

Daily Thai News Summary: 1 September 2015

1. B 1.45bn earmarked for Mae Sot Airport extension

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

The Department of Civil Aviation will spend at least 1.45 billion baht to upgrade Mae Sot airport into an international gateway over the next four years, in line with the regional liberalisation under the Asean Economic Community (AEC). Terdkiat Chinsoranan, mayor of Nakhon Mae Sot municipality, said the expansion aimed to serve potentially more traffic when Mae Sot became the economic hub for border trade and investment. The district was designed as a special economic zone.

The 1.45-billion-baht expansion plans for fiscal 2016-19 include the construction of a new passenger building, as well as improvements of the runway, taxiway and parking bay.

2. Exporters told to focus on China, India and Asean

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

The Next governor of the Bank of Thailand yesterday urged the export sector to focus on the Chinese, Indian and Asean markets since they still enjoy high demand and rising purchasing power. Veerathai Santiprapob said China, India and regional integration would continue to present opportunities for Thai goods while other markets were facing challenges from the global slowdown, ageing populations and lower purchasing power.

Thai exports have lost steam during the past several years as there have been no big investment projects coming into the Kingdom because of the lack of confidence in the political sector and the flood problem. Neighboring countries such as Vietnam and Indonesia have drawn more big investment instead of Thailand, he told a Commerce Ministry seminar on coping with challenges to sustainable trade growth.

Only small investments have come into the country, so Thailand needs to promote more big investment to support the export sector for the long term. Thailand also needs to strengthen ties with Asean countries to promote itself as a trading nation so that exports will grow sustainably, he said. Thailand should have a product champion to promote stronger growth of each supply chain, Veerathai said.

Each government agency should reduce the steps in solving trade obstacles. Thailand has faced delays in solving trade problems as it needs to set up many working committees, which

have caused inefficiency in problem-solving, he added. Commerce Minister Apiradi Tantraporn said that to drive trade, the ministry's agencies would focus on drawing up policies for the short, medium and long terms, outlining active export-promotion plans for a particular market, and supporting clusters to foster the development of Thai products from upstream to downstream.

3. BOT welcomes grass-roots stimulus

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

While the government's measures to inject capital into the grass-roots economy will be helpful to the demand side in the short term, there should be added measures to boost the supply side, according to the Bank of Thailand.

Meanwhile, further drops in global oil prices, disappointing export figures and the effect of the Bangkok bomb blast on tourism have led the central bank to recalculate its economic-growth forecast, as gross domestic product looks like expanding by less than 2.9 per cent in the second half of 2015. The economy was able to expand by 2.9 per cent in the first half, and the current full-year forecast is for 3-per-cent growth. But that will probably be revised down at the next meeting of the BOT's Monetary Policy Committee (MPC) this month.

Nevertheless, there could be a "surprise" that could boost government spending on investment in the last two months of this fiscal year (September and October), while the first phase of the new Council of Economic Ministers' domestic stimulus package, which goes before the Cabinet today, is good news. *"This side is called the demand side, and generally when the economy is having short-term problems they [the government] might try to fix the demand side to build up confidence, but measures to support the supply side should also be done alongside it,"* BOT Governor Prasarn Trairatvorakul said.

4. PTTEP subsidiary divests in Myanmar blocks

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

PTT Exploration and Production said yesterday that its subsidiary PTTEP South Asia had agreed to divest its 20-per-cent participating interest in Blocks PSC-G and EP2 in Myanmar to a subsidiary of Mitsui Oil Exploration and Palang Sophon Offshore.

After the divestiture, PTTEP SA's holding in the two onshore blocks will be reduced to 70 per cent, while Moeco and Palang Sophon will each hold 10 per cent in both fields. The balance is taken up by Win Precious Resources. Tevin Vongvanich, president and chief executive of PTTEP, said the divestiture was part of PTTEP's portfolio-management strategy, aimed at adding value to the project and managing risk. The transaction was approved by the

government of Myanmar. PSC-G covers 13,330 square kilometres and EP2 covers 1,345 sq km, and both are located in the central Myanmar Basin.

5. New Tourism plan to set to promote ASEAN as a whole

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

The Asean Tourism Association (ASEANTA) is drafting another strategic plan for 2016-2025, aiming to raise the region's presence in the global market and to increase intra-regional travel. Aileen Clemente, president of ASEANTA, said the region's tourism sector was preparing for the completion of activities under the Asean Tourism Strategic Plan (ATSP 2010-2015) as well as the formulation of another 10-year ATSP for 2016-2025. *"In this regard, we are looking forward to the promotion of Asean as one region to the rest of the world,"* she said.

Some of the highlights of the new ATSP are the need to implement the Asean Open Skies Agreement and make it easier to cross the region's borders, as well as conducting good marketing campaigns for the region as a whole. ASEANTA counts as its members various tourism-related groups from all 10 Asean countries, including national tourism organisations, national travel-agency associations, national hotel and restaurant associations, and airlines.

6. Tiesco-Fico joint venture to buy operator of Mercure hotels

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

The Board of directors of Thai Industrial & Engineering Service (Tiesco) has approved the company's plan for a joint purchase of the shares of Jupiter Hotels Holdings (JHH), a United Kingdom-based company that operates 26 Mercure hotels in that country, for about Bt4.3 billion.

To proceed with the acquisition, Tiesco will establish a joint venture, to be named Newco, which will be equally owned by the Thai company and Fico Holding (UK). Newco will then purchase 27.1 million shares of JHH with a par value of one British pound, amounting to 100 per cent of the paid-up capital, for about 77.5 million pounds (Bt4.3 billion). The shares are currently held by Patron Jupiter Holding and West Register Hotels, a unit owned by the Royal Bank of Scotland. Under the acquisition plan, JHH will be made debt-free from third parties.

Tiesco and Fico will arrange for Newco to borrow 82.5 million pounds. This will then be lent to JHH to repay its debts to financial institutions and current shareholders. Nevertheless, based on the preliminary agreement, the total price of the acquisition of all assets, including the loan repayments, will not exceed 160 million pounds.

By Harsha Hazarika