

Daily Thai News Updates: 23 September 2016

1. Ministry to offer marine insurance incentives for importers, exporters

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

The Finance Ministry will offer supportive measures to marine insurance in order to encourage importers and exporters to acquire this insurance to reduce risk. Speaking at an "Insurance Expo" yesterday, Finance Minister Apisak Tantivorawong said marine insurance accounted for only 3 per cent of the Bt200 billion annual premium income from general insurance, a small amount compared with the Bt14-trillion annual value of import-export trade. Marine insurance has been dominated by foreign firms, and local insurers should have a stronger role in this sector, he said.

The high premiums of marine insurance are a barrier to importers and exporters, so the Finance Ministry was ready to help lower this obstacle. He said the Thai General Insurance Association (TGIA) and the Office of the Insurance Commission would provide opinions on the matter to the ministry. Local insurers have high exposure to motor insurance, which means that when car sales decline, the insurance business is affected as well. Therefore, insurance companies need new products to add value to their business, he said.

2. Investors 'keen on R&D', says BOI

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

The board of Investment said yesterday that Thai investors were responding to the new emphasis on innovation and technology development, and were planning to invest in research and development and biotechnology. The Commerce Ministry also aims at developing a network of innovation- and creativity-based start-ups, focusing on adding value with innovation, technology and creativity. Hiranya Sujinai, secretary-general of the BOI, said that after the board shifted its policy to promoting investment in science, technology and innovation, several Thai investors and companies had applied for privileges to expand in these businesses. More are expected to follow suit. R&D projects that add value with the BOI's investment promotions extend from parts for electric cars to bacteria for vaccine production.

3. Krungsri enters Cambodia with acquisition of HKL

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

Bank of Ayudhya (Krungsri) has announced its entry to Cambodia by completion of the acquisition of Hattha Kaksekar Ltd (HKL), a microfinance institution. "We are pleased to announce that after we had obtained all regulatory approvals, we were able to successfully conclude the acquisition of HKL. This progress underscores our concrete and accelerated step

forward to becoming an Asean powerhouse," Krungsri president and chief executive officer Noriaki Goto said. "We strongly believe that this development is of mutual benefit to the valued customers of both HKL and Krungsri. HKL's local expertise and extensive network in Cambodia complemented by Krungsri's strength in consumer finance will enable both parties to capture exciting opportunities emerging from one of Asean's fastest-growing economies.

"Of particular importance, Krungsri's expertise in consumer banking and its microfinance platform will be shared to strengthen HKL's market-leading position through enhanced capability and resources." HKL is the fourth-largest microfinance institution in Cambodia, offering both loan and deposit products to customers.

4. Thai firms lead Asean peers in sustainability gauges

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

Fourteen Thai listed companies have been included in the Dow Jones Sustainability Indices (DJSI), the largest number in Asean, according to the Stock Exchange of Thailand (SET). The Thai newcomer on the global sustainability indices this year was Kasikornbank (KBANK), adding to the 13 existing Thai firms. Thai Oil was ranked the highest for the third consecutive year among the 159 global firms in Energy Industry Group. Five among the 14 Thai companies -- KBANK, PTT, PTT Exploration and Production (PTTEP), PTT Global Chemical (PTTGC) and Siam Cement (SCC) -- have been selected in the 2016 Dow Jones Sustainability World Index (DJSI World). The Thai companies joining the Dow Jones Sustainability Emerging Markets Index (DJSI Emerging Markets) are Advanced Info Service (ADVANC), Airports of Thailand (AOT), Banpu, Charoen Pokphand Foods (CPF), Central Pattana (CPN), IRPC, KBANK, Minor International (MINT), PTT, PTTEP, PTTGC, SCC, Thai Oil (TOP) and Thai Union Group (TU). Thai Beverage, a non-SET listed Thai firm, has also been included in the 2016 DJSI Emerging Markets Index.

5. Foreign Business Act requirements eased for certain trades

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

The council of State has endorsed a draft ministerial regulation that was approved by the Cabinet in July. This regulation will allow foreigners to conduct certain businesses without being required to obtain a foreign-business licence under the Foreign Business Act. This change to the FBA is expected to be put into effect before year-end. The draft regulation eases the restrictions on foreigners operating a representative or regional office. Currently, if a foreign company operates either of these types of offices, the office is only allowed to provide limited non-revenue earning activities in Thailand after obtaining a foreign-business licence. A representative or regional office is not a legal entity separate from its head office, which differs from the regional operating headquarters and international headquarters incentive schemes, which are only granted to companies registered in Thailand that are profit-generating. The key distinction between a representative office and a regional office is the nature of the activities that can be provided for the benefit of the head office and, in some instances, its affiliates.

**By Nandini
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