

## Daily Thai News Summary: 30 October 2015

### 1. Economic Ministers to discuss lower WB ranking on ease of doing business

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

Prime Minister Prayut Chan-o-cha has called for a meeting of his Council of Economic Ministers in two weeks after Thailand slipped backwards from 46th to 49th in the World Bank's ranking of 189 economies in the ease of doing business, Somchai Sujjapongse, permanent secretary of the Finance Ministry, said yesterday.

On the agenda will be complicated taxes and overlapping payments, high export costs, slow granting of factory licences and building permits and the lengthy process of obtaining environmental impact assessment approval. *"There are things that we have already done, which are not included in the [World Bank's] 2016 report, such as shortening the time to obtain manufacturing licences to less than 30 days"* from 90 days, Somchai said. He had delivered the opening speech at the "OECD-Asian Round-table on Corporate Governance" arranged by the Stock Exchange of Thailand, the Securities and Exchange Commission, the Thai Institute of Directors and the Organisation for Economic Cooperation and Development. *"The prime minister had asked for the meeting with all relevant government agencies and ministers even before the World Bank's 'ease of doing business' report was announced. The meeting is going to be on November 9 to remind the agencies that the government is giving importance to this issue and to make sure that our ranking will rise the next time around,"* he said. He also reaffirmed the comment by Somkid Jatusripitak, the deputy prime minister in charge of economic affairs, which the government will need to talk to Thai law firms regarding government agencies' progress in improving the ease of doing business, since they are the ones filling in the World Bank's annual questionnaire, not businesses.

### 2. Stimulus measures to give developers a year end boom

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

The top 10 listed residential developers are shooting for presales of Bt88 billion in this last quarter of the year thanks to the government's stimulus package. *"We're trying to meet our Bt23 billion presales target for this year even though we see the market growing slightly in the last quarter of this year. However, after the Cabinet approved the stimulus package to boost the property market from now till the end of April, this challenges us to boost our presales and achieve our revenue target,"* Tritecha Thanmatithum, deputy managing director of Supalai Plc, said. Supalai's Bt14 billion presales in the first nine months fell short of its goal of Bt15 billion,

so it thought it might end the year with presales of only Bt21 billion. However, the company now hopes the government's latest property stimulus measures will help drive its presales to achieve its target of Bt9 billion for this quarter and Bt23 billion for the whole year.

Property Perfect has cut its targets for this year's presales and revenue to Bt14 billion and Bt12.5 billion from the early estimate of Bt15 billion after real-estate demand in the first nine months was lower than expected, said Wongsakorn Prasitvipat, chief business development officer. *"We hope the stimulus package for the property sector will boost our presales and revenue in the final quarter to achieve the new target,"* he said. The company has inventory worth Bt10 billion of homes that are already completed or under construction and will be completed in six months. The stimulus package, which becomes effective on October 19, will help move those homes.

The company targets Bt6 billion presales this quarter after recording Bt8 billion presales in the first three quarters, he said. Sansiri and its joint venture with BTS Holdings Group, BTS Sansiri Holding, targets Bt12.6 billion presales this quarter after logging Bt20.5 billion presales in the first three quarters, said Uthai Uthaisangsuk, senior executive vice president of business development and high-rise project development. *"Half of the total presales target in the last quarter of this year is from Sansiri and half from the JV,"* he said. The company has launched 10 residential projects worth Bt21.5 billion and also its latest promotion, "Now or Never", offers a discount price 0.99 per cent on top of residential price to cash in on the government's measures to boost the property market. The campaign runs from until November.

### **3. EXIM Bank improves loan terms of SEZs**

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

The Export-Import Bank of Thailand has improved its investment loans for special economic zones by offering lower interest rates while also providing short-term credit to meet customer demands, the bank's acting president Kematat Saicheur said. He said that during his visits to various provincial chambers of commerce, many entrepreneurs indicated an interest in the bank's new financing facility for investment projects in the SEZs.

With a maximum loan repayment period of 15 years, a two-year grace period and a fee exemption, the facility generally offers more attractive conditions than commercial banks, he said. To encourage investment and business expansion in the SEZs, industrial estates and border areas in line with government policy, Exim Bank has decreased its long-term interest rates for the financing facility for investment projects in the zones even further. Kematat said that in response to demand, clients eligible for the 15-year loan will receive short-term working capital credit lines so those located in targeted areas can expand their production capacity and boost sales.

#### **4. Auction results may be annulled “if bid too low”**

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

The NBTC will auction two telecom licences on the 1,800-megahertz spectrum on November 11 and two 900MHz licences on November 12. The starting price for a 1,800MHz licence is Bt15.912 billion and Bt12.864 billion for a 900MHz licence. Both of those figures are 80 per cent of the value of the relevant spectrum, that is, Bt19.89 billion for 1,800MHz and Bt16.08 billion for 900MHz. Takorn Tantasith, secretary-general of the NBTC, said it was trying to prevent bid collusion as it wants to see meaningful competition. The same four companies will be bidding for both the 1,800MHz and the 900MHz licences. *"If all four are able to secure a licence and a winning bid is not over 100 per cent of the full spectrum value, the NBTC could cancel all of the results. However, we believe that these auctions should see fierce competition,"* he said.

The NBTC telecom committee yesterday announced the names of the four companies that are pre-qualified to bid for two licences on the 900MHz spectrum. They are Advanced Wireless Network of Advanced Info Service; DTAC TriNet Network, a unit of Total Access Communication; True Move H Universal Communication, which is part of True Corp; and Jasmine International's Jas Mobile Broadband unit. According to the NBTC's regulations for the 1,800MHz auction, each participant can raise the offered price at a fixed value of 5 per cent of the minimum, or Bt796 million, per bid. Once the bid reaches 100 per cent of the full spectrum value, or Bt19.89 billion, the offers can be raised at a fixed value of 2.5 per cent of full spectrum value, or Bt398 million, per bid.

#### **5. Somkid urges ministry to fast track six tasks**

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

Deputy Prime Minister Somkid Jatusripitak asked the Finance Ministry to accelerate data collection of six tasks this year before forwarding them to the Cabinet next year. The six tasks are tax structure reform, investment facilitation, development of the nation's competitiveness, development of capital and money markets, reform of the ministry's structure and administration of fiscal schemes for society.

The first task is the tax structure report, which aims to enlarge the income base with equality. Development of the electronic payment system will also be speeded up. The second task involves facilitation for investment, business operations and services to people. Agencies will explain details and progress on the ranking of "doing business" to Prime Minister Prayut Chan-o-cha on November 6. The third makes enhancement of national competitiveness a priority for implementation. The Fiscal Policy Office has been asked to provide details, particularly on the establishment of an innovation fund to finance the

development of businesses. With development of capital and money markets as the fourth task, the Fiscal Policy Office will join hands with the Bank of Thailand and the National Economic and Social Development Board to upgrade both markets to make them more internationalised and to better reflect demand of the real economy.

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