

## Daily Thai News Summary: 8 July 2015

### 1. Thailand to haggle with China over steel subsidies

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

The government has pledged to talk with its Chinese counterparts about cutting its subsidies for steel production and exports to Thailand in an effort to strengthen Thailand's steel industry.

Commerce Minister Chatchai Sarikulya said Thailand would propose the move at an Asean-China joint meeting July 28-30 in Brunei. It wants China to shave its subsidy for steel beyond what was agreed in the Asean-China Free Trade Area.

*"Massive steel shipments by China cause trouble not only in Thailand but elsewhere in the world," he said. "Thailand imported mass quantities of Chinese steel products the last few years."*

Thailand expects to use 18 million tonnes of steel products this year, mainly for cars, electricity and construction, up from 17 million last year. The country can produce only 8-10 million tonnes, so it relies on imports averaging 12.5 million tonnes from Japan, China and South Korea.

### 2. Thailand eyes Asia's top 3 places

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

The Tourism Authority of Thailand (TAT) has finalised its marketing plan for next year, positioning the Kingdom as a quality destination and aiming to keep it in Asia's top three in terms of tourism revenue.

Kobkarn Wattanavrangkul, minister of tourism and sports, on Monday called on the entire industry, including both the private and public sectors, to work on the principles of the "three Rs": restructuring, rebalancing, and repositioning. The aim is to market the country as a quality destination.

She said TAT's 2016 marketing plans focused on increasing tourist expenditure, raising the average length of stay, and improving the overall quality of the visitor experience. Because of the current economic instability in Europe and the United States and the lack of recovery in Japan, the agency now is focusing on emerging markets, especially China, India and Asean countries.

### **3. JSCCIB cuts economic growth forecast by 5 points to 3%**

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

The Joint Standing Committee on Commerce, Industry and Banking (JSCCIB) forecasts this year's economic growth at 3 per cent, down from an earlier estimate of 3.5 per cent, on lower-than-expected export value on the back of the slow global economic recovery.

Thai exports are projected to contract by 2 per cent this year, compared with the earlier forecast of no more than 1-per-cent growth. The JSCCIB expressed concerns over the global economic recovery, which could be affected by Greece's prolonged debt crisis and China's slowing economic expansion. Such factors could also affect Thai exports in the next periods.

According to the committee, which consists of the Federation of Thai Industries, the Thai Chamber of Commerce and the Thai Bankers' Association, the Thai economy has made a gradual recovery, with growth momentum in tourism and signs of recoveries in consumption for durable goods and services. More of the government budget has been disbursed, and state spending is on an acceleration trend.

### **4. 10m tones seen in Thai rice sales overseas this year**

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

Due to favorable external factors, Thailand is confident it can sell up to 10 million tonnes of rice overseas this year, which would go a long way in paring down its sizeable stocks.

*"Due to rising concern over the (global) drought problem, as well as the low supply of rice in both domestic and overseas markets, the Thai government could sell a massive amount of rice from its stockpiles, and will continue to release more to clear up our huge stocks within two years, or by the end of 2016,"* Duangporn Rodphaya, director-general of the Foreign Trade Department, said yesterday.

The Commerce Ministry reported it managed to sell 1.14 million tonnes at the latest auction for 1.38 million tonnes - the best result in the eight rounds since the ministry opened bidding for its rice. The government still holds about 14.3 million tonnes of rice, of which 4.6 million tonnes are rotten and will soon be offered for industrial use.

## 5. Thailand and Malaysia agree on \$30 billion trade goal by 2018

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

Thailand and Malaysia agreed at their Joint Trade Committee meeting in Bangkok at the end of last month to work together to boost two-way trade to US\$30 billion (Bt1 trillion) by 2018.

To expand trade between the two countries, measures would be taken to lower trade barriers via the easing of some regulations and to facilitate cross-border trade. A Joint Thai-Malaysia Border Trade Committee has been set up to implement the policy. A trade festival will be hosted by the two countries each year. Malaysia was asked to buy more Thai rice and allow for the grain to be shipped to Malaysia via road, not just by water transport.

*"Malaysia has acknowledged our request to increase imports of Thai rice and they promised that they will provide us with an answer soon,"* Weerachon Sukhondha-patipak, a deputy government spokesman, said after the Cabinet meeting yesterday.

Malaysia clarified the criteria that are lacking and are required for Thailand to meet to export more products to Malaysia while the Thai government revealed the industries that will be concentrated in the special economic zone that will be set up at Sadao in the border province of Songkhla.

## 6. SME Bank targets 20 firms to join new trust fund this year

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

THE SMALL and Medium Enterprise Development Bank of Thailand launched the SMEs Private Equity Trust Fund yesterday, with an initial four small and medium-sized enterprises selected to join the bank's joint-venture capital fund that had a Bt500 million budget for the first round.

Finance Minister Sommai Phasee, who presided over the launch of the trust fund, has given the bank the task of increasing the number of SME participants to 20 by the end of the year.

Salinee Wangtal, SME Bank chairwoman believes that target is possible if there are enough asset managers willing to "baby-sit" the funds. Sommai is the head of the joint venture's steering committee, the trustee is MFC Asset Management, and the trust managers are Advance Finance and MTR Asset Managers. The four companies are Coco Marvel (Thailand), Ireal Plus, Thai Rich Foods Group and Onebit Matter.

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