

Daily Thai News Summary: 22 January 2016

1. Top developers eye overseas markets

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

Leading property firms have continued expanding their investment overseas in a move to balance their portfolio. Land & Houses Plc is planning to purchase a residential building in the United States worth US\$100 million this year, after seeing a high potential of a good returns on investment, the firm's managing director Adisorn Thananun-Narapool said.

He added that the company was successful in generating high income when it sold one of its apartment buildings in the US for \$18 million after purchasing it for \$12 million in 2012. "We expect more than 20 per cent return on our investment overseas compared to domestic ventures," he said. Sansiri Plc also invests worth Bt500 million to bought office in London, United Kingdom in last year after it earned high returns from a venture in London five years ago. Pruksa Real Estate Plc, meanwhile, has continued maintaining its investments in India after achieving success in a residential development in the year 2013.

2. No European, Thai Banks for Myanmar's new banking licences

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

European banks will not be included in the second round of foreign banks receiving new banking licences in Myanmar. *"Only banks with representative offices can apply for the licences, but there are not many European banks with representative offices here,"* Hset Aung, vice chairman of the Central Bank of Myanmar, said on the side-lines of the CBM Net Machine opening ceremony on Monday. Since last month, the central bank has been open for expression of interest. In the announcement dated December 14, it did not specify the number of licences to be awarded or the date when the licensing process would be completed.

In the first round, nine foreign banks were awarded licences, including Bangkok Bank. The others were from Australia, Japan, Malaysia, China and Singapore. All opened their local branches last year, after the licences were awarded in October 2014. In the second round, foreign banks from these countries are excluded. *"The main objective of the second round is to further promote existing economic cooperation,"* the central bank said. In the first round, three other Thai banks participated - Krungthai Bank, Siam Commercial Bank and Kasikornbank.

3. Australians keen on more investment here: survey

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

A business survey by the Australian-Thai Chamber of Commerce showed that more than two-thirds of its members were planning to increase their investment in the region, with Thailand ranked highest for growth opportunities ahead of India, Australia, Vietnam and Indonesia. According to the business survey - the first of its kind by AustCham - some 67 per cent of respondents expect to increase their investment in Thailand over the next two years, with 74 per cent anticipating an increase over five years. Thailand was also rated as having the greatest prospects for growth (61 per cent) in the region, ahead of India (55 per cent) and Australia (48 per cent). AustCham's business survey gauged about a third of its 299 members' views on the key issues and characteristics of doing business in Thailand.

Relations between the two countries are increasing: Bilateral trade more than doubled over the past decade from \$9.6 billion in 2005 to \$19.1 billion in 2014. Major Australian exports to Thailand include crude petroleum, oil and wheat, while Thailand exports to Australia include vehicles and steel and rubber products. The business survey underscored the success of the bilateral relationship, with 42 per cent of respondents reporting increased profitability for their company in 2015 compared with a year earlier.

4. Chinese cash in on Thai solar power

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

Chinese solar companies are looking for opportunities in Thailand as an alternative growth destination to China where the renewable power market has reached saturation point, according to BMI Research. Thailand is emerging as an attractive destination for renewable energy investment as the government looks to reduce the country's reliance on gas fired power generation and incorporate other sources into the power mix. To achieve the goal, the government has introduced a number of policies to support growth in the industry and encourage investment by improving the returns for renewable energy projects. These measures include feed-in tariffs, tax incentives and energy production payments. In the solar segment specifically, overproduction in the solar manufacturing segment has exposed Chinese solar manufacturers to vast overcapacity.

5. Confident Sansiri doubles new projects this year

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

Despite a spate of challenges, SET-listed developer Sansiri Plc (SIRI) remains bullish on its sales prospects and will almost double its number of new projects to 21 worth 50.5 billion baht this year. It aims at having 42 billion baht in presales this year, up 50% from last year. President Srettha Thavisin said 2016 would be a challenging year due to several negative factors including the political and economic situations. *"The government's initiatives, particularly investment in infrastructure nationwide, can help boost market sentiment,"* he said. *"Other positive factors include low interest rates, which raise housing affordability, declining oil prices, which reduce development costs, and property tax incentives, which can boost housing demand in the first half."*

6. SME, farm debt a headwind for Thai lenders, says report

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

Debt repayment will be a challenge for Thailand's financial institutions this year, particularly by farmers and small and medium sized enterprises (SMEs) amid the slow economic recovery, says the Bank of Thailand. *"Slow recovery in domestic economic conditions has affected the income and debt-servicing ability of the private sector, particularly of farming households and SMEs,"* said a central bank report released yesterday entitled "Assessment of Thailand's Financial Stability 2015. *"Agricultural households are the most vulnerable [to the slow economic recovery] among other households, and they could be affected at a greater degree from the drought occurring in the first half of 2015 and how commodity prices continue to remain low in the global markets,"* the report said.

By Harsha Hazarika