

Daily Thai News Updates: 24 October 2016

1. Registrations of new businesses are up 4%

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

Although new business registrations declined year on year last month, new company registrations in the first nine months rose by 4 per cent to 48,987 firms, ensuring that this year the number of new companies will surge by 60,000-65,000, according to the Commerce Ministry. Banjongjitt Angsusingh, director-general of the Business Development Department, said more investors were expected to start new companies in the remaining months of this year as a result from the government's investment-promotion measures and strong tourism growth. "Thailand will maintain the momentum of promoting investment under a strategy to develop the local economy and increase employment. The plan to encourage the setting up of start-ups and small and medium-sized enterprises will help increase investment," she said. The department expects most of the new companies will be in the construction, property-development, restaurant, consultancy, and machinery businesses. The number of new business registrations in September declined by 2 per cent to 6,076 companies., while initial investment capital was down 51 per cent year on year to 22,429 firms. The department claims that its measures to facilitate new enterprises have also resulted in the establishment of more new businesses. These include the Transaction Security Act and the one-person-company legislation.

2. Japanese agency eyeing Khon Kaen industrial estate

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

The Japan International Cooperation Agency (Jica) has expressed an interest in investing in and developing an industrial estate in Khon Kaen province to capitalise on the logistics facilities in the Greater Mekong Subregion (GMS) for distribution to neighbouring countries. Industry Ministry permanent secretary Somchai Harnhiran said Jica has been in talks with the government to allocate a site in Khon Kaen, seen as the perfect location to link Myanmar's Dawei to Laos, Cambodia and Vietnam's Danang port via the GMS corridor. "Jica has expressed an interest in Khon Kaen, saying it would help gather Japanese investors wishing to expand their business to invest here in order to capitalise on the logistics facilities offered by the GMS," he said. Mr Somchai said the government is still working on the project with Jica.

3. Vinamilk banking on Thai sales potential

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

Vinamilk has major plans for Thailand as it works its way towards achieving its ambition of becoming one of the top 50 global dairy firms in the next three years. Vinamilk recently appointed Top Most Enterprise Co, a local company, to distribute its dairy products in Thailand where the market is worth 60 billion baht. Managing director Siwat Thamaratnothai said he suggested Most Enterprise serve as the Thai distributor after enjoying Vinamilk yoghurt during a trip to Vietnam. The company launched Vinamilk yoghurt in the Thai market at selected modern retail chains such as Lawson convenience stores and The Mall and Foodland supermarkets three months ago. Vinamilk yoghurt is priced 17-19 baht, higher than other brands due to its quality. Most Enterprise expects to cover all distribution channels in the second quarter of next year.

4. PTT to kick-start investment

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

SET-listed PTT Plc, the national oil and gas conglomerate, is accelerating its planned projects over the next five years to help jump-start investment and boost the economy. The objective is to bring forward projects in its five-year plan and increase investment in line with government policy, said president and chief executive Tevin Vongvanich. "I have just concluded the company's board meeting, and the board has approved the decision to start some projects earlier than previously planned in order to help support the economy," said Mr Tevin. The expedited projects are due to get underway by next year. Mr Tevin said all projects which involve the purchase and installation of new machines as well as maintenance on petrochemical facilities need to be started immediately. The company also wants to speed up a project to increase the refining efficiency of its petrochemical refinery business, IRPC Plc. Mr Tevin said plans to revamp IRPC entailed refining a greater range of petrochemical products to simultaneously cut production costs while increasing added value. He said PTT will also bring forward plans to increase the refining capacity of its oil refining subsidiary, Thai Oil Plc, the largest refiner in Thailand.

5. Bangkok Insurance studies re-entry to Vietnam market

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

Bangkok insurance is conducting a feasibility study on re-entering Vietnam after withdrawing from that market a decade ago, said BKI president Apisit Anantanarat. He said Vietnam's healthy economic growth and large population were good reasons to conduct such a study. BKI's previous business in Vietnam was through a joint venture, but it pulled out because of differences of opinion with its partner. The business environment Vietnam is different now, however, and the country is luring foreign investment, causing BKI to consider the possibility of resuming its business there, he said. If it does return to the Vietnamese market, it will need to acquire stakes in local insurers there, and it has discussed the matter with two or three of them. But such acquisitions would be quite costly, so the company needs time to consider whether such an investment would be worthwhile. BKI last year expanded into Laos under a company named Bangkok Insurance (Lao). BKI holds a 45-per-cent stake in that company, with Asia Insurance

and PT Asuransi Central Asia holding the rest. Bangkok Insurance (Lao) so far this year has generated premium income of Bt30 million, which is on target, Apisit said. He said the Laotian venture had been doing business with Thai construction and energy companies that have interests in that country, while also underwriting insurance for Bangkok Bank's commercial customers there. Bangkok Insurance (Laos) offers policies to retail customers as well, but Apisit said it had to focus on building brand awareness and advertising to make more of an impact on the retail sector.

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