

Thai News Update: 22 May 2018

1. Economy Tipped To Grow Up To 4.7%

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

A top government think tank has raised its forecast for economic growth to as much as 4.7 per cent for this year after the report card for the first quarter came within a whisker of that mark. The National Economic and Social Development Board (NESDB) said it now expects 2018 expansion in the range of 4.2 to 4.7 per cent - up from an earlier projection of 3.6 to 4.6 per cent - after the economy grew at the fastest pace in 20 years for the three months of the year. NESDB deputy secretary-general Wichayayuth Boonchit said gross domestic product (GDP) rose 4.8 per cent year on year for the quarter, driven by an acceleration in spending by the public and private sectors. Thailand had suffered GDP contraction of 0.4 per cent in the first quarter of 2014, the worst performance for a quarter for the preceding five years. For opening quarter of 2018, total investment edged up 3.4 per cent from the year-earlier period. Public investment increased 4 per cent. For opening quarter of 2018, total investment edged up 3.4 per cent from the year-earlier period. Public investment increased 4 per cent. Exports expanded 9.9 per cent, while tourism-based income jumped 16.8 per cent. With the NESDB's revised GDP growth forecast of 4.2 to 4.7 per cent, the median estimate is 4.5 per cent. The health of the global economy and robust product prices have been cited as factors behind the strong growth performance.

2. Three Projects Look To Get On PPP Fast-Track

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

At least three projects worth 447 billion baht under the fast-track public-private partnership scheme are expected to seek the PPP committee's approval this year. The three projects are the Orange Line's eastern and western sections from Taling Chan to Min Buri, worth 238 billion baht; the Purple Line's southern extension between Kanchanaphisek Outer Ring Road and Tao Poon, valued at 128 billion; and the Nakhon Pathom to Cha-am, Phetchaburi motorway project, worth 80.6 billion, said Prapas Kong-led, director-general of the State Enterprise Policy Office (Sepa). But six projects under the supervision of the Mass Rapid Transit Authority of Thailand and the Highway Department are stuck in the slow lane as some face land handover problems, while others

that are under construction have been beset by problems, including sewage system issues, he said. Mr Prapas said construction of the Purple Line's southern extension and the Orange, Yellow and Pink lines will stay on track as the PPP committee has reached an agreement with other agencies to complete them as scheduled.

3. Transport Min Meets To Discuss Ride Fare Hikes

Source: National News Bureau of Thailand ([Link](#))

Thailand's Transport Ministry held an emergency meeting on May 21 to discuss public transportation fare hikes, following a recent petition filed by public transport operators. The plea came shortly after the diesel price reached its current price of 29.79 baht per liter. Transport Minister, Arkhom Termpittayapaisith, called the meeting with relevant units to examine the matter closely. The fares of public transportation usually fluctuate in relation to fuel prices. May 21 meeting mainly explored the effects of the current diesel price. Also tabled during the talk were the negotiations with the Land Transport Federation of Thailand over delaying the fare adjustment. The federation had planned to increase fares by five percent from the beginning of May, but delayed the rise despite the frequent diesel price increases. A representative of public transportation operators, Suchinda Cherdchai, explained that operators have to increase the fares by 1 satang per kilometer every time the price of fuel goes up. She pointed out that operators haven't been able to make fare adjustments for quite some time now. The current diesel price will be above the 29 baht per liter mark for the 15th day on June 1st, when public transport operators can legally adjust their fares.

4. More Reform Possible With Higher Economic Growth, Says Somkid

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

Higher economic growth has built a strong momentum for the country's reforms, said Deputy Prime Minister Somkid Jatusripitak. In an exclusive interview with Nation Multimedia Group, Somkid May 21 said that accelerated economic growth in the first quarter this year is not beyond his expectations, and that growth would be above 4 per cent for the year. He pointed to 4.8 per cent growth in the first quarter this year due to increased public investment, private investment, consumption, exports and rising numbers of foreign tourists. "Higher economic growth has built

momentum for reforms ... which is the duty of every party. Those who win the next election must carry on the reforms,” said Somkid. “But we should not get excited about the high-growth numbers, since a slower growth cycle will return if there is no reform,” he warned. Somkid defended his government against growing criticism over a lack of successful reform during the past four years under the junta. Reform could not take place during a period of economic hardship, he insisted.

5. LMC: ASEAN Sales To Surge

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

Light vehicle sales in ASEAN are expected to show healthy growth this year, led by a rosier outlook for Thailand, but there are gloomier prospects for other key markets, according to research firm LMC Automotive. LMC reported sales across the region rose by 3% to 829,307 units in the first quarter counting only passenger cars and light commercial vehicles, albeit with mixed results across the five regional markets. Thailand and Vietnam, both posted strong double digit growth, while sales in Indonesia, Malaysia and the Philippines remained cloudy. The two markets to register declines in the first quarter were Malaysia, down 5% to 132,873 cars, and the Philippines, with a 8% drop to 96,763 cars. The robust sales in Thailand were supported by two key factors. First, strong replacement demand following the expiry of the five-year resale ban under the first-time buyer scheme introduced in 2012-2013. Those who took advantage of the temporary tax rebate 5-6 years ago are free to trade their vehicles in for new ones. Second, positive economic data, in particular GDP growth of 4% in the fourth quarter in 2017 and full-year growth of 3.9% in 2017 a five-year high. The private consumption index continued to show positive momentum, rising by 3.6% year-on-year in the first quarter from 3.4% in the fourth quarter last year.

6. Growth View Up To 4.2-4.7%

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

Following a robust first-quarter performance, the National Economic and Social Development Board (NESDB) on May 21 raised its economic growth forecast to 4.2-4.7% this year from 3.6-4.6% in February. Wichayayuth Boonchit, deputy secretary-general, said the growth will be largely supported by an improvement in global economic growth and rising international

commodity prices, driving exports of goods and services; favourable expansion of government consumption and acceleration of public investment; a clearer private investment recovery; and an improvement in household income. "Almost all sectors performed well in the first quarter, be it household consumption, exports, tourism or public and private investment," said Mr Wichayayuth. "We expect growth can reach 4.5% for the whole year if these components keep up. The NESDB also increased its export growth forecast to 8.9% this year from an earlier estimate of 6.8%. The board further raised its forecast for private investment growth to 3.9% from 3.7%, with private consumption growing to 3.7 % from 3.2 %.