

Daily Thai News Summary: 10 September 2015

1. First draft to be announced in October

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

The Information and Communications Technology Ministry will officially announce the first draft of the 2016-20 National Digital Economy Master Plan early next month and will complete the draft by the end of the year. The ministry says it is also cooperating with the private sector to encourage small and medium-sized enterprises to support the move towards a "digital economy" and facilitate long-term growth of the economy.

ICT Minister Uttama Savanayana said the five-year plan would comprise six categories: hard infrastructure such as nationwide broadband; soft infrastructure such as standards and regulations; public services for Thai citizens; use of digital technology to improve the economy; use of technology to improve society and quality of life; and a digital workforce. "The new National Digital Economy Master Plan will utilise information technology to support and boost small and medium-sized enterprises, create new start-ups and utilise IT in order to improve the quality of life for Thai people as a whole. The master plan will also utilise IT in order to enhance productivity and develop human resources and ... create new business and new innovation," said the minister.

2. Thailand Sustainability Investment: SET's initiative towards sustainable growth

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

Sustainable or responsible investment has become one of the key themes in an investment community striving for long-term and stable returns. In particular, such investors not only are looking at the financial performance of listed companies, but are also considering whether these companies operate in an eco-friendly fashion, with a focus on social responsibility, and adopt good corporate-governance practices.

In other words, they consider the environmental, social and governance (ESG) aspects of the companies they want to invest in, as well. At the international level, the Dow Jones Sustainability Index (DJSI) is accepted as a benchmark for global investment of listed companies with leading performance and outstanding ESG practices.

In order to promote sustainable investment, the Stock Exchange of Thailand has recently initiated the "Thailand Sustainability Investment" project. Under this initiative, the SET - jointly with the Securities and Exchange Commission, the Association of Investment Management

Companies, the Association of Thai Securities Companies, the Thai Listed Companies Association, the Thai Institute of Directors, and the For Khonthai Foundation - has created an ESG benchmark in line with international best practices. Such a benchmark is then used as a tool to search for listed stocks with outstanding ESG performance.

3. Bright future for private hospitals

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

Healthcare is another sector that would show continuous and good earnings growth in the long run. Domestic contributions are 1) the proportion of elderly population (aged over 65 years) to total population will rise from 8.9% in 2010 to 12.3% in 2020, 2) the ratio of healthcare spending to GDP of Thailand is only 4.6%, versus 12-13% of developed countries, and 3) the ratio of population per hospital bed (IPD) is as high as 477 people, versus the world average of 385 people/bed.

Likewise, the number of foreign patients will increase significantly; as a result of the AEC liberalization, revenues of the population in CLMV (Cambodia, Laos, Myanmar, and Vietnam) will increase, whereas medical technology in those countries is far behind Thailand, so the number of CLMV patients coming for treatment in private hospitals in Thailand will grow continuously every year. Many hospitals have also planned to increase their service capacity to meet with increasing demands in the next three to five years.

4. Focus on refinancing amid car sales slump

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

The slump in car sales has sent several hire-purchase operators shifting from car loans to the low-risk refinancing market, according to Ayudhya Capital Auto Lease, or Krungsri Auto. Managing director Pairote Cheunkrut said that the competition this year was more intense because more players have promoted refinancing to offset the decline in new car loans. Krungsri Auto needs to be active in the second half of this year to defend its market leadership. The company commands 39 per cent of the market.

Even though the auto-refinance market has no accurate volumes, registered cars in the country can represent a huge opportunity for hire-purchases. Compared with the interest rate of 28 per cent for personal loans, auto refinancing is more appealing because it charges only 4 per cent. Krungsri Auto's refinancing product called Car for Cash accounts for 25 per cent of its loan portfolio. Car for Cash loans in the first half amounted to Bt51 billion, unchanged from the end of last year.

The company has made its website www.Car4Cash.com more interactive and also more attractive by offering a special campaign - no instalments for the first 60 days - for customers applying for a loan via the website. *"We hope the campaign will help boost new loans from customers who apply via our website to Bt200 million this year from Bt70 million last year,"* he said.

5. NEDA hopeful of Dawei momentum

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

The Neighbouring Countries Economic Development Cooperation Agency (Neda) expects major investors, including petrochemical industries, will start investing in the first phase of Myanmar's Dawei deep-sea port special economic zone (SEZ) soon.

Investment should spur larger infrastructure development for the whole phase. Neda president Newin Sinsiri said momentum for the first phase of Dawei would help support further development of infrastructure, eventually increasing employment in Myanmar. *"Development of the 132-kilometre road linking Thailand's Phu Nam Ron village in Kanchanaburi and the Dawei deep-sea port in Myanmar will promote investment in the first phase,"* he said.

6. UTCC sees 4.2% GDP growth in 2016

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

Government stimulus measures likely will grow the Thai economy by 4.2% in 2016, the University of the Thai Chamber of Commerce predicted. Thanavath Phonvichai, the UTCC's vice-president for research, believes stimulus measures and government investment, along with a more-stable political landscape and the continuing expansion of tourism will drive the economy in 2016, pushing up gross domestic profit by 4.1%.

Exports, meanwhile, are forecast to jump 5.3% from this year. Inflation next year was forecast at 1.4% and 31.35 million foreign tourists would arrive, the UTCC believes.

By Harsha Hazarika