

Daily Thai News Summary: 10 March 2016

1. ASEAN launches tourism campaign in Berlin

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

ASEAN nations will introduce a regional campaign today at the world's largest tourism trade show in Germany, while countries in Africa return to the tourism market after the Ebola crisis. Asean will officially pre-launch "2017 Visit Asean@50: Golden Celebration" at ITB Berlin today at the Malaysia stand. The campaign is part of Asean's 50th anniversary, which will be offering tourists the 50 best festivals and the 50 most memorable travel experiences within Asean countries, including a wide range of destinations, culinary highlights and events. ITB Berlin kicked off yesterday in the German capital and runs until Sunday. Christian Goeke, chief executive of trade-fair organiser Messe Berlin, said around 10,000 travel exhibitors and organisations from 187 countries and territories had gathered for the event to obtain an overview of the tourism industry's wide range of products as well as to seek new business opportunities.

At the fair, Myanmar Tourism Marketing in collaboration with the United Nations' International Trade Centre is publicising the country's Kayah State. Myanmar wants to develop suitable cultural and sustainable tourism products in Kayah and help the indigenous population prepare for the im-minent arrival of visitors from abroad. The aim is to establish Kayah as a new and long-term destination in accordance with the new sustainable-tourism policy that has been adopted by Myanmar. The Kayah region, in the east of the country bordering Thailand's Mae Hong Son province, has been relatively isolated from the rest of the world for more than half a century and visitors have only recently been allowed access, which is now possible both by land and by air. Meanwhile, Thai Tourism and Sports Minister Kobkarn Wattanavrngkul said Thailand would promote sport tourism and "Asean Connect" in order to lure high-spending tourists, particularly from Europe.

2. Thai Drinks eyes regional expansion

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

Thai Drinks, a subsidiary of Thai Beverage (ThaiBev) and its marketing arm for branded non-alcoholic beverages, aims to cash in on trade liberalisation under the Asean Economic Community (AEC) via the expansion of five flagship products. The company plans to double the size of its beverage business by 2020, from US\$700 million (Bt24.7 billion) in sales posted last year. About half of Thai Drinks' business in 2020 will be from foreign markets, and from Asean in particular. Vivek Chhabra, a senior executive who has been rotated from Fraser & Neave (F&N) to head Bangkok-based Thai Drinks as its president since September last year, said

that - in line with ThaiBev's policy to become a beverage leader in Asean by 2020 - his company had seen tremendous opportunities in expanding its flagship beverages into the region.

This is especially the case in Myanmar, where current per capita consumption is relatively low when compared to other neighbouring markets, he said. In collaboration with its affiliate F&N, Thai Drinks also plans to head into other high-potential markets within the AEC, including Cambodia, Laos and Indonesia. Chhabra has strong historical achievements and experience in doing business in Asean, which should benefit Thai Drinks' marketing and distribution team. "The growth opportunity in Asean countries is phenomenal," he said. *"We see such opportunity as huge for our branded beverages to grow and gain more share in the region."* He added that the only challenging factor for the business this year was the slowdown of the global economy, especially in China, which would also affect all Asean economies. Thailand's non-alcoholic beverages industry, amounting to around 8 billion litres, will also see either slight growth or be flat this year, he forecast.

3. 4G promises new business opportunities: SCB Report

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

Thailand's telecommunication operators are expected to maintain revenue growth at 3-5 per cent in first years of the availability of fourth-generation wireless technology, according to a Siam Commercial Bank report. However, Issarasan Kantaumong, the author of the report titled "Unveiling 4G Business Models in the Digital World", cautioned that data usage tended to slow down in later years after mobile penetration rates peak. *"Thai operators need to review and develop new strategies to generate additional mobile-services revenue,"* she said. The 4G technology supports the switch from voice to data usage. The study of 16 mobile operators in Asia shows that 4G is vital in raising data usage and average revenue per user. ARPU expanded by 2-3 per cent annually within two years of the introduction of 4G services. Three promising business models to sustain the revenue growth are forming alliances with over-the-top (OTT) operators, developing digital platforms, and connecting mobile networks to the Internet of Things (IoT).

OTT operators like Line and WhatsApp are now making use of the technology without having to invest in the infrastructure. Alliances can help increase revenue shares for mobile operators while differentiating them from competitors. German mobile operator E-Plus joined forces with WhatsApp to launch SIM cards that give users unlimited access to WhatsApp. Forming an alliance with OTT operators who deliver media content over the Internet, such as Netflix, iFlix and Line TV, is one strategy used by mobile operators abroad to increase data usage. The amount of data used for one minute of video streaming is equivalent to sending 500 e-mails.

4. Charoen's realty arm to set up Bt 10 Billion REIT

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

The property arm of beverage tycoon Charoen Sirivadhanabhakdi's Univentures and Golden Land are to set up Golden Ventures REIT worth up to Bt10 billion to support their business expansion this year and next. The Golden Ventures REIT has a final share price of Bt10 per unit, ready for subscription between March 14-18. The underwriter is Kasikornbank. Sittichai Mahaguna, head of Kasikornbank's investment banking business, said that the REIT will invest mostly in 25-year leaseholds of Park Ventures Ecoplex (excluding the Okura Prestige Bangkok) and 24-year leasehold of land and buildings at Sathorn Square. They have a combined rental space 100,000 square metres. Golden Ventures REIT will raise funds via equity offering, debt financing, and rental deposits to invest in the assets of both buildings at the maximum price of Bt10 billion. Golden Ventures REIT has already received permission from the Securities Exchange Commission (SEC) to offer for sale the newly issued trust units.

However, this is a limited offer. Neither retail investors nor the general public will be eligible; it is only for clients or potential clients of the sole underwriter and selling agents. The sole underwriter reserves the right to shorten the subscription period in case of over-subscription, he said. Univentures's president Worawat Srisa-an said that the capital raised from the REIT will help fund the company's business expansion this year and next. This year, Univentures is targeting revenue of Bt15.3 billion, up 15 per cent from last year, when it recorded total revenue Bt13.4 billion. Around 82 per cent of total revenue is derived from residential sales, which come mainly from its subsidiaries Golden Land Property Development, and Grand Unity Development, and the rest from its rental business.

5. AAPICO upbeat about Thai car industry and revenue

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

Aapico Hitech Plc (AH), a SET-listed auto parts maker, expects 5% revenue growth this year in line with rising car production in Thailand. Yeap Swee Chuan, president and chief executive, sees a better year ahead for the country's auto industry, with rising car exports set to drive company revenue. *"Since domestic car production is forecast to rise by 5% to 2 million units this year, we expect to see the same rise in the company's revenue growth,"* Mr Yeap said. The company has already enjoyed a substantial rise in orders during the first two months of 2016 -- a sure sign that demand from the auto industry will be strong for the whole year. Mr Yeap said rising sales from only one leading pickup truck brand such as Ford had helped boost auto parts demand from Auto Alliance (Thailand), which is also the company's second-biggest customer. With the growing auto industry, Aapico is also looking for opportunities to expand investment in other Asian countries such as China, India, Malaysia, Indonesia and the Philippines.