

Daily Thai News Summary: 25 February 2016

1. BOI to open branches in Myanmar and Indonesia in push for investment abroad

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

The Board of Investment plans to open branches in Myanmar and Indonesia next year as a priority measure to encourage Thai companies, and small and medium-sized enterprises in particular, to invest overseas. This will improve their opportunity to invest in new production plants in new export markets to boost income growth for the long term, BOI Secretary-General Hirunya Suchinai said yesterday. The BOI's 14 existing branches overseas will also expand their traditional role of promoting foreign businesses to invest in Thailand, by studying ways for Thai corporates to invest abroad, she said.

The agency has a budget Bt30 million this year to support Thai companies wishing to take such a step, she said, adding that this is 50 per cent higher than last year's promotional budget. The first three groups of countries to be promoted for overseas investment are CLMV (Cambodia, Laos, Myanmar and Vietnam) plus Indonesia; other Asean countries, especially the Philippines, Malaysia and Brunei; and "new" potential markets such as India, Bangladesh, Sri Lanka, Mongolia, Uzbekistan and Uganda. The industries seen as having the greatest potential for investing overseas include agro-industry, automobiles, garments, food processing, and construction materials.

2. Private firms can develop solar rooftops

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

Energy policymakers plan to give the private sector better access to the state solar rooftop programme in a bid to promote the use of solar power. The programme for businesses will be liberalised, allowing private companies to apply for solar rooftop development licences with a combined generating capacity of 100 megawatts, said Energy Minister Anantaporn Kanjanarat. However, companies will still be barred from selling power back to utilities. Gen Anantaporn said the Energy Regulatory Commission will issue a solar rooftop letter of intent to free up projects generating 100 MW in April. The private sector previously had no right to develop any generating business. However, to liberalise the system, the government will allow the two major electricity utilities to allow private firms to apply for licenses to develop solar rooftop projects gradually as pilot projects.

3. Thai Life Insurance keen on boosting non-agency channel

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

After returning the life-insurance licence of Thai Cardif Life Assurance to the regulator, Thai Life Insurance set an ambitious target for the non-agency channel of a top-five share within three years. Thai Life acquired 100 per cent of Thai Cardif and transferred more than 400 Thai Cardif staff to Thai Life. Thai Cardif has expertise in the business-to-business-to-consumer (B2B2C) market, which was needed by Thai Life, whose own expertise was in the agency channel. Thai Life wants to strengthen the non-agency channel, which, led by partnership solutions, contributes only 15 per cent of its premium income. The other 85 per cent is from the agency channel. Kris Chantanotoke, senior executive vice president in charge of partnership solutions and bancassurance, said yesterday that in the past, marketing and products of Thai Life and Thai Cardif overlapped. The integration will help boost flexibility, cost efficiency and the non-agency penetration rate. About 90 per cent of non-agency premium income is from banks and the rest from non-banks, led by lease-to-own and including telemarketing. The business direction of Thai Life will become clearer because its brand is known enough to do B2B2C, which is important for the company's growth in the medium term.

4. UBER makes first two-wheeler foray

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

UBER offered its first motorbike taxi service yesterday, launching a pilot scheme in Bangkok, which could spread across Asia as it takes on chief regional rival Grab Taxi. Motorbikes have long been a popular commuting option in the Thai capital, which has horrendous traffic jams due to increased car ownership and poor city planning. Ubiquitous motorbike taxi drivers, found at stands across the city wearing bright-orange jackets, weave in and out of stalled traffic with both skill and knuckle-whitening speed. An Uber motorbike that collects passengers from their office or home could prove popular with commuters.

But Uber will be up against both Singapore-based Grab Taxi, which began offering a Bangkok motorbike service alongside its cabs last year, and the tens of thousands of regular motorbike taxi drivers who jealously guard their patches. *"I'm really excited to say Thailand is the first country to launch a two-wheeled motorcycle product in all of our cities,"* Douglas Ma, Uber's head of Asia expansion, told reporters.

5. E-payments usage to be boosted by launch of TPN debit card

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

Thai Payment Network (TPN) has partnered with UnionPay International to launch Thailand's first local-card network for processing electronic payments, in support of the Bank of Thailand's policy that all payments by domestically issued debit cards must be processed locally. TPN targets issuing 3 million-5 million debit cards in the first year, and debit-card transactions climbing to 5 per cent of the total value of cash withdrawals from ATMs, against 2 per cent at present, TPN chairman Shoke Na Ranong said yesterday. Merchants in the Kingdom to date have been discouraged from accepting debit cards due to the high transaction fees, while cardholders are not confident about using them and have concerns about the security of the magnetic stripe, Shoke said.

However, these problems will be addressed with the launch of the TPN service, he said, adding that since the cost of making electronic payments would be lower, people would be able to use e-payments for very small purchases. There will also be a high level of security through the use of a 'chip and PIN' system with a 6-digit PIN. *"Merchants and shopkeepers will have less risk as they will not need to handle so much cash, consumers will be able to make payments easily and conveniently, the government will save on administration costs, and financial service providers will be able to provide e-payments at lower fees,"* he explained.

6. iBank ready for first shares auction in March

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

The Islamic Bank of Thailand (iBank) is ready to hold its first shares auction next month to draw new stakeholders, especially foreign institutions and foreign funds that have shown interest in the available 74.5-per-cent stake. The state will be required to hold at least 25.5 per cent as specified by the State Enterprise Policy Office, down from nearly 90 per cent currently. iBank expects to secure new stakeholders by midyear. The State Enterprise Policy Commission has approved the iBank restructuring plan of late 2015, which will see the bank seeking strategic partners and transferring Bt40 billion worth of bad debts to the Asset Management Corporation to be set up by the Finance Ministry.

iBank chairman Chaiwat Uthaiwan said next month's shares auction would allow interested investors to propose bids and their preferred shareholding ratio. The new stakeholders will assume management duties in the third quarter of this year. By year-end, iBank will commence service operations for Muslims and general clients domestically and overseas. iBank expects to regain solid financial status by 2018. The new stakeholders will have to inject capital into iBank to raise its Bank for International Settlements (BIS) ratio to at least 8.5 per cent from

the current minus-21.1 per cent. The amount of capital injection by the new stakeholders will depend on their shareholding ratio and agreed share price, Chaiwat said.



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