

Daily Thai News Updates: 25 August 2017

1. WB raises GDP growth forecast to 3.5%

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

The World Bank (WB) yesterday upgraded its 2017 economic growth projection for Thailand to 3.5 per cent from 3.2 per cent on healthier exports, but warned that at that rate it may take more than 20 years to join the high-income league of countries. Economic growth in Thailand is gaining traction, with global growth and the domestic recovery from severe droughts revving gross domestic product by 3.3 per cent in the first quarter and 3.7 per cent in the second quarter of this year, from the same quarters last year. This has caught the market by surprise, the bank said. Exports are a big factor, as are the recovery of the agricultural sector and government spending, said Ulrich Zachau, director of regional partnerships at the World Bank.

2. Moody's: Local banks shielded

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

Restructured loans have grown substantially in Thailand and Indonesia in recent years compared with the rest of Asean, but loss buffers remain strong, says Moody's Investors Service. "In particular, increases in standard restructured, or restructured loans that are still performing, underscore the high latent asset risks present in these two countries, although by different degrees," said Alka Anbarasu, Moody's vice-president and senior analyst. "However, in our view, banks in both systems for now also have ample buffers against potential losses from these assets."... In Thailand, standard restructured loans increased to a combined 2.9% of gross loans at nine rated commercial banks at the end of 2016 from 2.4% a year earlier. In Indonesia, the ratio, also at nine rated commercial banks, increased to 4.6% at the end of 2016 from 3.3% a year earlier. As indicated, the ratios of restructured loans in both economies are substantially higher than for other Asean countries such as Singapore and Malaysia. This build-up in restructured loans raises asset quality concerns, more so in Thailand than in Indonesia, where economic conditions are more favourable.

3. R&D ministry mulled to enhanced unity

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

The government is considering creating a new ministry to oversee research and development that may bring together state universities and state agencies. Plans are now afoot to restructure state agencies and pave the way for greater unity in driving the country's R&D, according to Suvit Maesincee, a minister attached to the Prime Minister's Office. Prime Minister Prayut Chan-o-cha has said R&D is a crucial component for the nation to embrace Thailand 4.0, which focuses on high technology and innovation. R&D should be tailored to meet market demand, and the government has already worked with these universities to amend their R&D policies to support national development over the next two decades, notably Thailand 4.0 and the batch of 10 targeted industries, he said. Thailand 4.0 and the batch of 10 targeted industries, he said.

4. Economy exceeds expectations, technology promises strong future

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

Economic growth in Thailand is gaining momentum, with global growth and a recovery from severe drought buoying an expansion of GDP by 3.3 per cent in the first quarter and 3.7 per cent in the second quarter of 2017, exceeding market expectations. Economic growth for the full year 2017 is now projected around 3.5 per cent, says a new World Bank report. According to the August 2017 edition of the Thailand Economic Monitor, 7.7 per cent growth in the agricultural sector boosted incomes, and complemented the continued fiscal stimulus and an upturn in merchandise exports, which recorded its highest growth rate – 6.6 per cent – of the last four years. Although uncertainty in the global economy, such as increased trade protectionism, poses some risks to the growth momentum, Thailand's economy is expected to expand further in 2018, by around 3.6 per cent. The Thailand government says that even faster growth may be possible in the long-term, if policy reforms continue in education, services liberalisation, and public infrastructure management, and the National Masterplan for the Digital Economy is fully carried out. "The government of Thailand recognizes the significance of the digital economy and has launched various projects including high-speed Internet access for all villages and setting up a government big-data analytics centre," said Pichet Durongkaveroj, minister of digital economy and society.

5. Price inflation stays lower than expected

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

Thailand's Consumer Price Index (CPI) in August is expected to rise 0.25 per cent, with 0.5 per cent core inflation, according to DBS Bank research. “While the Bank of Thailand (BOT) suggested that they are not looking to cut rates anytime soon, we continue to expect inflation coming in softer than expected and undershoot the 2.5 per cent target for quite some time,” the Bank stated in a press release. DBS said the CPI continues to show no signs of life at 0.5 per cent inflation for the month, clearly indicating the lack of demand-pull inflationary pressures. “Getting CPI inflation back to 2.5 per cent, and beyond, looks to be increasingly tougher now. At the earliest, one can expect a late-2019 [to] early-2020 date for CPI inflation to return to the central bank’s comfort zone,” it added.

6. Cheaper solar prompts energy plan rejig

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

Energy policymakers are set to revise the national power development plan (PDP) for 2015-36 after traditional power projects failed to meet deadlines and the cost of renewable energy fell, says Energy Minister Anataporn Karnchanarat. The Energy Ministry will alter the PDP after continued delays in the development of fossil fuel power plants, Gen Anataporn said. The low production cost of renewable energy will also impact the revision. The revised PDP which will be finalised by the end of 2017, will push for the development of energy storage technology and deregulations of the solar rooftop programme. Gen Anataporn said the existing PDP, in effect for the last two years, predicted that renewable source would provide up to 13% of the nation’s total power supply, rising from 8% in 2007...The greater adoption of solar technology is supported by shifting patterns of consumption: peak demand for energy during the hot season now occurs at night-time rather than during the day.

7. Conferences sector benefits from Thailand 4.0 development

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

The Thailand Convention and Exhibition Bureau (TSEB) is casting a spotlight on the new conferences and events landscapes including Pattaya, Hua Hin and Bangkok, underpinned by upcoming developments under the Thailand 4.0 economic policy. Bearing in mind ongoing improvements in connectivity, mega infrastructures, and incentives to enhance new investments

in the Eastern Economic Corridor (EEC), the initiatives are expected to magnify the recognition of each established “bleisure” (blended business and leisure) destination, the bureau said in a press release...There is great potential in the growth of the MICE sector (meetings, incentives, conferences, and exhibitions) and the resulting income distribution as it becomes increasingly important in developing the country, said Supawan Teerarat, vice-president of the bureau’s strategic and business development. “Thailand is moving forward in all areas of development to steer the national economy to Thailand 4.0 era,” Supawan said. “The government encourages public and private partnerships as part of the transition, along with policies that enhance a new business environment, innovation, as well as promotion of hard and soft infrastructure.”... Growth of the country's economy will directly benefit the MICE industry, Supawan said.

8. TAT’s September of activities for tourist to experience cultural heritage

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

The Tourism Authority of Thailand (TAT) is inviting both Thai and foreign tourists to join in a trip encompassing a number of activities in September to experience the Kingdom’s cultural heritage. The TAT trip starts off by experiencing the long-boat racing tradition, after which the Royal Trophy from His Majesty the King will be presented to the winners. The first races will be held from September 2-3 on the Nan River, starting at Wat Tha Luang Royal Monastery in Phichit’s Meuang district. The second races will be held on September 16-17, also on the Nan River but this time in front of Wat Phra Sri Mahathat Woramahawihan in Phitsanulok’s Mueang district... Tourists can then show devotion to the Lord Buddha in the traditional Um Phra Dam Nam Ceremony, which takes place from September 19-23 at Petchabura Buddhist Garden, Wat Bote Chana Mara, in Phetchabun province. They can watch the Homlab procession, which entails the donation of food and charitable items. This event will be held from September 16-25 at Srinagarindra Gardens, Thung Tha Lat, at City Hall in Nakhon Si Thammarat...the end of September travellers can experience the Nara Specialties event, Ko Lae boats, long boats, and the Yor Kong Boat Race – for which the Royal Trophy will be presented to the winners – in front of the Palace in Narathiwat. These activities will take place from September 21-25 at the Royal 50th Anniversary Celebration Throne