

Daily Thai News Summary: 19 October 2015

1. E-Commerce business registrations jump 544% in 10 months

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

E-commerce business registrations increased fivefold during the first 10 months of this year, the Commerce Ministry's Business Development Department reported. The number of e-commerce registrations reached 15,363, up by 544 per cent compared with the first 10 months of last year. Pongpun Gearaviriyapun, director-general of the department, said more e-commerce enterprises were acquiring licences amid the emerging growth of online trading. The top three online businesses are those related to computing and the Internet, accounting for 17 per cent of the total, followed by fashion and apparel with 16 per cent, and health and medical care with 12 per cent.

The department has projected that the number of e-commerce businesses registered with the agency will reach 20,000 next year. In addition, the department reported that the number of new companies increased by 2 per cent year on year during the first three quarters of this year to 47,159, indicating that the business sector remains confident that the economy will recover. Pongpun expects more new companies in the remaining months of the year as consumers' spending power rises and the economy gets stronger, after the government's economic stimulus packages take effect.

2. Ministry projects 5% export growth next year

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

Foreseeing a recovering global economy, the Commerce Ministry projects that Thai exports will emerge from their slump and grow by 5 per cent next year, thanks largely to trade with emerging markets. For this year, the ministry has projected that export value will decline by 3 per cent to US\$220.69 billion (Bt7.78 trillion). This assumption is based on the expected average value of the baht at 35 against the US dollar, average Dubai oil price for the whole year at \$60 per barrel, and crop prices 10 per cent lower than in 2014.

A senior ministry source said export value next year should grow by at least 5 per cent as there were clearer signs of economic recoveries in many markets, particularly the United States, and stronger growth of emerging markets in Asia, Africa and Latin America. However, there are still some worrying factors, mainly slower growth by China, few signs of a recovery in the European Union, currency wars around the globe, and low prices of agricultural products and

commodities. The source said Thailand's exclusion from the Trans-Pacific Partnership could also affect the country's exports to certain markets next year. The government needs to study whether the Kingdom should join the TPP, while it waits for the pact's 12 current member states to ratify the controversial deal.

Under a strategy to drive export growth next year, the ministry will focus on penetrating new markets. Targeted markets are members of Asean, especially Cambodia, Laos, Myanmar and Vietnam, as well as China, South Asia, and the Middle East, particularly Gulf Cooperation Council countries.

3. Coco-Cola aims to cash in on AEC fizz

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

Claudia Navarro took up her role as regional marketing director of Coca-Cola (Thailand) on April 1 with the intention of streamlining the company's strategic marketing direction to support the growth of the Coca-Cola portfolio in Thailand, Laos and Myanmar. The Nation's Kwanchai Rungfapaisarn talks with Navarro about her views on the changing landscape of beverage marketing in Asean and the way marketing activities are conducted to cash in on the changing consumption behaviour of today's consumers.

WHAT ARE YOUR EXPECTATIONS REGARDING SALES GROWTH AND COCA-COLA'S CONTRIBUTION IN THE ASEAN MARKET?

In terms of growth, it is interesting to observe where the growth is coming from in the region. From the NARTD categories, it is clear that much of the accelerated growth is coming from categories like water, while sparkling maintains a healthy growth trajectory. And we are ready to capitalize on these opportunities. As you have seen, we have recently launched our Aquarius brand to address the complex hydration needs we all have every day.

Particularly in weather like that of Thailand's, our ever-increasing hectic lives mean that we are in need of replenishment of the fluids and the minerals that we lose in the process. Aquarius offers balanced hydration for everyday active lifestyles. We are very optimistic about its performance, and have put a very comprehensive launch plan behind it. Finally, Thailand is delivering sustainable growth within Asean, and is only second in the region to the Philippines. As well, we are excited about our growing business in both Myanmar and Laos.

4. Thai PBS says plans on track

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

THAI Public Broadcasting Service (Thai PBS) has reaffirmed that the third year of its digital terrestrial TV network expansion plan and its initiative to switch off its analog system are right on track despite its management reshuffle. Kantachai Srisukhon, engineering director at Thai PBS, said the third year of the digital TV network expansion is going ahead as planned and the organisation is committed to achieving coverage of 90 per cent of total households by June next year.

Of the four national providers of terrestrial-based digital TV network service operators, Thai PBS is considered the most active. In the first year of its digital terrestrial TV network expansion plan, it offered its 35 operating broadcasting towers to be used as main sites for all providers. Early this year, it also completed its second phase with an additional 18 relay towers.

The third year of the expansion plan seems to be more difficult than the previous years as all digital TV network providers have to work with partners such as TOT and CAT Telecom because they have to install digital TV transmitters at telecom sites owned by both TOT and CAT Telecom. *"The problem is that existing facilities at those telecom sites do not appear to support our new equipment. However, both CAT and TOT have agreed to share space at their site so that we can erect new towers for transmission,"* he explained.

5. Nong Khai to become a logistic hub

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

As a gateway to Laos and China's southern part, Naha Railway Station's container yard in Nong Khai in the Northeast will be further developed as the only one-stop service centre for logistics in the region. The design for an extended area of the inland logistics centre is part of the second phase 355-kilometre Nakhon Ratchasima-Nong Khai section of the Bt400-billion Sino-Thai high-speed railway project. "If the rail line can be successfully connected to China via Laos, the project will be feasible," Chaiwat Thongkamkoon, deputy director of the Office of Transport and Traffic Policy and Planning (OTP), said during a recent press tour of the site.

The project would be worth the investment, as its economic internal rate of return is projected at more than 12 per cent, he said. *"The Thai-Chinese railway project, which is under development between the two governments under a government-to-government deal, was initially set to kick-off by the end of this year. The eighth meeting of the two nations will take place in Beijing on October 28-29, focusing more deeply on details of the project's financing and construction engineering,"* he said.

6. Thailand leads region in hotel residence boom

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

Southeast Asia's hotel residence market has topped US\$16 billion (Bt582 billion) and is still growing. Leading the regional push is the marriage between international hospitality brands and Thai property developers, who are sitting at the head of the table with \$3.5 billion in inventory for sale. According to new research by Thai-based hospitality consulting group C9 Hotelworks, there are currently over 28,000 hotel-branded residential units for sale across the region, representing nearly 120 projects. In Thailand, there are 44 developments on the market, representing 4,775 units. The top three locations in the country for hotel residences are Phuket, Bangkok and Pattaya.

The average price per square metre for urban properties in the country is \$6,772sqm, while in resort destinations it is \$3,731sqm. One key catalyst for the rising tide has been an increasing number of mixed-use projects that contain hotel and real estate components. Recognised hotel brands are being tapped to help engineer pricing premiums for property sales, which in market-wide terms has equated to 26 per cent in urban locations and 14 per cent for resort products.

Commenting on the research, C9 managing director Bill Barnett said: *"The historic pattern of hotel and real estate marriages has moved away from the beach and leisure destinations and is gaining traction in urban city offerings. Traditional lifestyle buyers are being supplanted by end users, with Asians representing the largest transaction segment. Bangkok's stirring success story at the St Regis Residences demonstrated this, while the more recent Four Seasons offering has struck a chord with both local and overseas buyers."* The two leading Southeast Asian marketplaces are Thailand, with 37 per cent of its hotel project residences, followed by Indonesia at 22 per cent.

By Harsha Hazarika