

## Daily Thai News Summary: 3 June 2015

### 1. Private Sector sees better second half

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

The economy has nowhere else to go but up after hitting bottom in the first quarter, while there are signs that exports and domestic consumption are picking up. Boontuck Wungcharoen, current chairman of The Joint Standing Committee on Commerce, Industry and Banking (JSCCIB) and chairman of the Thai Bankers' Association (TBA), one of the committee's member organisations said, *"The slowdown of the economy has passed the lowest point, and we maintain that its expansion will be better in the second half of the year."*

Overall export volume increased in April and shipments to China also grew for the first time this year, both of which are good signs for the export sector. The number of tourists has maintained its momentum and the tourism sector should be able to continue to help the economy during the second half, he said.

April's exports to China expanded by 1.1 per cent from the same period last year. Both industrial and overall business confidence for the next three months has improved thanks to the recent consecutive cuts in the policy interest rate, which helped lower financing costs.

### 2. Bangkok Bank injects \$200 million into its Yangon branch

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

Bangkok Bank demonstrated its optimism in Myanmar's economic potential through the injection of US\$200 million (Bt6.75 billion) into its Yangon branch, a bigger sum than what was brought in by the four foreign banks that have already opened branches here.

*"This will help us service our customers further, not only in terms of funding but also by serving the requirements of our customers. It can be in various forms - either trade finance or short-term or long-term loans,"* said Chaiyarit Anuchitworawong, BBL's executive vice president and co-head of its international banking group.

BBL is the fifth foreign bank to open a branch in Myanmar, among nine international banks that received licences to do so last October. Already open are branches of Bank of Tokyo-Mitsubishi UFJ, Oversea-Chinese Banking Corp, Sumitomo Mitsui Banking Corp, and United Overseas Bank.

### **3. New Zealand's major business sectors seek bigger footprint in ASEAN**

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

New Zealand's key business sectors ranging from dairy, food and tourism to the aviation industry are keen on further expansion into the Asean region, including Thailand, to cash in on growing numbers of middle-class people and the upcoming integration of the regional economy.

As this year marks the 40th anniversary of the official relationship between New Zealand and Asean, businesses in that country are shifting their focus more to this region and its large population.

During a meeting in Auckland last week with journalists from Asean countries, New Zealand Prime Minister John Key described Asean markets as fast-growing economies that offered huge opportunities for his country's economy in the future.

### **4. Major Cineplex, Korean firm agree to set up film-production JV**

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

Major Cineplex Group has signed a memorandum of understanding with South Korean-based entertainment giant CJ E&M Corporation to form a joint venture for the co-production of movies for international markets, particularly Southeast Asia.

Sangar Chatchairungruang, chief movie officer at Major Group, said the MoU was signed last Wednesday and the joint venture would be set up within a month. Under the venture, about six blockbusters will be produced annually. The first movie will be on local screens by the middle of next year.

*"After this, representatives from Major Cineplex and CJ E&M will meet within the next one or two weeks to discuss the scale of the partnership, including the investment budget, as well as movie content," he said.*

### **5. World Bank: Thailand to grow at 3.5%**

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

The Thai economy is expected to increase by up to 3.5% this year, primarily due to lower oil prices, increased tourism receipts, and higher public spending, according to a World Bank report released today.

The economy grew by 0.9% last year, as domestic demand was dampened by political turmoil in the first half of the year and exports fell amid lower demand from China and other large Southeast Asian countries, according to the *Thailand Economic Monitor 2015*.

The report traces slowing export growth since 2012 in part to an erosion in Thailand's competitiveness. Exports on average grew 13% per year from 2006–11, before slowing to less than 1% from 2012-14. Thailand's market share in world exports has declined correspondingly in this same period.

## 6. Baht, the new focus for MPC

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

The Bank of Thailand's Monetary Policy Committee (MPC) plans to focus more on the foreign exchange rate when formulating its policy in a bid to reinforce the country's export competitiveness. It hopes to use exports to shore up the lackluster economy amid limited pass-through effects on internal factors of its recent rate cuts.

The tepid recovery in domestic demand and exports, divergence in major economies' monetary policy direction and a slowdown in Asian economies are factors prompting the rate-setting committee to place a greater emphasis on foreign exchange, said Mathee Supapongse, the central bank's assistant governor for monetary policy and the MPC's secretary.

## 7. Israeli-Thai venture has region in sight

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

Israeli construction company Danya Cebus Group is focused on Southeast Asia following its joint venture with SET-listed developer Major Development Plc (MJD).

They set up TMDC Construction Co in Thailand late last year, which targets having at least three construction jobs in Bangkok totalling more than 3 billion baht this year. Danya's chief executive Ronen Ginsburg said Thailand, despite the political instability, was the first country in Asia the group invested in because it saw huge opportunities here driven by the imminent ASEAN integration.

\*\*\*\*\*