

Daily Thai News Summary: 12 July 2016

1. Thailand, Myanmar agree on model to boost bilateral trade

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

Thailand and Myanmar have agreed to adopt the Mae Sot-Myawaddy model for expanding trade, investment and economic cooperation between the two countries, and to establish border-trade fairs soon. After the seventh Thailand-Myanmar Joint Trade Commission (JTC) meeting in Nay Pyi Taw last week with her Myanmar counterpart Than Myint, Commerce Minister Apiradi Tantraporn said the neighbouring countries could promote more trade and investment through closer cooperation among government agencies and their respective private sectors. Thailand and Myanmar aim to increase bilateral trade to between US\$10 billion and \$12 billion next year, from \$7.74 billion (Bt272 billion) in 2015.

Under the Mae Sot-Myawaddy model, the two sides aim to double border trade, set up local business councils, establish a Thai-Myanmar border trade committee, develop cross-border logistics, develop retail and wholesale trading and service centres (health, tourism and education service) at the Mae Sot-Myawaddy Special Economic Zone, mobilise a labour task force, facilitate cooperation in tourism, and establishing of sister-city arrangement between Mae Sot and Myawaddy. *"Thailand and Myanmar have agreed to take the agreement into an action plan so that trade, investment and tourism between two countries can grow strongly. Thailand will also organise border-trade fairs in Mae Sot this year as a measure to support trade growth between the two countries,"* Apiradi said.

Myanmar has agreed to adjust its rules of origin to facilitate more trade among Asean member states. It has also promised to allow more Thai banks to open branches in Myanmar in the near future. Thailand will provide an advisory service for Thai investors wanting to do business in Myanmar. At the JTC meeting, the ministers also discussed cooperation to set up a CLMVT (Cambodia, Laos, Myanmar, Vietnam and Thailand) Business Council led by the private sector to solve trade-related problems.

2. Munich Airport and AOT exchange knowledge and expertise

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

Thriving on its “best European airport” status and its “Airport City” concept, Munich Airport is keen to offer consulting and management services to Airports of Thailand. *“We’re looking for a consulting opportunity and to share our best practices. We have a lot of things in common,”* Michael Kerkloh, president and chief executive officer, told The Nation during his visit to AOT's CEO forum last week. With its long-term relationship with AOT, Europe's first and only five-star airport - as rated by passengers via the independent, London-based Skytrax institute - Munich Airport thinks it has many things to offer and exchange with Thailand's airport operator.

Among their similarities is the midfield terminal that Munich Airport just opened in April. AOT plans to build one at Suvarnabhumi Airport. The new satellite terminal gives Munich Airport 27 more gate positions where passengers can board an aircraft directly without riding a bus. The satellite has no direct land-side transport links. The airport's own underground transport system whisks passengers to the satellite terminal in barely a minute. Since both airports act as hubs for their regions, Munich Airport is also looking for an opportunity to partner with AOT to offer their best practices to counterparts in Asean such as airports in Myanmar and Laos. Munich Airport's relationship with Thailand dates back about 20 years when it awarded the Kempinski Hotel concession to the Crown Property Bureau, followed by its engagement in the transfer of Thailand's international-airport facilities from Don Mueang to Suvarnabhumi some years later, and the signing of a sister-airport agreement with AOT in 2009. *“Munich Airport is also interested in sharing its expertise and experience on the operational side with AOT, such as the running of duty-free shops and food and beverage outlets,”* Kerkloh said.

3. Foreign confidence in Thai economy drives up 3 month investor sentiment

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

Stock-investor sentiment for the next three months to September surged last month mainly on the high confidence of foreign investors in the improvement of the Thai economy, a survey found. The Federation of Thai Capital Market Organisations' Investor Confidence Index (ICI) sub-index for the next three months jumped by 11.75 per cent to 104.46 from 93.48 in June, said Kanate Wangpaichitr, president of Fetco. A figure below 80 points indicates low confidence, 80-120 is neutral and over 120 is bullish. Foreign investors' confidence rose 29 per cent as they are bullish on the improvement of the Thai economy. However, political affairs in this country and the economic uncertainty in the European Union continue to put pressure on investor sentiment, he said. The construction sector remains the most attractive for stock investors, while the fashion sector is the least attractive. The survey showed that the “Brexit”

referendum on June 23 had seriously affected EU and global markets, especially currencies, whose high volatility had affected the economies of EU countries that are trading partners with the United Kingdom.

4. TAT's ambitious targets attainable, TCT says

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

The Tourism Authority of Thailand could achieve its 2017 targets to increase revenue from domestic travellers by 10 per cent to Bt950 billion and from international visitors by 10 per cent to Bt1.89 trillion, if there is no political tension and the global economy recovers. Ittirit Kinglake, president of the Tourism Council of Thailand (TCT), said yesterday that the country could reach those lofty records if it can push the right marketing efforts as well as initiate more tactics. The tourism industry has recovered rapidly from the horror of the Erawan Shrine bombing last August and violence overseas. However, there are still many challenges lying ahead in the coming year including global economic instability and unpredicted political issues internally. "The TCT feels that although the agency [TAT] is aiming too high, those are the projections so far. If there are no bad factors to come, the country has the opportunity to realise those high hopes," he said.

Eric Brand, director of operations at the Arnoma Grand Bangkok Hotel, said Thailand would remain a popular destination for international tourists, judging from advanced bookings made for the coming high season. Hotels in Bangkok will operate at an average occupancy rate of up to 90 per cent in the final quarter this year, he predicted, about 5-10 percentage points up from the last peak season. "Even in the current low season, many tourists are coming to Thailand. Many Europeans shifted their vacations from the Middle East to Thailand, while Asian travellers are also avoiding going to Europe," he said. According to Ittirit, British voters' decision to separate from the European Union will reflect on the inbound business only for a short time, as people may suspend their overseas trips. Once the United Kingdom's economic structure gets back on track, tourists will start going overseas again.

5. FlyDubai to fly twice daily to Bangkok

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

DUBAI-based airline Flydubai yesterday announced that a twice-daily service to Bangkok would be launched on November 29. *"Bangkok is an extremely popular destination and the launch of double daily flights reflects the increasing maturity of the Flydubai network and operation,"* said Ghaith Al Ghaith, the airline's chief executive officer. *"This route launch is an important milestone for Flydubai, offering business and leisure travellers from both Dubai and*

Bangkok increased choice and flexibility across our network. " The route will run between Dubai International's Terminal 2 and Suvarnabhumi Airport. Business-class return fares to Dubai will start at Bt28,999 and economy-class return fares will start at Bt9,499, including taxes. The new route will allow for alternative travel options into cities that lie within easy reach of Bangkok as well as connecting routes for those looking to use Dubai as a hub into Russia and Europe, the airline says. Business class passengers can benefit from a dedicated 24-hour "Business Team" to assist with bookings and inquiries throughout the journey, as well as priority check-in service, comfortable, spacious seats and a range of in-flight entertainment and dining options, it says.

6. 500 Tuk Tuks expanding fund size

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

The Start-Up funding provider 500 TukTuks is expanding its fund size to US\$15 million (Bt520 million) from \$12 million to invest in and groom nearly 60 tech start-ups in Thailand over two years. Krating Poonpol, fund manager, said yesterday that after the two years end, the company would launch Fund II, but he could not disclose its size yet. Since debuting in Thailand, 500 TukTuks has invested in 20 local tech start-ups. It plans to disclose its Batch 3 investment by the end of this year. *"We usually invest in seed funding and Series A funding with \$100,000 up to \$250,000 each,"* he said.

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By Harsha Hazarika