

Foreign investors look for alternatives to Thailand

Foreign investors prefer Indonesia and the Philippines right now as they do not see any sign of a solution to Thailand's political crisis, Chua Hak Bin, Asean economist at Bank of America Merrill Lynch, told The Nation during an exclusive interview.

"If you had put your money into Indonesia or Thailand five years ago, you would have tripled your investment by now, and it was the same for the Philippines. These were the three best-performing markets in Asia," he said. However, investors who put their money into China five years ago are lucky if they broke even.

But the situation has changed. Looking forward to the next five years, Thailand is no longer attractive to investors, Chua said. Three key factors make the economic outlooks of Indonesia and the Philippines much better than Thailand's. These are stable politics, lower levels of debt, and large labour forces, said Chua, head of economics research for emerging Asia at Merrill Lynch (Singapore).

Foreign investors are finding it hard to understand the political situation in Thailand fully, he said. "They worry that the political stalemate may drag on indefinitely." He said everyone was waiting for the end of the political crisis, which is undermining the proper functioning of the government.

[Read more.](#) / Source: Asia News Network



Tougher year ahead for SE Asia banking

Banks in most Southeast Asian countries will face tougher operating conditions this year because of lower economic growth prospects and tighter credit conditions, according to Standard & Poor's Ratings Services. Household indebtedness in Singapore, Thailand and Malaysia has been increasing since 2008, leaving these banking systems vulnerable to rising interest rates. The US Federal Reserve's tapering of its bond-purchase programme could lead to higher interest rates and asset-quality pressure.

Malaysia's households in particular could land in a tight spot due to high leverage relative to modest income. Economic imbalances from high property prices could strain households' debt-servicing capacity when the credit cycle turns. Malaysian banks are particularly vulnerable to deterioration in households' economic health, since that sector accounts for about 57 per cent of the banking system's loans. Credit risks are also high, given Malaysia's fairly large private-sector debt burden relative to the country's modest income levels. [Read more.](#) / Source: Asia News Network

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Management Changes

■ hire ■ departure ■ internal move

Michelle Morris, Managing Director of Automotive **LEFT** for Facebook, Inc.
18-Nov-2013

Parminder Singh, Managing Director of Display Business, Asia Pacific **LEFT** for Twitter, Inc.
15-Nov-2013

Art Levinson **JOINED** as Chief Executive Officer of Calico 18-Sep-2013

Karen Stocks, Managing Director of Mobile and Social Solutions, APAC Region **LEFT** for Twitter,

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25-Feb-14	Channel News Asia	Singapore, UK to set up financial dialogue to deepen cooperation
20-Feb-14	Channel News Asia	More S'pore firms keen on expanding abroad
20-Feb-14	Singapore Business Review	Singapore GDP predicted to grow 4% in 2014

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26-Feb-14	The Nation	Jan exports fall nearly 2% amid poor trading confidence
21-Feb-14	The Nation	Industries Sentiment Index hits 55-month low in January
21-Feb-14	The Nation	Outflows driven by US policy no concern: BOT governor
15-Feb-14	The Nation	Asean mulls protection for era of liberalisation
15-Feb-14	Bangkok Post	SMEs are feeling the sting of political strife
10-Feb-14	The Nation	Investors looking for quick end to Thai political crisis as AEC looms
10-Feb-14	The Nation	SMEs seek working capital as political crisis hits cash flow
08-Feb-14	Bangkok Post	KPMG: Thailand well placed for manufacturing
08-Feb-14	The Nation	NPL rise may point to economic crisis
08-Feb-14	The Nation	Political situation dents business confidence: BOT

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