

## Daily Thai News Summary: 14 June 2016

### 1. Dutch Investors keen on Thai infra projects

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

Dutch investors have shown interest in the Thai government's infrastructure projects, foreseeing the Kingdom's competency to be a central attraction of the Asean region, especially the Greater Mekong Subregion, according to Commerce Minister Apiradi Tantraporn. After meeting yesterday with the Netherlands' newly appointed ambassador to Thailand, Karel Johannes Hartogh, Apiradi said Dutch enterprises had told the ambassador they were interested in investing in Thailand and participating in its infrastructure projects. *"Dutch enterprises have foreseen Thailand as a centre of Asean and a link to countries in the Greater Mekong[Subregion] and Asean. Besides investing in infrastructure-development projects, they are also interested in the manufacturing sectors and service businesses, using Thailand as a springboard to Asean markets,"* she said. Thailand and the Netherlands have also agreed to collaborate in technology and innovation and in the agricultural sector, particularly water management, in which that country has high expertise.

### 2. EXIM Bank "to be a team player in broadening global trade, investment"

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

The Export Import Bank of Thailand wants to be a team player in Thailand's effort to expand trade and investment worldwide, said its new president, Pisit Serewiwattana. *"With few branches, we are unable to compete with commercial banks, so we should set a clear policy on delivering total solutions that will not compete with them. We will combine credit facilities with trade and investment insurance to target SMEs,"* he said. Several kinds of businesses are in Exim Bank's focus. One type is start-ups that rely on innovation, and another is small, high-potential enterprises that have experienced steady growth and are ready to expand at home and abroad. Another group is enterprises of all sizes that require Exim Bank's support to add value to their business.

The government has set a strategy to enter "new frontier" markets such as Russia and Africa, while also continuing to focus on Cambodia, Laos, Myanmar and Vietnam (CLMV). For small and medium-sized enterprises wishing to do business in Africa but seeing it as too risky, Exim Bank is ready to provide loans if the government authorises it to take on the risk, Pisit said. As for the CLMV region, the bank plans to open representative offices, starting in Myanmar by the end of this year, he said. Of Thailand's 30,000 exporting companies, only 1,000 SMEs are

active customers of Exim Bank. Deputy Prime Minister Somkid Jatusripitak and Finance Minister Apisak Tantivorawong have told the bank to double the number of active customers in three years, Pisit said. The bank will focus more on businesses that have been incubated by the Office of Small and Medium Enterprises Promotion (OSMEP) and the Small and Medium Enterprise Development Bank of Thailand (SME Bank). If such enterprises want to expand abroad, Exim Bank will provide trade insurance to them.

### **3. Hongsa-Chiangman Road to be a boon for Nan**

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

Opportunities in the tourism business in Nan, in the eastern part of the Northern region, will be highlighted once the 114-kilometre Hongsa-Chiangman Road is completed in 2018, making it a short cut to Luang Prabang in Laos. "There will be an opportunity to do business in the tourism and hospitality industry, including restaurants, wellness centres, souvenirs and products related to tourism," said Varakorn Samakoses, chairman of the Neighbouring Countries Economic Development Cooperation Agency (NEDA) under the Finance Ministry. He made the comment during a press tour to Luang Prabang via the unpaved Hongsa-Chiangman Road last week. The road, constructed with financial assistance from the Thai government, will help cut travel from Nan's Muang district to Luang Prabang to only 4.5 hours from more than eight hours currently. Logistics costs will go down, while cultural exchanges will be more frequent, Varakorn said. The trade and investment linkage along this route could be extended from Nan to southern China and Vietnam via Laos.

NEDA president Newin Sinsiri said more trucks would use Nan's border to pass into Laos. Traffic on the road is projected to reach about 1,500 cars a day. There will be more tourist arrivals in both Nan and Luang Prabang, he said. Nan is expected to welcome a million tourists, up from 750,000 last year, while Luang Prabang would likely see 800,000-900,000 visitors, up from around 500,000 in 2015, according to statistics from both countries. Trade and investment between the two nations via the Huay Kon-Muang Ngeun border checkpoint are expected to boom. "*We expect Thai-Laotian border trade via the checkpoint will break Bt10 billion after the completed road is available,*" said Sombat Chinsukserm, president of the Nan Chamber of Commerce. That is up from about Bt5 billion last year, most of which was capital goods such as cement, steel, fuel oil and construction materials.

#### **4. King Power secures 39% stake in Asia Aviation in Bt 7.9 billion deal**

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

Duty free operator King Power Group has taken a 39-per-cent controlling stake in Asia Aviation (AAV), the operator of Thailand's largest budget airline Thai AirAsia, from the carrier's chief executive Tassapon Bijleveld and two of his family members in a deal worth more than Bt7.9 billion. AAV reported to the Stock Exchange of Thailand yesterday that its board of directors had given its approval for Tassapon and his family to sell 1.8915 billion shares for Bt4.20 each to Vichai Srivaddhanaprabha, founder and CEO of King Power Duty Free, and four of his family members. AAV's share price closed at Bt6 yesterday, up 10 satang or 1.69 per cent.

After the transaction was completed yesterday through big lot of purchases via the SET, Tassapon reduced his shareholding in AAV from 13 per cent to 5 per cent. He reduced his two family members' shares from a combined 31 per cent stake to zero, while Vichai has 14 per cent and his four relatives take up the balance of 25.82 per cent. Vichai will have to proceed with a mandatory tender offer to acquire all remaining securities of AAV from its other shareholders in accordance with stock-market regulations. The AAV board also approved the appointment of three new directors with immediate effect, namely Sombat Dechapanichkul, Aiyawatt Srivaddhanaprabha and Apichet Srivaddhanaprabha. They replace Pattra Boosarawongse, Tanapat Ngamplang and Prechaya Rasametarin.

Previous news reports suggested the Srivaddhanaprabha family would pay Bt3 billion for a 23-per-cent stake in Asia Aviation, as Vichai hoped that King Power's expansion into the aviation industry would help it gain more business from air travel and increase sales at its duty-free shops. The negotiation process took a month before it was reported that an agreement had been struck. The website DealStreetAsia recently quoted a source close to King Power Group as saying that one major driver behind this deal could be the fact that the group's duty-free contract with [Airports of Thailand](#) was going to end in five years.

#### **5. Overseas trade courses from BBL**

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

After more than 60 years, Bangkok Bank has realised that doing business overseas faces many challenges, so it is transferring what it has learned to Thai businesspeople via the AEC Business Leader Programme. The programme will highlight all angles in Myanmar, which the bank believes is a new frontier of investment for Thais, Chaiyarit Anuchitworawong, executive vice president for international banking, said yesterday. Recently, BBL and foreign banks in Myanmar provided a US\$60-million (Bt2.1 billion) syndicated loan to a foreign conglomerate, he said. Myanmar is attractive to foreign investors right now, he said. The bank has selected 45

businesspeople, both customers and non-customers, to participate in the seven-week courses this month and next.

The programme has five modules - "Asean Inside", country-specific experience, regional business skills, business support and facilitation, and group experience. *"We have surveyed the country-specific experience. Our branch managers helped provide interesting areas that Thai businesspeople should capture. Myanmar has businesses that could be useful for Thai businesspeople, both upstream to downstream,"* he said. Under the programme, the 45 businesspeople will be taken on a field trip to Myanmar, which includes a visit to the Thilawa Special Economic Zone. *"As a commercial bank that positions itself as a regional bank, we have witnessed many challenges abroad. It is not easy to make a footprint overseas. We want to be a partner of our customers,"* Chaiyarit said. The bank has 32 international branches, including one each in New York and London.

## **6. TAT, Baidu join to lure high end Chinese tourist to Thailand**

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

The Tourism Authority of Thailand and China's Baidu aim to boost "quality" tourists from China and improve tourism earnings by 35.4 per cent to Bt509 billion this year. TAT governor Yuthasak Supasorn said yesterday that the authority aimed to restructure the market by expanding to high-end tourists from various cities of China including Shanghai, Beijing, Guangzhou, Shenzhen, Chongqing and Chengdu. This collaboration will allow TAT to reach this target group directly and rapidly. *"Through this effort with Baidu, Chinese tourists will have a wealth of information even before their departure and can always find more information upon their arrival in Thailand,"* he said. Hu Yong, general manager for global business of Baidu, said the agreement signed yesterday would help stimulate tourism in Thailand even further and also support systematic, accurate and quality information for Chinese tourists. *"This elevates the relationship of our two countries to the next level,"* he said. It paves the way for the two nations to enhance communication channels online to promote tourism to the people of China. *"TAT and Baidu will publish tourism products and services information for tourists to [plan] their trips seamlessly, encompassing destinations and tourism products,"* Yuthasak said.

Baidu is ready to support and share information beneficial to Thailand, such as the trends of Chinese tourists. This will help the efforts to adapt and innovate tourism strategies in the future, he said. The Chinese company also offers Baidu Maps, a modern mapping-service technology that helps Chinese people experience travel abroad. The locations of tourist attractions, restaurants, products and services in Thailand are now easily accessible via Baidu Maps, which counts more than 500 million users. Baidu Maps is another channel for Thai businesses can use to reach a wider Chinese audience.