

Daily Thai News Summary: 10 June 2016

1. Trade and investment between Thailand and CLMV tipped to rise

Source: **The Nation** ([Link](#))

THE Ministry of Commerce sees further potential for trade and investment between Thailand and CLMV (Cambodia, Laos, Myanmar, Vietnam) countries. The remark came after it was revealed that trade between Thailand and CLMV from January was Bt353.31 billion, up 1.74 per cent on the same period last year. Thai business operators can obtain business, investment information, data and advisory services from the Commerce Ministry's Foreign Trade Promotion offices in relation to the four neighbouring countries. The ministry plans to set up a trade and investment-promotion network and lead Thai business groups to explore trade and investment opportunities in CLMV. According to Commerce Minister Apiradi Tantraporn, Vietnam accounts for most of the trade with Thailand, followed by Myanmar, Laos and Cambodia.

CLMV nations are vital to Thailand, as trade between Thailand and the US, Japan and the European Union has expanded at lower rates than CLMV countries, which continue to grow. Under the Asean Economic Community, Thailand's geographical position could serve as a gateway for trade between Asean nations and CLMV countries. In keeping with that, the Commerce Ministry has organised activities including a business and investment network linking Thai business operators with their counterparts in neighbouring countries. In addition, the Commerce Ministry has commercial offices in CLMV nations to provide trade information and advisory services pertaining to marketing, investment, business laws/regulations and business matching, Apiradi added. Vietnam's foreign direct investment reached Bt828 billion last year and is expected to expand further. Vietnam joined the Trans-Pacific Partnership this year, which should boost the country's competitiveness in garments, electrical appliances and electronics.

2. Condo resales soar, survey finds

Source: **The Nation** ([Link](#))

Condominium resales in Bangkok showed strong growth thanks to a price discount of 30 to 40 per cent on new launches, according to a survey by Plus Property, a property management arm of Sansiri Plc. Meanwhile, the survey found that retaining ownership of properties for more than 10 years has been found to generate 100 per cent returns on investment for owners. Moreover, no signs of a bubble have been found in the condominium market, with 80-per-cent occupancy rate for condominiums in Bangkok, as well as a decrease in the sales of property

booking, the company's managing director Poomipak Julmanichoti, said. Normally resale transactions are most active just before ownership transfer of properties from the developer to buyer. High-rise condos in the Central Business District (CBD) are the most popular in the resale market, and this type of property once accounted for 50-100 per cent of all condominium resales. However, after the 2008 sub-prime crisis, which affected Thailand's economy in subsequent years, the proportion of high-rise condominium resales dropped to about 30 per cent. When considering ownership transfers to buyers after the completion of the property, it was found that the highest number of resales occur within three years at a yearly rate of 5 per cent, compared to only 3 per cent after 3 years.

The resale market for properties surveyed by Plus from 2013-16 comprised 10,000 units, valued at about Bt50 billion. Resale of completed condos increased from 26 per cent, or about Bt1.5 billion, in 2014, to 68 per cent, or about Bt2.3 billion, in 2015. In comparison, total resales at the company were valued at Bt4.7 billion in 2014 and Bt4 billion in 2015. When considering capital gains, the company found that high-rise condos in the CBD provide good capital gains starting at 50 per cent during the first two years of ownership, and increasing to 65 per cent in the fourth year. If the property is retained for up to 10 years, it can generate a return on investment of up to 100 per cent for the investor.

3. Thai Airways seeks 10 airline pact to add routes

Source: **Bangkok Post** ([Link](#))

Thai Airways International is seeking an alliance with as many as 10 other Asian carriers in order to add destinations and counter a similar grouping of its low-cost rivals. A series of bilateral accords could unite airlines from across the region to boost connectivity in India and China and smaller markets such as Myanmar and Vietnam, THAI president Charamporn Jotikasthira said in an interview. The company lacks the cash to expand its network via acquisitions, he said. The plan signals a move away from simply siphoning more connecting traffic through Bangkok as envisaged in THAI's two-year turnaround strategy, Mr Charamporn said, and comes after the formation last month of the Value Alliance coalition of eight budget carriers spanning Japan to Australia. *"Demand has been changing,"* the THAI executive said in Dublin. *"All requests on air traffic control into Thailand have been point-to-point to secondary cities. The model that we've been preaching in the past is going to change."*

4. Sports Mall hopes new EM District branch will attract CLMV customers

Source: **The Nation** ([Link](#))

Sports Mall has invested Bt100 million in its new location in The EM District in Bangkok, while aiming to expand its customer base into the CLMV (Cambodia, Laos, Myanmar and Vietnam) region. The Mall Group general manager for sports merchandising, Sunthorn Sureluangkajohn, said the Sports Mall was establishing itself as the No 1 sports hub in Thailand. The EM District branch covers 6,000 square metres on the M and first floors of The Waterfall Quartier at The EmQuartier and second floor of The Emporium. The store features more than 300 brands including Nike, Under Armour, Puma, Reebok, Converse Adidas, Onisuka Tiger, New Balance, Sketchers, Lacoste, Vans, Asic, Mizuno and more.

But apart from Thais, the company hopes the new branch's wide selection will also attract shoppers from the CLMV region, whose combined population is 200 million. Sunthorn said Sports Mall was spending Bt200 million this year on expansion and renovation. Besides The EM District outlet, there will be new branches at the BluPort complex in Hua Hin and in Nakhon Ratchasima. There are more than 10 new brands available at Sports Mall, uncluding Under Armour Sport, Under Armour Golf, Lorna Jane, Zobha, Singha Life Sport, Pree, Hoka One One, On Running, Inov Sport and Grips Athletics. Sports fashions and healthy lifestyle trends continue to be popular and are pushing sales of sports merchandise. Sports Mall expects Bt5 billion in sales this year, up by 50 per cent from 2015.

5. KBank's wealth planning service targets high net worth families

Source: **The Nation** ([Link](#))

Kasikorn Bank has geared up its wealth-planning services aimed at Thai high-net-worth (HNW) families, focusing on continuity planning, financial, liability and risk management, asset-holding structure, and succession planning. The family wealth-planning service is another step for KBank's private banking, partnering Lombard Odier since late 2014. Head of the Private Banking Business Division Jirawat Supornpaibul said the bank, the country's fourth largest, entered the wealth management business in 2008, and from 2008-12 it focused on privilege banking. It has since expanded to capital-market investment advisory services and HNWs in 2013-14. The family wealth-planning service is the last jigsaw to fulfil the international comprehensive wealth management, he said.

Without Lombard Odier, which has 220 years of experience and seven generations managing clients' and partners' wealth, we cannot offer family wealth-planning service, he added. He said the bank attaches importance to family continuity planning because most private-banking clients are from the family business. He cited the example of the SET100, of which 80

are family-owned businesses. Worldwide, family business is the key engine in driving the economy but the problem family businesses face is continuity because 3 per cent of all family businesses are operated by the fourth-generation. Disputes in family businesses arise from family members more than external factors. Regarding the second deliverable, financial asset, liability and risk management, KBank acknowledges that taxation and inflation have increased expenses for family businesses, while returns on investment in the capital market have fluctuated. The inheritance tax, and property and building tax are enhancing wealth reallocation among family businesses. Therefore, planning services or the asset-holding structure, and inheritance and wealth transfer are the focus of KBank as well, he said.

By Harsha Hazarika