
Stimulus plans - Thai PM sees revival in investment in Q2

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Bangkok Post quoted Mr Abhisit Vejjajiva Prime Minister of Thailand as saying that private investment should start to rebound in the second quarter next year thanks to government stimulus programs and the recovering global economy.

Mr Abhisit said that "Government spending on its own is not sufficient for sustainable growth. The private sector is also needed." He added that the Thai Khem Kaeng infrastructure program would help lay the foundation for a return to sustainable growth and create up to 1.5 million jobs over the next three years.

The THB 1.45 trillion program will finance tens of thousands of projects nationwide, ranging from large mass transit projects in Bangkok to small micro projects aimed at improving rural irrigation systems, health and education facilities.

Mr Abhisit said that the private sector has already shown strong signs of recovery from the global crisis, at least as seen through tax revenues. Economic growth in 2010 is projected to reach 3% to 3.5%, compared with a contraction of about 3% this year.

Mr Santi Vilassakdanont chairman of Federation of Thai Industries said that private investment should turn positive in 2010 as a number of industrial sectors are already close to full capacity. On average, industrial capacity utilization is running at about 65%, with sectors such as electronics, construction materials, autos, textiles and jewellery showing clear improvement from earlier this year.

He added that "Once capacity utilization rates reach 70%, expected to occur in the first or second quarter of 2010, manufacturers will have to start investing again to expand."

(Sourced from www.bangkokpost.com)

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