

Daily Thai News Summary: 17 July 2015

1. Board of Trade seeks foreign talent

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

The Board of Trade will propose to the government that it alter its immigration policy to encourage more inflows of foreign talent to Thailand. Speaking on the topic of enhancing national competitiveness, Board of Trade chairman Isara Vongkusolkit told about the idea. *"The immigration policy must be changed. Now we let poorly educated [foreign migrants] come in everywhere, while we deter well-educated [foreign] people,"* he said.

Citing the case of the United States, which has benefited from foreign talents, Isara said the Thai government should also provide incentives for good-quality educational institutes from the US, Japan, Europe and China to establish campuses here, either competing with Thai universities or joining with them. Furthermore, the government should try to attract young foreign talents to come in and help develop the Thai economy, he said.

2. Commerce Ministry hopes lifting of sanctions will boost Thai export

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

The cancellation of international sanctions on Iran should boost Thai exports to that country, traditionally a major importer of many products from here, the Commerce Ministry anticipates. The ministry's permanent secretary Chutima Boonyapraphasara said she had high expectations that the recent agreement on Iran's nuclear programme and lifting of sanctions would be a boon to the world economy and trade.

"With Iran's more open economic policy, the country should import more products from Thailand, particularly pickup trucks and rice. Iran has slowed its imports of pickups and rice from Thailand since it has been under sanctions. The lifting off the trading ban should encourage Iran to engage in more international trade and import many products from Thailand," Chutima said. She said that since Iran had high demand for many products, it should help Thailand achieve its 1.2-per-cent export-growth target this year. However, this could depend on how fast the sanctions are withdrawn and take effect, which is expected to be around September.

3. Agriculture sector to fall 4.3% this year

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

Drying out under the prolonged drought, the agriculture sector is expected to shrivel up 3.3-4.3 per cent this year after already shrinking 4.2 per cent in the first half. *"The agricultural sector will face negative growth this year as production of many crops is low, prices of many commodities remain low and rice growing is limited due to the drought,"* Lersak Rewtarkulpaiboon, secretary-general of the Agricultural Economics Office under the Agriculture Ministry, said yesterday. Hardest hit will be farming, while other businesses are still going strong this year, like those in the livestock, seafood and forestry industries.

While the global economy has recovered this year, and the weakening exchange rate and declining oil prices in the world market should help motivate exports of farm goods, the climate change problem causing a serious drought this year has caused a serious decline in the country's agricultural sector. Future factors that bear close monitoring are the drought and the looming rains to bail out farmers, and economy of China, which is one of the major importers of many Thai agricultural products.

4. New excise tax won't hurt PPV sales

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

Japanese car maker Toyota Motor Thailand expects the passenger pickup vehicle (PPV) market to remain healthy despite the 5-10% rise in the price of vehicles, or more than 100,000 baht, next year due to the new excise tax.

Senior vice-president Vudhigorn Suriyachantanant said all car makers will be affected by the new excise tax structure, which comes into effect early next year. Sales of PPVs, which figure around 40,000-45,000 units a year, are thus unlikely to change. *"We expect the new excise tax may lead some potential buyers to make their decisions within this year,"* he said.

The new tax regime is based on carbon dioxide emissions, E85-gasohol compatibility and fuel efficiency instead of engine size as before. The new tax regime is based on carbon dioxide emissions, E85-gasohol compatibility and fuel efficiency instead of engine size as before.

5. Investment “must be priority”

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

Thailand has to improve investment by the public and private sectors to boost annual GDP growth to 4-5%, says the Bank of Thailand governor. "Our overall investment since the financial crisis in 1997 has been low compared with those of neighbouring countries, as the combined investment of the public and private sectors stands at 22% of GDP, of which 5% is attributed to public investment," said Prasarn Trairatvorakul.

"If we want Thailand's economy to grow by 4-5%, then investment has to be around 26% of GDP." Mr Prasarn was speaking on the sidelines of the Thailand Competitiveness Conference 2015 hosted by the Thailand Management Association.

Investment would enhance the country's competitiveness because public investment would help develop basic infrastructure and private investment could lead to an improvement of product quality that meets global demand, he said.

By Harsha Hazarika