

Daily Thai News Summary: 13 June 2016

1. Thailand to host forum to push CLMVT growth

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

Thailand will host the first-ever CLMVT Forum 2016, bringing together the governments and private sector of Cambodia, Laos, Myanmar, Vietnam, and Thailand in promoting economic, trade, tourism, and investment growth in each country by tightening cooperation and eliminating barriers. Commerce Minister Apiradi Tantraporn said that this event would be a good opportunity to strengthen ties in a bid to drive growth together amid the global liberalisation. The forum will bring together the leading policy-makers, entrepreneurs, business leaders, academics and young leaders from the five nations to participate in the roundtable discussions. About 600 participants from CLMVT countries as well as from countries in Europe, and Japan will join. Delegates will also be taken on a field trip to some of Thailand's tourist destinations. Apiradi said that closer ties among CLMVT countries should help promote trade, investment, and tourism growth together, as it will be a great chance for the government and the private sector to address problems and seek solutions, as well as promote collaboration in various sectors. She added that CLMV is a high-potential market for Thai export growth because of the high population and the increasing purchasing power. Those countries could also be a bridge for Thailand's shipment to third countries.

According to the ministry, exports to CLMV accounted for 10.4 per cent of the Kingdom's total trading value. Investments in those countries also accounted for 10 per cent of total direct investment, while about 10 per cent of foreign tourists visiting Thailand each year come from CLMV countries. Amidst the global economic slowdown, the CLMVT economy still enjoys strong growth, averaging 5.8 per cent annual expansion from 2011 to 2014, while income per capita is now US\$2,927 per year. It also has a high combined population of 235 million, with most of the population in the working age. Tourism Minister Kobkarn Wattanavrangkul said that CLMVT countries could strengthen tourism cooperation and facilitate tourists to visit several destinations. The government also aims to promote travel to not only major cities but also to smaller cities as a strategy to spread income among local people. This year, the ministry is expected to drive the number of tourists from CLMV countries to 10 per cent expansion.

2. Commerce Ministry formulating plan to drive exports

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

The Commerce Ministry will meet with each industrial sector to review its export promotion plan to drive shipments over the remainder of the year. Malee Choklumlerd, director-general to the International Trade Promotion Department, said the department would first meet with enterprises from the export sector as part of its plan to draw up a strategy to drive growth. The department will meet with representatives from these industries: agriculture and food; electric appliances and parts; automobile and parts; textiles and garments; jewellery and ornaments; construction; healthcare products; and lifestyle. Malee said that in the second half of this year, the department would emphasise the plan to drive exports in both major and emerging markets. The director-general said the department would set up a business-matching activity when the prime minister and deputy prime ministers visit other countries. The targeted countries in the second half of the year include Cambodia, Laos, Myanmar, Vietnam, other Asean nations, China, and India. Malee said that exports were likely to recover in the second half thanks to economic growth in many countries, notably in the US.

3. China seeks vocational training collaboration

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

Affected by a shortage of skilled technicians and engineers in infrastructure development, the provincial Department of Education in Hubei, China, has urged the Thai Office of the Vocational Education Commission (Ovec) for collaboration to formulate joint vocational training courses related to the railway, shipbuilding and road-transport sectors. Initially, Hubei province is looking for vocational training for the railway industry, particularly high-speed-train technology. In parallel with China's expansion of railway projects in Asean, Hubei, which has a large number of vocational and technical colleges that provide courses related to the railway industry, is seeking collaboration with Asean countries to train manpower in response to the huge demand for skilled technicians in construction, operations and maintenance for railway-project development. In Thailand, the Chinese government has proposed the development of a medium-speed railway network (180km/h) on two routes - Nong Khai-Nakhon Ratchasima-Kaeng Khoi-Map Ta Phut and Kaeng Khoi-Bangkok - for a total distance of 873 kilometres, to link with the China-Laos rail route in Nong Khai/Vientiane. A joint Thailand-China committee will hold its fifth meeting on the project at the end of this month.

Aganit Klungsang, Ovec's deputy secretary-general, has said that as Thailand becomes a hub of Asean economies and part of China's "One Belt, One Road" Initiative - proposed by President Xi Jinping in 2013 as a way to revive ancient trade links between Asia and Europe - Hubei's Department of Education has placed great emphasis on collaborating with Thailand on

vocational training to prepare professionals for rapid infrastructure development. Ovec and the Hubei Department of Education signed a memorandum of understanding last Wednesday for a five-year collaboration plan.

4. THAI orders 12 Airbus A350s

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

Thai Airways International Plc has ordered 12 new Airbus A350 XWB aircraft, eight of them on lease. The first aircraft is scheduled to arrive in August and is expected to replace an old plane on the Bangkok-Melbourne route. The Airbus A350 XWB is a mid-size long-range commercial aircraft and billed as the most technologically advanced aircraft in the world as well as the most modern and efficient aircraft. *"The national airline will receive delivery of its first Airbus A350 XWB in August 2016, with the second aircraft to be delivered in September 2016, and the remainder to be delivered in 2017. Initially, the Airbus A350 will operate roundtrip on the Bangkok-Melbourne route,"* the carrier said. The delivery of the two Airbus A350 XWB aircraft this year will enable THAI to offer consistent, high-quality products to its passengers on various routes with increased efficiency.

As Australia is one of major markets for Thai tourism, passengers will be able to experience superior comfort and convenience on the A350 XWB, enjoying exceptional service that has received international awards and worldwide recognition. THAI's first Airbus A350 XWB has been painted and will be transferred from the Airbus aircraft paint factory in Toulouse, France onto the next production phase, engine installation and passenger cabin decor, before undergoing ground and flight testing. Alan Pardoe, Airbus head of marketing communications, said that 70 per cent of the A350 XWB was made of weight-efficient airframe, consisting of advanced composite materials such as titanium and advanced aluminium as well as an all-new carbon-fibre-reinforced plastic fuselage, which resulted in lower fuel burns and less maintenance.

5. Sumitomo sees Thailand as hub for construction machinery sales to the region

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

Thailand could be strategically promoted by Japan-based Sumitomo Construction Machinery as the distribution and financial hub of Asean, especially CLMV (Cambodia, Laos, Myanmar and Vietnam), to cash in on the region's high mid- and long-term potential, Kazuhiko Sasaki, the company's president director for Southeast Asia said. Sumitomo Construction Machinery is one of the world's leading integrated manufacturers of industrial and construction machinery. In Thailand, the company appointed Leadway Heavy Machinery as its exclusive

distributor for Sumitomo construction machinery, including excavators and pavers, about four years ago. Sasaki said that Thailand enjoys many strong competencies to emerge as the regional distribution and financial hub, especially for the CLMV market. *"Thailand has great potential to be a free zone distribution hub for logistics - both new and used construction machinery. Banking and financial institutions have already started their penetration into the Myanmar market by using their forces in Thailand,"* said Sasaki. He said the company could benefit from the strength of its local partner Leadway Heavy Machinery with their long-term affiliation with the Myanmar market.

The contribution of Thailand's distributor could act as the company's benchmark for other distributors to follow. Sasaki said Sumitomo Construction Machinery sees great potential for Southeast Asia and the CLMV markets, thanks to the region's geographic positioning as a link between two giant economies - China and India. The CLMV market also has a growing population exceeding 200 million. This will lead to great demand for infrastructure in this region.

6. Central plans big Europe push

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

Central Group has set aside an investment budget of Bt12 billion to renovate and build new outlets in Europe until 2020 aimed at doubling revenue from the continent, Tos Chirathivat, chief executive officer of the group, said. Currently, the group's total sales revenue in Europe stands at Bt40 billion. But it expects to achieve Bt100 billion by 2020. The investment budget of Bt10 billion will be spent on renovating its existing branches in Europe, especially in Germany. Another Bt2 billion would be spent opening a new branch of La Rianscente in Turin, Italy, he said. At present, the Central Group owns three department stores in Europe, including the KaDeWe Group in Germany, in which it took a major stake in 2015; La Rianscente in Italy, which it bought in 2011, and Illum in Denmark, which was snapped up in 2013. Tos said the group is focused on Europe and Asean for overseas investment, as the company sees potential to expand its business in both regions.

In Asean, the company is focusing on Vietnam after its success in acquiring a major stake in Big C Vietnam in April this year from France's Casino Group for Bt36.6 billion. *"The Big C takeover got us not only the Big C hypermarkets, which comprise 33 branches in Vietnam, but 10 convenience stores and 30 shopping malls owned by Big C Vietnam's subsidiaries. The challenge for us is to concentrate on the retail business in Vietnam at this time,"* Tos said. He added that the company also plans to change the name of Big C in Vietnam but said that would be finalised next year. *"Although we can use the Big C brand for 10 years after the takeover, we have decided to change the name next year instead of waiting for 10 years,"* he said. Central Group has expanded its business in Vietnam by establishing Central Group Vietnam in 2011 with its business partner Nguyen Kim. Central Group Vietnam currently operates two Robins

department stores in Hanoi and Ho Chi Minh City, as well as two Marks & Spencer stores, 27 Supersports stores, 21 Nguyen Kim stores selling electronic goods, and 13 branches of Lan Chi Mart retail and wholesale food stores in Vietnam early this year.



By Harsha Hazarika