

Daily Thai News Updates: 22 August 2016

1. Massive ETF inflows drive emerging markets

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

After the return of risk appetite, investors have been pouring significant amounts of money into emerging-market exchange-traded funds so far this year. More than US\$22 billion has flowed into these ETFs year-to-date. Despite its small weighting in emerging markets, the Stock Exchange of Thailand has benefited from the massive inflows. Foreign investors, including mutual funds, hedge funds and ETFs, have bought a hefty Bt106.5 billion (about \$3 billion) net of Thai shares so far this year.

2. Kyochon plans 50 more branches in Thailand

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

Kyochon Chicken, a South Korea-based fried-chicken restaurant chain, has set a five-year business plan to penetrate Thailand, Cambodia, Myanmar and Laos. Tarakorn Angpubate, chief executive officer and executive director of Food Capitals, the franchisee of Kyochon restaurants in Thailand, said the company planned to add at least 50 new outlets in Thailand over the next five years through its own investment and via franchising. Each Kyochon outlet will require between Bt8 million and Bt9 million of investment capital. "We also have licenses to operate Kyochon restaurants in Cambodia, Myanmar and Laos. We opened one branch in Phnom Penh last year through a joint venture with a local partner. We plan to open at least 25 branches in the three countries within five years, with the first branches in both Laos and Myanmar opening next year," he said. "In Thailand, we posted Kyochon sales worth Bt51 million last year. We expect the Kyochon business to grow by more than 100 per cent to about Bt110 million this year, driven by the addition of two more restaurant branches to a total of nine by the end of 2016," Tarakorn said.

After operating the Kyochon business in Thailand for about four years, Food Capitals yesterday officially opened the seventh branch at CentralPlaza WestGate to tap target customers around the western suburb of Bangkok. The new branch features a new design concept for the first time in the world. It targets 2016 sales of Bt110 million. Tarakorn said South Korean restaurants were quite popular among Thai consumers, who tend to eat out as it is more convenient and in line with their modern lifestyle.

3. FedEx upbeat on Thailand's logistics

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

FedEx Thailand, the local unit of US-based FedEx Corporation, expects Thailand's logistics sector growth this year will outpace that of the country's GDP. In an exclusive interview with the Bangkok Post, David Carden, managing director of FedEx Express, Thailand and Indochina, said the company will focus on three high-growth sectors in Thailand -- small and medium-sized enterprises (SMEs), e-commerce and the medical industry. He said Thailand's resilient economy consists of many SMEs with high potential to grow further, especially those in the export sector. "These SMEs have products that have a lot of appeal to foreign customers and we expect very strong growth in this segment," Mr Carden said. He said FedEx aimed to help these SMEs to expand their customer base by facilitating cross-border transportation and customs procedures.

4. Ministries mull cover for foreign tourists

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

The Finance Ministry and the Tourism and Sports Ministry are considering offering travel insurance to foreign tourists in a bid to boost the industry, one of the few drivers of the economy. The Fiscal Policy Office (FPO) has also floated the idea of a new tax break for domestic tourists in the form of deductions of domestic travel expenses from taxable income, director-general Krisada Chinavicharana said. The proposals have been raised even though the impact of the recent bombing incidents in resort towns in the South on the tourism industry are estimated to be limited, he said.

The budget to fund the travel insurance scheme may come from the Thailand Tourism Promotion Fund or the Foreign Ministry's budget for immigration checks, and the central budget may be used to support any shortfall, said Mr Krisada.

5. True sets Bt20 bn for first digital hub

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

TRUE Corp yesterday announced that it would invest Bt20 billion to develop True Digital Park as Thailand's first digital hub as part of the plan to support the government's hope of making the country a regional centre of digital innovation, said Suphachai Chearavanont, chief executive officer of True Corp. It will also spend an additional Bt1.5 billion in the installation of telecommunications infrastructure in the park. Suphachai said the project would be the first digital hub in Southeast Asia established by the private sector. It can accommodate 20,000 people working at the rented spaces, covering 200,000 square metres of the Whizdom 101 residential complex, a project of Magnolia Quality Development Corporation (MQDC) on

Sukhumvit Road, which is currently under construction and expected to be complete by mid-2018.



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