

Daily Thai News Summary: 21 March 2016

1. JICA, Japanese Embassy to host HR Conference

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

The Japanese Embassy and the Japan International Cooperation Agency will host their first roundtable on human resources development to brainstorm ways for Thailand and Japan to cooperate to serve Thailand's industry. The seminar will be held from 2-4pm tomorrow at the Westin Grande Sukhumvit Bangkok. According to a survey by the embassy, a lack of skilled labour is one of the problems facing Thailand's industry. The panellists will include Deputy Education Minister Thirakiat Charoensethasilp, Japanese Ambassador Shiro Sadoshima, Kyoichi Tanada, president of Toyota Motor (Thailand) and Kan Trakulhoon, member of Siam Cement Group's board.

2. Value of BOI investment applications doubles in 2 months

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

Applications for Board of Investment promotional privileges nearly doubled in January and February compared with the same period last year, while the overall investment value is expected to reach more than Bt200 billion in the first half of the year. Hiranya Sujinai, secretary-general of the BoI, yesterday put the year-on-year increase down to the agency's measures for targeted businesses and clusters, and its activities aimed at attracting investment. Of the roughly Bt200 billion-worth of investment applications expected in the first half, around Bt100 billion is expected to be for targeted industries. This year is expected to see Bt450 billion-worth of applications for BoI privileges, she said. During the first two months, 187 projects valued at Bt32.44 billion were the subject of applications for investment promotion. The value nearly doubled from the same period last year, when applications worth Bt16.5 billion were received. Of the 187 projects, 120 were foreign direct investment totaling Bt12.5 billion, up fivefold from the same period last year.

About 68 per cent of the projects were in the government's 10 targeted industries, particularly digital, agricultural products, and petrochemical and chemical products, Hiranya added. To attract foreign investment and explain the country's investment-promotion measures, the BoI will join Deputy Prime Minister Somkid Jatusripitak's team on its visit to South Korea on March 24, she said, adding that at least 500 Korean investors are expected to attend the event.

3. Stage set for banks to revive zero-interest mortgage deals

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

Several Banks are expected to resume pricing strategies, including zero-interest mortgage campaigns, in May after the government's stimulus scheme for housing purchases ends on April 28, according to Kasikornbank. The government incentives on housing transfer fees started last October. Some developers have added their own incentives to lure buyers, said Boonchan Kulvatunyou, first senior vice president of KBank. Banks that have participated in the Money Expos have highlighted mortgages as key products, but they have avoided zero interest rates for several years after the central bank asked them to tone down such campaigns. However, the Money Expo in May will see the return of such promotions, and some campaigns will be subsidised by residential developers, or launched in cooperation between banks and developers, Boonchan said. KBank is considering a zero-interest campaign but it should tap the right customer segment, buyers who will not become bad debtors in the future, he said. The bank this year targets new loans of Bt50 billion, higher than last year's Bt48 billion. To achieve that target, it must structure financial solutions and develop campaigns in line with the risk of each segment. Based on the new-loan target of Bt50 billion, outstanding loans this year will increase to Bt250 billion from Bt235 billion last year.

Upper-income customers who buy homes from top developers will be offered a fixed rate of 3.8-3.9 per cent for the first three years. General customers who buy from run-of-the-mill developers will be offered interest rate of around 4-4.5 per cent for the first three years. Customers who buy from top property developers are regarded as quality clients, so people in this segment have a high chance of getting their mortgages approved, Boonchan said. Their approval rate is 75-80 per cent, compared with 55-60 per cent for customers who purchase from lower-echelon developers. The bank has been wooing the mid-to-high-end customer segment in Bangkok with its "K-Home Loan Festival" campaign, aimed at re-energising the loan market in metropolitan areas. The campaign includes a special 0.99-per cent interest rate for the first six months of a mortgage and the chance to win a Toyota Fortuner for customers who borrow more than Bt1 million.

4. Four sectors can gain from Thai ageing

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

An Academic at the Thailand Development Research Institute (TDRI) has pointed out four business sectors with huge potential to cash in on the transition of Thailand into an ageing society. The four sectors are: food business; medical equipment; health service; and nursery and home-care services for seniors, TDRI research fellow Boonwara Sumano Chenphuengpawm said. Speaking at the forum entitled "Ageing Society Business" held recently by Chandrakasem Rajabhat University, Boonwara said that the transition into an ageing society is recognised as a mega-trend. In 2015, the ageing population around the world reached 901 million. It is anticipated that this number will reach 1.4 billion in 2030, and 2.1 billion in 2050. The birth rate of women around the world started a big decline since the industrial revolution - from 5:1 in 1960 to only 2.5:1 in 2014. Ageing society has been defined as particular societies where the ratio of senior population aged 60 and above has reached 10 per cent or more of the total population, or where 7 per cent and more of the total population are people aged 65 and above. An aged society has been defined as a society where people aged 60 and above represent 20 per cent or more of total population, or people aged 65 and above represent 14 per cent or more of total population.

5. Betagro starts up first feed mill in Phnom Penh

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

Betagro Group recently opened a feed mill in Phnom Penh. With a production capacity of 200,000 tonnes per year, the facility is aimed at satisfying the growing feed market in Cambodia, a country in which demand for high-quality feed is rising. Betagro says the official opening of the new feed mill also helps strengthen the group's brand image and acceptance in the animal-feed industry. The group's first and only feed mill abroad, it is located in Phnom Penh Special Economic Zone (PPSEZ). The grand opening was presided over by Dr Ouk Rabun, Cambodia's minister of agriculture, forestry and fisheries, and Thai Ambassador Nuttavudh Photisaro, together with distinguished guests representing Cambodia and Thailand. *"Cambodia has high potential in agro industry,"* Betagro president Vasit Taepaisitphongse said. *"The country's overall feed market needs approximately 600,000 tonnes per year and tends to increase dramatically. For this reason, the group has constructed and opened a new feed mill in an attempt to meet market demand and respond to the group's livestock production in Cambodia. The new feed mill uses innovative construction technology and is fully equipped with state-of-the-art manufacturing-process and quality standards, with great attention to occupational health and environmental management on a par with standards being used by Betagro feed business units in Thailand. The group has invested around US\$30 million [Bt1 billion] in the construction of the new facility, which has a production capacity of 216,000 tonnes per year. It [will produce]*

high-quality feed for all terrestrial animals such as pigs, laying hens, broiler chickens, laying ducks, native chickens and cattle under the brands Be-lac, Betagro, Bio and Balance.”

6. Pace Development unveils Bt10 Bn residential project plans, expects profit this year

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

PACE Development Corporation Plc has set aside an investment budget of up to Bt3 billion to buy undeveloped land for developing residential projects worth up to Bt10 billion. The company also plans to acquire some land in Japan this year to develop residential projects. Up to Bt2 billion of the total investment budget this year will be used to buy undeveloped land in Bangkok to develop residential projects valued at Bt6 billion. The balance Bt1 billion will be spent to buy land in Niseko, a famous ski-resort town in Hokkaido in Japan, to develop villas worth between Bt2 billion and Bt3 billion this year, the company's chief executive officer, Sorapoj Techakraisri, said at press conference at the weekend. The company's investment budget will come from its initial cash flow and issue of debentures worth up to Bt1 billion in the second half of this year. The company had raised Bt1.1 billion from the issue of debentures early this month.

Sorapoj said the company plans to launch two new residential projects worth Bt10 billion this year. The first project already has land to develop a condominium project worth Bt3 billion, in the second half of this year, located at Narathiwat Rajanakarin. The next condominium project will be worth up to Bt7 billion in the last quarter of this year. *"We will spend our budget of Bt2 billion to buy undeveloped land to develop the second project. This is a part of our business strategy to generate sustainable revenue averaging Bt10 billion a year,"* he said. Currently, the company has total projects for sale valued at Bt28.5 billion. They awaiting transfer to its customers. Of backlog worth Bt14 billion, up to Bt10 billion will be transferred to buyers this year. This will be booked as part of its total revenue for this year. The rest will be booked as revenue next year, he said.

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By Harsha Hazarika