

Thailand Economics

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News Update

Thaksin's visions for Thailand

- **Thaksin speaks of his visions for Thailand**
- **Digital wallet to go ahead at some form**
- **Vayupak is also to go ahead**
- **We continue to expect SET turnaround**
- The ex prime minister Thaksin Shinawatra, also the father of the new PM Paetongtarn Shinawatra and the founder of the Pheu Thai party that leads the current government, was the speaker in an event "Vision for Thailand 2024" held at Siam Paragon yesterday. We see key implications below to the new government's policy direction.
- Digital wallet policy isn't abandoned but is being adjusted. This can be splitted into two steps. Step one can be implemented within this coming September with the budget of Bt145bn. A part of the money is from the recently approved digital wallet spending of Bt122bn and the rest is from the central budget. Recipients of the money will be the poor and disable people estimated to be 14m people. With such a short time frame, the giveaways are likely to be via a normal channel and not via a digital channel or application. Then there will be the second step using money from FY25 budget but there is no detail clarification.
- There was mentioning of the Vayupak fund and this seems to go ahead as well.
- There was an idea of household debt restructuring. This may involve haircut, or bad asset sale to asset management companies, and a cut to FIDF's 0.46% fee to banks. This is unlikely to be a near term policy as it involves regulation changes.
- Entertainment complex policy since Srettha government is likely to continue to be pushed ahead, citing as a way to realize underground economic value.
- There was an idea to let foreigners own Thai property via 99-year lease to increase demand for Thai property, citing as a way to increase wealth effect to the economy. This implies that the government will continue to push for some adjustments to foreign property ownership, including increasing foreign condo ownership from 49% to 75%.
- He sees much more room for growth in Thai tourism, especially when Thailand is near the two most populous countries, China and India. And that AOT's Suvarnabhumi airport will have to increase capacity further.
- The flat Bt20 mass transit fare should be able to be done if the government can take ownership of private projects. Infrastructure funds can be a vehicle of investment. We are not sure how easy this can be done as it requires huge amount of money from the government. If the money will come from the public via infrastructure funds, how can the funds earn return from such low fare.
- In summary, we see many of the visions are good visions that were also the old visions of previous Pheu Thai governments. Executions have always been problems of those visions. That said, we still think that the market will appreciate the likely continuity of the Vayupak Fund and the adjusted spending of the digital wallet scheme.
- We reiterate our bullish view on the SET with a flight to quality investment theme. Our top picks are **CPALL, AOT, DELTA, MINT, TRUE, COM7, WHA, AMATA, BH and SISB.**

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