****

**Weekly Economic News**

**[18-24 July 2016]**

**\* \* \***

**Bilateral**

India, Thailand agree to speed up FTA finalisation

The Nation : July 20, 2016

Thailand And India have agreed to accelerate finalisation of their bilateral trade agreement after negotiations have dragged on for 12 years, with both countries now being more concerned with mutual benefits rather than gains at the expense of the other side. After joining the 30th round of talks in New Delhi last Wednesday and Thursday, SirinartChaimun, director-general of the Trade Negotiations Department, said she and her counterpart Ravi Capoor, deputy permanent secretary of the Indian Commerce and Industry Ministry, agreed that the Thai-Indian Free Trade Agreement should be finalised soon. "Thailand and India [agreed] that we will be concerned more with win-win benefits rather than losses as in past negotiations so that this FTA can move forward and be implemented in the near future to promote trade, investment, and closer cooperation between the two sides," she said. During the meeting, Thailand asked India to provide additional market access for the Kingdom's rubber, rice and chemical products, while India asked Thailand to allow computer engineers from India to work in the Kingdom. They also agreed to adjust their rules of origins to facilitate trade flows, and to discuss sanitary, phytosanitary and technical trade barriers in order to avoid disputes. The Thai-Indian FTA talks have stalled over disagreements on details of the liberalisation of trade in goods, services and investment.

**Internal**

New investment in 2nd half to hit Bt466 bn, says finance minister

The Nation : July 16, 2016

The Economic Steering Committee estimates that new investment from the public and private sectors in the current second half of the year will be worth Bt466 billion and provide more than 67,000 jobs, Finance Minister ApisakTativorawong said after a meeting of the committee. Up to Bt66 billion of the total will be spent by the government on infrastructure projects, and it will sign contracts for 18-19 projects worth a total of Bt1.4 trillion. The remaining Bt400 billion will be invested by private companies that will receive tax privileges from the Board of Investment. Apisak noted that the Bt400-billion private-sector estimate was based only on those companies receiving BOI incentives, and the committee believes other firms that did not apply for incentives will also invest during the remaining months. Private-sector investment in the second half is expected to be in such high-potential industries as food, biotechnology, software, auto accessories and electronics.

Increasing demand for industrial robots

Bangkok Post : July 18, 2016

The use of robots in Thai industries is expected to rise substantially over the next few years, thanks to strong support from the government, industry officials said.The number of robots deployed in factories is set to double to 8,400 by 2018 from 4,200 now, due largely to strong demand for robotic technology in the food and food processing industries, according to a leading Japanese manufacturer of robots.Akira Takarajima, the general manager of the robotics division of Nachi Technology (Thailand), said demand for robots in Thailand is expected to grow continuously over the next few years as the government is pushing next-generation industries that need higher technology, especially robotics.The International Federation of Robotics (IFR) also forecast that Vietnam will be the second country in Asean after Thailand to take its industry into the robotics era."Thailand is moving to industry 4.0, which entails high technology and more automated systems in the production process. So, robots are important things that manufacturers need in order to replace the human workforce," said MrTakarajima.

MICE industry key to growth of economy

The Nation : July 19, 2016

The Meetings industry can serve as an engine for the “Thailand 4.0” vision because it not only generates a lot of money but also helps disseminate knowledge, said WeerasakKowsurat, chairman of Thailand Convention and Exhibition Bureau. The average MICE (meetings, incentives, conferences and exhibitions) traveller spends three times as much as the average tourist, with the industry attracting more than 900,000 business travellers last year who spent some Bt100 billion."The MICE industry is a hub of knowledge to be disseminated, exchanged and shared. And thus, it facilitates innovations in each sector" of the economy, the TCEB chief said. He spoke on the topic "MICE as an Engine for Thailand 4.0" at a seminar held by the Thailand Management Association (TMA). Weerasak said the global meetings industry was growing, even in Europe and the United States, and was expanding rigorously in Asia.

Jobless rate shines spotlight on education system

The Nation : July 20, 2016

Increasing unemployment in Thailand during the past few months reflects the lack of new investment in the country while most industries still lack skilled labour, showing the failure of the country’s education sector, according to the Federation of Thai Industries (FTI). However, although the unemployment rate rose last month to 1.2 per cent, business lobbies don't see it as a problem yet, as most industries have maintained their employment levels. The higher jobless rate is a result of new university graduates being unable to find jobs because of the lack of new investment, while some of them are unable to serve industry demands. Chen Namchaisiri, chairman of the FTI, said most industries had not laid off existing workers as many of them still employ foreign workers and need skilled labour. He said recent layoffs in the auto industry were the result of the expiration of labour contracts, and not because of slowing business growth. He added that new bachelor's-degree graduates had faced difficulty finding jobs because their skills did not serve industry demand, which is mostly for vocational-school graduates.

**External**

Thailand, UK to work on FTA

The Nation : July 18, 2016

Thailand and the United Kingdom have agreed in principle to work on a bilateral free-trade agreement to relieve the impact from Britain’s vote to exit the European Union, while both nations have set up the Thai-UK Business Leadership Council to tighten cooperation among the private sector. After the recent visit to the UK, Deputy Commerce Minister SuvitMaesincee said that Thailand and the United Kingdom had committed to ensuring bilateral trade growth to ensure Brexit would not affect trade and economic cooperation. Thailand and the UK have also agreed to establish the Thai-UK Business Leadership Council, to boost cooperation between private enterprises and provide suggestions to the governments in improving the business environment and facilitating trade and investment growth for both sides.

\* \* \*

*[Inputs for this Report have been garnered from various media reports, press releases and communications issued by various government and private agencies]*