

Daily Thai News Updates: 15 September 2016

1. Lao company raises \$312m in dollar bonds in Thailand

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

EDL-Generation, the leading electricity producer in Laos, has successfully priced its debut US\$312 million (approximately Bt10.8 billion) offering of dollar-denominated bonds in Thailand. The bonds were issued on September 2016. With maturities of 7, 10 and 12 years, the triple-tranche issuance offers coupons of 5 per cent, 5.59 per cent and 5.98 per cent per annum, respectively. According to a statement by Standard Chartered Bank (Thai), this transaction by EDL-Gen has become the largest FX Bond transaction ever offered in Thailand and EDL-Gen became the first corporate issuer who could achieve 12-year tenor from Thailand's FX Bond markets. The 12-year tranche has also become the longest-dated bonds ever completed by EDL-Gen.

"We are pleased to have successfully completed another landmark cross-border transaction in Thailand, becoming the first foreign corporate issuer to raise US dollar in the markets, thanks to the investors' confidence in EDL-Gen's credits. This transaction has also demonstrated strong financial market integration between the two countries, which would advance us toward the goals of Asean Economic Community," said Rattana Prathoumvan, managing director and chief executive officer of EDL-Gen. StanChart and Krungthai Bank are the joint lead arrangers of the deal.

2. Fast-moving consumer goods market to post 2.7% growth after Q1 slump

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

After hitting rock bottom in the first quarter of this year, the fast-moving consumer goods market is swinging towards robust growth with a 2.7-per-cent increase expected for this whole year, according to Kantar World panel, a leading market research firm. "Based on in-home sales growth from 92 FMCG categories, this year's figure is expected to be about a 2.7- to 3-per-cent increase from Bt443.6 billion, suggesting a sign of recovery after last year hitting the lowest point at 2.2-per-cent growth," Gareth Ellis, commercial director, said yesterday. On a quarterly basis, FMCG sales growth in rural areas had returned to positive territory with almost 2 per cent in the second quarter of this year after sliding almost 3 per cent in the first quarter.

3. Fulcrum to double Thai investment

Source: **Bangkok Post** ([Link](#))

Hong Kong-based Fulcrum Global Capital aims to double its Thai property investments to 8 billion baht over the next four years. Managing director Frank Leung said Bangkok's residential market remains attractive for investment as property prices continue to rise, driven by land price increases in inner-city areas.

"Bangkok has had significant growth because it has the second-highest per capita GDP in Asean after Singapore," he said. "The city is a gateway to the region and was the most-visited city in the world in the first half of this year, with a growth of 13%." According to property consultant Knight Frank, and financial firms UBS and Fulcrum, land prices in Bangkok grew by 87% in the past 12 months and 173% in the past 24 months, ranking among the highest of major cities in Asia. Bangkok property prices rank eighth out of 12 cities in the region: trailing Hong Kong, Singapore, Tokyo, Shanghai, Guangzhou, Beijing and Mumbai and ahead of Jakarta, Phnom Penh, Kuala Lumpur and Bengaluru. Fulcrum, since October last year, has acquired around 400 condo units at Park 24, a condo project being developed by Proud Residence Co. The 400 condominium units will be worth about US\$100 million or around 3.5 billion baht, which accounts for one fourth of Fulcrum's total portfolio.

4. Sino-Thai rail project put back on track

Source: **Bangkok Post** ([Link](#))

Construction for the first phase of the Sino-Thai high-speed railway is expected to begin in the second quarter of next year as bilateral talks between the two governments are wrapping up, says Deputy Prime Minister Prajin Juntong.

"We have agreed to proceed with the first phase of construction, which entails a 250-kilometre stretch from Bangkok to Nakhon Ratchasima. Chinese technology will be utilised, but Thailand will be fully responsible for project investment," ACM Prajin said on the sidelines of the 13th China-Asean Expo held in Nanning, China. "I believe the first phase will occur in the third quarter of the 2017 fiscal year," he said. Every fiscal year begins Oct 1.

5. Digital TV to get lower licence fees

Source: **Bangkok Post** ([Link](#))

The broadcasting regulator yesterday agreed to slash annual licence fees for digital TV operators to help them survive amid fierce competition. The board of the National Broadcasting and Telecommunications Commission (NBTC) approved a draft that sets annual licence fees at

progressive rates instead of a fixed rate of 2% of yearly revenue. The progressive rates will charge 0.5% on revenue of zero to 5 million baht, 0.75% on 5 million to 50 million, 1% on 50 million to 500 million, 1.75% on 500 million to 1 billion and 2% on amounts over 1 billion. Under the new fee structure, the NBTC expects as many as five of the big digital TV operators to pay the full 2%.

By Nandini Malhotra