

Daily Thai News Summary: 15 July 2015

1. Volvo aims to double Thai sales by 2017

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

Sweden's Volvo Car (Thailand) is seeking to rev up sales over the next three years after keeping a low profile and posting a sluggish performance during the last two years. Newly-appointed managing director Anette Andersson said under its three-year plan, Volvo aims to double its Thailand sales by 2017 from 1,260 units last year.

The company is also committed to upgrading the quality of its existing 13 dealers and 14 service centres nationwide as well as launching new models more frequently. The company is also committed to upgrading the quality of its existing 13 dealers and 14 service centres nationwide as well as launching new models more frequently.

"We haven't yet planned to develop any new outlets this year, as the existing outlets are already capable of handling current sales," said Ms Andersson. *"We may think of expansion if our sales exceed 2,000 units a year."*

2. MoU for Salween hydropower project to be signed between Thailand, Myanmar, China

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

Thailand, China and Myanmar are expected to sign a memorandum of understanding (MoU) for the development of the 7,000-megawatt Mong Ton hydropower-plant project on the upper Salween River this year, after Myanmar's government cancelled its Tasang hydropower project.

Speaking yesterday on behalf of the three countries, Thai Energy Minister Narongchai Akrasanee said Electricity Generation Authority of Thailand International (EGATi) would hold a 40-per-cent stake in the Mong Ton project, China's giant state enterprise Three Gorges Corp would take a similar stake, and the Myanmar government would hold the remaining 20 per cent.

The Mong Ton hydropower project is expected to take five years to construct. In the initial stage, about 700MW of power generation is expected and will be delivered to Myanmar, which still has a shortage of power supply. The remaining 6,300MW will later be sold back to Thailand under the Kingdom's plan to purchase power from neighbouring countries, said the minister.

3. New company registrations up 7% in H1

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

The number of newly registered companies increased considerably in the first half of the year, indicating that the business sector remains confident that the economy will improve, the Business Development Department reported.

In the first six months, the number of new firms rose 7 per cent year on year to 31,557. In June alone, the number of new firms was down slightly, 0.7 per cent year on year, but up 14 per cent from May.

4. UTCC predicts 3.8% drop in Thai exports this year

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

Thai exports are forecast to shrink by 3.8 per cent this year - the worst performance in six years and a third consecutive year of contraction - due largely to the sluggish global economy, the low prices of oil and other commodities and the effects of drought on agricultural production, according to the University of the Thai Chamber of Commerce.

The UTCC predicts that the country's overseas shipments in the second half will grow by only 3.6 per cent, averaging US\$18.51 billion (Bt630 billion) a month, which would mean full-year exports missing the Commerce Ministry's expansion target of 1.2 per cent.

"With only slight economic expansion and the impact of the global economic slowdown, as well as the problems in the fishery industry causing lower seafood exports, Thai shipments will face negative growth this year," Aat Pisanwanich, director of the UTCC's Centre for International Trade Studies

5. Thais set to double their holiday spending, says Visa

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

Thai tourists will lavish Bt83,000 on an overseas trip in two years, nearly double the Bt44,000 outlay two years ago, according to Visa. Thai tourists will lavish Bt83,000 on an overseas trip in two years, nearly double the Bt44,000 outlay two years ago, according to Visa. More Thais travelled overseas for leisure and intended to spend more money while on holidays, Visa's online Global Travel Intention Study found.

Somboon Krobteeranon, manager for Thailand, said yesterday that the average spending of Thai tourists in the last two years was lower than the global rate of Bt75,000. In Southeast

Asia, Singaporeans forked out Bt54,000 for each trip while Malaysians splashed out Bt38,000. Thais typically embark on shorter trips, as manifested by their top five destinations in the past two years - Japan, Singapore, China, Hong Kong and South Korea.

6. VAT freeze to stay for another year

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

The Cabinet has approved a Finance Ministry proposal to maintain the value added tax (VAT) at 7 per cent until September 30, 2016, as the economy is still considered sluggish and the government does not want to add burden on the public's purchasing power. At yesterday's meeting, the Cabinet also approved a Transport Ministry proposal to construct three motorways at a cost of Bt160.42 billion, along with the agenda for the 2nd Thailand-Vietnam Joint Trade Committee meeting later this month.

The VAT was supposed to have been increased last year as the revenue code estimated that the rate should be 10 per cent; however, the National Council for Peace and Order issued an order on October, 2014, to maintain the rate at 7 per cent until September 30, 2015, amid an economic slowdown in the first half of 2014. The government had expected the economy to expand by 3.5-4.8 per cent this year but the current consensus from the Bank of Thailand and the National Economic and Social Development Board is that the gross domestic product will only be able to expand by 3-3.5 per cent this year.

7. CLMV markets offer huge opportunities for Thai brands

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

Riverorchid Group, a Thai marketing and communication agency specializing in Cambodia, Laos, Myanmar and Vietnam (CLMV), has said advertising spending in the region will continue to grow and play an increasingly important role in brand communication, particularly for Thai companies. Santiphong Pimolsaengsuriya, chief executive officer and founder of Riverorchid Group, said the combined market value of CLMV was equal to about 75 per cent of Thailand's gross domestic product.

The annual economic growth rate of CLMV countries is at least 7 per cent, compared with Thailand's rate of just 0.7 per cent, he added. In terms of population, CLMV has about 165 million people, around 2.5 times Thailand's 65 million. CLMV middle-class consumers will be an increasingly key driver of economic growth in the future, he said, adding that the overall CLMV population would surpass 200 million in the next decade. *"With this expansion, growth in both intra-regional travel and trade is expected to follow suit,"* said the CEO.

By Harsha Hazarika