

## Daily Thai News Summary: 19 May 2016

### 1. Thai Air Asia X spreads wings to Iran and Oman

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

THAI AIRASIA X, Thailand's first low-fare, long-haul airline, is offering broader travel opportunities to the Middle East with the launch of two new routes. The carrier will fly direct from Bangkok to Tehran three times a week (Monday, Wednesday and Friday) from June 22, and from Bangkok to Muscat - also three times weekly (Tuesday, Thursday and Saturday) from June 28. Both routes are being introduced with a special promotional fare starting at Bt2,990 for economy-class seats and Bt9,990 for premium flat-bed business-class seats. Thai AirAsia X expects to serve 1.1 million passengers in total this year, with an 80-per-cent loading factor. It also predicts 80-per-cent growth in revenue, from Bt5.4 billion posted last year, and 2016 is expected to be the first year the airline has made a profit. Nadda Buranasiri, chief executive officer of Thai AirAsia X, said the new Middle East routes represented an important milestone for the airline, making it the first Thai low-fare carrier to fly to the region.

The additions offer great convenience by directly connecting Don Mueang International Airport to the Iranian and Omani capitals, with three flights a week for each destination, he said. The airline is confident that the two cities, with their great travel and investment potential, will prove popular among Thai travellers, he added. The new destinations also fit in with the strategies of the government and the Tourism Authority of Thailand, which call for increased penetration of new markets, especially smaller ones. The airline will use its low fares to expand its customer base and has plans for even further market expansion, the CEO said.

### 2. SCB stives for bigger footprint in VN

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

Vietnam's booming economy is beckoning foreign investors, including Thais, so Thai banks have decided to inject more capital here to support Thai business activities and accelerate loan growth. Last year, foreign direct investment (FDI) in Vietnam surged to US\$22.76 billion (Bt810 billion) from \$12.5 billion in the previous year. Thai investors ranked 11th in FDI in Vietnam. Siam Commercial Bank, which opened its first branch in Vietnam in Ho Chi Minh City on Tuesday, will add \$25 million in capital by the end of this month into its foreign branch in Ho Chi Minh City. This will boost its total capital to \$70 million in preparation for lending to Thai companies doing business in Vietnam, said Saranya Skontanarak, general director of the branch.

Bangkok Bank last week reported that it had boosted the capital of its Ho Chi Minh and Hanoi branches to a combined \$250 million from \$80 million.

Vichit Suraphongchai, executive chairman of SCB, said the bank had attached great importance to Vietnam because of its bigger population and the high growth of its gross domestic product. The FDI figure was also interesting enough for the bank to pursue more business. The bank targets 25 per cent of Thai business in Vietnam by 2018, he said. Several large companies from Thailand have entered Vietnam via mergers and acquisitions. The TCC Group acquired cash and carry operator Metro, and the Central Group won bought Big C Supercenter from Casino Group. The government of Vietnam has not opened up the banking industry to foreign players, but SCB became the first foreign bank in 20 years to receive a foreign branch licence in December because it has been here for over 20 years through its joint venture Vinasiam Bank.

### **3. Credit Suisse forms team in Thailand**

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

Credit Suisse said yesterday that it had set up a wealth management team in Thailand to tap rising demand from high-net-worth individuals, as part of its expansion in Asia. Credit Suisse, which has operated a full-service securities house in Thailand for 16 years, said in a statement that Thailand has a sizeable HNW wealth pool compared to other major regional economies such as South Korea or Singapore.

The bank is targeting two key client segments - HNW individuals with assets of more than US\$2 million (Bt71 million), and ultra-HNW individuals with asset of \$50 million, or \$250 million in net wealth, it said. Most of them are first- or second-generation entrepreneurs with family-owned businesses, who are increasingly keen to diversify their wealth through global investments, the statement said. - Reuters

### **4. AIS subsidiary poised to secure 900 Mhz licence**

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

It seems certain that Advanced Wireless Network (AWN), a subsidiary of Advanced Info Service (AIS), will win the re-auction of a 900MHz licence on May 27, as it is now the only bidder for the licence. AWN submitted the bid documents to the National Broadcasting and Telecommunications Commission (NBTC) yesterday and placed the required two bank guarantees worth a combined Bt3.783 billion, issued by Kasikornbank and Bangkok Bank respectively. *"I am very happy that AIS came to submit the bid documents today [yesterday]. Our*

*job is done,"* said the NBTC secretary-general, Takorn Tantasith, yesterday, the only day the watchdog would receive the bid application. AIS' share price yesterday slid 1.57 per cent, closing at Bt157 per share. The NBTC will announce the qualified bidder on May 23 and launch the re-auction on May 27 at 9am. The licence term is 15 years. The NBTC decided to re-auction the licence after Jasmine International's subsidiary, Jas Mobile Broadband, failed to pay the initial payment upfront for the licence, which it won in an auction last December. The starting bid price in the re-auction is Bt75.6 billion, the final price Jas bid for the licence.

Under the rules, the NBTC will hold the re-auction even if there is only one bidder. Once the bidding starts, the bidder would first be required to confirm the starting price. After that, if it stands by the price, the bidding will end. Takorn said he would ask the NBTC telecom panel to convene after the re-auction ends to consider endorsing the bid outcome. After the endorsement, the winner will have to pay the first instalment of the upfront licence fee of Bt8.04 billion and place three bank guarantees on the remaining upfront fee within 90 days. Takorn believes cash-rich AIS would pay the first instalment before the deadline.

## **5. Watsons will spend B1 Bn on expansion**

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

Central Watson Co, the operator of Watsons health and beauty stores in Thailand, has allocated 1 billion baht to open new stores over the next five years as a sign of confidence in the retail sector. Managing director Rod Routley said the company will open 50-55 new Watsons stores a year to accelerate growth through 2020. It will require at least 200 million baht a year for the expansion.

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**By Harsha Hazarika**