

Thai News Update: 11 June 2018

1. Visa Predicts Payment Avenue Boom By 2022

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

The rise of new forms of Internet of Things (IoT) and artificial intelligence (AI), empowered by big data analytics, will lead to new methods of payment, with Visa Inc predicting 30 billion ways to pay and 400 million ways to be paid by 2022. Visa is partnering with third parties to ensure payment is accessible to its 3 billion cardholders and 46 million merchants worldwide. Apart from financial institutions, the company has also collaborated with fintech firms and local startups by opening the Application Programming Interface (API) to them, providing for payment service innovation and shortening the development life cycle. The company, meanwhile, is exploring opportunities to collaborate with internet players from around the world that are expanding into financial services and digital commerce, including Google, Apple, Facebook Amazon, Alibaba, Tencent, Xiaomi and more. Visa is also expanding its security technologies beyond plastic cards to in-store contactless payment and in-app payment, along with mobile, electronic commerce and push payment.

2. Srt Pushes Double-Track Rail Proposals

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

The State Railways of Thailand (SRT) is expected in the next few weeks to table before the Cabinet a plan to build the Denchai-Chiang Rai-Chiang Kong double-track rail line worth Bt76 billion, according to SRT acting director Worawut Mala. The 323-kilometre route has been approved by the National Economic and Social Development Board (NESDB) and would serve both tourism and goods transport in the North. The SRT aims to call bids for the construction of the route within this year. The SRT said it would also soon propose other double-track projects for NESDB approval, with the aim of calling bids within this year. Most of them extend the existing routes, such as the Pak Nam Po-Denchai route with an estimated price tag of Bt56 billion, Jira-Ubon Ratchathani at Bt35.839 billion and Chumphon-Surat Thani at Bt23.384 billion. It will also propose to the NESDB the Red Line Rangsit-Thammasat route at Bt7.596 billion.

3. EEC Throws U-Tapao Plans Into Confusion

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

U-Tapao airport intends to relocate its planned new facilities, including a third terminal, close to the Eastern Economic Corridor (EEC) high-speed railway that will link three key airports, the airport's director Luechai Sri-eamgool said on June 8. The airport, located in Rayong, is already going through a new land refit, following an announcement on June 4 by the EEC Committee -- headed by Prime Minister Prayut Chan-o-cha -- that 6,500 rai of U-Tapao's land area of more than 16,000 rai must be set aside for upcoming EEC development projects. The projects comprise the high-speed railway, which is set to connect Don Mueang, Suvarnabhumi and U-Tapao airports, as well as new structures at U-Tapao including a maintenance, repair and overhaul (MRO), a tax-free trading zone and a cargo depot. As a result, U-Tapao's planned third terminal and second runway will be relocated to another part of the compound, said Rear Admiral Luechai. U-Tapao has now opened 75% of its newly built second passenger terminal, with the remaining area, featuring duty-free shops and general airport space, set to open by January.

4. Continuing Traction In Thai, US Economies Bodes Well

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

After a disappointing May in which the SET Index fell 3 per cent, the Thai market saw a small rebound last week. This was mainly due to an improvement in global risk appetite, aided by the US reporting its lowest trade deficit in seven months. This has raised investors' hopes that the US may reach some compromise with its major trading partners and not drag them into a punishing global trade war. Meanwhile investor confidence in Thailand looks to have improved after the Constitutional Court ruled that Order No 53/2017, which requires political party members to reconfirm their membership as well as pay membership fees by April 30, does not violate the Constitution. This follows the court's recent approval of both the Senate selection and MP election bills, thereby paving the way for new elections in early 2019. Note that central bank data for April showed that Thailand's economic recovery is continuing to gain traction. Private consumption expanded +5.9 per cent year on year, showing improvement in all spending categories except non-

durable goods. Private investment also gained momentum, with imports of capital goods, domestic machinery sales and car sales seeing double-digit growth.

5. Malaysia PM Urges TPP 'Renegotiation'

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

Malaysia's newly-elected prime minister called June 11 for the Trans-Pacific Partnership to be "renegotiated," and urged protection for small countries in international trade. Malaysia, along with 10 other countries, pushed ahead with the TPP in March despite Donald Trump having yanked the United States out of the huge multilateral trade deal. But Mahathir Mohamad told a gathering in Tokyo he was "not very keen" on the agreement. "We need TPP renegotiated," he said in a speech to the "Future of Asia" forum. "We have to recognise: Just as there are infant industries, there are infant nations, nations which are just beginning to grow," he said. "They need to have some privileges, some protection for themselves, because they are not in a position to compete with the great trading nations, the great manufacturing nations of the world." Eleven countries circling the Pacific signed a slimmed-down version of the TPP in March, opting to proceed with the deal after it was left for dead when Trump pulled out to pursue his "America First" agenda. The US president has since sparked fears of a trade war by levying steep tariffs and denouncing unfair trading practices, even rejecting a joint communique at the G7 summit over trade disagreement.

6. Local Market Seen As Potential Bond Hub

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

Thailand has high potential to be a fund-raising hub for bonds issued by neighbouring countries as demand grows for fund mobilisation in line with robust Asean economic growth, says Standard Chartered Bank. Well-equipped infrastructure gives Thailand's bond market an edge in the race to become the centre for bond issuance for neighbouring countries, particularly Laos, Cambodia and Myanmar, said Aaron Gwak, the bank's regional head of capital markets. Laos often floats sovereign bonds in Thailand because of plentiful liquidity in the country's financial market. "Emerging countries need to spend more time building up their bond markets, which makes the Thai bond market a good choice," Mr. Gwak said. In 2017, bonds issued in Asean by both domestic

and international issuers were worth copy65 billion, rising from copy25 billion the year before and \$63 billion in 2010, according to Bloomberg.