

Daily Thai News Summary: 11 July 2016

1. BEM plans to bid for all urban line projects

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

The Bangkok Expressway and Metro (BEM) will definitely be in contention for all the planned main mass rapid transit line network projects, as part of its growth strategy, executive director Phongsarit Tantisuvanitchkul said recently. He said the company would pitch for all the main mass rapid transit lines. However, the final decision depends on the terms and conditions of the projects and their commercial viability. BEM and BTS Group Holdings were among the companies who recently picked up the tender documents of the Mass Rapid Transit Authority of Thailand's two monorail projects - the Pink Line Khae Rai-Min Buri route, and the Yellow Line Lat Phrao-Samrong route. Bids must be submitted on November 7.

Phongsarit, who also serves as executive vice president for operations for listed construction firm Ch Karnchang, said that since BEM already operated the heavy rail system, it would have no difficulty in operating these two monorail lines, which BEM views as feeder lines. The company is also keen to bid the Orange Line's east section for the Thailand Cultural Centre-Min Buri (Suwinthawong) route. Bid documents will be available on July 15. BEM has been granted concessions for two mass rapid transit rail system projects by the MRTA, including the MRT Chaloem Ratchamongkhon Line (the initial Blue Line) Hua Lamphong-Bang Sue, and the Purple Line Bangyai-Taopoon. The Purple Line will be officially opened on August 6.

2. Private sector bullish about shipments over remainder of the year

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

Most private sector exporters are upbeat about the sector in the second half of this year, resulting in the Commerce Ministry maintaining its export growth target of 5 per cent for the year. Malee Choklumlerd, director general of the International Trade Promotion Department, said exporters - mainly from agricultural sector - believed exports would grow stronger in the second half the year on the back of more supply and high demand in many markets. *"The ministry will maintain our working target of a 5 per cent expansion. Many industries have foreseen better export growth, while some predict steady growth. Only a few industries expect lower export growth compared in the first half of this year,"* she said. After a meeting with enterprises from various agro-industries and other industries this month, the department found exports from the agricultural and food sector are projected to expand from a previous projection of 1.9 per cent to 3 per cent for the year and be valued at US\$33.93 billion [Bt1.2 trillion].

Fashion product exports are predicted to grow 0.6 per cent from the previous projection of 4.8 per cent and be worth \$13.85 billion, while exports of lifestyle products are forecast to expand from 3.5 per cent to 4.9 per cent (\$2.91 billion). In agricultural sector, rice shipments are also forecast to grow in the second half of this year, with it predicted they could reach 9.5 million tonnes or a rise of 9 per cent for the year. Sugar exports are expected to rise from the previous projection of 4 per cent to 20 per cent due to higher demand in Cambodia, Laos, Myanmar and Vietnam. However, exports of rubber and tapioca are forecast to drop about 10 per cent based on lower China demand. In the food sector, exports are tipped to expand from 2.7 per cent to 5.2 per cent for the year.

3. Housing projects set to take off

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

Listed property firms have aggressive plans to launch a number of residential projects worth over Bt170 billion in the second half of this year to boost presales this year while the market showed slight growth in the second quarter after the tax incentive for property sector expired at the end of April. Sansiri Plc, for example, plans to launch 13 new residential projects - both ready-to-stay residences and under construction projects worth a combined Bt37.45 billion in the second half. The company reported presales worth Bt13 billion in the first half, or about 30 per cent of its presale target of Bt42 billion this year.

Pruksa Real Estate Plc plans to launch 38 new residential projects worth Bt30 billion in the second half after the company reported total presales worth Bt21.63 billion or 42 per cent of its presale target of Bt51 billion this year (see graphic). *"We have to launch more new residential projects in the second half of this year to boost our presales as we delayed launching new projects in the first half of this year,"* Pruksa Real Estate's co-chief executive officer Lersak Chuladesa said recently.

He said the company sped up its sale inventories in the first half after the government's measure. So, it had to launch more new projects in the second half to boost presales to reach its achieve sales target for the year. To boost sales, the company has maintained the campaign free transfer and mortgage fee like the government measure. But the campaign would end at the end of September, he said. Meanwhile, LPN Development Plc plans to launch six new condominium projects worth Bt7 billion in the second half.

4. Aroma hotels set for major renovation

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

The Aroma Grand Bangkok hotel is planning to undertake a major renovation and enter the hotel management business in two years. Eric Brand, director of operations, said last week that the group would spend Bt150 million to refurbish rooms. The project was expected to commence by the year-end and was scheduled to be completed within two years. About Bt22 million would be invested in the hotel's back house and equipment, such as chillers, energy machines and hotel water machines. The hotel has already remodelled its lobby as well as some outlets at a cost of Bt100 million. Established international brands Ah Yat Abalone Seafood Restaurant and Burasari Spa have rented space and started operating in the hotel. The hotel is now offering more space for rental in an area aimed at becoming a new dining magnet in the Ratchaprasong area.

5. KTB to offer soft loans to SMEs

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

KRUNGTHAI BANK will next week begin offering Bt5 billion worth of soft loans with low interest rates to small and medium-sized enterprises with annual turnover below Bt500 million. Udomsak Rojviboonchai, senior executive vice president and head of KTB's business centre group, said the bank would offer two packages of soft loans. The first carries an interest rate of 3.75 per cent for the first year and the second an interest rate of 3.9 per cent for the first year. To qualify for the first package, SMEs are required to have collateral worth 30 per cent of the credit line of up to Bt55 million. For the second package, no collateral is required but the credit line is limited to Bt40 million. Last year, the government has soft loan of Bt100 billion with the interest rate of 4 per cent per annum to help SMEs. Thai Bankers' Association previously has been reported that it called bank members to set up a soft loan combine of Bt10 billion with interest of 4 per cent per annum to help SMEs.

KTB wants to focus more on medium-sized enterprises with annual revenue not more than Bt500 million, and the attractive interest rate will help them reduce costs in order to compete with large enterprises, Udomsak said. SMEs that apply for a KTB soft loan must use the money to improve cash flow or for new investment and not to refinance loans from other banks, he added. The bank this year aims to increase its lending to SMEs with annual revenue not exceeding Bt500 million by 10 per cent, while overall SME loan growth is targeted at 7-8 per cent.

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