

Daily Thai News Summary: 22 October 2015

1. Chinese investment sought for Smart TVs

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

Thai electrical and electronics companies are wooing Chinese investors for joint ventures, which are in growing demand, according to the Electrical and Electronics Institute. President Somboon Hotrakul said smart TVs are one of the value-added investments that Thailand aims to develop as part of a global trend where consumers choose televisions with several functions such as internet and music players. China is a major supplier of electronic parts and it would be a great opportunity for Thai Investors to partner such a huge parts producer, he said.

2. Plan to help franchisers do businesses overseas

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

The Commerce Ministry's Business Development Department will join forces with the Board of Investment and the Thai Credit Guarantee Corporation to help 300 Thai franchisers do business overseas and 1,000 to do business in Asean after the regional integration. The three-year plan aims to strengthen franchisers' ability to do business abroad.

Deputy Commerce Minister Suvit Maesincee said franchising was one of the fastest and most efficient ways to increase the number of Thai businesses overseas. The ministry will ask the Cabinet next week for a budget of Bt187 million to support this project, he said. The plan is to support traders' development into professional enterprises, create business security, and encourage franchising overseas. 9% annual growth

According to the department, the franchise sector is growing by about 9 per cent annually from market value worth Bt200 billion a year and is now worth about Bt200 billion. Suvit said franchise enterprises had told the department that they want the government to help increase the opportunity for them to do business overseas and access soft loans and financial sources. They want amendments to franchise laws to facilitate their business growth.

3. Renewable energy plans steady growth

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

Renewable Energy is one of the main sectors expected to engage in more merger and acquisition (M&A) activity offshore in the next three to five years, according to Kasikornbank. This is because companies have the financial capacity to do so, while domestic consumption of renewable energy is not supportive of their long-term growth ambitions, said the bank.

KBank, one of the major banks involved with corporate fund-raising, yesterday shared its views on the upward M&A trend by Thai corporates domestically and in the CLMV markets - Cambodia, Laos, Myanmar and Vietnam. First senior vice president Suradech Kietthanakorn said that in the long term, more inbound M&A activity was expected because foreign investors - led by China and Japan - wanted a footprint in Thailand in order to use the country as a springboard to Asean, and the upcoming Asean Economic Community. However, the interesting trend is that listed Thai companies that raised funds via initial public offerings in previous years still have enough capital to consider M&A ventures themselves, as such a move could enable them to achieve higher growth over the long term, he said.

4. Equity markets expected to end year on a high note

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

Financial Markets in the past few months were dominated by uncertainties associated with an increase in the US Fed funds rate and concerns over the health of the global economy, driven largely by the slowdown in China and commodities exporting countries. Global trades slowed markedly, forecasts for growth in gross domestic product have been cut, and global equity markets posted the worst quarterly returns in four years. Pessimism became the consensus. Many fear that such a pandemic slowdown in the global economy will persist and stock markets will remain under pressure throughout the rest of the year.

We argue that global equities will remain on an uptrend and the recent equity markets correction is close to running its course. We expect the markets to recover in this quarter because of three important market drivers. First, valuations suggest that the downside in stock markets is quite limited. Price-to-book ratios in many emerging markets are below the levels seen in past corrections. Foreign outflows have stopped and fund flows have returned to emerging markets in the past few weeks, suggesting that cheap valuations have started to attract investment. Second, there is speculation over further policy easing from the Bank of Japan (BOJ) and the European Central Bank (ECB), which could provide positive catalysts for the markets.

5. TU enforces strict ethics for supplies

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

Thai Union Group, the world's largest tuna canner, has stopped receiving supplies from about 1,200 fishing boats in Thailand over the past one to two years as part of its strictly-enforced code for responsible sourcing and conduct. *"Our mission is not to be the largest or the No 1 company, but to be the most trusted seafood leader because we see our stakeholders need a trusted company,"* Thiraphong Chansiri, president and chief executive officer, said recently.

As part of its global rebranding launched on September 18, the group has unveiled its new corporate vision to be the world's most trusted seafood leader. Over the last few years, it has developed its business ethics and conduct codes and started implementing the rules not only for its operations but its entire supply chain with no tolerance of violators. In Thailand, the group has already reduced the number of boats from which it sources fish - from over 2,000 to about 800 - while for shrimp, boats providing fish for fish meal have been cut from over 200 to 57. *"Since 2014, we have terminated business relationships with more than 15 suppliers for this reason,"* he said.

The group has also ceased all purchases from mother-ship and transshipped vessels and launched a global sourcing policy on transshipment bans in April. *"As one of the founding members of the International Seafood Sustainability Foundation, we are committed to following Resolution 14-03, which calls upon the industry to refrain from transactions with purse-seine-caught tuna that are transshipped at sea,"* he said.

By Harsha Hazarika