

Daily Thai News Updates: 19 October 2016

1. Amendments to agricultural land ownership approved

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

The cabinet yesterday approved amendments to the Agricultural Land Reform Act, which has been in force for 40 years, in a move to narrow land ownership disparity and maintain existing land for agriculture. Key amendments include permitting heirs who do not want to pursue farming rights to own the land and sell back the land plots to the Agricultural Land Reform Office. The amendments will also allow the agricultural land reform fund to pay farmers if they choose to quit farming and return their land plots. Currently, the fund controls about 1 billion baht, which is available to buy land plots under the scheme from farmers and their heirs.

2. Asean to account for 10% of spending

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

One in 10 of all tourism investment dollars will go to Asean over the next decade, according to new research by the World Travel & Tourism Council (WTTC). According to the report entitled "Travel and Tourism Investment in Asean", 9.7% of global investment in travel and tourism during 2016-26 will be in Asean. Travel and tourism investment in Asean over the next decade will total US\$782 billion, which is 7.4% of all investment in the region. This represents annual growth of 6.3%, nearly two percentage points higher than the global average. Some 95% of investment spending will be dominated by five major destinations -- Singapore, Thailand, Vietnam, Indonesia and Malaysia -- which together account for more than 80% of Asean's international arrivals and tourism contribution to GDP. But given strong demand for travel in the region, some countries are still at risk of not investing enough to ensure infrastructure meets the needs of forecast tourism growth.

3. BKS stays upbeat on megaprojects

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

Bangkok Komatsu Sales Co (BKS), a Japan-based heavy machinery distributor, is upbeat about Thai sales as the country steps up investment in megaprojects. Managing director Vichit Tangprabhaporn said the company forecasts revenue growth in the fiscal year that started in April of 3.4% to 6 billion baht, with new sales rising 38% to 1,200 units. "Thailand has been revving up investment in megaprojects such as double-track rail, high-speed rail and expansion of Suvarnabhumi airport," he said. "Those projects are expected to drive demand for heavy machinery and equipment to grow by 3.15% to 4,000 units this year, mainly for excavators."

Buoyed by promising prospects, the company is confident of increasing its market share from 22% last fiscal year to 36% this fiscal year. In the last fiscal year, BKS reported revenue of 5.8 billion baht with 870 new units sold. Its Tokyo-based parent firm is a manufacturer of construction and mining equipment, forest machines and other industrial gear. The company chose Thailand as its first overseas market in 1956, forming a joint venture with Siam Motors Group, owned by the Phornprapha family.

4. SCB and TBank post Q3 profits

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

Siam Commercial Bank's (SCB) unreviewed consolidated net profit shot up 27.9% year-on-year, due largely to the sharp decline in impairment charges and higher net interest income. The country's third largest lender by assets recorded a quarterly net profit of 11.5 billion baht for the three months to September, compared with 9.02 billion over the same period last year, the bank said in a statement. The bank's loan-loss provisions set aside for the third quarter fell by 56.2% from last year to 7.01 billion. SCB during the July-to-September quarter set aside 16 billion baht in loan-loss provisions to fully cover loans secured by debt-ridden Sahaviriya Steel Industries Plc (SSI) and its loss-making subsidiary SSI UK after the steel maker defaulted. Its coverage ratio rose to 129% at the end of September from 110% at the end of last year, slightly lower than 130% at the end-June. Higher net interest income and the lower loan-loss reserves eclipsed a 37.6% decline in non-interest income, the statement read.

5. BCPG allots B60bn for five years

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

BCPG Plc, the power business arm of SET-listed Bangchak Petroleum Plc (BCP), has set aside a five-year investment budget (2017-22) of 60 billion baht to be spent on power generation and expansion abroad. President and chief executive Bundit Sapianchai said 10 billion baht would be used next year, mostly on renewable energy projects overseas, including wind farm and solar projects. "The targeted countries that BCPG expects to invest and expand in are Taiwan, the Philippines and South Korea as they have strong potential with substantial room for renewable energy business to grow," said Mr Bundit. He said the projects the company expects to commence early next year involve renewable energy and energy storage. For wind farm projects, BCPG plans to start investing in all three countries. The company plans to invest in developing a power storage business to help store renewable power in batteries, which would serve its electricity-generating business.

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