

Daily Thai News Updates: 26 July 2017

1. Isoc urges single digital policy

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

The government needs a unified approach to policy and regulations to drive the digital economy, says the Internet Society (Isoc), an independent internet policy leadership source. "Policymakers need to take a holistic view of the economy by collaborating across agencies and ministries with a unified approach," Rajnesh Singh, regional director for the Asia-Pacific bureau, told There are several separate entities promoting the Thailand 4.0 initiative, including the Digital Economy and Society (DE) Ministry, the National Broadcasting and Telecommunications Commission -- an independent regulator trying regulate the over-the-top (OTT) players -- and the Department of Land Transport under the Transport Ministry. Non-synchronised regulations can sometimes cause problems, he said. For example, the NBTC's OTT regulation that tried to control foreign firms also had the knock-on effect of threatening local content providers. Mr Singh said a single committee integrating the DE Ministry, NBTC and other digital-related agencies should be formed to tackle policy, regulations and other digital economy issues. He said this committee should work under the prime minister.

2. Central Bank tightens rules on unsecured consumer loans

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

The Bank of Thailand announced new rules on Wednesday, tightening controls on credit cards and unsecured personal loans amid concerns about high household debt and bad loans. The measures, effective on Sept 1, include a reduction on personal credit limits for new credit card applicants from the current five times their income. They also include a cut in the maximum credit card interest rate to 18% from 20%, central bank deputy governor Ruchukorn Siriyodhin told a news conference. The credit line for new personal loan applicants with monthly income below 30,000 baht will be limited to 1.5 times their income, and they will be limited to 3 accounts each, Ms Ruchukorn said. Credit card applicants with a monthly salary of less than 30,000 baht (\$895.26) will have a credit line of up to 1.5 times their income, she said. The move is likely to put a drag on earnings of credit card issuers and on consumption, already curbed by high household debt levels and a fragile economic recovery.

3. BoT keep close watch on rising baht, Govt to lower foreign debt

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

The Bank of Thailand has acknowledged the baht's rapid climb against the US dollar. Meanwhile, government agencies look to take advantage by buying back foreign debt. *Bangkok Post* business writer Wichit Chantanusornsiri reports on one way the government is ready to take advantage of the baht's strength. It now takes fewer baht to buy US dollars and the Japanese yen as well. The Public Debt Management Office (PDMO) is to reap a windfall from the local currency's rapid run-up by swapping foreign-denominated debt for baht-denominated debt. The state agency plans to convert US\$250 million (8.37 billion baht) in dollar debt to a baht-denominated obligation over the next few months, said Theeraj Athanavanich, a bond market adviser to the PDMO, adding that it is also aiming to swap 30-40 billion yen-denominated debt but will monitor the foreign exchange market's movement for a while before making a decision. The foreign currency debt swap is a policy of Finance Minister Apisak Tantivorawong, who has said that it was a good time for the PDMO to curb foreign exchange risk from the government's foreign debt, though it accounts for a mere 4.99% of public debt. Apart from the government, state enterprises are also advised to swap their foreign currency debt. Of the total 4.99%, government agencies owe 1% of the debt, while state enterprises make up for the rest. The Bank of Thailand has acknowledged the baht's rapid climb against the US dollar recently, a movement that it says warrants close monitoring. "Even though the baht's strengthening is in tandem with the movement of other currencies in the region, the baht in the recent period has gained in value rather fast," said Mathee Supapongse, the deputy governor overseeing monetary stability at the central bank...The baht has gained about 7% year-to-date against the US dollar, trailing only South Korea's won, which is up 8% in the period, according to data provided by the central bank.

4. Baht's sharp rise on BoT radar

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

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stability at the central bank. The abrupt appreciation of the baht reflects the market's reaction to short-term volatility, Mr Mathee said. "As a result, the Bank of Thailand will closely monitor the situation in the foreign exchange market," he said. The baht has gained about 7% year-to-date against the US dollar, trailing only South Korea's won, which is up 8% in the period, according to data provided by the central bank. Other currencies in the region have seen smaller gains against the greenback, including the Taiwanese dollar (6.3%), the Singapore dollar (6%), the Indian rupee (5.5%), the Japanese yen (5%), the Malaysian ringgit (4.7%), the Chinese yuan (2.8%) and the Indonesian rupiah (1.2%). The Philippine peso is down 2.2%. Mr Mathee said foreign direct investment also contributed to the firmer baht.

5. Debt office to exploit baht strength to pay foreign debt

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

The Public Debt Management Office (PDMO) is to reap a windfall from the local currency's rapid run-up by swapping foreign-denominated debt for baht-denominated debt. The state agency plans to convert US\$250 million (8.37 billion baht) in dollar debt to a baht-denominated obligation over the next few months, said Theeraj Athanavanich, a bond market adviser to the PDMO, adding that it is also aiming to swap 30-40 billion yen-denominated debt but will monitor the foreign exchange market's movement for a while before making a decision. The foreign currency debt swap is a policy of Finance Minister Apisak Tantiworawong, who has said that it was a good time for the PDMO to curb foreign exchange risk from the government's foreign debt, though it accounts for a mere 4.99% of public debt. Apart from the government, state enterprises are also advised to swap their foreign currency debt. Of the total 4.99%, government agencies owe 1% of the debt, while state enterprises make up for the rest. At the end of May, public debt amounted to 6.34 trillion baht, representing 42.9% of the country's the country's GDP. 6.03 trillion baht or 95.1% was baht-denominated debt, while 317 billion or 4.99% was foreign debt. The baht, the second-best performing Asian currency after the South Korean won in the year to date. The local currency stood at 33.50 baht to the dollar yesterday.

6. Green commitment reaffirmed at expo

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

Thailand reaffirmed its commitment to the principles of the Paris accord to fight climate change and promote renewable energy at the Astana Expo fair in Kazakhstan this month. Energy Minister Gen Anantaporn Kanjanarat said the kingdom will pursue goals such as the development of biofuels, which are derived from recycled farm waste, as part of its alternative power plan to replace a third of the country's energy needs in 10 years. He also paid tribute to the late King Bhumibol Adulyadej, who pioneered many renewable projects such as biofuel and hydropower. The king established biofuels as a practical source of power that benefits farmers as well as industries and urban centres. Thai biofuel technology over the past 15 years has seen much success, accomplishing the dual objectives of cleaning up agricultural waste by safely treating discharged matter and in doing so, generating electricity," said Dr Twarath Sutabutr, director general of Epcu, the ministry's policy and planning unit. Thailand was also the first Asean country to build mega-scale solar farms with sites in Lop Buri and Ayutthaya, eight years ago...At the expo, other Asean states – like Malaysia, Singapore and Vietnam – also displayed a wide range of clean energy projects such as smart city infrastructure that conserves power and water, to solar roofing that taps sun ray's for electricity...For Twarath, the expo was a timely opportunity to honour King Bhumibol's "sufficiency" legacy that called for locally produced power to replace imported oil, which amounts to 900,000 barrels a day and drains the country's coffers. "It was only with the late king's policies that Thailand became a leader in alternative energy," he said. "We were far ahead of Japan, China and even the US, in having a clear green energy policy and actual targets to meet."