

Daily Thai News Summary: 25 May 2016

1. Taiwan medical devices company aims to make Thailand a regional hub

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

APEX MEDICAL Corporation, a Taiwanese manufacturer of medical devices, plans to promote Thailand as its hub for CLMV (Cambodia, Laos, Myanmar and Vietnam) and North Asia over the next three to five years. *"Thailand's market has high potential and growth for the medical-devices segment. We also decided to establish a company in Thailand named Apex Medical Thailand via a joint venture with our distributor here,"* company founder Daniel Lee said yesterday. Apex medical devices were launched in Thailand about 20 years ago by Samaphan International Co. Apex Medical Thailand, which is 49:51 owned by Apex and Samaphan, just started operating as Apex's subsidiary in Thailand early this year. The company says it is confident of hitting its annual sales target of Bt100 million within three years, as Thailand is a huge market for medical devices with sales of some Bt10 billion in all categories.

The country is well positioned geographically to be a regional hub, something supported by government policy, and it is an ageing society. So there are good reasons for Apex having its own profile here. Apex is the market leader in Taiwan and distributes to 60 countries in Europe, the Americas and Asia. It has subsidiaries in Britain, Spain, France, the United States, Panama, Egypt, Greater China including Shanghai, and now Thailand. *"We need to serve all of Thailand's medical-device markets with good services, both sales and after-sales,"* Lee said. *"Apex Medical Thailand will be our regional headquarters for North Asia in three to five years and needs to gain more market share. CLMV is an emerging market for every company to focus on. AEC [the Asean Economic Community] is a good opportunity for us in the future."*

2. Big Russian groups eye cooperation with Thai firms

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

SISTEMA, a Russian property company, is encouraging Thais to invest in many high-potential Russian industries, as it sees potential in forming joint ventures with Thai companies. Suggested businesses are agriculture, telecommunications and information technology, hospitals, spas and seafood. After a Thai government mission visited Russia last week, Commerce Minister Apiradi Tantraporn said yesterday that amid closer cooperation between the two countries, Thai companies could take the opportunity to penetrate the Russian market by trading and investing more in many cities there. *"Many Thai enterprises could invest and trade more in Russia, as*

Russia is an emerging market with [relatively high] purchasing power, while it lacks fresh food," she said.

Sistema Group, which owns hospitals and property in Russia, would like to form JVs with Thai companies in those industries, as it perceives Thai enterprises as having high expertise in farming, seafood production, spa management, hospitals, and the telecom and IT business, she said. Lenta Group, a hypermarket operator in St Petersburg and the fifth-largest in Russia, has shown interest in importing many foods and products from Thailand. After meeting with Herman Tinga, commercial director of Lenta Group, Apiradi said this hypermarket operator would cooperate with Thailand in hosting an in-store promotion for Thai foods and products in its supermarkets. Thailand and Russia have discussed forming a free-trade agreement between Asean and the Eurasian Economic Union.

3. IES, Denmark's Vestas join for largest wind farm to provide low cost energy

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

Thailand based energy developer Impact Electrons Siam Co Ltd (IES) has selected Danish-based wind turbine manufacturer Vestas as preferred technology/EPC partner to develop a 600 MW wind project in southern Laos. The project, which can be completed in 2020, is set to become the largest wind farm in Asean. The signing ceremony of the memorandum of understanding is expected to be held at the Danish Ambassador's residence in Bangkok next month. Located near the Sekong River and linked to Pak Se, across from Ubon Ratchathani province, the wind farm is set to be constructed on an area covering the districts of Dak Cheung and Sanxay in Sekong and Attapeu provinces. It will guarantee a highly stable source of energy at low cost to meet the heavy demand coming from new super infrastructure, telecommunications and industrial projects across the Asean Economic Community (AEC). The power generated is expected to be sold on the Asean markets, mainly to Thailand and buyers bordering the Mekong. As such, the project will play a key role in the AEC, and Thai-Laos collaboration for sustainable development. *"It will distinguish Laos and Thailand as outstanding contributors to the fight against climate change under the Paris Climate Change Accord, often called "COP 21", agreed last November,"* said Woramol Khamkanist, a director of IES, which is developing the project.

The Kingdom and Laos are among 177 signatories committed to limit global temperatures to less than 2 degrees Celsius by reducing carbon emission and employing renewable replacements under COP 21. *"The Thai-Laos cooperation will significantly raise our stature in the world by taking firm action with respect to the Paris accord,"* said Woramol, adding that Southeast Asia has been criticised as being a laggard in curbing climate change because of its dependence on fossil-fired plants.

4. Centrally located Thailand still prime destination for direct investment in the region

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

Thailand remains the prime destination for direct investment as its central location in the region affords good connectivity to Cambodia, Laos, Myanmar and Malaysia, according to Knight Frank Thailand. Last year, the supply of serviced industrial land increased 2.7 per cent to 151,194 rai. Since 2011, supply has been constantly growing by 2-8 per cent yearly, comprising new and expansion of existing industrial estates. Industrial land sales surged 55.9 per cent to 3,549 rai, reflecting recovery from the previous year, when sales fell due to domestic political tension. From the end of 2013 until mid-2014, the Board of Investment could not authorise any large-capital projects, which dented the volume of transactions for industrial land in that year.

Foreign investors were also becoming cautious due to the political uncertainty. Marcus Burtenshaw, executive director and head of commercial agency, said yesterday that the company expects growth to continue this year specifically from investment in the electronics, auto parts, food and renewable energy industries. While Japanese investment remains subdued, increased activity is being seen from European and increasingly, Chinese firms.

5. Further trade cooperation with Australia sought

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

After 11 years of implementation, the Thailand-Australia Free-Trade Agreement (Tafta) has tripled two-way trade, encouraging both sides to expand cooperation. *"With closer ties and successful implementation, Thailand and Australia will talk further on strengthening cooperation in trade, services and investment so that more trade and investment will be seen in the following years,"* Commerce Minister Apiradi Tantraporn said yesterday. The ministry has found that since Tafta went into force in early 2005, Thailand has run a trade surplus every year with Australia. Apiradi and her Australian counterpart have made an appointment to meet in the second half of this year. According to a report by the ministry, two-way trade soared from US\$3.84 billion in 2005-2007 to \$14.84 billion (Bt530.5 billion) in 2013-15. Under the agreement, Australia had already eliminated 100 per cent of its tariffs on imported Thai goods by January 2015, while Thailand has eliminated tariffs on 98.99 per cent of Australian goods.

Thailand has only left duties on some sensitive products, which will gradually also be eliminated by 2020. The sensitive products are beef, pork, milk and other dairy products. Thai products that have enjoyed large benefits from the FTA according to the ministry are automobiles and parts, plastic pellets, seafood and processed seafood, air-conditioners and parts, rubber products, jewellery and ornaments. Products that Thailand imports in large quantities from Australia that have profited from the tariff reduction are crude oil, coal, ores, natural gas, chemical products, and machinery and parts.

6. Savannakhet, Thai provinces foster economic cooperation

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

Savannakhet province and four provinces in Thailand have agreed to develop their economic cooperation, especially in the fields of trade and investment. High-level delegations from Thailand's Sakon Nakhon, Nakhon Phanom, Amnatchareun and Mukdahan provinces recently met with Savannakhet authorities to discuss cooperation in trade, investment and tourism. The delegations informed each other about their respective socio-economic development status. Savannakhet provincial governor Santiphab Phomvihane reported that the province's GDP growth increased from 10 per cent in 2010 to 12.5 per cent in 2015, with annual average GDP per capita rising from \$897 in 2010 to \$1,785 last year. Foreign investment amounted to \$5.2 billion last year, a 58 per cent increase compared to five years ago. He said the province currently has 160 investment projects operated by companies from more than 20 countries, and numerous modern factories have set up business in the Savan-Seno special economic zone, the Dansavan border area and outside the special zone.

The value of imports and exports crossing the Savannakhet-Mukdahan Friendship Bridge reached \$1.341 billion last year while the number of tourist arrivals increased from 435,900 in 2006 to about 1 million in 2015. Exports for the five years from 2011 to 2015 reached \$3.6 billion, and imports \$1.2 billion, while revenue collection exceeded the plan each year by 18 to 20 per cent. Santiphab noted that cooperation in trade, investment and tourism would play a crucial role in the economic development of Savannakhet and the four provinces of Thailand as well as the two countries.

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