

Daily Thai News Summary: 27 June 2016

1. Somkid in China to woo investments from Start-ups

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

Thailand is encouraging China's start-up companies to invest in Thailand. Deputy Prime Minister Somkid Jatusripitak will be talking to the private sector in Beijing and Shanghai on a five-day trip that began yesterday to seek more investment. Somkid will be talking to 8-10 start-up companies to invest in Thailand as part of their overseas expansion. The Office of the Board of Investment will be following up on the investments, offering special incentives and privileges. Somkid is also scheduled to meet more than 300 Chinese investors on Wednesday at an investment conference entitled "Thailand: Moving Forward to Sustainable Growth".

The event is set to pinpoint investment opportunities, especially in information and communications technology, automobiles, electronics parts, tourism sector, telecommunications equipment, and machinery sectors. According to official statistics, from 2010-14, 172 investment projects worth Bt85.3 billion from China had been approved. Top areas of investment were machinery, automobiles, solar cells, and car assembly. Last year, the government approved 81 projects worth Bt28 billion, up from 40 projects in 2014.

2. Thai investors told to explore Yunnan

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

Agriculture food processing, services, tourism and logistics are potential business opportunities for Thai investors looking to plant a flag in Yunnan province, China. That is the opinion of Natchathorn Manopanjaisiri, Thailand's consul of the Commercial Affairs Office at the Royal Thai Consulate-General in the province's capital, Kunming. *"Chinese people in Yunnan province have an interest in buying Thai products,"* she said. *"Many of them have expanded their investments into logistic businesses in Northern Thailand to import Thai products, especially agriculture food products. There is potential in the province for Thai investors to expand their investments here."* Natchathorn said the investment potential for Thai companies in Yunnan stemmed from the province's higher consumer purchasing power when compared to many other Chinese provinces. In 2015, the trade value between Thailand and Yunnan was US\$975 million (Bt34.4 billion) and Thailand's trade deficit with the province was \$500 million. In the first five months of this year the trade value between the two was \$150 million. *"Thailand's trade deficit was because we imported fresh fruit, flowers, and agricultural products from Yunnan,"* she said.

Natchathorn said Thai investors eyeing China needed to find local partners and do their homework before investing. Pinnat Charoenphol, director and chief representative of the Tourism Authority of Thailand's Kunming office, which also covers Guizhou and Guangxi, said Thailand also benefited greatly from tourists coming to the country from Yunnan, with 12 per cent of the total 7.8 million Chinese tourists who visited Thailand in 2015 coming from Yunnan and Guizhou, and Guangxi provinces. *"Kunming city has several direct flights to Thailand, especially to tourist destinations such as Bangkok, Chiang Mai, Chiang Rai, Koh Samui, Krabi, Phuket. The number of tourists from Yunnan to Thailand is rising,"* Pinnat said.

3. Thai Gasma sees Thai hub for CLMV

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

The Thai Graphic Arts Suppliers & Manufacturers Trade Association (Thai GASMA) sees Thailand developing as the hub for supplying printing products and technology to Cambodia, Laos, Myanmar and Vietnam, as trade and investment expands in this part of the region. Rising sales of printing machines in the CLMV area, along with technologies and new printing innovation launched recently in Germany by global manufacturers, have significantly improved the overall printing industry, the association said. Thai GASMA will conduct roadshows in neighbouring countries in a bid to persuade printing houses to buy new printing technologies that will be showcased at the "Gasma Print 2016" trade show, due to be held in Thailand from September 14-17.

President Chaiwat Harnsomwong said the association was announcing Thailand as the printing-technology hub for CLMV because sales of printing machines and technologies in the Kingdom had risen significantly, while Thai investors had been active in forming joint printing houses with local businessmen in CLMV markets. This means businesses in these neighbouring markets are now purchasing printing machines and materials such as paper and ink from Thailand, he said. While the situation is favourable for Thailand to be the regional printing-technology hub, the country is also an aviation hub, so air travel in and out of CLMV countries for business and trade is very convenient and cheap, he said. Moreover, land transportation through border checkpoints is smooth and convenient, as well, with basic infrastructures such as new roads to facilitate border trade also resulting in trucks being able to deliver Thai products to the capitals and other major industrial cities in neighbouring markets.

4. ASEAN to press RCEP to cut tariffs on 92% of goods

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

ASEAN countries will propose to the 16 member states of the Regional Comprehensive Economic Partnership (RCEP) to eliminate tariffs on 92 per cent of trade in goods to promote economic integration of the grouping soon. Sirinart Chaimun, director-general to the Trade Negotiations Department, said although Asean countries wanted the agreement to be finalised by the end of this year, there was still some disagreement over this proposal. RCEP countries will need to vote and negotiate on the issue at the upcoming ministerial level meeting set for August 5 in Laos. The agreement will be proposed to the Leaders Summit in September this year.

RCEP countries will also discuss service sector liberalisation, which are now negotiating about service businesses and binding for liberalisation in service and investment sectors. Ronnarong Phoolpipat, deputy director-general to the department and chief Thai negotiator for RCEP, said officials are trying to wrap up all discussions before September. The next RCEP meeting of officials is scheduled for August 15-19 in Ho Chi Minh City, Vietnam. Issues for discussion included the liberalisation of trade in goods, services, and investment, intellectual property right, laws, rules of origin, customs procedure, trade facilitation, sanitary and psyto-sanitary standards, technical barriers, electronic commerce, finance, telecommunication, and economic cooperation.

5. Panpuri-building a world class Thai brand

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

After starting with an investment of less than Bt3 million, Puri is now one of Thailand's leading luxury-spa and aromatherapy-product companies, exporting its products to hotel spas and department stores in more than 20 countries, including Japan and South Korea, as well as key European cities. A flagship store is scheduled to open in Tokyo's Ginza district next year, after one shop opened in Kobe this year. Domestically, the number of sales counters will be expanded from about 40 at present. That is attributable to relentless efforts over the past 13 years to establish the Panpuri brand.

Vorravit Siripark, founder and chief executive officer of Puri, started the business when he was just 28 years old. From the start, he aimed to turn Panpuri into a global Thai brand, cashing in on the unique sense of Oriental botanical ingredients that are blended into a range of products for use from head to toe. *"I was lucky to start this business when I was young. Being young and having no knowledge of the industry, I had no fear. Everything was possible,"* he said. Luck was on his side, as four months after incorporating the business, the products it exhibited at an export fair won orders from Singaporean and Philippine buyers. The company's products also caught the eye of hotels and vendors in Europe when they were exhibited at a fair in Bologna,

Italy. It was then that the company decided to set up a distribution arm in Paris, to distribute its products on the European continent.

6. Lignite Miner Sahakol plans IPO to expand

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

After enjoying a stable income flow from 10-year contracts sealed with the Electricity Generating Authority of Thailand (Egat), Sahakol Equipment is gearing up to raise funds from the stock market because it is doubling the size of its business, chief executive officer Sasavat Sirison said. The lignite-mining contractor plans to float 230 million shares, equivalent to 23 per cent of total outstanding shares after the initial public offering, expecting to raise between Bt700 million and Bt1 billion from the IPO slated for the third quarter.

According to Sahakol's IPO prospectus approved by the Securities and Exchange Commission, during the past three years, the company earned nearly all of its income from excavating and transporting lignite for Egat's Mae Moh mine in Lampang under a Phase 7 contract that will end in 2020. The company's annual revenue ranged from Bt1.6 billion to Bt1.9 billion from 2012-2015, although net profits fluctuated more substantially. The filing shows that Sahakol recently won a Phase 8 contract from Egat that will provide Bt22 billion in revenue over the next 10 years, as well as a similar 10-year contract from Hongsa Power, a Laos-based lignite-fired power-plant joint venture by Banpu Power, Ratchaburi Electricity Generating Holding and Lao Holding State Enterprise, worth Bt11 billion. *"We're also preparing to bid for the Mae Moh Phase 9 contract next year, which is expected to be valued at about Bt30 billion,"* Sasavat said in an interview with The Nation. Siam Commercial Bank and Maybank Kim Eng Securities (Thailand), the joint financial advisers, lead arrangers and underwriters, are appraising the appropriate valuation of the IPO, which could be priced somewhere between power-company and contractor stocks.

.....

By Harsha Hazarika