

## Daily Thai News Summary: 3 September 2015

### 1. Thai sugar shipments to China quadruple

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

A collapse in China's sugar production is igniting business for Thai millers, drawing down stockpiles and setting the stage for a recovery in prices. Dry weather and a decline in sugarcane planting means China next season will produce its least amount of sweetener in a decade, according to researcher Green Pool Commodity Specialists. That's a big opportunity for Thailand. The world's second-largest exporter shipped four times as much white sugar to China this year through Aug 21, data from the Bangkok-based Office of the Cane and Sugar Board showed.

Trading houses and funds are reversing bearish bets on sugar as Thai refining reduces stockpiles of the sweetener, according to independent soft commodities trader Group Sopex. Global inventories that expanded during a five-year glut are expected to fall this year and the spread between US futures contracts has tightened, a sign of restricted supply.

*"The effective flow of Thai white sugar into China is what is changing the market outlook,"* said John Stansfield, a London-based analyst at Group Sopex, who has followed the market for more than 20 years. *"It all boils down to a poor crop in China and the prospect of an even worse one to come."*

### 2. BoT's rule relaxation facilitates foreign investors

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

Relaxing the outstanding limit for non-residents borrowing in baht has allowed foreign investors to adjust their local investment portfolios based on individual assessment, says the Bank of Thailand. *"A complete [financial] market is one in which the market [capital flows] can move in a two-way direction, and transactions are based on fundamental factors and forecasts,"* said Chantavarn Sucharitakul, assistant governor overseeing financial market operations.

She said "fundamental factors" referred to the transaction amount based on how capital flows were recorded in a single day, while "forecasts" were how investors positioned or readjusted their investment portfolios based on new information and financial developments.

The relaxation was aimed at inducing greater balance in capital flow movement for foreign investors who viewed Thailand's economic outlook in an opposite manner from those seeing positive signs in growth prospects through their purchase of Thai bonds, Mrs Chantavarn said. The looser regulation does not focus on non-residents' long-term transactions but rather short-term ones.

### **3. Private panel to offer steps for SMEs**

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

The Joint Standing Committee on Commerce, Industry and Banking will propose to the government short-to-medium-term measures to help boost the capability of small and medium-sized enterprises. The Cabinet said that the second phase of the economic stimulus package to help SMEs would follow in one or two weeks after the Bt136-billion first phase is launched. The JSCCIB welcomed the government's packages, as they can help carry on private consumption and restore consumer and business confidence in the remaining months of this year.

The committee, however, will offer its own measures to strengthen SMEs, said Boontuck Wungcharoen, chairman of the Thai Bankers' Association and the JSCCIB meeting. The corporate income tax for SMEs should be lowered from 20 per cent currently to 5-10 per cent, varying according to the scale of business, the committee declared.

The JSCCIB did not propose a loan-guarantee extension from 18 per cent to 30 per cent without conditions because the Finance Ministry will propose this to the Cabinet for approval soon. The 30-per-cent guarantee for SME loans through the Thai Credit Guarantee Corporation's Bt10-billion-portfolio guarantee scheme will help SMEs access bank loans. Only 700,000 of the country's 2.7 million SMEs can access bank loans.

### **4. One-stop online shopping service for modern urbanites**

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

WP GROUP CO, an e-commerce company started up by three young executives, yesterday launched Skybox, a one-stop online shopping service that will deliver parcels between Skytrain stations within one day.

*"We have seen average growth of 20 per cent annually in the e-commerce business in Thailand over the past three years,"* Apipat Lertritsirikul, chief executive officer and co-founder, said yesterday. The other founders are Ornhulee Wisitthadakul, chief administration officer, and Thanawat Laithongkam, chief operating officer. Established in 2013 with registered capital of Bt5 million, WP Group started operating in July of last year.

The e-commerce market involving selling products directly to consumers will be worth Bt182 billion this year. That has challenged the company to invest more, with Bt10 million poured into IT system development to expand online trading volumes via its online shopping system.

Skybox is a new kind of parcel delivery, sending parcels between Skytrain stations within one day. With the "click-and-collect" strategy, this new service can also deliver parcels from Skytrain stations to other places nationwide and worldwide, including bill payments, with a one-stop service.

## 5. ACMF to facilitate cross border fund raising

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

The Asean Capital Markets Forum (ACMF) announced yesterday that the Securities Commission Malaysia (SC), the Monetary Authority of Singapore, the Securities and Exchange Commission of Thailand, and the Singapore Exchange had established *the "Streamlined Review Framework for the Asean Common Prospectus"*, pursuant to a memorandum of understanding signed on March 3.

The establishment of the framework coincides with the 23rd ACMF meeting in Kuala Lumpur hosted by the SC, the current chair of the forum. The framework, an initiative under the ACMF Implementation Plan endorsed by the Asean Finance Ministers, aims to enhance Asean's attractiveness as a fund-raising centre.

Under the framework, issuers planning to offer or list equity or plain debt securities can expect a shorter time to market and faster access to capital across signatory countries through a streamlined review process.

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By Harsha Hazarika