

Daily Thai News Summary: 18 July 2016

1. Thailand, UK to work on FTA

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

Thailand and the United Kingdom have agreed in principle to work on a bilateral free-trade agreement to relieve the impact from Britain's vote to exit the European Union, while both nations have set up the Thai-UK Business Leadership Council to tighten cooperation among the private sector. After the recent visit to the UK, Deputy Commerce Minister Suvit Maesincee said that Thailand and the United Kingdom had committed to ensuring bilateral trade growth to ensure Brexit would not affect trade and economic cooperation. *"The FTA should help promote trade and investment growth between the two sides though the UK will exit the EU. The UK is one of our major export markets among EU countries. Thailand will try to ensure market access under the bilateral trade pact with the UK after its exit from the European Union,"* Suvit said.

Thailand and the UK have also agreed to establish the Thai-UK Business Leadership Council, to boost cooperation between private enterprises and provide suggestions to the governments in improving the business environment and facilitating trade and investment growth for both sides. The ceremony to set up the council was witnessed by UK Rolls Royce's International Advisory Board and PTT Plc chief executive officer Tevin Vongvanich. Thai and UK business people will forge closer cooperation in various sectors under the council platform. Areas of cooperation include creative economy, technology transfer and innovation, and to find trade promotion measures between the two countries. The first meeting of the council will be hosted by Thailand in September or October this year. Thailand has also encouraged Rolls Royce to move its investment to Thailand from Singapore as Thailand has a policy to support the aviation industry, which is one of the targeted industries under the Thailand 4.0 Model to promote high-technology industries.

2. Thailand and Turkey set for free trade talk

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

Negotiations for Thailand and Turkey's free-trade agreement will kicked off next week and are expected to be finalised mid-next year. Commerce Minister Apiradi Tantraporn will lead the Thai negotiation team in Turkey on Tuesday to Thursday for the first round of talks, which have been postponed since January. Sunanta Kangvulkulkij, deputy director-general of the Trade Negotiations Department, who will be a chief negotiator for the FTA, said the negotiations were

delayed due to terrorist attacks in Turkey. Initially it was hoped negotiations would conclude at the end of the year.

Sunanta said that despite the delay, Thai and Turkish officials have continued to talk about the FTA unofficially to prepare the groundwork for official negotiations. Under the FTA, Thailand and Turkey plan to immediately eliminate tariffs for 90 per cent of trade in goods for both sides. Thailand is considered a gateway for Turkey to penetrate Asean, while Turkey could be a gateway for Thailand to tap Eastern Europe.

3. Thailand remains top rice exporter to HK

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

Thailand is still the top rice exporter to Hong Kong after claiming a 59.5 per cent market share in the first four months of the year. That was followed by followed by Vietnam with 27.7 per cent and China with 4.8 per cent, according to the latest report by the Commerce Ministry's Department of International Trade Promotion.

In April, Hong Kong imported 30,497 tonnes of rice globally, up 39 per cent on the same period last year. Fragrant rice imports amounted to 29,065 tonnes, up by 38.6 per cent, of which 17,196 tonnes was imported from Thailand, a 59 per cent increase on the 10,828 tonnes from the same period in 2015. Thailand accounted for 59.6 per cent of Hong Kong's fragrant rice imports, followed by Vietnam at 28.5 per cent, Commerce Minister Apiradee Tantraporn said.

4. Room for cinema industry to grow

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

There is still good potential in Thailand for the cinema industry to expand, as there are still relatively few movie screens here compared with other major markets in Asia. Vicha Poolvaraluck, chairman of Major Cineplex Group, said there were few screens relative to Thailand's large population of 65 million. United International Pictures (UIP), a major film distributor, says there are currently about 1,100 cinemas in Thailand. Meanwhile in Malaysia, Vicha said with a population of only 26 million, the number of cinema screens is as high as 1,000. South Korea's 54 million people are served by 2,200 cinema screens. On average, South Koreans view four movies in the cinemas per year.

In China, with a population of 1.2 billion, there are as many as 40,000 cinemas, and 1.2 billion tickets are sold per year. The average Chinese national sees one movie a year in a cinema. Vicha said Thai movies would play a key role in the remaining months of this year, with the film industry expected to grow by 10 per cent. He said 21 Thai films were set to be screened across

the country in the remaining months. The line-up of Hollywood blockbusters is also looking impressive, such as "Suicide Squad", "Sinister Six", "Resident Evil 6", "Doctor Strange" and "Rogue One: A Star Wars Story". In the first half, Major's business performance went as planned. There were more than 13 Thai movies, generating of ticket sales of more than Bt100 million. The company targets revenue growth of more than 10 per cent this year from Bt8.58 billion in 2015. To support sustainable growth, Major plans to have a total of 1,000 screens by 2020, up from 630 now.

5. New investment in 2nd half to hit BT 466 Bn, Says Finance Minister

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

The Economic Steering Committee estimates that new investment from the public and private sectors in the current second half of the year will be worth Bt466 billion and provide more than 67,000 jobs, Finance Minister Apisak Tativorawong said after a meeting of the committee yesterday. Up to Bt66 billion of the total will be spent by the government on infrastructure projects, and it will sign contracts for 18-19 projects worth a total of Bt1.4 trillion. The remaining Bt400 billion will be invested by private companies that will receive tax privileges from the Board of Investment.

Apisak noted that the Bt400-billion private-sector estimate was based only on those companies receiving BOIincentives, and the committee believes other firms that did not apply for incentives will also invest during the remaining months. Private-sector investment in the second half is expected to be in such high-potential industries as food, biotechnology, software, auto accessories and electronics. Meanwhile, the 18-19 government infrastructure projects that will kick off this year include the railway and motorway systems. Contracts will be signed early in the fourth quarter, with construction getting under way before year-end. Only one of the projects in the master plan, a Thai-Japanese rail project, will be delayed, with contract signing to begin next year, the finance minister said.

6. CP pioneers new convenience store for communities

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

CHAROEN POKPHAND Foods Plc is delivering a pioneering convenient store concept among communities. Since the establishment of the CP Fresh Mart chain 12 years ago to offer buyers fresh food as well as ready-to-eat products more conveniently, CP Fresh Mart has redefined the modern home-meal solution concept. Now, CPF is launching its new concept store called Magnet Semi Wholesale by CP, enhancing its value chain and supply chain to

consumers. The company held the grand opening of the first store in Chiang Mai's San Khampaeng district last Saturday as a role model for further expansion.

Adirek Sripratak, president and chief executive officer of CPF, said it was a growing trend for fewer hyper-discount stores because consumers want stores near to their community rather than big stores in town requiring longer travel. *"If the first outlet is successful, we will promptly consider expanding in other locations with a target of 10 outlets by next year. Besides our own investment, the company will also expand through franchising. Basically, each store requires 300 square metres and a Bt3 million-Bt5 million investment depending on the location,"* he said. Magnet Semi Wholesale stocks over 2,000 items of fresh food and consumer products, with half of them coming from CP or CPF. Consumers will buy retail products while grocers can get wholesale prices for buying boxes or crates of products.

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By Harsha Hazarika