

Daily Thai News Summary: 11 January 2016

1. Measures being drawn up to support start-ups and SMEs in agricultural sector

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

Two new measures to support start-ups and small and medium-sized enterprises in the agricultural sector are being drawn up by state banks and the Finance Ministry. They are expected to be introduced as soon as possible in order to support the government's plan to shift towards a domestic-led economy by increasing the number of agricultural entrepreneurs in the country. *"I am glad to see that all sides have agreed to push for a new agricultural base and change the image of Thailand's farmers to match those in developed countries who are well-off. And why are they well off? It is because their governments have provided support in all aspects, and this year we will all help revolutionise Thailand's agricultural sector together,"* Somkid Jatusripitak, the deputy prime minister in charge of economic affairs, told reporters yesterday.

He was speaking after a meeting with high-level officials from the Finance Ministry, the Government Savings Bank (GSB), the Bank for Agriculture and Agricultural Cooperatives (BAAC), the National Village and Urban Community Fund Office and the Thai Chamber of Commerce. *"I began talking about this entrepreneurial-economy idea no less than five years ago, and how it would pave the way for the future as there would be more new faces in the country's industries,"* he said. The first measure involves the National Village and Urban Community Fund, which has been tasked with investment in local infrastructures such as water sources, small agricultural processing factories, and storage facilities. The fund's investment under the measure is set to commence this quarter.

2. Somkid to meet trade reps to discuss exports

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

To drive export growth, Deputy Prime Minister Somkid Jatusripitak will call a meeting in Bangkok on January 20 with Thai trade officers in overseas posts to discuss export strategies. Deputy Commerce Minister Suvit Maesincee said the meeting would focus on addressing problems and draw on solutions and strategies for exports to achieve the target of 5-per-cent growth this year. *"The 5-per-cent growth target is quite a challenge, but it could be achieved if the country has clear-cut plans to drive exports. The government will closely join hands with private enterprises in driving up shipments,"* he said.

Suwit said Somkid would discuss obstacles and solutions suitable to each export market with Thai trade representatives. The priority item on the agenda at the upcoming meeting will be

the global trade situation, in particular the slowdown of China's economy, which has hit many countries. The meeting will also focus on international conflicts, and whether Thailand needs to adjust marketing plans to penetrate other potential markets. This year, the focused markets will include Cambodia, Laos, Myanmar, Vietnam (CLMV), India, Russia, and countries in Africa. The ministry will not only focus on product shipments, but also service businesses, as services are the future of export growth. Six key service businesses that will be focused on are: wellness and medical services, logistics, hospitality, entertainment and content, education, and professional services.

3. Tour agency prepares to ride the boom

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

“It’s not very difficult to set up a tour agency, but it’s difficult to succeed,” says Sabei Aung, managing director of Nature Dream Travels and Tours Co, one of pioneering travel agencies in Myanmar. Sabei Aung opened the shop in 2002, after working for eight years at Diethelm Travel. She was then highly confident of success. While studying an MBA course at a local university, she learnt about capacity measurement ruler and she started to measure people at her company. The ruler revealed to her that she was more capable than others.

However, she had to learn the hard way. Her company, Nature Dream, had difficulties in finding customers as the number of visitors to Myanmar then was well below 1 million per annum. Nature Dream welcomed the first three clients from Russia in 2003, following an exhibition at ITB Berlin, the world's leading travel trade show. It was her plan to target travellers from Russia and other members of the Commonwealth of Independent States (CIS). The business went quiet again in 2004, forcing her business partner to quit. At one time, she had only US\$50 in her pocket and had to borrow from her relative to keep operations running. Only in October that year, her company won a tour group and she expanded to cover car rental service also.

4. Real estate to gain from mass-transit

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

The property market will experience stable growth of 3-7 per cent annually over the next 10 years once the government begins investing in infrastructure projects, says Thongma Vijitpongpun, president and chief executive officer of Pruksa Real Estate. In an interview with The Nation, Thongma said the Greater Bangkok property market would benefit from the planned construction of 10 new mass-transit routes linking the capital with its suburbs. At the same time, such infrastructure projects as railway double-tracking, high-speed rail and

motorways linking the Kingdom with Laos, Cambodia, Myanmar and Malaysia would stimulate the market in the provinces over the next decade.

He was speaking after meeting on Friday with Finance Minister Apisak Tantivorawong, who headed the first meeting of a joint public-private working team on attracting investment to Thailand and stimulating infrastructure investment. Last year, the nationwide residential market was valued at Bt620 billion, up by 5 per cent from 2014. Of that figure, metropolitan Bangkok accounted for Bt330 billion, with the rest in the provinces. Once the government starts working on the new transit routes, it will open up new areas for residential development, as demand shifts from Bangkok's central business district to the suburbs thanks to greater ease of commuting to and from the city centre, Thongma said. *"We forecast that demand will grow by an average of 7 per cent a year in Bangkok and the suburbs from this year through 2025, and during the same period the demand for homes in the provinces will grow by 3-5 per cent. Our estimate is based on our experience after two mass-transit routes - the BTS Skytrain from Mor Chit to Sukhumvit 107 and Mor Chit to Bang Wa and the MRT subway from Hua Lamphong to Bang Sue - were constructed,"* he said.

5. Transport projects sees as longer term benefits

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

The government's policy to fast-track transport mega-projects worth Bt1.79 trillion might not stimulate the economy as much as hoped. Also, the rail projects by giant economies - China and Japan - were put in the plan as first priority to be carried out even though many market watchers harbour doubts that the projects would start construction any time soon. However, many transport experts say this could be good for the country in the long haul if Thailand aims to become a regional transport hub. The rail lines will also carry urbanisation to remote areas.

Deputy Prime Minister Somkid Jatusripitak said recently that he did not want to see investment in transport projects only to spur the economy directly, but also to restructure the infrastructure system for "connectivity" with other Asean countries and restructure the "competitiveness" of the country's industry. Twenty transport and related projects were lined up as first priority starting in the first quarter of fiscal 2016 (last quarter of the 2015 calendar year) as part of the country's eight-year strategic transport development plan going to 2022. The rail projects by China for the Nong Khai-Map Ta Phut route and Japan for the Bangkok-Chiang Mai route - with a combined investment of almost Bt1 trillion - are expected to take more time, even though some progress can be seen. For the medium-speed Sino-Thai rail project, the two governments joined in a groundbreaking ceremony for the operation control centre at the Chiang Rak Noi railway station in Ayutthaya on December 19.

6. Telenor reaffirms its commitment to Thailand

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

Norway's Telenor Group has reaffirmed its long-term investment in Thailand, which is one of its top revenue contributors. Commenting on its commitment to its local strategic partner Total Access Communication (DTAC), Telenor president and chief executive officer Sigve Brekke yesterday said the group, which had now been present in the Kingdom for 15 years, remained committed to the realization of a digital Thailand with Internet for all. Telenor is becoming a much more Asian company, he said, adding that it now has a presence in six Asian markets and seven in Europe.

As of the third quarter of last year, the group's Asian operations generated more than 50 per cent of overall revenues, with Norway and the rest of Europe contributing about 20 per cent each. Mobile-telecom revenue from Thailand accounted for 14.4 per cent of its total revenue as at the end of September. Telenor's chief said emerging Asian markets were experiencing explosive demand for mobile-data service, and his group was enthusiastic about being part of it. While DTAC failed to clinch either a 1,800-megahertz licence or a 900MHz licence in the spectrum auctions held late last year, he insisted that this did not affect its competitive advantage, given that the company's existing spectrum portfolio was strong enough to provide quality service to customers. Moreover, there will be more bandwidth available for auction in the years to come, ranging from the 1,800MHz and 850MHz bands to those on the 2.3- and 2.6-gigahertz spectra, he said.
