

Daily Thai News Summary: 27 July 2015

1. Sugar crop heads for all time high after rain

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

Sugar production in Thailand could reach record levels this coming harvest season after recent rain offset the effects of a strengthening El Nino to boost crop growth, according to Office of the Cane and Sugar Board.

The harvest could well expand for a seventh year to an all-time high of 111 million tonnes in the season starting November, yielding 11.5 million tonnes of sugar, said Warawan Chitaroon, the director of the board's Cane and Sugar Industry Policy Bureau.

With El Nino keeping central Thailand at its driest in about 30 years, expectations were emerging that the weather pattern may limit output by the world's second-biggest sugar exporter. However, although welcomed by growers the crop-saving rain could worsen the slump in global sugar prices, that last week fell to a six-year low. Global supplies have outpaced demand for five straight years, and good weather in parts of top exporter Brazil will boost the harvest there.

2. Customs to issue new price guide for imported goods

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

The Customs Department will announce adjusted reference prices for the first 36 items used for import duty calculation within the next two months as part of its efforts to reduce importers' arguments about tax bills.

The items always need customs officials' discretion in evaluating imported prices to calculate tax payments, director-general Somchai Sujjapongse said. They include cars, electrical appliances and big motorcycles. Adjustment of reference prices will be extended to other items later, he said.

Creating reference prices for imported goods allows officials to have information in arguing with importers who declare prices below reference prices. It will also boost customs officials' confidence that they are not breaching the General Agreement on Tariffs and Trade (GATT) valuation system, introduced in January 2000.

3. FPO still confident of 3% growth despite export woe

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

The decline in Thai exports is not as bad as those experienced by some of neighbouring countries and, even with a contraction in shipments, the Fiscal Policy Office (FPO) estimates that 3% economic growth is within reach this year. Without the government's stimulus measures, economic growth would slow, as exports, which make up 70% of the country's GDP, have dropped at a faster pace than expected, said FPO director-general Krisada Chinavicharana.

"Export contraction is common globally. In the case of Thailand, shipments have shrunk at a lower pace than in several countries," he said. Thailand's fall in exports is on a par with those in South Korea, Malaysia and Singapore, while Indonesia and India have had respective decreases of 11% and 15.8%.

4. Thai firms join 24 foreign firms at Yangon business matching event

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

Two Thai firms joined a business-matching event in Yangon last week, which was attended by 24 Japanese corporations and 13 Myanmar companies. The aim was to introduce business partners to customers in response to their requirements and business strategies.

These firms represented diverse industries - from food and restaurants, daily-use products and consumer equipment to publishing and media, chemical products and construction-related materials. Bank of Tokyo Mitsubishi UFJ, the organiser, was able to arrange close to 100 meetings. *"This is our first business-matching event in Yangon. We are very happy with such a great response,"* said Makoto Kobayashi, managing executive officer and head of the financial solutions group. *"Increasingly, we see a lot of investment activities being actively pursued in the Mekong region. Many Thai companies are keen to pursue partnership deals with Japanese and Myanmar corporations."*

5. Luxury residence sales hurt as banks tighten lending

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

Banks have tightened up on extending home loans to owners of small and medium enterprises as a result the rejection rate for luxury residences increased to 30 per cent in the second quarter of this year.

Pumipat Sinacharoen, chief people excellence officer at AP (Thailand) Plc, said last week that the rejection rate for luxury residences is still climbing after commercial banks began restricting mortgage loans early this year.

Normally, banks will closely scrutinise home loan applications from the lower income market of residences priced under Bt2 million, but now they are becoming cautious in lending to buyers of residences priced over Bt10 million, especially those who own an SME, he said. *“Up to 30 per cent of our customers who buy our luxury residences priced at over Bt10 million will get approval for a loan that's lower than what they need. For example, they may need a loan of about 90 per cent of residential value but the bank approves only 60 per cent of residential value. This forces them to cancel their purchase because they don't have enough cash to pay the rest of the residential value,”* he said.

By Harsha Hazarika