

## Daily Thai News Updates: 17 August 2016

### 1. Prayut touts “value-added” economic model

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

Thailand is gearing itself towards the Blue Ocean Strategy for Asean countries by moving up to the “Thailand 4.0” value-added economic model, the government says. Prime Minister Prayut Chan-o-cha said yesterday that Thailand would upgrade to a value-based economy through its 20-year strategic plan (2017-36) and 12th National Economic and Social Development Plan (2017-21). He was speaking during the leaders' discussion on "Transforming Nations through Creativity and Innovation" at the International Conference on Blue Ocean Strategy in Putrajaya, Malaysia. Thailand's current economic model - Thailand 3.0 - focuses on heavy manufacturing. The earlier models were 1.0 for agriculture and 2.0 for light manufacturing.

Now, Thailand is facing challenges in labour shortages and an ageing society, lagging labour-efficiency improvement and the difficulty new businesses face accessing financing, Prayut said. Others include trading countries' economic slowdowns, the shift of manufacturing bases to lower-wage countries, social gaps, healthcare, natural disasters and environmental deterioration, he said. Amid the uncertainty and globalization, countries need to think out of the box, moving them from fierce competition in the Red Ocean to growing together in the Blue Ocean through innovation, aiming to satisfy demand in new markets. Based on the Thailand 4.0 model, the country will advance to a high-income society through economic restructuring based on research and development in science and technology and on innovation, while encouraging people in all sectors to participate and take gains for an inclusive society, he said.

### 2. Marketing association to help SMEs

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

The Marketing Association of Thailand (MAT) will coach Thai small and medium-sized enterprises in an effort to help drive the country's economic growth. Over the course of her two-year term at MAT, president Supattra Paopiamsap said she will put more effort into developing the marketing capabilities of Thailand's SMEs and startups, which will help provide sustainable growth for their businesses. The strategy is in line with the government's policy, which entails the private sector and associations in various business areas helping support Thai SMEs. MAT will talk with other associations such as the Thai Retailers Association and the Thailand

Management Association on potential collaborative efforts to support SMEs, build their businesses and expand internationally in the long term.

### **3. Thai AirAsia post increase of 13% to Bt 7.75 Bn in second quarter revenue**

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

Asia Aviation yesterday reported that its majority-owned low-cost carrier Thai AirAsia earned net profit of Bt422.5 million on a 13-per-cent rise in second-quarter revenue to Bt7.75 billion. TAA's load factor increased 3 percentage points to 83 per cent from the second quarter of last year, while the number of passengers increased 18 per cent to 4.17 million. Tassapon Bijleveld, chief executive of AAV and TAA, said the performance was a satisfactory continuation from the first quarter. It was the result of the general robustness of the tourism industry, proactive work of the government and the Tourism Authority of Thailand, and the launch of seven routes during the period, he said.

The new routes are Chiang Mai-Changsha (in Hunan province, China), Chiang Mai-Khon Kaen, Khon Kaen-Hat Yai, Hat Yai-Chiang Rai, Hat Yai-Johor Bahru (in Malaysia), Bangkok-Kochi (in Kerala state, India) and Bangkok-Shantou (in Guangdong, China). Frequency on the Hat Yai-Chiang Mai route was also upped to two flights daily in response to the growing popularity of the airline's Hat Yai hub.

### **4. Upbeat Major lines up B 2.8 Bn project**

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

SET-listed developer Major Development Plc (MJD) remains confident about residential demand in the luxury segment, planning to launch a new condo project worth 2.8 billion baht on Sukhumvit Soi 23. Managing director Suriya Poolvorakuls said although condo buyers in the high-end segment are limited, their purchasing power remains strong despite the economic slowdown. Meanwhile, new supply launched each year has declined due to a lack of plots in prime locations. Property consultant CBRE (Thailand) said new condo supply in the luxury segment in the inner city, comprising units priced more than 250,000 baht per square metre, fell by over 40% to 2,961 units in the first half from 5,304 in the same period last year. Property consultant CBRE (Thailand) said new condo supply in the luxury segment in the inner city, comprising units priced more than 250,000 baht per square metre, fell by over 40% to 2,961 units in the first half from 5,304 in the same period last year.

**5. Index Creative Village bucks the trend, eyes 6-7% growth this year**

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

Index Creative Village says it will meet its revenue target of Bt1.7 billion, mainly thanks to a rise in Asean business. Co-chief executive officer Kriangkrai Kanjanapokin said yesterday that by the end of this year, his event-management empire could post a revenue increase of 6-7 per cent, outpacing an industry that has been hit hard by the economic slowdown. *"In this tough situation, a number of companies have decided to cut their marketing and advertising budgets to secure their bottom lines,"* he explained. The company's core business of creative solutions remains the biggest revenue contributor at 51 per cent, followed by 34 per cent from marketing consultancy, 8 per cent from the lifestyle-experience business unit, and the remaining 7 per cent from other business in Asean countries Myanmar, Vietnam and Cambodia. Kriangkrai said Asean business was becoming an increasingly key player for his company while domestic activities appeared to going downwards. To deal with this challenge, his company has teamed up with Kamron "Air" Pramroj Na Ayutthaya, former editor-in-chief of Image magazine, and Whuthipan "Todd" Dantaweetilp, a music and entertainment expert, to develop electronic dance music (EDM) festivals for Thailand and neighboring countries.

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**By Harsha Hazarika**