

Daily Thai News Summary: 14 July 2015

1. Rice Insurance scheme expanded to 2M RAI

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

The Insurance Commission will expand its 2015 target for insurance policies for in-season paddy fields by 500,000 rai to 2 million rai (320,000 hectares) to fulfil rising demand from farmers facing the drought.

"Sales of insurance policies for in-season paddy fields as of July 8 reached 1.33 million rai or 89.1 per cent of the old target of 1.5 million rai," secretary-general Pravej Ongartsittigul said yesterday. The decision to increase the area came after discussions with agencies such as the Finance Ministry, the Agriculture Ministry, the Bank for Agriculture and Agricultural Cooperatives, and the Thai General Insurance Association.

The policy covers damages incurred from natural disasters as well as pests and epidemics. The insurance policy is available until August 14, except for the South, where it will be available until December 11.

2. Investors told to wait for China stock market correction

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

Stock markets all over the world have been volatile in the second quarter mainly because of the situation in Greece, which has failed to reach an agreement with its creditors. But the Chinese market has also tumbled in the period because of both fundamental and technical factors. The fundamentals include the meagre signs of an economic recovery while Chinese stock-market prices have soared and relatively high valuations compared with other countries.

The technical factors include the major increase in retail investors in the Chinese market and the use of margin accounts that are higher than 3.5 per cent - higher than those of the Japanese and US markets - which prompted some deterrence from the Chinese government. Meanwhile, a large number of initial public offerings temporarily pulled liquidity away from the market.

Foreign investors have moved capital out of China because its main stock index is not yet part of the calculation for emerging markets of MSCI. Yet another technical factor is the perceived effects of a rise in US interest rates. Asset Plus Fund Management, however, believes these retardant factors are short-lived. The stock-market corrections will help prevent bubble effects in the Chinese market and put valuation at the optimum level.

The Chinese stock markets still retain some attraction, thanks to a good investment outlook in the medium and long terms. Despite the current slowdown in the Chinese economy, the latter half of the year will see some improvement that stems from a monetary-easing policy that has so far in 2015 lowered the interest rates three times, totalling 75 basis points, and they could go even lower.

3. AirAsia joins with TAT for “shopping paradise” campaign

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

The Tourism Authority of Thailand (TAT) is joining AirAsia for a "Green Season" campaign to stimulate travel to the Kingdom by offering discounts, premiums and privileges with "Thailand Shopping Paradise with AirAsia".

The campaign also involves cooperation with major department stores and other partners including Asiatique, Calypso, Muay Thai Live, CPN, King Power, Siam Paragon, Divana Spa, and CIMB as well as Yuke "Son" Songpaisan, a Thai actor famous in China. The activity is being promoted with a roadshow throughout the region, starting with an event this past weekend in Guangzhou, China, at One Link Walk Shopping Mall.

Somrak Kumputch, deputy governor for administration of TAT, said the cooperation with AirAsia, leading department stores and other partners would result in a high-value travel and shopping experience in Thailand. Foreign visitors will be able to enjoy attractive airfares, promotions and privileges. She said the Green Season was an opportune time to stage promotional events to draw in foreign travellers who will stimulate the economy.

4. Drop in consumer confidence in June

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

Thailand's consumer Confidence Index remained low in June, reflecting consumers' continued lack of confidence in the economy, according to the Commerce Ministry's Trade Policy and Strategy Office. Ministry spokeswoman Duangkamol Jiambutr said the index for June stayed at 38.9 - the same figure as the previous month.

Kasikorn Research Centre's household Economic Condition Index (KR-ECI) in June hit a record 11-month low of 43.8 compared with 45 in May. The 30-month expectation index dipped to its lowest level in 13 months at 45.2. Readings below 50 mean most households believe their living costs will increase.

The Commerce Ministry's overall three-month-expectation sub-index inched up to 43.2 in June from 43.1 the previous month. Although this suggested a slight increase in confidence, it stayed below the 50 threshold that separates pessimism from optimism.

Readings below 50 in the sentiment index suggest consumer pessimism over the economy and the widespread need for government assistance to meet living costs. The current indices indicate that the government needs to stimulate the economy through spending, boost tourism, accelerate state-budget disbursements, give financial assistance to communities for job creation, and develop the agricultural-product economy, Duangkamol said.

5. Regulatory relief for car makers in sight

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

The government has pledged to tackle what it deems obstacles to trade and investment as it seeks to spur car shipments in the second half. The plan includes an easing of rules and regulations on labour and wages and support for expansion into new markets by the Thai car industry.

Commerce Minister Chatchai Sarikulya, met high-ranking executives of car companies such as BMW Group Thailand and Toyota Motor Thailand (TMT), said a working panel would be jointly set up to look at ways to stimulate Thai automotive shipments and address export-related issues.

By Harsha Hazarika