

Daily Thai News Summary: 21 December 2015

1. Push for Thai-Cambodia trade ties

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

THAI and Cambodian enterprises foresee greater opportunities to expand their investment in both countries after closer cooperation between the two nations, according to the Thailand-Cambodia Business Forum held at Dusit Thani Hotel in Bangkok. The forum coincided with the official visit to Thailand of Cambodian Prime Minister Hun Sen to Thailand marking the 65-year diplomatic relationship between the two countries, and the meeting with his Thai counterpart Prayut Chan-o-cha.

At the forum, Hun Sen said Cambodia could be a manufacturing centre for Asia, as it had seen strong economic growth for several years. Cambodia also has a policy to support foreign direct investment (FDI), particularly in value-added industry, and to encourage connectivity within the Greater Mekong Subregion and other international stages. He said many Thai enterprises of all sizes could explore opportunities to invest in Cambodia. Hun Sen said his country would continue to encourage closer cooperation among Asean members, while it was developing itself to become the factory of Asia under the Asean Economic Community, which is the world's fourth-largest trading bloc. To achieve its development vision by 2030, Cambodia will open up investment opportunities for both large and small enterprises to create linkages along the supply chain.

2. Developers forecast 5-10% growth in property market in 2016

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

The Property market will growth by 5-10 per cent nationwide next year, especially in Greater Bangkok, thanks to the government's investment in infrastructure projects, said the president and chief executive officer of Pruksa Real Estate, Thongma Vijitpongpun. *"When the government starts to invest in infrastructure projects, that will open up new land for property firms to develop residential projects. This will challenge property firms to invest in the new locations following the new mass-transit route from Bangkok to the suburbs and [nearby provinces],"* he said.

Meanwhile, investment in infrastructure such as railway double-tracking, motorways, and 10 new mass-transit routes will make Thailand a regional transport hub after the Asean Economic Community goes into effect at the end of this month. This will boost demand to buy homes in Thailand, both in Bangkok and in the provinces, as foreign companies invest in Thailand as a gateway to other Asean countries, he said. *"We believe that Thailand's*

property market will show average growth of 5-10 per cent a year from 2016-2020," he said. Foreseeing strong long-term demand for homes, Thongma said Pruksa had a strategy to maintain average business growth of 15-20 per cent a year. This would bring its annual presale value to Bt100 billion in five years. "We will launch more new residential projects nationwide to serve strong demand in the market, especially in locations close to the mass-transit system," he said.

3. New telecom player could spur rivalry

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

Jas and True win fierce bidding for 900mhz licences for Bt75-76 billion. The telecom sector has entered a new chapter with an emerging fourth major wireless broadband player Jas Mobile Broadband, which is expected to spark fierce competition in the market next year. But it remains to be seen if the new kid on the block can become an attractive choice for consumers and pry a noticeable market share from the strong grip of three dominant players. Jas Mobile's director Sombat Punsiripat said after the auction ended on 12.15am on Saturday that Jas was well prepared to bid for the licence and everything went as planned.

Pete Bhodaramik, chief executive officer of Jas parent, Jasmine International, will hold press conference tomorrow to talk about the company's winning bid for a 900MHz licence. To everyone's surprise, the newly founded subsidiary of Jasmine turned out to be one of two winners in the relentless bidding for two 900MHz spectrum licences, which started on Tuesday. After almost 66 hours of bids (excluding two three-hour breaks each morning and night), Jas offered Bt75.65 billion - in round 199 - to win the first licence block. The other winner is True Move H Universal Communication (TUC) of True Corp. It grabbed the second lot by with an offer of Bt76.298 billion. Advanced Wireless Network, of the market leader Advanced Info Service, and DTAC TriNet, of Total Access Communication, had been tipped as the mostly likely licence winners prior to the auction. Their final offers were Bt75.976 billion and Bt70.180 billion, respectively.

4. Logistic sector key in economic growth

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

Along with trade expansion and foreign capital inflows that are quickening the pace of Thailand's economic growth, the logistics industry is establishing itself as a crucial contributor to the nation's competitiveness. The evolution of the Asean Economic Community and the impact of free-trade agreements on key manufacturing markets outside the region are the two distinct forces shaping the nation's logistics landscape, according to an analysis by consultancy firm Frost & Sullivan. Frost & Sullivan - which provides market research and analysis, growth strategy consulting and corporate training services across multiple industries - said revenue in the logistics sector reached US\$71.7 billion (Bt2.6 trillion) in 2014 and was estimated to reach

\$96.5 billion in 2019. *"The government plan to position Thailand as the trade and service hub of the Greater Mekong sub-region and as the gateway to Asia are opening up opportunities in the logistics and transport industry,"* said Jeff Tan, Frost & Sullivan Automotive and Transportation senior consultant. *"Thailand's road transport plays a key role in connecting the landlocked countries of Indochina."*

Frost & Sullivan said increasing foreign direct investment in Myanmar, Cambodia and Laos would support cross-border trucking activities and accelerate road network development in Thailand. It said modernisation programmes, including basic infrastructure improvements, new equipment installations and security and hardware upgrades, were underway in the country's two key ports. The focus on high-tech manufacturing would support growth in air services.

5. Thai transport giant targets region after amalgamation

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

Bangkok Expressway and Metro Plc (BEM), an integrated transport firm merging toll road and metro line networks, is ready to gear up with greater capital and competency strengths to compete with rivals on the regional stage. *"After the merger deal is successfully completed, it will have total paid-up capital of Bt15 billion at par value of Bt1 each,"* Phongsarit Tantisuvanitchkul, director of Bangkok Metro Plc (BMCL), said in an exclusive interview with the Nation Group last week.

The combined market capitalisation would exceed Bt70 billion and rank it in SET50 stocks, he added. BEM, which is an amalgamation of Bangkok Expressway Plc (BECL) and BMCL, subsidiaries of a leading contractor Ch Karnchang Plc (CK), is aimed at becoming the leading transport company in Asean. Phongsarit said the deal should be satisfactory for all shareholders of BECL and BMCL, not only its parent company Ch Karnchang (CK), a leading contractor. BEM would become a "growth-plus-dividend" stock, derived from a combination of BECL as a dividend stock and BMCL as a growth stock.

He added that this was a combination of both companies' strengths in different areas - toll roads and metro line network - that would create a new entity with a large capital and stronger financial status. BECL is currently an operator of the second stage expressway system for A-B-C-D sector under two concession agreements that end in 2020 and 2027 respectively, and the second stage Si Rat outer Bangkok ring road expressway, expected to start operation next year.
