

Thai News Update: 9 October 2019

1. CP Group, SRT signing of train contract again deferred

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

The signing of a 224 billion baht contract between the State Railway of Thailand and Charoen Pokphand (CP) Group faces another delay following the resignation of the entire SRT board only two weeks before the scheduled closure. Transport Minister Saksayam Chidchob said on Monday the Transport Ministry had decided to defer the signing of the contract from Oct 15 to Oct 25 after the SRT board members all stepped down last week, on Oct 1. The ministry needs the new SRT board to be in place first, to avoid the possibility of the contract being invalidated if they ink the agreement in its absence, he said.

2. IMF sees Thai growth rate at 2.9% this year, 3.0% in 2020

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

Thailand's economic growth rate could slow to 2.9% this year and be 3.0% in 2020, reflecting external and domestic headwinds, the International Monetary Fund said. Last year's growth for Southeast Asia's second-biggest economy was 4.1%. The growth projections came in a report released in Washington on 7 October about an Article IV consultation in Thailand by the IMF's executive board. According to the report, there are different views among directors on whether Thailand has scope for further policy easing. The IMF said it welcomed the August rate cut by the Bank of Thailand (BoT) -- its first since April 2015 and added that "going forward, a number of directors saw scope for further monetary easing to help steer inflation back to target".

3. Bank of Thailand has limited scope to curb baht: World Bank

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

The Bank of Thailand has limited scope to tackle baht strength but the currency's climb is a sign of investor confidence in the country's economic fundamentals, according to the World Bank. "The trends that drive Thai baht appreciation aren't easy to combat by central bank policies,"

Birgit Hansl, the World Bank's country manager for Thailand, said in an interview on 7 October in Bangkok. The jump is part of a global picture, which nations with small, open economies have "limited ability" to change, she said. The baht has emerged as a haven for some investors, underpinned by a current-account surplus and \$220 billion of foreign reserves. The currency's near 7% climb against the dollar this year, the best in Asia, contributed to a slowdown in the trade-led Thai economy by hurting export competitiveness.

4. Thailand competitiveness ranking drops 2 spots to 40th place

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

Thailand's competitiveness ranking for 2019 has dropped two spots from 38th to 40th among 141 world economies, despite the government's Thailand 4.0 programme. The World Economic Forum's Global Competitiveness Index rankings for 2019 were announced on October 9 at the Chulalongkorn Business School. The drop occurred despite the Thailand 4.0 programme, noted Ass't Professor Wilert Puriwat, Dean of Chulalongkorn Business School. "Other countries made faster progress in increasing their competitiveness," he said. Still, Thailand's scores rose from 67.5 to 68.1, he added.

5. Cabinet set to deliberate on EEC land-use, development plans

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

The Eastern Economic Corridor (EEC) Policy Committee will soon submit plans to the Cabinet for the use of land and the development of utilities infrastructure in the EEC. Kanit Sangsubhan, secretary-general of the EEC Office, said the plans will cover the development of the EEC zone for 20 years. The EEC zone covers Chachoengsao, Chon Buri and Rayong provinces, and once the plans are approved by the Cabinet, the Department of Public Works and Town and Country Planning will draw up new plans for the three provinces. He added that the latest plan only changed the land-use specifications by 8 per cent, so forest areas and good agricultural land can be maintained, and only 3 per cent of rural zones will be developed.

6. Ministry mulls second phase of ‘Eat, Shop, Spend’ campaign

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

Finance Minister Uttama Savanayana on October 8 held a meeting with officials of tourism-related agencies on the second phase of the ‘Eat, Shop, Spend’ campaign, said the minister's secretary Thanakorn Wangboonkongch. The ministry is expected to decide this week if the second phase should be implemented, following launch of the first phase last month. The campaign is aimed at stimulating economic growth. Thanakorn said registered consumers in the first phase of the campaign do not have to use up the handout in a single purchase as the package would stay valid until November 30. He denied criticism of some Opposition members that the package could only be used at major shopping malls.

7. Thailand, India to boost trade and cooperation

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

The Cabinet on October 7 approved a draft statement on bilateral cooperation for the 8th joint meeting between Thailand and India, according to deputy government's spokeswoman Ratchada Thanadirek. It is expected to be signed by members of a joint committee at the meeting in India on October 9-10. The paper covers nine areas of cooperation and the promotion of bilateral trade and investment between the two countries.