

Daily Thai News Summary: 1 July 2016

1. Laos seeks Thai help with financing, job skill improvement

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

Laos is asking Thailand to provide more assistance in terms of capacity building for Lao labourers and boosting skill standards in Small and Medium Enterprises. Easier access to financing and more business operation experience is also required, Lao National Chamber of Commerce and Industry (LNCCI) President, Sisavath Thiravong, said. Sisavath was speaking during the LNCCI Board Committee meeting with a delegation from the Thai Chamber of Commerce and Thailand's Board of Trade on Wednesday. Skill standards in Laos are low compared to those in Thailand and other Asean countries because of poor training standards, he said. Recognising Thailand's potential in terms of financial arrangements and experienced personnel, the LNCCI is now seeking cooperation and assistance in this field. Laos has potential in natural resources, especially in the energy and mining sector, agriculture, and tourism, but still has a limited budget for development, Sisavath reported.

Laos also has large areas of agricultural land but most farmers lack the technical expertise to produce commercial crops for sale and export, especially when it comes to soil improvement for higher yields and better quality, he added. Logistical cooperation is also essential to develop the transportation network in Laos to link with neighbouring countries, especially Asean countries, he noted. Laos has many special scenic spots that attract visitors, as well as strong cultural traditions and historical legacies, but road access remains poor in many places, he added. Various foreign companies are investing in hydropower projects, some of which are from Thailand. Investment by each sector in previous years has created job opportunities for local people, developed infrastructure and improved people's living conditions as part of socio-economic development, but more cooperation is needed to boost investment. In terms of benefits, Laos should look to sustainable development and reducing environmental impacts. Thai Chamber of Commerce Chairman and member of the Board of Trade of Thailand, Isara Vongkusolkit, on behalf of the Thai delegation, promised to provide cooperation and assistance for mutual growth and benefits.

2. Thai firms eye increased investment in Laos

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

More Thai businesspeople are interested in expanding their investments and seeking further trading opportunities in Laos, a meeting in Vientiane heard this week. Some 30 Thai business-people met with Lao counterparts at ITECC Mall in the capital on Tuesday ahead of the Thai Top Brands Exhibition from June 29-July 3. The meeting aimed to create business opportunities between the two neighbouring countries by building networks, exchanging trade and seeking potential business partners. The meeting heard from the Lao National Chamber of Commerce and Industry that foreign companies had begun moving their production bases from Thailand to Laos as its labour costs were lower than Thailand. Laos' numerous advantages for international investors were also outlined at the seminar. Laos has 11 Special Economic Zone (SEZ) being developed with the four of Savan-Seno, Vientiane Industrial and Trade Area, Saysettha Development Zone, and Champassak (Pakxe-Japan SME) intended specifically as industrial estate developments. These would form an important part of Laos' industrial development strategy with links to neighbouring countries, particularly Thailand, to be prioritized.

3. Developers to expand investments following govt go-ahead for Eastern Economic Corridor

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

Residential developers are looking to expand their investments in Chon Buri, Rayong and Chachoengsao following the government's decision this past week to press ahead with development of the Eastern Economic Corridor, which encompasses the three provinces. *"We have about 2,000 rai [320 hectares] of land in Chon Buri, Chachoengsao and Samut Prakan [also an eastern province]. We plan to develop six residential projects worth up to Bt3.87 billion there this year and in 2017, thanks to strong residential demand in the eastern region following the government's policy to develop the eastern area into a new economic corridor. This will boost residential demand in this location,"* said Navanat Sukhamongkhon, chief executive officer of Marui Real Estate. The provinces of Chon Buri, Chachoengsao and Sa Kaeo - another eastern province - are home to more than 1,600 manufacturing plants, she said, adding that this meant there was strong residential demand to serve the needs of business expansion in the area.

A survey by Marui Real Estate shows the number of units for sale at residential projects in Chachoengsao at around 4,000, with prices ranging between Bt2 million and Bt4 million apiece. In Chon Buri province, which has some 15 industrial estates, the survey found 20,000 residential units for sale at prices from Bt2 million and Bt4 million per unit. Developers in Chachoengsao and Chon Buri are a mix of local companies and developers from Bangkok that

are expanding their investment in the provinces. Pruksa Real Estate, meanwhile, is also interested in launching more projects in Chon Buri province, where overall residential demand averages around Bt49 billion a year.

4. CP sees future in high tech industry

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

Charoen Pokphand Group is eyeing high-technology businesses such as pharmaceuticals and biotech food, but especially high-speed rail, specifically the Bangkok-Rayong route. *"We are really interested in this project. CP Group should finalise the decision over the next few months,"* said chairman and chief executive officer Dhanin Chearavanont. CP Group was invited by Prime Minister Prayut Chan-o-cha to build it, since there were no financial conditions. Dhanin said the group would shift its investment to the "digital economy" to cash in on the global trend. High-tech businesses such as high-speed rail are being pushed by the government, he said. Biotechnology, medical equipment, and food and medicine for the elderly are targets. The success of a high-speed rail system requires the building of towns or high-tech communities, he said. If urban areas such as Pattaya, Rayong and a proposed township in Chachoengsao are developed, commuters could easily travel to work in Bangkok within one hour. *"If new towns are developed, new high-tech industries like good hospitals, good universities and high-profile people will move into the areas,"* Dhanin said. The government has also reportedly invited Charoen Sirivadhanabhakdi, another tycoon, to build another high-speed-rail spoke, from Bangkok to Hua Hin.

CP Group has started working with Harvard University to develop biotech products, with DuPont to develop high-tech food, with Massachusetts Institute of Technology to develop robots, and with the Science and Technology Ministry to develop biotechnology in the local market. The efforts are aimed at developing quality food and health products, and supply them to three consumer groups - general people, the elderly and patients. The group plans to produce its own medicine especially for the elderly in the home market. It has been producing medicine in China for years and achieved a large market share. The service industry and high-tech products will become very important in the future, so manufacturers will have to produce and supply higher-technology products, Dhanin said. The digital economy then will employ quality local staff and import labour for some jobs. The global economy is facing uncertainty but it is a good time for the country to turn this crisis into opportunity by shifting up to high-tech industry, he said. Huawei has said it will set up a research and development centre in Bangkok to help get Thai small and medium-sized enterprises into such industries.

5. Thai insurance business grows 4.54% in Q1

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

Thailand's insurance premiums hit Bt193 billion in the first quarter, showing a 4.54 per cent growth rate from the same period last year, according to the Office of Insurance Commission (OIC). The regulator added that the premiums accounted for 7.64 per cent of Thailand's gross domestic product. OIC Secretary General Suthiphol Thavichaikam attributed the growth to economic expansion in the first quarter. The GDP in the quarter expanded by 3.2 per cent, compared to 2.8 per cent in the fourth quarter of 2015. Of total premiums, Bt140.34 billion was generated by the life insurance business, up by 6.06 per cent on year in line with growing health concerns. The non-life insurance business generated premiums worth Bt52.66 billion, up by 0.69 per cent on year. As of March 31, the industry's combined assets stood at Bt2.99 trillion, an increase by 5.02 per cent from the same period last year. Of total, life insurers invested Bt1.97 trillion or 83.47 per cent of total investible assets in low-risk assets like government and corporate bonds as well as bills of exchange. Only Bt48.29 billion or 2.04 per cent was deposited at banks.

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