

## Daily Thai News Summary: 10 June 2015

### 1. Japan, Thailand agree stronger trade, economic ties

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

Thailand and Japan have moved towards stronger economic cooperation by focusing on two-way investment and more bilateral trade, while the Kingdom will serve as a springboard for Japanese investors to boost trade to third markets. The two nations also will cooperate in technology transfer in farming and manufacturing.

After a four-day business mission to Tokyo last week led by Commerce Minister General Chatchai Sarikulya, the Thai government foresees closer cooperation with Japan in many dimensions as part of strategies to make the Kingdom a centre of investment and trading for Japan.

For its part, Japan will no longer be only an investor in the Kingdom, but Thai investors foresee more opportunities to do business in Japan under its open economic policies.

### 2. Thai banking system stable, amid challenges

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

The Thai banking system should be able to weather the storms, though the operating environment is changing which may lead to asset deterioration, said Moody's Investors Service.

The just-released "Banking System Outlook: Thailand," which is an overview of credit trends affecting the banking system in the next 12-18 months showed that the operating environment for Thai banks will remain challenging as economic recovery will be slower than previously expected due to political uncertainty weighing on consumption and investment; consumption is also constrained by high household leverage.

### 3. Kobkarn sets out progress on joint tourism

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

The Tourism and Sports Ministry is pressing ahead with plans under the "Asean Connectivity Project", under which Thailand aims to improve linkage with neighboring

countries, in a bid to boost arrivals from ASEAN markets as well as from those outside the regional grouping.

Tourism and Sports Minister Kobkarn Wattanavrangkul said the government would continue to develop connectivity and infrastructure systems, both land and air, to link the Kingdom with those countries with which it shares a border.

This ties in with the national tourism master plan, under which the government wants to boost tourist arrivals not only from Asean nations, but also from third countries.

#### **4. Finance Ministry gets nod to seek loan from JICA**

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

The cabinet has granted permission to the Finance Ministry to secure another 38.203-billion Japanese yen (around Bt10 billion) loan from the Japan International Cooperation Agency (JICA) in order to continue with the construction of the second phase of the Bang Sue-Rangsit suburban route.

The 26-kilometre line is part of the State Railway of Thailand (SRT)'s Red Line Mass Transit System Project. The Japanese government gave the nod to JICA to provide the loan on February 10, 2015.

The Red Line project consists of two lines - the Dark Red Line from Thammasat University's Rangsit campus to Maha Chai in Samut Sakhon province, and the Light Red Line, which runs from Sala Ya in Nakhon Pathom province to Hua Mark in Bangkok.

Both the Red Line routes will pass central Bang Sue railway station, which will act as a connecting hub to the Mass Rapid Transit system. The Bang Sue-Rangsit stretch, whose construction began in 2013, is the first phase of the Dark Red Line.

#### **5. Companies keen on floating wage rate**

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

Businesses are voicing support for the National Wage Committee's decision to cancel the fixed 300-baht minimum daily wage next year and replace it with a floating rate, with 300 baht to remain the daily floor.

But Supant Mongkolsuthree, chairman of the Federation of Thai Industries (FTI), said the floating rate should depend on the strength of the economy in each area, with provincial wage committees considering whether their rates should be increased.

*"The FTI agrees with the National Wage Committee that the fixed rate should be cancelled. However, the new minimum daily wage should be floated and increases should be in line with costs of living in each area," Mr Supant said.*

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By Harsha Hazarika