

## Thai News Update: 23 February 2018

### **1. Doubling Of Thai Investments in Cambodia Targeted**

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

Cambodian Commerce Minister Sorasak Pan expects the value of Thai direct investments in his country will double by 2020, driven by expansion in services, agricultural processing, small and medium-sized enterprises and restaurants. Cambodia also expects to see a more balanced trade between the two countries under a target for bilateral trade to reach US\$15 billion by that year, he said. Cambodia is running trade deficits with Thailand. The two MOUs concern a growth strategy for border provinces under increased economic links and cooperation between both sides' departments of international trade promotion and general directorates of trade promotion. Up to 60 per cent of trade between the partners was conducted across their land border, he said, adding that the resolution of any difficulties at the border crossings would help to secure the US\$15 billion trade target in 2020. The agreements were inked at the sixth meeting of the Joint Trade Committee (JTC) between Thailand and Cambodia.

### **2. Russia Floats Idea of Innovation Pact**

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

Russia wants to work with Thailand to set up a joint innovation fund as a vehicle for collaboration on a range of innovations and research and development aimed at boosting the digital economies of both countries, Deputy Prime Minister Somkid Jatusripitak said. Somkid revealed the Russian proposal after he met Russia's Deputy Minister of Economic Development, Alexei Gruzdev, and members of a business delegation from that country on a visit to Thailand to discuss economic collaboration between the two countries. Among the business representatives from Russia at the meeting were those from Sber Bank, Rostec Corporation and JSC Ilyushin Finance Co. Somkid said that, regarding the possible collaboration in the innovation and technology spheres, both countries shared a common desire to upgrade their economies more fully into the digital realm.

### **3. Digital Economy Tipped to Reach \$37 Billion in 2025**

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

The value of Thailand's digital economy is expected to surge to US\$37 billion in 2025, a report says. The report, entitled "e-Conomy Southeast Asia Spotlight 2017", identifies this economic sphere as comprising e-commerce, online travel, online media and ride-hailing services. All sectors of the broader economy would potentially benefit from rapid expansion of the digital economy, including the digitised traditional businesses, existing digital companies, and new entrepreneurs, says the report, which was co-developed by Google and Temasek. Google Thailand country director Ben King said all business sectors need to be digitised and that most of them had begun on this path. The company sees a strong trend of digitisation in the finance and telecommunication industries, in particular, in Thailand. Thailand's Internet users, as of third quarter of 2017, numbered 45 million, of which 20 million were active users. It needs to get many more millions to become active online users.

### **4. Bot Head Cautions against Market Corrections From Mismatches**

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

Bank of Thailand governor Veerathai Santiprabhob has sounded the alarm over potential sharp market corrections based on a mismatch between market expectations and economic fundamentals. The recent sell-off in global equities and bonds is an example of a market correction triggered by a mismatch between US economic readings and market expectations, he said. The country's foreign-denominated debt of both state and private sectors is still low at 36% of GDP, and international reserves exceed short-term foreign currency debt by 3.3 times and total foreign debt by 1.4 times. The Thai banking sector has a strong non-performing loan coverage ratio of 172% and capital adequacy ratio (CAR) of 18.2%. Mr Veerathai said Thailand's economic growth was more broad-based and driven by exports, while improved imports in January also indicated growing domestic activity, though swelling household debt remains concern.

### **5. Digital Park Master Plan Takes Shape**

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

The government is set to finish the final master plan for Digital Park Thailand's construction by March before starting roadshows abroad this year to attract foreign investment. The Digital Park

is a core part of Thailand's drive to become a digital infrastructure hub in ASEAN. According to Sanpachai Huvanandana, president of CAT Telecom, the final master plan is being hammered out by the Digital Economy and Society (DE) Ministry, the Digital Economy Promotion Agency (Depa) and CAT. The final master plan will be submitted to the National Digital Economy and Society Committee for official approval. The Digital Park project is under a five-year roadmap (2018-22). The project spans an area of 709 rai at CAT's property in Sri Racha district, Chon Buri province. A flagship project of the Eastern Economic Corridor (EEC), the Digital Park is divided into three zones: innovation space; university 4.0 and digital academy; and living space.

## **6. Online-Based Economy to Skyrocket Through 2025**

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

Thailand's digital economy is expected to reach US\$37 billion (1.17 trillion baht) by 2025, out of \$200 billion in Southeast Asia, of which e-commerce and ride-hailing services comprise the major share, according to a study by Google and Temasek. "Thailand's digital economy is at an inflection point for growth as the country has emerged with a strong user base and infrastructure readiness," said Ben King, country director of Google Thailand. Citing research entitled "Google and Temasek e-Conomy Southeast Asia", he said Thailand's internet economy, which is made up of four sectors, was on track to have value of copy0 billion in 2017, up from \$ 5.8 billion in 2015. The region has world's highest average for time spent on mobile internet, some 3.6 hours a day, while Thais spend 4.2 hours per day. Thais have been credited with the most time spent on mobile internet in the world.