

Daily Thai News Summary: 15 February 2016

1. Tourism campaign unveiled

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

A set of 11 quick-win strategies has been drafted in an attempt to strengthen the tourism industry through sustainable development, increased revenues and financial benefits for rural communities. The plan includes boosting the meetings, incentives, conventions and exhibitions (MICE) sector and promoting Thai food including fruit, Thai storytelling and contests as well as introducing attractive lighting at key attractions. The plans also covers attractive Board of Investment incentives and promoting Thailand as a shopping paradise and a tourism gateway through an extensive website while also making the country more attractive by reforming visas and immigration rules as well as laws and regulations in general while beefing up inbound logistics and safety and security.

The three-month campaign is known as the Pracharath Project and involves public and private sector joint strategies. An additional 30 tourism issues have been included in this blueprint and are set for implementation later. The Minister of Tourism and Sports, Kobkarn Wattanavrangkul, was appointed to lead the public side of the campaign, with the private sector side original earmarked to be headed by Kalin Sarasin, chairman of the board of directors at the Tourism Authority of Thailand. Kalin later transferred the job to Chanin Donavanik, vice chairman and chairman of the executive committee at Dusit International. He also serves as chairman of the Thai Chamber of Commerce's committee on tourism and service businesses.

2. Thai food exports to Myanmar surge

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

The National Food Institute of the Ministry of Industry says small and medium-sized food processing businesses should target Myanmar given the jump in Thai food imports. The institute revealed that Thai food exports to Myanmar increased 24 per cent last year. That makes Myanmar the world's fourth largest importer of Thai food after Japan, the USA and China. It is forecast that Myanmar's economy will increase 8 per cent this year. Yongvut Saovapruk, president of the National Food Institute, said that the institute took food-processing SMEs to the Myanmar International Franchise & SME Expo in Yangon last month.

According to its survey, Myanmar people are familiar with Thai food. They love to eat noodle-based foods with a salty taste. They prefer fried food rather than the boiled food, but they

do not like coconut milk being used in food. Yongvut said that Myanmar represents 4 per cent of Thailand's total food exports, which were valued at Bt900 billion last year.

3. Chinese cash pours into North, Phuket

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

A spate of Chinese investment has flooded into the real-estate and tourism sectors in Chiang Mai and Phuket, two of the most popular destinations for Chinese travellers. While the investment has contributed to the growth of both sectors, local operators have been advised to improve their products and services to compete with the Chinese or they will risk losing market share. Quality Condominium Co executive Vasant Chawla said there was an influx of Chinese investment in the real-estate sector in Chiang Mai. Looking from a positive point of view, this would boost the growth of the sector. Most of the Chinese investors were small, people who started out by seeking second homes in Chiang Mai before later renting them out as daily accommodation to the growing number of Chinese tourists. The entry of Chinese investors has affected small operators in Chiang Mai province's real-estate and tourism related businesses, as Chinese customers prefer to use the services of investors from their own country.

However, it is not clear which real estate is mainly controlled by Chinese investors. Most of the property in question is 49 per cent owned by Chinese, while Thai partners manage the businesses. Later some of these Chinese investors expanded from real estate into the tour-guide business, hotels, restaurants, and souvenir shops to provide a comprehensive service to Chinese tourists in the province, which has hit local investors. Vasant said the local businesspeople should improve their service quality to compete with the Chinese rivals. Non Hiranchet, secretary of the Chiang Mai-Lamphun Real Estate Association, said most of these kinds of Chinese investors came to Chiang Mai on private trips to explore opportunities to take over small property assets or form joint ventures with local developers. Most of the targeted projects are close to the city centre.

4. Experts back Thai-China medium speed railway

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

Experts on Sino-Thai relations remain optimistic about the prospects for a Bt500-billion medium-speed railway project, despite significant changes sought by the Thai side during the latest round of talks in Beijing late last month. Aksornsri Phanishsarn, director of the Thai-Chinese Strategic Research Centre, who has followed this ambitious scheme closely, said a contract could be signed by the end of this year. However, it's clear that construction work cannot start in May this year as announced earlier by the Thai side as no contract has been

signed. During a panel discussion on major Thai-Chinese issues hosted by Suthichai Yoon for Nation TV's Timeline programme, Aksornsri said that if implemented, Thailand's northeastern provinces would gain the most economic benefits from the proposed 800km-plus railway project linking Nong Khai with Laos and southern China. *"It will upgrade the country's logistics capability and significantly shorten the transportation time for Thai exports to Europe. For example, Thai companies could export plastic pellets [from domestic petrochemical plants] to Europe by rail within 12 days, taking the route from China to Central Asia and then Poland, compared to the current mode of transport by sea which takes 45 days,"* she said.

During the January 28-29 talks between Transport Minister Arkom Termpitayapaisit and his Chinese counterpart, the Thai side proposed that the project cost be reduced by Bt160 billion by replacing the planned double railway on the Nakhon Ratchasima-Nong Khai section with a single railway.

5. Krungsri targets expansion in CLMV

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

KRUNGSRI Consumer Group, a subsidiary of Krungsri Bank (Bank of Ayudhya), will expand its business into Cambodia, Vietnam and Myanmar within the next three to five years, following the success of its operation in the Lao capital since its establishment there in December 2014. In Laos, the company plans to open branches in Pakse and Suwannaket in two and three years' time, respectively, group head Thakorn Piyapan said after visiting its subsidiary, Krungsri Leasing Service, in Vientiane last weekend. The group is negotiating with a strategic partner in Cambodia and the terms could be finalised for that market this year, with the business commencing operations in 2017, he said.

The business in Cambodia will primarily focus on micro-finance, followed by loans for the purchase of home appliances and mobile phones, First Choice personal loans, and credit cards. In Vietnam, the company is studying doing business with its parent, the Bank of Tokyo-Mitsubishi UFJ, which holds a 72.01-per-cent stake in Bank of Ayudhya. Bank of Ayudhya also has a business in Vietnam. *"We target expanding our business in Vietnam within the next three years, focusing on hire purchase for motorcycles and cars, then First Choice and personal loans,"* Thakorn explained. The group is also considering expanding into Myanmar, with the business concentrating on micro-finance, personal loans and First Choice operations.

By Harsha Hazarika