

## Thai News Update: 22 July 2019

### **1. International credit rating agency gives Thailand a BBB+ economic report card**

**Source: The Thaiger ([Link](#))**

Fitch Ratings has revised its outlook on Thailand’s Long-Term Foreign Currency Issuer Default Rating to “positive” from “stable” and upgraded the rating to BBB+. The revision reflects increasing international economic confidence that lingering political risks are unlikely to derail “sound macroeconomic management”, according to the international credit rating agency, Fitch. “This is demonstrated by the sustained strength of external and public finances over the past several years, which has resulted in greater resilience to macroeconomic and financial shocks.” The Thai baht has been one of the strongest performing emerging-market currencies against the US dollar throughout 2019, appreciating by over 4.5% as equity and debt inflows have increased, particularly during June.

### **2. New Thai Government to Pursue Policies Championed by Junta**

**Source: Bloomberg ([Link](#))**

Thailand’s new government said it plans to pursue a number of economic policies championed by the previous military administration as officials strive to revive growth. Initiatives such as the \$55 billion Eastern Economic Corridor project, which seeks to add infrastructure and spur high-technology industries, are among the priorities laid out in a policy statement published on 21 July in Bangkok. “Thailand has continued making progress in many areas of development,” according to the statement. “But this government will face challenges from volatility domestically and globally, from issues like an aging society, international trade and technological change.”

### **3. Transport minister moving ahead with B880bn infrastructure projects**

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

Transport Minister Saksayam Chidchob is moving ahead with the mega-infrastructure investment projects started by the previous government, worth a combined 880 billion baht. The

Bhumjaithai Party key figure has outlined urgent investment projects to be implemented, including increasing the capacity at major airports to accommodate growing air travel demands, which would ease overcrowding at airports and welcome more tourists. Arrivals at the country's major airports are predicted to surge to 170 million in total in 2021 and to 170 million in 2024, according to the newly-appointed minister. The capacity expansion will begin with the 42-billion-baht construction of Terminal 2 at the country's gateway Suvarnabhumi airport.

#### **4. Thai Industrial Property market driven by rocketing Chinese FDI**

**Source: Thailand Business News ([Link](#))**

According to a survey in Q4 2018 by CBRE, a leading international property consultant, Serviced Industrial Land Plots (SILPs) sales by major developers in Thailand increased by 50% Y-o-Y at a total of 1,000 rai (160 hectares) sold. Of the total 1,000 rai (160 hectares) sold, 146 rai (23.4 hectares) were in Amata's Thai-Chinese Park which developed SILPs specifically for Chinese manufacturers. Foreign Direct Investment (FDI), as reported by the Bank of Thailand (BOT), in the manufacturing sector in 2018 increased by 130% Y-o-Y. Many developers have reported that there was demand from Chinese manufacturers who were looking to relocate to Thailand due to the US-China trade war that has resulted in "Made in China" products having higher tariffs.

#### **5. Third Bangkok airport proposed**

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

The Airports Department has proposed building a new airport in Nakhon Pathom province west of Bangkok to relieve congestion at the capital's two main gateways. The 20-billion-baht facility, to be located on 3,500 rai straddling Bang Len and Nakhon Chaisi districts, would take four years to build, said Jarun Meesomboon, the department's deputy director-general. The proposal will be forwarded to the Transport Ministry for its consideration, he said on 20 July. "The investment could be in the form of a public-private joint venture or a state-owned project, pending further study," he said. Various private groups had shown keen interest in the project, he said, drawn by a very high economic internal rate of return, or EIRR, of more than 20%.

## **6. Economic cabinet, joint panel readied**

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

The government looks set to bank on two mechanisms to ensure better and more effective economic management: an economic cabinet and the joint public-private consultative committee (JPPCC). The economic cabinet will be instrumental in driving policy management and improving efficiency amid a sluggish global economy, said Deputy Prime Minister Somkid Jatusripitak. He has already consulted with Prime Minister Prayut Chan-o-cha. The economic cabinet will include the finance, industry, transport, energy and commerce ministers among others. The economic ministers' meeting to be chaired by Gen Prayut does not need to meet every week, Mr Somkid said. Meetings should only be held when there is a special agenda, he said.

## **7. Health Ministry ponders reinstatement of about 3,000 traditional medicine practitioners**

**Source: Thai PBS World ([Link](#))**

Thailand's Ministry of Public Health will hold a meeting with officials to consider amendments to a new regulation which has led to the disqualification of about 3,000 traditional medicine practitioners, including Mr. Decha Siripat, president of the Kwan Khao Foundation. Deputy Prime Minister and Public Health Minister Anutin Charnvirakul said over the weekend that he had met with Mr. Decha and was aware of the latter's problem after the Food and Drug Administration on Friday withheld approval of his medicinal cannabis concoction on the grounds that Mr. Decha is not a qualified traditional doctor. He noted that, before the issuance of the new health regulation, Mr. Decha was a qualified traditional doctor but did not meet the additional criteria introduced in the new regulation. Minister Anutin said he would discuss, with the public health permanent secretary and other officials, ways to accommodate the 3,000 traditional doctors, including amendments to the new regulation.

## **8. Mekong River in Golden Triangle drops to lowest level in a century**

**Source: Thai PBS World ([Link](#))**

Water levels in the Mekong River, as it passes through the area known as the Golden Triangle where the borders of Thailand, Laos and Myanmar meet, have fell to the lowest point in a

century on July 19th, lower than the record set in April 1973. Southeast Asia's Stimson Centre director Brian Eyler said that, based on recent satellite images, the drastic lowering of the water level in the river has exposed many islets and sandbars adding, via Facebook, that this could be a new normal for the Mekong River, due to flow regulation by upstream dams and climate change, resulting in prolonged periods of drought. The most worrisome aspect is that the water level is at its lowest during the wet season, when there should have been plenty of water, and this may have an impact on the migration of fish to their spawning grounds, said Mr. Eyler. In Thailand's Nong Khai province, opposite Vientiane, the provincial waterworks authority suspended water treatment temporarily on Wednesday because its water pumps cannot draw water from the river.

#### **9. NBTC board to consider plan to enable fast 5G rollout**

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

The National Broadcasting and Telecommunications Commission (NBTC) has asked its board to approve a multi-band spectrum auction plan to drive the country toward the 5G era. NBTC secretary-general Takorn Tantasith said on 22 July that under the draft plan, there will be two multi-band auctions. The first will consist of higher frequency bands, such as 26-28 GHz, together with the 2600 MHz middle band and the lower 700 MHz band. For the second auction, middle bands of 3400–3600 MHz and 1800 MHz will be released altogether. The timeline for the auctions will be announced as soon as possible after the plan is approved by the NBTC board. The multi-band auction plan is regarded as a means to prepare spectrum resources for the speedy development and utilisation of 5G technology in Thailand.