

Thailand Politics

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News Update

Constitutional Court disqualifies Thai PM

- **PM Srettha stripped of role as prime minister**
- **Entire cabinet becomes a caretaker one**
- **Parliament will vote for a new PM this Friday**
- **We see no change to the current political set-up**

The Constitutional Court yesterday ruled to disqualify Prime Minister Srettha Thavasin, who was immediately stripped of his role as premier. The court case was about the PM's appointment of a cabinet member who previously served a jail term for attempting to bribe court officials. The court found the appointment a breach of the ethical code of conduct required of a PM by the law.

Following the court ruling, Mr Srettha lost his PM status, and automatically, the whole cabinet became a caretaker one. The next step is for parliament to convene to vote for a new PM. The law requires the prime ministerial candidates to be those from the PM candidate lists provided by political parties in the last general election. Those candidates are Ms. Paetongtarn Shinawatra and Mr. Chaikasem Nitisiri from the Pheu Thai Party; Mr. Anutin Charnvirakul from the Bhumjaithai Party; General Prawit Wongsuwon from the Palang Pracharath Party; Mr. Pirapan Salirathavibhaga from the United Thai Nation Party; and Mr. Jurin Laksanawisit from the Democrat Party.

After a new PM is voted in, he/she will appoint a new cabinet, which can comprise members of the old cabinet. There is no specific legal requirement for the PM voting timeline, but it is the House speaker's duty to do it as soon as possible. The latest news says the vote is planned on this coming Friday, 16 August.

- Our view is that the new PM will come from the main coalition Pheu Thai Party. We see no reason why Pheu Thai, having the largest number of House seats, would give up the PM position to other parties. The market, however, also sees some possibility of Mr. Anutin from the Bhumjaithai Party becoming the new premier. Pheu Thai has 141 MPs, while Bhumjaithai has 71.
- We expect no change to the current political set-up, in which Pheu Thai and the "old power" camp work together in the coalition. We doubt there will be any change to the cabinet quotas, and the new cabinet is likely to look very similar to the current one. We also expect this government to last its four-year term.
- We foresee no fundamental changes to the economy or the market, given that the country will still be managed by the same coalition government, which will also be led by Pheu Thai.
- Given that the market overhang over the PM matter will likely be very short-lived, say, lasting a matter of days, we maintain our view in Siam Senses — Flight to quality, dated 14 August 2024, and see this overhang concern as offering BUYing opportunities.
- Our top picks are **DELTA, TRUE, CPALL, AOT, MINT, BH, WHA, AMATA, COM7 and SISB.**

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