

Daily Thai News Summary: 22 September 2015

1. GE expects further growth in Kingdom

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

Despite the sluggish economic growth in Thailand, General Electric says it continues to be upbeat about its business prospects in the Kingdom. Kovit Kantapasara, president and chief executive of GE Thailand, Laos and Myanmar, said the company expected its sales in Thailand and Myanmar to expand by 40-50 per cent this year compared with 2014. GE does not disclose its financial figures for each country. In an exclusive interview with The Nation, Kovit said GE's main focuses in Thailand included power generation and locomotives. *"We have been working on wind-power projects for the past few years and should have some breaking news soon,"* he said.

GE is also bidding for contracts to supply larger gas-turbine units to the Electricity Generating Authority of Thailand (Egat) Bang Pakong and South Bangkok power plants. It is also looking for an opportunity to supply power turbines to Gulf Energy Development's 5,000-megawatt IPP (independent power producer) plant once the project has been given the go-ahead and selects its technologies. The US conglomerate is awaiting the Thai government's decision on the fate of the country's first batch of 25 SPP (small power producer) plants whose power purchase agreements with Egat are due to expire in April 2017.

2. Ministry approves 309 foreign firms under FBA in first 9 months

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

The Commerce Ministry's Business Development Department has approved the operations of 309 foreign companies under the Foreign Business Act (FBA) during the first nine months of the year. The projects have an estimated combined worth of Bt11.82 billion. The number of approvals was 4 per cent lower than for the same period last year, while the total value of initial capital investment dropped by Bt46.25 billion, as many businesses had invested in finance-related businesses such as credit cards last year.

The department said permitting these companies to operate service businesses in Thailand would encourage technology transfer and create jobs for Thais. Pongpun Gearaviriyapun, director-general of the department, said many foreign investors were highly interested in establishing businesses in Thailand as part of their regional integration policies amid growth in the region. *"More investment will be seen in the remaining months of the year, as*

well as throughout next year. The government will try to facilitate more investments under the economic stimulation policies in preparation for the forthcoming Asean integration," she said.

This month alone, 38 companies were approved under the FBA, representing an increase of 31 per cent from September last year, with an initial investment capital of Bt1.49 billion.

3. Thai investors told of opportunities overseas

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

TMB Asset Management (TMBAM) said investment opportunities are rife during the current high fluctuation and uncertainties in the world's money markets via global fund that are more selective in term of equities which has high organic revenue growth and provide a good capital return to shareholders.

"TMBAM wants Thai investors to have a global investor's view by spreading out part of their investment abroad to increase the chances for more returns and to better manage their risks and going forward we are confident that the return from equity is still better than other assets and we believe that shares' with strong fundamental and quality growth are still out there all over the world," said TMBAM's director and chief executive officer, Somjin Sornpaisarn.

The firm's global equity fund is currently being co-managed by Wellington Management, a US-based investment management company with assets under management of around US\$936 billion as of June.

4. Changes to hedge fund regulations meant to facilitate investors. SEC says

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

The standardisation and amendments of regulations along with the introduction of niche products such as hedge funds are meant to facilitate investors, the Securities and Exchange Commission (SEC) says. It is "the final frontier" that will help Thai investors prepare for more investments overseas, it says.

The Bank of Thailand relaxed capital-outflow regulations in April as part of a three-year plan (2017-2020) to encourage more Thai investors to venture abroad, and the SEC is trying to match regulations with international standards to support and encourage the development of this trend. *"The BOT has begun the process of allowing for limitless venture abroad, which means that Thai investors will be more exposed to higher-risk products in other countries. But that has led people to wonder why Thai asset-management companies are not allowed to offer the same kind of products first,"* said Rapee Sucharitakul, secretary-general of the SEC.

The principles to regulate mutual hedge funds are currently being drafted by the SEC and will be the subject of separate hearings with the private sector and the SEC board. If approved, the products will be offered in the first quarter of next year. Nevertheless, it will take six to eight months before companies are ready to offer them since they have to market the products, train their staff and conduct a risk-assessment process.

5. Auto exports jump nearly 14% in August

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

Thailand's automobile exports jumped by nearly 14 per cent in August and the industrial confidence index for the next three months became positive, according to reports issued by the Federation of Thai Industries.

The FTI's automotive industry club reported that the country shipped 101,982 motor vehicles last month, up 13.88 per cent from August 2014. The increase was attributed to a commencement of exports of new pickup-truck models and continued good export performance of eco-cars. By value, last month exports grew by 23.44 per cent to Bt52.86 billion.

6. US lodging group enters Thailand

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

Red Roof, a US economy lodging group, is partnering with Thailand-based Paragon Hotels in opening properties in the Kingdom with confidence that tourism industry would thrive in the years to come.

A series of newly-built hotels is planned to open across Thailand between 2017-2020 in all major tourist locations. With over 400 properties in the United States, Red Roof targets domestic travellers looking for cost-effective lodging solutions. It is banking on the study that there will be over 148 million domestic travel-related trips forecasted for Thailand travellers in 2015.

Paragon Hotels was established for the new business. It is a unit of Paragon Partners, a property-specialised investment house. Targeting both leisure and business international and domestic travellers, Paragon Hotels hopes to eventually build Red Roofs hotels across the Asian continent in Myanmar, Laos, Cambodia, Bangladesh and other countries, expanding Red Roof's presence.
