

Thai News Update: 21 October 2019

1. Thai Government Stability No Clearer After Tight Budget Vote

Source: Bloomberg ([Link](#))

Thailand's government used its slim majority to get the annual budget bill through an initial parliamentary vote, but analysts remain divided on whether the outcome shows the coalition will survive future tests. The 3.2 trillion baht (\$106 billion) spending plan received the backing of 251 lawmakers, with 234 abstaining. Further votes are due in January to approve the budget, whose already delayed implementation adds to the risks facing Thailand's slowing economy. The bill's fate is a test of the political risk from a bitterly divided and fragmented legislature. The government's two-seat majority is subject to the whims of the more than one dozen parties in the coalition, and its policies are under fire from an opposition bloc that controls almost half the lower house -- and questions the administration's legitimacy.

2. Thailand turns to China for high-speed rail boost

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

Europe, Japan and Russia often come to mind when people think of lengthy high-speed railways (HSR). However, since 2012, the title of the country with the longest high-speed rail goes to China for its Beijing-Guangzhou route. The great leap forward of China's HSR occurred over just two decades. Beijing officially announced a national policy in 1997 -- although one had been in the works for many years prior -- to develop an HSR network. A decade later in 2007, the first intercity high-speed trains rolled out. To date, six of the 10 longest HSR are located in China, according to a report by Railway Technology, a UK-based online trade magazine. The other four routes are located in Spain, Japan, Russia and the UK. By next year Beijing expects to extend the length of its railway network from 29,000km to 30,000km.

3. Tourism operators bank on TAT schemes

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

Phuriwat Limthavornrat, president of the Association of Domestic Travel, said 60-70% of association members joined the two campaigns Visit Thailand With 100 Baht and Shocking

Price Weekday Travel planned for November and December. He attributed the high participation to the less-complex systems luring travellers and operators to join the plans compared with the Taste-Shop-Spend scheme, another tourism stimulus strategy that gives away 1,000 baht to 10 million registrants. Mr Phuriwat acknowledged that the cash handout scheme has benefited local tourism, with the recent three-day weekend of Oct 12-14 reporting growth of over 50% in the sector, the highest in the past nine months. "The new campaigns will gain more attention from Thais who travel during the high season and could increase the number of tourists travelling locally by 3%," he said. Registration is at the TAT website. For the Visit Thailand With 100 Baht scheme, registrants who have an e-banking and mobile phone number can join the campaign via the website on Nov 11, Nov 12, Dec 11 and Dec 12.

4. Deutsche Bank focusing on Thai corporations

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

Deutsche Bank says Thailand is one of its fastest-growing markets in Asean and it's looking to invest in new services to attract more domestic clientele. The bank has recorded double-digit growth this year and saw its bottom line grow 50% year-on-year. Pimolpa Suntichok, Deutsche Bank's newly appointed chief country officer for Thailand, said the bank's strategy is to find new clientele among large Thai corporations looking to expand and invest overseas. Some 70% of Deutsche Bank's clients in Thailand are foreign multinationals, so the bank is looking at domestic corporations to grow within Thailand.

5. PTTOR aims to open first petrol station in Myanmar next year

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

Buranin Rattanasombat, executive vice-president of planning at PTT Oil and Retail Business (PTTOR), revealed on 18 October that the company is planning to expand its markets in neighbouring countries as part of its overseas business strategy. "As of June, we had 281 PTT stations in Cambodia, Laos and Philippines," he said. "The first PTT station in Myanmar is slated to open before the second quarter of next year." Buranin further explained that PTTOR had received approval from the Myanmar government for a joint venture project with local partners to build an LPG and oil reserve facility in Myanmar. "The construction of reserve

facility should be completed within a year, while a PTT petrol station usually takes 4-6 months to build,” he said.

6. More manufacturers relocating to Thailand from China, HK

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

An increasing number of manufacturers are moving their production bases from China and Hong Kong to Thailand due to the US-China trade war, the Board of Investment (BOI) has said. BOI deputy secretary-general Narit Therdsteeerasukdi said recently that investment applications last year from Chinese and Hong Kong investors for BOI tax privileges had reached a 10-year high of 164 projects worth almost Bt60 billion. He added that the number of such applications continued to increase during the first half of this year, totalling 111 projects worth more than Bt31 billion. Most of them are in the auto parts, plastics, machinery and furniture businesses. He added that the production bases of Taiwanese and South Korean companies in China, which export to the US, are also relocating their plants to Asean countries, including Thailand.

7. Company orders 20,000 robots to serve tourism-related businesses

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

Robot Café Restaurant, a local tourism-related services company, has ordered 20,000 robots from UBTECH Robotics, a Chinese AI and humanoid robotics for learning company, with the aim of expanding its learning centres in Thailand, the restaurant’s co-founder Saranpong Daengdej has said. Chiang Mai and Silom are only two pilot branches at the moment but they will expand to 20 branches by the end of this year. Robot Café Restaurant is expected to expand to 1,000 branches in three years as the franchise is now eyed by many entrepreneurs. The restaurant aims to serve as learning centres for families and it offers self-service with assistance from robotic cruisers. The robots can speak 30 languages and clear bills by