

Thai News Update: 18 July 2019

1. Thailand Shies Away From Rate Cut in Tussle With Mighty Baht

Source: Bloomberg ([Link](#))

The Bank of Thailand reiterated its concern about the baht's persistent strength on 17 July, but said cutting the key interest rate may have only a limited impact in dealing with the currency's ascent and instead flagged a preference for using a range of tools. The bank plans to ease rules on money outflows by giving more flexibility for portfolio investment by Thai investors, Deputy Governor Mathee Supapongse said at a briefing in Bangkok. Reducing the bond supply is also among the tools officials are ready to use, according to Governor Veerathai Santiprabhob.

2. Dual-track upgrade attracts foreign bidders

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

Seven companies will be competing to supply signalling and communications equipment for the first phase of the dual-track rail upgrade project, according to State Railway of Thailand deputy governor Sujit Chaosirikul. Five foreign companies, two companies from China and one company each from Japan, Canada, Spain, Germany and South Korea, have purchased the bidding documents. "One of the prospective Chinese bidders is China Railway Signal and Communication (CRSC)," said Mr Sujit. "Along with Hitachi from Japan, Ansaldo from Spain, Siemens from Germany, and LSIS from South Korea." In addition, two Thai companies were looking to participate in the tendering process - Italian-Thai Development Plc, and Unique Engineering and Construction Plc, Mr Sujit said.

3. Thailand's Fintech growth among the fastest in ASEAN

Source: Thailand Business News ([Link](#))

The growth of Financial Technology in Thailand is said to be among the fastest in ASEAN. The World Bank meanwhile, has suggested the government reduce inequalities in access to capital to enable variations in Fintech development to emerge. The World Bank's senior country

economist for Thailand, Kiatipong Ariyapruchya has revealed the World Bank's analysis of financial technology or Fintech, saying that Thailand is regarded as an ASEAN country with rapid Fintech development, with 140 Fintech companies registered, while about half of them are new companies. About 43 percent of Fintech companies in Thailand are focused on the development of digital transaction services, however most of these companies are under the supervision of large banks which also develop their own digital transactions system or purchase one from another company, which discourages independent development by Fintech companies, and inhibits development of their full potential.

4. Labour minister: Minimum wage will rise gradually

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

The minimum wage will rise gradually, with increases awarded in those industries able to absorb them, Labour Minister MR Chatumongol Sonakul said on 17 July. MR Chatumongol said he would give emphasis on development of labour skills in the workforce. He had set a target of a highly skilled Thai labour force in 20-30 years. The ministry must draw up guidelines and set a timeframe to achieve this workforce transformation, so the country would have a better economy, higher income and be competitive in the trade market. It was necessary for the ministry to be well prepared for future situations. Business operators and investors alike wanted skilled workers. the minister said.

5. TAT uses entertainment to woo Japanese youth

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

The Tourism Authority of Thailand (TAT) is set to use music and outdoor events to attract first-time visitors, millennials and female travellers from Japan. The entertainment events are valued at ¥356 billion and target a youth audience. "The TAT plans to present some popular events in Bangkok, namely S2O, Watersonic, full moon parties and the Hua Hin Jazz Festival to the Japanese market," said Saratwadee Asasupakit, director of the TAT's Osaka office. She said the target group is females aged 20-34, a large market of 9.54 million people in Japan. "Some hospitality services such as spa treatments, Thai massage and shopping can be offered after that," said Ms Saratwadee.

6. Joint push for ESG practice among listed companies

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

The Federation of Thai capital market organisation, together with its members and other public and private institutes, have jointly declared that they will not be investing in companies that disregard ESG principle, in a move to foster good governance in the capital market. Paiboon Nalinthrangkurn, board director of the organisation, revealed that many companies in the Thai capital market will campaign for environmental, social and governance practice (ESG) among listed firms for a better society and environment. The asset management organisation has a market capitalisation of Bt5 trillion, while other funds have a combined Bt8-9 trillions.