

May 28, 2020

## Thai Enquirer Summary

### **Political News**

- Yesterday (May 27) was the first day of a 5-day debate in the Parliament.
  - ❖ Prime Minister Prayut Chan-o-cha defended the executive decrees on 1.97 trillion baht loan to cushion the economic blow from the Covid-19 pandemic and to strengthen the economic and healthcare systems, pleading Parliament for the swift passage of the bills.
    - “These decrees will not affect public debt and the law on the Finance Ministry’s discipline. The ratio of public debt versus GDP is 57.6%, and should not exceed the limit of 60%,” Gen Prayut said during the first round of House debates which will run from May 27 to 31.
    - “Using the central budget, the next year’s budget, or transferring” from other areas. “But it is not enough,” he told Parliament at the opening session.

- ❖ Finance Minister Uttama Savanayana backed up Gen Prayut's remarks as he said these loans were only 6% of the GDP or 31% of the national budget. The ratio of the government's debt versus income is 31.2%, well below the limit of 35%, the ratio of foreign currency debt and public debt, which is limited to 10%, stands at 2.53%, while the ratio of external debt versus export incomes, which should be no more than 5%, is only 0.19%.
- ❖ One trillion baht will be in the form of loans including from bond issuance. Just over half of this amount will be set aside as cash relief for millions of people and businesses adversely affected by Covid-19, while 45 billion baht will be used to support public health works.
  - The remaining 400 billion baht will be used to create jobs and rebuild the economy, which contracted by 1.8% in the first quarter of 2020.
- ❖ The opposition has harshly criticised many aspects of the stimulus package including for the lack of clarity of some spending, especially the planned use of 400 billion baht to rebuild the economy and the government's "No one will be Left Behind" program while many have been left out of the scheme.
- ❖ During the debate, Opposition MPs raised concerns over transparency issues and the burden to repay the massive loans.
- ❖ Sompong Amornwiwat, the Opposition leader from the Pheu Thai Party, described 3 loan decrees as a bank cheque to spend without a proper scrutiny process.
- ❖ He said the decrees will empower the administration to borrow and spend the money at will, with insufficient checks and balances, epitomized by a loan disbursement screening committee made up of just a handful of people.

- “This is a huge amount of money. The government needs to clarify to the people in terms of the details of the disbursements of the budget and who will benefit from them,” said Mr Sompong.
  
- ❖ Pheu Thai party secretary-general Anudith Nakornatap said that the Thai economy has been slowing steadily since Gen Prayut became Prime Minister in 2014, with public debt piling up to 2.6 trillion baht, excluding this year’s 2.5 trillion baht additional borrowing. He warned that the borrowing of 500 billion baht to assist the people in the form of cash subsidies would raise the public debt ratio up by 55% of GDP.
  
- ❖ He said Gen Prayut is writing a new chapter in Thai history by being the first leader to drag every Thai citizen into debts of several hundred thousand baht for every man, woman and child.
  
- ❖ Based on the requirement to service 48 billion baht in debt each year, Mr Anudith said it would take Thailand about 90 years to repay all the borrowed money.
  
- Deputy Prime Minister Prawit Wongsuwan, as the Phalang Pracharat Party (PPRP)’s chief strategist, said a cabinet reshuffle is on the cards once COVID-19 eases.
  - ❖ In a special interview with ‘Daily News’ newspaper, Gen Prawit refused to confirm rumours that he plans to take over the party’s leadership post amid reports of a leadership battle insider the party.
  
  - ❖ As for the government’s decision to extend the state of emergency for another month to June 30, Gen Prawit said the government wants to spend 1 more month to assess the COVID-19 situation in fear of a 2<sup>nd</sup> wave of the virus. He said once the virus crisis eases, there will definitely be a cabinet reshuffle.

- The opposition Kao Klai Party [Move Forward] demanded the House Speaker to seek the Constitutional Court's interpretation on Deputy Agriculture and Cooperative Minister Thammanat Prompao.
    - ❖ At Parliament complex, Chaithawat Tulathon, secretary-general of Kao Klai, submitted a letter to House Speaker Chuan Leekpai through his secretary Somboon Uthaiwienkul, asking Mr Chuan to seek the court's ruling on whether Capt. Thammanat should be disqualified as an MP and the Cabinet due to his past criminal conviction in Australia and the fact that his spouse holds shares in private companies that are state concessionaires.
    - ❖ The Kao Klai Party's petition is backed by signatures from 54 MPs.
  - Reports have come out that former prime minister Thaksin Shinawatra is the man behind the creation of a new political group called CARE led by Phumtham Wechayachai, an adviser to opposition leader Sompong Amornwiwat from the Pheu Thai Party.
    - ❖ A source with Pheu Thai revealed that Mr Thaksin floated the idea of having a new group form to set up a new party in a bid to tackle turmoil inside Pheu Thai which stemmed from management of Khunying Sudarat Keyuraphan, the party's chief strategist. It is said that Mr Thaksin came up with the idea of having the key former executives of the now-defunct Thai Rak Thai Party including Mr Phumtham, Pongsak Ruktapongpisal, Prommin Lertsuridej and Surapong Suebwonglee to be the coaches for the new party. However, the 4 figures were told not to take up positions in the new party or the government if Pheu Thai rises to power.
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## Economic News

- Thai Airways International Plc (THAI)'s requested for bankruptcy protection was accepted by the Central Bankruptcy Court yesterday (May 27), setting the first hearing on August 17.
  - ❖ The court's decision resulted in the airline getting an automatic stay from debt collection by creditors, numbering around 14 million. The court was informed that the airline had registered capital of 26.9 billion baht, debts of 354.4 billion and assets worth 349.6 billion baht. THAI already missed a 10.2 billion baht debt payment that was due on May 21.
  - ❖ The court told the ailing national carrier that copies of the documents which were sent the court must be sent to creditors, registrars of shareholders, the Legal Execution Department, the Securities and Exchange Commission and the Stock Exchange of Thailand, according to Section 90/9 of the Bankruptcy Act BE2541 (1998).
  - ❖ Creditors of the airline who disagreed with the restructuring process could submit objections at least 3 days before the 1st hearing.
  - ❖ Deputy Prime Minister Wissanu Krea-ngam said it would take around 6 months for the court to consider and approve the rehabilitation plan. The rehabilitation process could take 5 years under the Bankruptcy Act.
  - ❖ In the past, 52 organisations filed for bankruptcy protection over a 20-year period. Of these, 20 succeeded in the restructuring process under the 1998 Bankruptcy Act while 25 others went bankrupt. The remaining 7 organisations that entered bankruptcy during the past 10 years saw no success.
  - ❖ In a related development, there are reports that Pailin Chuchottaworn who was appointed to the THAI's new board resigned the day after he was appointed. The reason for his resignation is speculated to be because of legal issues. Mr Pailin

was a deputy transport minister under Prime Minister Prayut Chan-o-cha from November 2017 to December 2019.

- Under the laws of the National Anti-Corruption Commission (NACC) bans a cabinet minister from sitting on the board of a private company for 2 years after leaving the cabinet.
- ❖ The court's decision to agree to bankruptcy protection prompted local rating agency TRIS to downgrade the airline's senior unsecured debentures to default because the airline was given an automatic stay on debt.
- ❖ TRIS said it would reassess the rating after there was agreement on the rehabilitation plan.
- In a related development on Thai Airways International Plc (THAI), the Federation of State Enterprise Labour Relations has voiced its strong objection to a court-supervised restructuring plan for the national carrier, saying that it does not trust the government-initiated plan.
  - ❖ Federation member unions and THAI staff has reportedly set up a parallel rehabilitation committee to monitor the official process following a brainstorming session on May 26. The group said the reason that Thai Airways has gone bankrupt because of corrupt politicians and its own executives at the policy-level.
  - ❖ The Federation criticized the Finance Ministry's move to reduce its stake in the ailing airline to below 50%. The Ministry's move automatically strips THAI of its state enterprise status and dissolves the THAI labour union. It also said that the government's approach is wrong and should have started with finding out the truth about the real problems in the company, which have brought the airline to its knees.

- Meanwhile, Thai AirAsia (TAA) came out to say that it was considering merging with another low-cost airline to stay afloat.
  - ❖ Tassapon Bijleveld, executive chairman of SET-listed Asia Aviation Plc (AAV), the owner of TAA, admitted that he is already in talks with other airlines about the possibility of a merger, but cannot disclose any details. He said there is not yet a concrete plan, and other conditions are needed to accelerate this decision.
  - ❖ Mr Tassapon said TAA is burning as much as 1.2 billion baht per month during the lockdown when the 60-aircraft fleet of TAA was left stranded at airports while 40% of its revenue came from flights in southern Thailand passing through Phuket airport. TAA suffered tremendously following the government's restrictions on international and domestic air travel and the complete shutdown of Phuket's airport.
- The Tourism Authority of Thailand (TAT) and the Ministry of Finance proposed special coupons for healthcare professionals in the hope of stimulating domestic tourism.
  - ❖ Yutthachai Soonthronrattanavate, Vice President of the Tourism Council of Thailand (TCT), said the 2 agencies floated the idea of giving discount coupons of 2,000-baht/healthcare professional/day to show appreciation for their dedication in fighting COVID-19.
  - ❖ The proposal will be submitted to the Cabinet for consideration in June for them to be used from the middle of July.
  - ❖ Mr Yutthachai said initially Prime Minister Prayut Chan-o-cha agreed with the idea. If approved, the scheme will require a budget of around 5 billion baht based on 1.3 million healthcare professionals nationwide.

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- The money making organization – National Broadcasting & Telecommunication Commission (NBTC) has come out to show its spirit by telling its 1,000 people that the 200 million baht in bonus that they were supposed to get would be not given this year and instead it would be given to the government to help the government fight the coronavirus pandemic that has taken a big toll on the country.
- The Cabinet approved a loan of 10.3 billion baht to boost fishermen’s liquidity as proposed on May 26 by the Ministry of Agriculture and Cooperatives, Alongkorn Ponlaboot, adviser to Agriculture and Cooperatives Minister Chalermchai Sri-on, said.
- The manufacturing production index (MPI) contracted for 12<sup>th</sup> straight month in April to 79.04, down 17.21% from a year earlier, the lowest in 8 years and 5 months, due to lower production of cars, petroleum and beer amid the coronavirus outbreak, says the Office of Industrial Economics (OIE).
  - ❖ The performance was better than a forecast drop of 19.55% in a Reuters poll, and followed March’s decline of 10.48%.
  - ❖ The OIE said the country’s capacity utilisation was 51.87% in April down from 67.78% in March.



- Those who have investments in Hong Kong and are relying on the United States as the backbone for their investments to be safe, think again, because the United States in the

past 24 hours came out to say that it ‘should’ end the special treatment of Hong Kong, a move that could further escalate the tensions between China and United States.

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### **General News**

- Thailand detected 9 new COVID-19 cases - all involving Thais who returned from abroad, bringing the tally to 3,054, since the outbreak in January.
  - ❖ There were no fatalities reported over the last 24 hours and the death toll remains at 57.
  - ❖ Centre for COVID-19 Situation Administration (CCSA) spokesman Taweasilp Wisanuyothin said the new infected cases include six students who had returned to the kingdom from Saudi Arabia by a repatriation flight operated by Malaysia.
  - ❖ The flight carrying the students, aged between 23 and 33, landed at the Kuala Lumpur International Airport and they then travelled by bus to Padang Besar checkpoint in the southern province of Songkhla before heading to state quarantine facilities.
  - ❖ “Padang Besar checkpoints may temporarily close for disinfection,” Dr Taweasilp said at the COVID-19 daily briefing yesterday (May 27).

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### **Political News Headlines in Thai Media**

- Srisuwan Janya, secretary of the Association to Protect the Constitution, said on Wednesday that Dr Taweasin Visanuyothin’s justification for the extension of the State of Emergency (SOE) is problematic.

- Link- <https://www.thaienquirer.com/13638/activist-says-ccsa-speakers-defense-of-the-soe-is-problematic/>
- With the world in lockdown due to the coronavirus pandemic, nature is thriving. People living in the most polluted cities are experiencing the bluest skies and cleanest airs in years.
  - Link- <https://www.thaienquirer.com/13653/environmentalists-warn-that-pm2-5-could-return-as-country-resumes-normal-activities/>
- Thailand's government said on Wednesday that it had discovered nine new cases of coronavirus in the past 24 hours. All nine were in state quarantine.
  - Link- <https://www.thaienquirer.com/13618/nine-new-coronavirus-cases-in-thailand-no-new-fatality/>
- The newly appointed U.S. Ambassador to Thailand on Wednesday queried the government on its decision to extend the Emergency Decree with a stated aim of combating the coronavirus outbreak.
  - Link- <https://www.khaosodenglish.com/politics/2020/05/27/us-ambassador-questions-emergency-decree-extension/>
- The government on Wednesday defended its plan to borrow about 1 trillion baht to fund its scheme to help people affected by the Covid-19 pandemic, repair the financial system and restore economic security.
  - Link- <https://www.bangkokpost.com/thailand/politics/1925276/pm-defends-covid-19-loans-plan>
- The opposition has demanded checks and balances on the government's borrowing of 1 trillion baht to mitigate the coronavirus disease 2019 (Covid-19) pandemic and shore up the affected economy.
  - <https://www.bangkokpost.com/thailand/general/1925200/opposition-demands-checks-on-b1tn-borrowing>

- On May 26, the government decided to extend the state of emergency, which was first imposed on March 26 in response to the Covid-19 pandemic and has been used to restrict movement, peaceful assembly, privacy and freedom of expression, with penalties of imprisonment and/or fines.
  - Link- [https://www.nationthailand.com/news/30388621?utm\\_source=category&utm\\_medium=internal\\_referral](https://www.nationthailand.com/news/30388621?utm_source=category&utm_medium=internal_referral)

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### **Economic News Headlines in Thai Media**

- The Office of Industrial Economics (OIE) said Wednesday that Thailand's manufacturing production index (MPI) contracted by 17.21 per cent year-on-year to 79.04 index points in April, the lowest in 8 years.
  - Link- <https://www.thaienquirer.com/13650/thailands-manufacturing-index-at-its-lowest-in-ten-years/>
- Thailand's Central Bankruptcy Court has accepted Thai Airways International (THAI)'s restructuring filing on Wednesday.
  - Link- <https://www.thaienquirer.com/13611/thai-bankruptcy-court-accepts-thais-restructuring-filing/>
- The Center for the COVID-19 Situation Administration (CCSA) is set to reopen businesses considered high risk in Phase 3 of the easing period.
  - Link- <https://www.thaienquirer.com/13629/ccsa-set-to-reopen-more-businesses-in-phase-3-of-easing-period/>
- A customer can sue a 7-Eleven convenience store employee who allegedly flirted via the Line application, Polawat Witoolkollachit, inspector-general at the Ministry of Digital Economy and Society, said on Wednesday (May 27).
  - Link- [https://www.nationthailand.com/news/30388597?utm\\_source=category&utm\\_medium=internal\\_referral](https://www.nationthailand.com/news/30388597?utm_source=category&utm_medium=internal_referral)

- The state-owned Bank for Agriculture and Agricultural Cooperatives (BAAC) said it expects to finish disbursing Covid-19 aid money to eight million farmers by month's end.
  - Link- <https://www.bangkokpost.com/thailand/general/1925312/cash-aid-for-8m-farmers-winding-up>
- Central Retail Corporation Plc (CRC) has acquired 100% of the shares of FamilyMart, a major convenience store chain, as it moves forward to develop a new business model to cater to modern consumers.
  - Link- <https://www.bangkokpost.com/thailand/general/1925280/central-to-take-over-familymart>
- The month of April only saw 3,996 companies being registered, marking a 34 per cent drop month on month and 33 per cent drop year on year, the Department of Business Development's director general Vuttikrai Leewiraphan said.
  - Link- [https://www.nationthailand.com/business/30388619?utm\\_source=category&utm\\_medium=internal\\_referral](https://www.nationthailand.com/business/30388619?utm_source=category&utm_medium=internal_referral)
- The newest member of the Thai Airways International board, Pailin Chuchottaworn, resigned the day after he was appointed to help the airline.
  - Link- <https://www.bangkokpost.com/business/1925204/pailin-resigns-from-thai-board-over-legal-concerns>
- With pandemic panic buying largely disappearing, the government looks set to rev up egg exports to help boost domestic prices.
  - Link- <https://www.bangkokpost.com/business/1925216/board-allots-b50m-to-egg-farmers>
- The National Broadcasting and Telecommunications Commission (NBTC) board yesterday failed to reach a resolution on how much state-owned broadcaster MCOT would be compensated after its occupied 2600-megahertz spectrum range was recalled for 5G licence auction in February.
  - Link- <https://www.bangkokpost.com/business/1925356/nbtc-fails-to-fix-mcot-sum>
- SET-listed AEC Securities has clarified its failure to maintain net capital as required by the Securities and Exchange Commission (SEC), attributing the shortage to the calculation of its debenture holding.

- Link- <https://www.bangkokpost.com/business/1925384/aec-clarifies-shortfall-with-sec>
- Thailand's manufacturing production index (MPI) in April stood at 79.04, the lowest level since November 2011.
  - Link- <https://www.bangkokpost.com/business/1925456/mpi-dips-to-lowest-since-2011>
- With its "fortune hanging in the balance", the chief of Thai AirAsia (TAA) says it may merge with another low-cost carrier (LCC) to clamp down on pricing wars once flights eventually resume in the country.
  - Link- <https://www.bangkokpost.com/business/1925524/thai-airasia-considers-merger>
- Japanese automaker Nissan has announced it will continue its production, investment and improvement at plants in Thailand and elsewhere amid the Covid-19 crisis.
  - Link- [https://www.nationthailand.com/news/30388524?utm\\_source=category&utm\\_medium=internal\\_referral](https://www.nationthailand.com/news/30388524?utm_source=category&utm_medium=internal_referral)

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#### **Issues to be watched out for**

- May 28-June 10, 2020 – The government's "Rao Mai Thing Kun" bond sale will be made available to the general public and non-profit entities.
- May 26-June 16, 2020 – The application period for the next governor of the Bank of Thailand (BoT).
- May 27-31, 2020 – The House is set to deliberate on government-sponsored executive decrees on borrowing.

- May 29, 2020 - The deadline for those who missed out on the government's 5,000-baht cash handout scheme who wish to appeal their case to the Finance Ministry.
- June, 2020 - The Phalang Pracharat Party (PPRP) is set to hold a general assembly to select a new executive board after the House's reading on 3 executive decrees on borrowing to fight COVID-19.
- June 20, 2020 – A by-election on the Constituency 4 of Lampang is expected to be held.
- June 30, 2020 – The Civil Aviation Authority of Thailand (CAAT) is expected to lift ban on incoming flights.
- June 30, 2020 – The government is expected to lift lockdown restrictions imposed under the emergency decree.
- July 2020 – The Expressway of Thailand (EXAT)'s planned opening schedule of the new Motorway Route 7 Section from Pattaya to Map Ta Phut.
- July 2, 2020 – The shortlist of candidates for the new governor of the Bank of Thailand (BoT) will be concluded.
- July 15, 2020 – The House is set to deliberate on the draft budget bill for the 2021 fiscal year.
- September 30, 2020 – The Stock Exchange of Thailand (SET) is set to extend the revised equity short-selling regulations from June 30 to September 30 as stock market volatility remains high in the wake of the Covid-19 pandemic.
- October, 2020 – The bidding for construction and operation for the 140-billion-baht Orange Line western extension linking the Thailand Cultural Centre with Bang Khun Non.
- October, 2020 – The Thailand Grand Prix was rescheduled after being postponed due to the coronavirus outbreak.

#### **Key Data**

**SET Index**

**1,345.11**

**+9.02**

- Link - [https://www.set.or.th/en/company/ipo/upcoming\\_ipo\\_set.html](https://www.set.or.th/en/company/ipo/upcoming_ipo_set.html)

### **Global Commodities**

- Metal -Link <http://www.bloomberg.com/markets/commodities/futures/metals/>
- Energy -Link - <http://www.bloomberg.com/energy/>
- Baltic Dry Index (BDI)-Link - <http://www.bloomberg.com/quote/BDIY:IND>

### **Global Equity Market's Movements**

- Link - <http://www.bloomberg.com/markets/stocks/world-indexes/asia-pacific/>

### **Asian Equity Markets Movement**

- Link - <http://www.bloomberg.com/markets/stocks/world-indexes/>

### **Information on May 27, 2020**

#### **Buying, Selling or Transfer of shares by Owners/Management**

<b>Stock Code</b>	<b>Volume</b>	<b>Value</b>	<b>Action</b>
ALT	1,500,000	0.4	Sale
ALT	1,000,000	2.46	Purchase
ALT	1,000,000	2.46	Purchase
ALT	1,500,000	0.4	Sale
ASN	60,000	4.06	Purchase
CPN	40,000	56	Sale
ECL	2,955,750	0.18	Sale
ECL	4,000,000	0.19	Sale
MJD	100,000	1.86	Sale
MJD	182,900	1.87	Sale

MJD	80,000	1.92	Sale
MJD	32,000	1.93	Sale
KOOL	400,000	0.7	Sale
KOOL	300,000	0.72	Sale
PRIN	322,000	1.43	Purchase
SPC	159,406	56.25	Purchase
SPC	193,955	57.25	Purchase
SMART	105,000	0.24	Sale
TRUBB	7,600	2.22	Sale
TSR	18,100	1.9	Purchase
UAC	385,360	0.05	Sale
UAC	722,750	0.04	Sale
UAC	337,084	0.04	Sale
UAC	56,250	0.04	Sale
UBIS	450,000	5.3	Sale
UBIS	450,000	5.3	Sale
VGI	460,000	0.95	Sale
KUN	40,000	0.88	Purchase
KUN	41,500	0.88	Purchase

**XD, XE or XM or other notifications**

For list of Companies that have dividend payment and AGM meeting schedules click on <http://www.set.or.th/set/calendarofevents.do>

**Trading Breakdown on the Stock Exchange of Thailand**

Daily as of 27 May 2020						Unit: M.Baht	
Investor Type	Buy		Sell		Net		
	Value	%	Value	%	Value	%	
Local Institutions	8,756.57	11.13	7,086.92	9.01	1,669.65	-	
Proprietary	6,774.39	8.61	7,176.75	9.12	-402.35	-	

Trading						
Foreign Investors	25,229.49	32.07	27,052.57	34.39	-1,823.08	-
Local Individuals	37,912.78	48.19	37,357.00	47.48	555.78	-
<b>Monthly Cumulative between 1 - 27 May 2020</b>						
						<b>Unit: M.Baht</b>
Investor Type	Buy		Sell		Net	
	Value	%	Value	%	Value	%
Local Institutions	110,185.91	11.35	93,051.56	9.58	17,134.35	-
Proprietary Trading	83,731.62	8.62	82,664.71	8.51	1,066.91	-
Foreign Investors	305,834.60	31.5	342,174.10	35.24	-36,339.50	-
Local Individuals	471,280.54	48.53	453,142.30	46.67	18,138.24	-
<b>Yearly Cumulative since 1 Jan - 27 May 2020</b>						
						<b>Unit: M.Baht</b>
Investor Type	Buy		Sell		Net	
	Value	%	Value	%	Value	%
Local Institutions	792,371.47	12.06	725,489.04	11.04	66,882.43	-
Proprietary Trading	675,578.57	10.28	677,349.30	10.31	-1,770.72	-
Foreign Investors	2,337,667.38	35.58	2,536,337.66	38.6	-	-
Local Individuals	2,764,384.02	42.08	2,630,825.45	40.04	133,558.57	-

**Total Trading Value 78,673.24 Million Baht.**

### **Background Information –**

The strength of each party in the Thai Parliament as of May 8, 2019 as per the report by the Election Commission of Thailand. Elections took place on March 24, 2019

- [https://www.ect.go.th/ect\\_th/news\\_all.php?cid=24](https://www.ect.go.th/ect_th/news_all.php?cid=24)
- List of MPs - [https://www.ect.go.th/ect\\_th/download/article/article\\_20190508184334.pdf](https://www.ect.go.th/ect_th/download/article/article_20190508184334.pdf)

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