**Weekly Economic & Commercial Report (4th -10th August  2020)**  
  
  
**Internal**  
**The 7th Bangkok International Digital Contest (BIDC) 2020**  
Banmuang 04.08.2020  
  
The Department of International Trade Promotion from the Ministry of Commerce has joined with 7 related departments to arrange “The 7th BIDC 2020” on 19-21st August 2020. 44 digital content companies from 15 countries will join the event which are such as the U.S., the U.K. France, Japan, India, and others.    
  
**Thai e-vehicle industry set for rapid growth**   
The Nation 04.08.2020  
  
The Electric Vehicle Association of Thailand (EVAT) says the EV market in Thailand is the most advanced among Asean countries and will grow quickly during 2025 to 2030. EVAT chairman Yossapong Laoonual said several of the association’s requirements for the EV industry have been adopted by the government. However, EV investment and production have moved slowly due to high operating costs. EV technology will be cheaper from 2025 and become more accessible to normal people, he predicted. He added that the EV industry in Thailand was more advanced than in Malaysia, Indonesia or Vietnam, since Thai producers were already up and running. Also, foreign auto companies were interested in investing in EV production in Thailand since it has long been a production base for normal cars.  
  
  
**Hotels urged to end dual pricing scheme**   
**Government eager to lure expats**  
Bangkok Post 04.08.2020   
  
The Tourism and Sports Ministry is encouraging hotels in Thailand to offer fair packages to expatriates, avoiding price discrimination as the country aims to attract 2 million foreign residents to travel more domestically. Phiphat Ratchakitprakarn, the tourism and sports minister, said the ministry urged expatriate associations to travel domestically instead of going abroad, as they may face back-to-back 14-day quarantines when arriving at other destinations and then upon returning to Thailand. Mr Phiphat admitted the Tourism and Sports Ministry cannot stop dual pricing at local attractions in the near future as they fall under the purview of different ministries. He said 2 million expatriates normally take overseas trips, especially to other Southeast Asian countries during holidays, rather than within Thailand.   
  
**Cabinet mulls two train routes**   
Bangkok Post 04.08.2020   
  
The cabinet will be asked this month to approve two new train route extensions in the North and Northeast worth a combined 153 billion baht. The routes in question are: Den Chai-Chiang Rai-Chiang Khong in the upper North and the Ban Phai-Mukdahan-Nakhon Phanom in the upper Northeast. The former route will branch out from the main northern line in Phrae and the latter will fork off from the upper northern line in Khon Kaen. Transport Minister Saksayam Chidchob said the 326km Den Chai route will cost 85 billion baht and the 355km Ban Phai route will have a price tag of 68 billion baht.

**University of the Thai Chamber of Commerce (UTCC) : 11.4% contraction in GDP forecast for 2020**   
Bangkok Post 04.08.20200   
  
Thailand's economy is likely to contract by as much as 11.4% this year, its worst showing, attributed largely to the pandemic impact, volatile foreign exchange, widespread drought and the continued US-China trade spat. Thanavath Phonvichai, president of the University of the Thai Chamber of Commerce, said the forecast was based on the country being closed to foreigners for at least six months; the 400-billion-baht budget the government set aside for economic and social rehabilitation failing to be disbursed this year; and global trade worsening more than expected. In April the university predicted the economy would contract by 3.4%-4.9%.  
  
**Cabinet Approves the Securing of Loan from ADB for COVID-19 Rehabilitation**  
Inside Thailand 5 August 2020  
  
The Cabinet, during its meeting on 4 August 2020, approved the proposal by the Ministry of Finance to secure a loan of 1,500 million US dollars from the Asian Development Bank (ADB) for Thailand’s COVID-19 economic and social rehabilitation program. In this regard, it approved the loan agreement "COVID-19 Active Response and Expenditure Support Program” by ADB. The loan has been sought on behalf of the Thai government, under the executive decree authorizing the Ministry of Finance to seeks loans to support COVID-19 rehabilitation projects.  
  
**Thai Embassies in 30 nations urged to woo investors for EEC**  
The Nation  05.08.2020  
  
The Eastern Economic Corridor (EEC) Office of Thailand has recently called on Thai Embassies in 30 countries to approach foreign firms to invest in the EEC, the office’s secretary-general Kanit Sangsubhan said.  He said the EEC’s main targets are firms in technology, logistics, medical and health sectors, adding that in France, EEC has been eyeing aviation firms, while in the US it is wooing logistic companies. He added that the office will propose to the Cabinet this month a plan to develop a 2,000 to 3,000-rai smart city in the region to accommodate the million or so people expected to migrate to the EEC in the next 20 years.  
  
**CCSA eyes entry for foreign businessmen**   
**Some Thais now allowed into Japan**  
Bangkok Post 05.08.2020   
  
The Centre for Covid-19 Situation Administration (CCSA) will next week consider a further easing of the ban on foreign visitors entering Thailand, Prime Minister Prayut Chan-o-cha said on Tuesday. Speaking after a cabinet meeting on Tuesday, Gen Prayut, who chairs the CCSA, said that the cabinet discussed the possibility of further relaxation to allow foreign businessmen who run major businesses to enter Thailand to conduct their transactions, though under strict health safety measures. The matter will be raised at a meeting of the CCSA next week, Gen Prayut said. Deputy Prime Minister and Public Health Minister Anutin Charnvirakul said on Tuesday that the prime minister has instructed the ministry to work with the CCSA to come up with measures to prepare for the arrival of foreign visitors to ensure public health safety and keep the economy functioning at the same time.  
EEC Office readies BoI-style tax incentives for SEZ investors  
   
**Law allows BoI-style tax relief in corridor**  
Bangkok Post 05.08.2020   
  
The Eastern Economic Corridor Office is set to offer privileges directly to investors in special economic zones in the three provinces of the EEC. Kanit Sangsubhan, secretary-general of the EEC Office, said Section 59 of the EEC Act lets the EEC Policy Committee offer privileges equal to those awarded by the Board of Investment (BoI). Eligible investment must be in targeted industries and located in special promotion zones in the three provinces of the EEC, the Eastern Economic Corridor of Innovation, the Eastern Economic Corridor of Digital and the Eastern Airport City project at U-tapao. The EEC is part of the government's strategy to move Thailand towards a high-tech economy. Spanning Chachoengsao, Chon Buri and Rayong provinces.,   
  
**Launching model of Social Security Hospital, the future of labore**  
Aor Por Tor News 05.08.2020  
  
Social Security Office has come up with “Social Security Office Hospital” which is the hospital specifically for the insured persons. The hospital will be managed under the model called “Integrated Delivery Model”. The hospital comes with 150 beds on 15,000 square-meter area. The service in the hospital is such as heart and metabolism center, emergency operation center, x-ray and MRI center, etc.  
  
**COVID ruins economy**   
Thai Rath  5.08.2020  
   
The Rector of the Thai Chamber of Commerce University and Chairman of the Economic and Business Forecast Center revealed that the country is expected to see a 9.4% GDP decline. Exports will decline by 10.2%, investments will decline by 8%, number of foreign tourists will decline by 82.3%, and inflation rate will decline by 1.5%. The government has to ease the criteria to give SMEs more access to the THB 500 Billion low-interest loans  
  
**EPO accelerates disbursement**  
Matichon 06.08.2020  
   
The Director of the State Enterprise Policy Office (SEPO) revealed that 44 state enterprises under SEPO has disbursed THB 125.458 Billion by the end of June, amounted to 85% of the total plan. The disbursements were affected by COVID-19 as some projects required foreign tools and personnel. SEPO ordered state enterprises to accelerate the disbursements to prevent possible impacts. Disbursement will also help stimulate the economy. The Director of the Fiscal Policy Office revealed that in the first 8 months of 2020 fiscal year, the government has collected THB 1.500261 Trillion revenues, 11.2% lower than the expectation.  
  
**Govt urged to promote employment to support economy**  
Daily News 06.08.2020  
   
The Monetary Policy Committee has agreed to peg policy interest rate at 0.5% per year and expected that Thailand would take about two years for economic activity to resume. The committee urged the government to promote employment, economic restructuring and economic rehabilitation. The committee said they were ready to implement additional financial tools, if deemed crucial, to support economy. They also urged financial institutes to offer debt refinancing to personal customers and business customers to be in accordance with their payment capability now that the pandemic had subsided.  
  
**Rice strategy awaiting rejig**   
Bangkok Post 06.08.2020    
  
Commerce Minister Jurin Laksanawisit pledges to speed up adjustment of the Thai rice strategy as quickly as possible as the industry faces a slew of challenges including a strong baht and rising production costs. Mr Jurin said after presiding over a Thai hom mali fragrant rice fair on Wednesday that rice exports have fared poorly since the beginning of last year because of foreign exchange swings and the ascendant baht, making Thai rice more expensive than competing grains. "The ministry is pursuing a rice strategy to improve competitiveness, covering all systems including marketing, cultivation and R&D of new rice varieties,"  
  
'**Safe and Sealed' brings hope for tourism rally**   
**Industry survivors hanging by a thread**  
Bangkok Post 06.08.2020    
  
Tourism operators are proposing a new inbound tourism plan, called Safe and Sealed, to replace travel bubbles and keep Thailand from realising the worst-case revenue scenario of 675 billion baht next year, down from 3.01 trillion baht in 2019. At Wednesday's joint meeting of the Tourism and Sports Ministry and the private sector chaired by Tourism Minister Phiphat Ratchakitprakarn, tourism-related groups offered a proposal to let inbound tourists restart their trips to Thailand in the fourth quarter with safer screening and more flexibility for many countries than the bilateral travel bubble scheme would have afforded.  
  
**PM predicts economy will shrink less than 10% in 2020**  
The Nation  07.08.2020  
  
Prime Minister General Prayut Chan-o-cha has predicted the Thai economy will contract less than 10 per cent this year, thanks to its strong economic fundamentals and effective handling of the Covid-19 outbreak.  He made the prediction during a speech on the economy at an event hosted by the Bangkok Post to celebrate its 74th anniversary on August 6.  He added that the economy grew 1 per cent in 2014 after he assumed the premiership in August that year, rising to 3.1 per cent in 2015 and 3.4 per cent in 2016.The growth trend had continued until this year when the economy was brought to its knees by the outbreak, said the premier. The government has launched a series of relief measures to help businesses and people survive the crisis, he added.  
  
**Osmep chases funds for SMEs**   
Bangkok Post 07.08.2020   
  
The Office of Small and Medium Enterprises Promotion (Osmep) is looking for new financing sources for firms after a plan to set up a novel fund to help SMEs survive the pandemic is likely to miss out on funding from the state's 400-billion-baht economic and social rehabilitation scheme. On Aug 19, Osmep officials will discuss alternatives with the agency's board, then forward them for consideration to the new cabinet. Osmep chief Veerapong Malai said the fund, worth 50 billion baht, was to help SMEs better access soft loans as many of them fail to qualify for loans from commercial banks, usually based on strict conditions. The state legal advisory body, the Council of State, said Osmep cannot use money from the 400-billion-baht package because of legal complications.  
TAT sets B296bn bar for 2021 revenue   
  
**Worst-case scenario sees international tourist arrivals in final quarter of next year**  
Bangkok Post 08.08.2020   
  
The Tourism Authority of Thailand (TAT) envisions three scenarios for the recovery pace of Thai tourism next year, with the worst case a contraction of international revenue to 296 billion baht. TAT governor Yuthasak Supasorn said the worst-case scenario, in which the country only allows international commercial flights to resume in the last quarter of 2021 amid a prolonged pandemic and global economic downturn, would see Thailand welcome just 6.14 million foreign tourists, mostly from Asia. The number of seats on international flights would only total 15% of pre-pandemic capacity. The worst-case scenario for the domestic market is a nationwide lockdown that forces economic growth to plunge 8% year-on-year, resulting in 68.4 million trips for the full year, generating 380 billion baht.   
  
**FTI: B1tn loan needed for recovery**   
Bangkok Post 08.08.2020  
   
The government may need to borrow an additional 1 trillion baht to address the impact of the coronavirus pandemic, says the Federation of Thai Industries (FTI). The borrowing would be used to stimulate the grassroots economy, which is still reeling from the crisis, said FTI chairman Supant Mongkolsuthree. On Tuesday, the cabinet approved the Finance Ministry's proposal to borrow US$1.5 billion from the Asian Development Bank to stimulate and rehabilitate the economy. The borrowing scheme is part of the government's plan to issue a royal decree to borrow 1 trillion baht for stimulus.

**Joint panel plans fresh CPTPP study**   
Bangkok Post 10.08.2020   
  
The Joint Standing Committee on Commerce, Industry and Banking (JSCCIB) will start a new study on the highly contentious Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) next month in a bid to renew its call for the government to join the pact next year. The group plans to hire a consultancy to do the "deepest" examination of pros and cons of the deal, believed to help boost international trade, which could help Thailand handle the fallout from the pandemic, said the Federation of Thai Industries (FTI). The JSCCIB wants Thailand to first join negotiations on various issues, including free trade proposals among CPTPP members, to pave the way for a decision on whether to eventually ratify the pact. FTI chairman Supant Mongkolsuthree said the CPTPP is an opportunity for Thailand to export products to new markets.  
  
**Industry wants govt to lift barriers for doing business in Thailand**  
The Nation 10.08.2020  
  
The Joint Standing Committee on Commerce, Industry and Banking (JSCCIB) will ask new Finance Minister Predee Daochai to lower barriers to doing business in Thailand, said Supant Mongkolsuthree, chairman of the Federation of Thai Industries.  The JSCCIB wants the government to set up a public-private committee to boost ease of doing business. It will also ask the minister to revise arcane rules deemed to be obstacles to doing business in Thailand, he added.The moves would boost Thailand’s World Bank ranking for ease of doing business from its current 21st place, Supant said. The joint standing committee will also ask the government to extend the relief measures beyond their original end dates to mitigate impacts of the Covid-19 outbreak, he said.    
  
**External**  
**Oil demand is still limited from the conflict between the U.S. and China**  
Money Life Today 04.08.2020  
  
The director of the Energy Policy and Planning Office (EPPO) from the Ministry of Energy reveals that the price of oil and crude oil might be stabilized with the higher demand from several countries. However, the market has also expressed concern over some negative factors such as more COVID-19 infected persons in the U.S., India, and Southern America. Also, the major conflict between the U.S. and China.   
  
**University of the Thai Chamber of Commerce (UTCC) expresses concern over the government's economic team**   
Voice TV 04.08.2020  
  
Thanawat Phonwichai, director of the UTCC's Centre for Economic and Business Forecasting, reveals that the center expects Thailand’s GDP in 2020 to be around -9.4 percent. He also expects Thailand to not be able to start the “Travel Bubble” project within this year because the 2nd wave of COVID-19 has emerged in 4 important countries such as the U.S., India, Brazil, and Russia.  
  
**Myanmar begins trading via online, Department of International Trade promotion**  
Aor Por Tor News 05.08.2020  
  
The Department of International Trade Promotion advises Thai businesses to penetrate the Myanmar online market after 41 percent more people in Myanmar use online media and social media in their daily life. Due to the COVID-19 crisis in Myanmar, the growth of food delivery services can clearly be seen in the country from operators such as Yangon Door2Door, Foodpanda, GrabFood, Food2U, Hi-So, etc. A handful amount of Myanmar people also started the use of E-Wallet and Mobile Money from such as Wave Mone, OK Dollar, and TrueMoney.  
  
**Panchshil Realty's Office Portfolio First in APAC To Meet British Safety Council's Global Benchmarks for COVID-19 Related Control Measures**  
Real Estate Press Releases  05.08.2020   
  
Panchshil Realty and British Safety Council today announced a new milestone in workplace safety in the corporate real estate sector in India in the context of COVID-19 and safe return to work. Panchshil Realty has become the first and only real estate group in India and in the entire Asia-Pacific Region to have benchmarked and independently validated its COVID-19 related control measures at its workplaces, against stringent global safety standards as laid down by the British Safety Council.Following a rigorous auditing process, the British Safety Council's Assurance Statement confirms that at the time of audit, Panchshil Realty has implemented, proper and adequate policies, procedures and arrangements relating to control of COVID-19 within the workplace, across 15 million square feet of its office parks portfolio.   
  
**Department of Trade Negotiations unveils the great support from FTAs toward Thai agricultural products**  
Corehoon Online 07.08.2020  
  
Department of Trade Negotiations, Ministry of Commerce, reveals that ASEAN is the no.1 export market for Thai processed agricultural products. It was worth over $3.341 billion, a 4-percent growth. Thailand’s farmers also have more chances for export market expansion with FTAs, including China, Japan, South Korea, India, Australia, New Zealand, Chile, Peru, and Hong Kong.   
  
**Thai chicken industry cuts production as global demand drops**  
The Nation 07.08.2020  
  
Thai chicken exports rose less than expected in the first half of this year, due to the Covid-19 fallout, the Thai Broiler Processing Exporters Association said. Thailand exported 470,000 tonnes of chicken in the first six months, up 2 per cent year on year, with export value of Bt54 billion, up Bt1 billion. The Covid-19 pandemic caused Thailand’s two main markets, the European Union and Japan, to cut chicken imports, said Kukrit Arepagorn, the association's manager. "Chicken exports to the EU dropped by 10 per cent as the Covid-19 situation there is not yet resolved. We expect Thailand to export 280,000 tonnes of chicken to the EU this year, down from 330,000 tonnes last year," he said.  
  
**Thai Travel Agents Association puts off major sales fair**   
Bangkok Post published : 10 Aug 2020   
   
Outbound tours are not likely to return within two years, with a travel agents' association postponing an annual sales event until next year. Suthiphong Pheunphiphop, the newly elected president of the Thai Travel Agents Association (TTAA), said his main responsibility is to help tour members switch to the domestic market and attract a segment that has the potential to go abroad on a premium domestic tour programme. The outbound tourism business depends on the situation in both the origin and destination countries. Although Thailand has effectively managed the pandemic, if destinations suffer a second wave of infections, particularly Japan, a long-time favourite destination of Thai outbound tourists, operators will have to wait indefinitely, Mr Suthiphong said. On Thursday, the TTAA had a discussion with the Japan National Tourism Organization about the future of outbound tourism between Thailand and Japan.  
  
**Bilateral**  
**Indo ASEAN Oceanic Business Summit and Expo by CII**  
4-6 August, 2020

Indo ASEAN Oceanic Business Summit and Expo was organised by CII from 4-6 August, 2020. Ambassador participated in the session on Digital Connectivity during the above conference and spoke of immense possibilities of cooperation with Thailand both under India ASEAN framework as well as under sub-regional frameworks such as ACMECS.  
  
  
**Regards**  
  
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