveness in the e-commerce sector. "E-commerce is the right solution for cross-border commerce, in order to be competitive with the fast-growing giant e-commerce players. The government and business need to work together," said Sontirat.

6. Elections 'Not Set To Derail' EEC

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

The government has informed foreign companies through their respective embassies that the flagship Eastern Economic Corridor (EEC) will carry on as planned, regardless of whether a general election takes place next February or results in a new direction. The assurances come as

the government scrambles to increase foreign investors' flagging confidence. The government on June 7 held a representative briefing titled "The EEC: Taking Off" with foreign ambassadors, consular agents and diplomatic agents from 55 countries in attendance. Many related agencies joined the event, including the Industry Ministry, the Foreign Affairs Ministry, the EEC Office and the Board of Investment (BoI). Kobsak Pootrakool, the Prime Minister's Office minister, said the government aims to allay fears about the EEC scheme, with many investors concerned about a postponement of the scheme because of the vagaries of the next election. The EEC project is part of that plan to make Thailand's economy driven by innovation, attracting greater investment. The corridor follows the Eastern Seaboard Development scheme from the 1980s.