

Daily Thai News Summary: 24 December 2015

1. Thai banks set to broaden overseas presence as AEC implementation nears

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

Despite the proliferation of technology, Thai banks still see a necessity to establish a physical presence. In this regard, Thailand's largest bank, Bangkok Bank, is in the best position to cash in on the Asean Economic Community (AEC) with its presence in nine of the 10 countries in Asean. BBL's international loans - those extended to businesses outside Thailand - account for 18-20 per cent of its total lending. Maintaining physical branches is a key strategy for BBL, and it has been ready to open more branches in each country if it sees significant activities from customers. Its strategy for Indonesia speaks to this. After opening a branch in Jakarta, BBL scaled up its presence with the opening of two more in Surabaya and Medan to satisfy demand from Thai and multinational companies. A year after the opening of the two additional branches, Indonesia is now the bank's second-biggest overseas market in terms of loan approvals, of the 14 markets it has been operating in.

The same strategy will be applied with its expansion plan in Laos. It already has a branch in Vientiane, and will soon open one more in Pakse, in the country's south. Kobsak Pootrakool, executive vice president for international banking at BBL, said digital banking might suit individual consumers, but for corporate banking, especially overseas, physical branches and local knowledge were needed. *"A key to banking overseas is understanding the regulations. We have to use local knowledge to contact regulators and clients. The lending process needs to use people, so having physical branches is meaningful for the bank when conducting corporate banking overseas,"* he said. BBL is the only Thai bank to receive a foreign banking licence in Myanmar. Connectivity in Asean is an advantage for BBL when offering integrated services. The bank has set up an Asean Connect Desk at its headquarters in Bangkok to advise entrepreneurs wishing to do business in both Asean and border provinces.

2. JETRO to brief Thailand on adjustment to TPP

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

The Japan External Trade Organisation has agreed to share its first-hand knowledge of the Trans-Pacific Partnership with Thailand so that this country can make the necessary adjustments before joining the world's largest trading bloc. After a recent meeting with Jetro Bangkok president Masayasu Hosumi, Commerce Minister Apiradi Tantraporn said that since Jetro had been assigned by its government to promote understanding about the TPP among its

private sector and affected businesses, Jetro could provide advice and information to Thailand as the Kingdom considers whether it wants to be a part of the TPP in the future.

The resources that Jetro can bring include basic trade information on the 12 member states of the TPP, trade and investment statistics for the 12 countries and real case studies on the experience and obstacles that Japan has faced. Japan is scheduled to send its TPP team from Jetro in February. Jetro is also preparing to send its experts next month to help Thailand develop the One Tambon One Product (Otop) scheme to penetrate the silver market. The aim is to help upgrade the quality of Thai products to serve the world market.

3. Red Line auction to be completed by this govt, says Arkhom

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

The Auction process for the trains and rail system for the Mass Rapid Transit's Red Line (Bang Sue-Rangsit), which has been ongoing since 2010, will definitely be completed by the current government, Transport Minister Arkhom Termpittayapaisith said yesterday. Meanwhile, private involvement in the construction and operation of the Pink and Yellow lines is being discussed within the ministry, after which proposals will be submitted to the Public-Private Partnership Committee, he said.

Investment projects to improve road infrastructure - such as the maintenance of 6,000 kilometres of roads along economic corridors, the upgrading and expansion of traffic lanes on 2,400km of roads, and the connection from Mae Sot's border checkpoint to Myanmar - are all expected to commence next year, he added. The auction for the Suvarnabhumi Phase II contract to increase the international airport's capacity to around 60 million visitors per year, from the current 45 million, is ongoing and construction should commence next year, the minister said, adding that the expansion should be operational in 2019. The establishment of the first centre for aircraft maintenance, repair and overhaul and research and development purposes will commence at U-Tapao Airport next year, while the area deemed suitable for the aero cluster is expected to be the industrial estate on the Eastern seaboard, Akhom said.

4. Amway changing format of its shops in 30 locations

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

AMWAY Thailand will spend Bt300 million over three years to transform its Amway Shops in 30 prime locations throughout the country into a new leisure and educational format that encourages visitors to linger longer. *"Our Amway Shops were positioned previously as a convenience-store format,"* managing director Kittawat Ritteerawee said yesterday. The revamp

is part of Amway's 10-year global strategy called AmwayNext aimed at creating an impressive branding experience and building strong bonds with customers in response to their lifestyles.

The upcoming implementation of the Asean Economic Community will significantly benefit the economy and the direct-selling industry, Kittawat said. *"Such trade liberalisation will allow for a better flow of money and human capital within Asean, together with the rapid expansion of direct-selling firms' networks in the region,"* he said. Today, competition in all major industries is moving towards gaining loyalty and engagement with individual customers by building positive experiences with them at any touch point. That includes the offering of quality products and positive shopping experiences. *"We have converted those convenience stores to the new concept called 'My Amway Place'.* *"Under that concept, Amway Shops will take on a new look that serves as the second home of Amway business owners. Members can come in and chat and create good experiences with Amway products together,"* he said. At a cost of Bt22 million, the Amway Shop on Sukhumvit Soi 54 in Bangkok was given the My Amway Place treatment and was opened yesterday.

5. Thitikorn to open two branches in Cambodia

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

Listed hire-purchase company Thitikorn plans to open two branches in Cambodia next year, after being in the market for one year and finding huge opportunity and high demand for motorcycle lending there, managing director Prathama Phornprapha said yesterday.

With the Asean Economic Community being implemented at the turn of the year, the company believes Thai operators are in a good position to expand their businesses in Asean. Thitikorn targets overseas revenue accounting for 50 per cent of its income within the next five years, she said. Meanwhile, the motorcycle hire-purchase market is expected to return to growth in 2016 after declining for the past two years, she added. The company's loan portfolio, which stood at Bt7.3 billion at the end of the third quarter, is expected to expand by 5 per cent over the next 12 months.

By Harsha Hazarika