

Daily Thai News Summary: 1 December 2015

1. Ministry to streamline foreign baht bond approvals

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

Beginning in January, the Finance Ministry will shorten the approval process for foreign interests looking to issue bonds in baht from three times a year to a monthly basis. *"As a result of shortening the approval process, we hope that CLMV [Cambodia, Laos, Myanmar and Vietnam] countries will raise more funds through this channel,"* the ministry's permanent secretary, Somchai Sujjapongse, said yesterday in his keynote speech at the "International Capital Markets Conference" in Bangkok. *"Nevertheless, we still have to monitor the amount and the timing of the baht bonds that are issued because of the risk of capital outflow,"* he said outside the conference, which was held by the Stock Exchange of Thailand and the IMF Regional Office for Asia and the Pacific.

He said Laos was currently the only CMLV country to have issued baht bonds. Its government has raised around Bt9.95 billion worth of sovereign debt from Thailand and will raise more funds by issuing baht-denominated bonds worth Bt12 billion before the end of this year. This is the fourth issuance of baht-denominated bonds by Laos' Ministry of Finance after the first issue in May 2013. Laotian state-owned EDL-Generation also floated bonds worth Bt6.5 billion from Thailand in October 2014. Mitsuhiro Furusawa, deputy managing director of the International Monetary Fund, said in his welcoming speech that Asia would remain the fastest-growing region in the world and the continuation of financial integration would unlock its full potential.

2. Airport of Thailand (AOT) core profit in line with estimate

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

AOT posted a 4Q15 (Jul-Sep) net profit of Bt5,850m, up 157% YoY and 44% QoQ. Stripping out an FX loss of Bt45m, an Bt80m impairment loss of assets, a Bt48m gain on sales of assets and a Bt2,830m reversal of property tax, the 4Q15's core profit would be Bt3,098m, up 46% YoY but down 24% QoQ. While the core profit was in line with our forecast and that of the consensus, the net profit was somewhat above our forecast and the consensus', due to extra income.

The drivers for the YoY core earnings growth were: 1) greater passenger numbers, 2) higher aircraft movement, 3) higher concession revenue, and 4) lower interest expenses.

However, the QoQ core profit contraction was due to higher personnel expenses, as the firm booked its staff bonuses. It is worth noting that air traffic numbers expanded QoQ in 4Q15, spurred by improved demand for travel to and within Thailand. AOT's total passenger numbers for 4Q15 rose 24% YoY and 3% QoQ to 26.6m, while total aircraft movements expanded 23% YoY and 2% QoQ to 179,225 flights. Moreover, concession revenue augmented 27% YoY and 5% QoQ to Bt3,082m in tandem with a rebound in international passenger numbers (up 24% YoY and 1% QoQ to 15.0m in 4Q15).

3. Thailand gets Russian nod for Best Beach Destination

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

Thailand was named the Best Beach Destination 2015 from National Geographic Traveller Russia, a print and online magazine, according to the Tourism Authority of Thailand (TAT). Thailand was also voted the Best Beach Resort via an online poll from 240,000 readers. *"Thailand is very honoured to have received such prestigious awards from one of the top travel magazines in Russia as well as to have been voted online by its readers. Both honours are testaments of Thailand as a top beach getaway destination among travellers from Russia, one of the top 10 tourist markets to Thailand,"* said Eumporn Jiragalwisul, director of TAT's Moscow office.

In 2014, Thailand welcomed about 1.6 million visitors from Russia. In 2015, from January to October, 649,188 visitors from Russia have visited Thailand. Travellers from Russia are attracted to Thailand's beach resorts including Phuket, Pattaya and Koh Samui. Apart from daily direct flights from Moscow to key gateways in Thailand, several charter flights are available during the winter season from various cities in Russia and the CIS, allowing travellers from this region to experience the nice and warm weather in Thailand.

4. Govt urged to also help big companies go abroad

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

The Government should change its mindset about offering help only to small and medium-size firms expanding overseas and extend it to larger companies, said Thiraphong Chansiri, president and chief executive of Thai Union Group. Thiraphong added that a new challenge for companies branching out internationally was working out how to produce products that suited the new generation of consumers.

He was speaking at the International Capital Markets Conference 2015, which looked at the challenges for Thai firms growing international roots. Thiraphong said the government

believed large companies could take care of themselves overseas but they wanted to get assistance - whether it is financial support or tax incentives in the countries they operated in. He said Thai financial institutions should strongly support Thai firms internationally because they were nobodies to foreign banks. Thai Union had to create creditability in the foreign markets it operated in to raise funds.

5. Thailand optimistic about getting ICT boost

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

Thailand expects the recent regional IT ministers meeting will lead to further joint information and communication technology developments - including e-commerce and a smart city project - with Asian countries. The 15th Asean Telecommunications and IT Ministers Meeting (TELMIN) in Vietnam on Thursday and Friday. ICT Minister Uttama Savanayana met with his Asean counterparts and ICT ministers from dialogue partners such as Japan, China and South Korea. Uttama said South Korea was interested in Thailand's digital economy projects and existing smart city project.

He said it also asked for more information about these projects so it could look for areas it could participate in. Thailand and South Korea also discussed a plan to sign memorandum of cooperation to define which areas of ICT development they will collaborate, he added. He said he discussed with his Japanese counterpart launching more ICT collaborations, including on the expansion of disaster warning system. Japan has studied the operation of Thailand Post Co to see how its related agencies would help strengthen Thailand Post's operation. Thailand Post and its Japanese counterpart will sign a memorandum of cooperation to determine the areas of collaboration. That is expected to occur early next year.

By Harsha Hazarika