

Thai News Update: 25 May 2018

1. Digital Content Industry On Track For Bt26 Bn Mark

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

THE digital content industry in Thailand is forecast to reach Bt26 billion by the end of this year, supported by the efforts of the Digital Economy Promotion Agency (DEPA), which is fostering partnerships between the public and private sectors. As part of this strategy, the agency is preparing to provide grants worth Bt2.4 million to help producers of digital content expand into international markets. Chatchai Khunpitoluk, senior executive vice president of DEPA, said that the digital content industry in Thailand is continuing to grow both in the domestic and international markets. IDC conducted a survey that pointed to a valuation of Bt26.9 billion for the digital content industry in Thailand by the end of 2018. Of the total, the games market would account for Bt20.5 billion, following by animation at Bt4.4 billion and characters at Bt2 billion. The value of the total digital content industry was projected to grow around 12 per cent from last year, when it was worth Bt24.2 billion. To drive growth in the digital content industry, DEPA is working with companies in the public and private sectors. These entities include: the Department of International Trade Promotion (DITP), the Thailand Convention and Exhibition Bureau (TCEB) and five associations from Thai digital content industry, the e-Learning Association of Thailand (e-LAT), the Digital Content Association of Thailand (DCAT), the Thai Animation & Computer Graphics Association (TACGA), the Bangkok ACM SIGGRAPH (BASA) and the Thai Games Software Industry Association (TGA).

2. Mobile Companies Allege Duty Evasion In Imports From ASEAN

Source: Business Standard ([Link](#))

The domestic cellphone industry has flagged possible duty evasion in imports of the completely built unit (CBU) of mobile phones, suspected of Chinese origin, from Asean countries under the free trade route. In a letter to Revenue Secretary Hasmukh Adhia, Indian Cellular Association (ICA) said there is a possibility of customs duty evasion in import of CBUs from Asean countries at zero duty as the mobile devices contain more than 65 per cent material from non-Asean origin. Government has imposed 20 per cent import duty on mobile phones to

promote indigenous manufacturing of the devices as they have security implications. India has signed free trade agreements with Asean countries which covers Singapore, Malaysia, Indonesia, the Philippines, Thailand, Myanmar, Laos, Cambodia, Vietnam and Brunei. Besides, there is a special dispensation for the Philippines which is charged a duty of 2-6 per cent. Other nine countries are largely under the special dispensation of zero duty. Mohindroo said the zero-duty treatment is available only after a government appointed agency of the exporting country gives a certificate that the device is of Asean origin. ICA said a product is considered to be of Asean origin if it is produced by its member country, local content by direct method should be 35 per cent and non-ASEAN material can be 65 per cent in the device.

3. Epac Caps Cooking Gas Price At 363 Baht

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

The Energy Policy Administration Committee (Epac) has agreed to lower the price of liquefied petroleum gas (LPG) in household cooking, capping it at 363 baht per 15kg cylinder. Energy Minister Siri Jirapongphan said the new price is less than the current 395 baht per 15kg cylinder. The change is expected to take effect next Monday and should alleviate hardship of rising cost of living. According to Mr Siri, the LPG account in the State Oil Fund currently stands at 551 million baht and it is enough to cover the subsidy programme for about two months if global prices remain stable. The subsidy measure is expected to cost about 300 million baht per month, he added. Mr Siri said the global price of LPG is likely to lower further as demand is expected to drop. This will push the cooking gas price down even more to 353 baht per 15-kg cylinder. The global price of LPG currently stands at US \$543 (about 17,00 baht) per tonne, down from \$580, he said. On rising diesel prices, Mr Siri said that Epac has also agreed to reduce hardship by drawing money from the State Oil Fund to cap the price at 30 baht per litre while waiting for the commercial development of B20 biodiesel fuel.

4. Thai Auto Sales Surge

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

Of those, 29,888 were cars while 49,318 were commercial vehicles, an increase of 30.6 per cent compared to the corresponding month last year. Vudhigorn Suriyachantanont, executive vice

president at Toyota Motor Thailand Co Ltd, said auto companies participating in the Bangkok International Motor Show that ended in early April launched a large number of new models and sales promotions. "The new models introduced gained popularity, while other contributing factors include improvements in Thailand's exports and agricultural product prices," he said. Meanwhile from January to April, auto sales in the kingdom reached 316,299 vehicles, growing by 15.5 per cent. The car market expanded by 13.3 per cent during this period, Vudhigorn said, while commercial vehicles experienced a 16.9-per-cent growth. "Thailand's economy has seen improvement both in exports and tourism, and the large number of new automobile models plus sales promotions from the start of the year has served as contributing factors to the market growth," he added. According to Vudhigorn, Thailand's economy is improving continuously, while automakers and finance companies are offering attractive sales packages that help consumers make quicker purchase decisions. "And although part of the consumer groups are concerned about the political situation in Thailand and overseas, there has been little effect on the automobile market," he said.

5. Thailand Slips To 30th In Global Competitiveness

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

Thailand's world competitiveness ranking slipped three spots this year, mainly due to government inefficiency and budget deficits. According to the latest edition from the World Competitiveness Center a research group at IMD business school in Switzerland, Thailand's ranking fell to 30th from 27th in 2017. Among the Asean countries, Singapore retained its lead among Southeast Asian economies, with Malaysia the only economy to register an improvement, by two positions, to 22nd. Thailand was one of three Asean nations that saw their rankings drop, with Indonesia down one spot at 43rd and the Philippines down nine spots at 50th. IMD said Thailand's challenges in 2018 include creating public awareness of the urgency and the magnitude of disruptive change; accelerating education reform and retraining/reskilling of the workforce to cope with future challenges; taking immediate action on applying technology and digital platforms for access to social services (such as education and healthcare); enhancing public services transformation and public conflict during the election process.

6. Costlier Oil Keeps BOT Chief On Watch

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

The central bank is keeping a close watch for any signs of strain on the economy from rising oil prices and is encouraging curbs in consumption to advance the goal of energy savings. The Bank of Thailand's (BOT) concerns were aired shortly before the Energy Policy Committee on May 24 agreed to maintain a cap on the price of diesel at Bt30 a litre in a bid to ease the impact on businesses and farmers. The committee, convening in an urgent response to the price rises, resolved to use the state's Oil Fund to subsidise the diesel price and for a related measure to cut the price of liquefied petroleum gas to Bt363 per 15 kilograms, from Bt395, effective from Monday. In recent years the diesel price has been far below the cap. BOT governor Veerathai Santipraphob expressed his concerns about the impact of the higher prices triggered by the steady climb in global crude oil prices, citing Thailand's import of large quantities of crude for the needs of industry and consumers. "We have to closely monitor the oil prices as the cost of imported oil is relatively high considered as a proportion of the country's gross domestic product," Veerathai said. The march in global crude prices has been caused by a recovery in the international economy, which spurs demand for the key commodity, he said. Geopolitical tensions have also contributed to the higher prices as some oil exporters have been unable to maintain supply, the BOT chief added.

7. Finance Ministry Hikes Growth Outlook To 4.5%

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

The Finance Ministry has raised Thailand's GDP growth forecast for the year to 4.5% after the economy expanded by a surprising 4.8% in the first quarter, the fastest pace in five years. The new forecast is based on assumptions that merchandise shipments will grow by more than 8% and the global economy will expand by close to 4% rate this year, said Finance Ministry spokeswoman Kulaya Tantitemit. The Fiscal Policy Office (FPO), the ministry's think tank, earlier predicted 4.2% growth for 2018. But after the robust first-quarter GDP reading, the National Economic and Social Development Board raised its GDP growth forecast range to 4.2-4.7% from 3.6-4.6% in February, while the Bank of Thailand's Monetary Policy Committee will review its 4.1% forecast at its June meeting. State investment is expected to expand by close to 10% this year, compared

with the FPO's current forecast of 8.9%, while private investment growth is seen rising by at least 3%, or a bit below the projection of 3.8 %.The FPO also raised the inflation forecast to 1.4% this year from 1.2% previously. The office is scheduled to review this year's GDP growth projection in the next two months.