Daily Thai News Summary: 29 January 2016

1. Solid economic growth expected in 2016

Source: **The Nation** (Link)

The Fiscal Policy Office has forecast the economy will grow 3.7 per cent this year Krisda Chinavicharana, FPO director-general and finance spokesman, highlighted the Bt35-billion budget for the national village and urban community development fund as one of the stimulus measures. A higher investment budget this year is also tipped to fuel growth. Headline inflation is estimated at 0.3 per cent for 2016 on the expectation of rising demand pressure. *"In estimating Thai economic indicators, we have to take into consideration risk factors and monitor them closely,"* Krisda said. *"These risks include fluctuations of global oil prices and [the] weak recovery of the global economy."* It is expected the Thai economy expanded 2.8 per cent last year, driven by rising public spending on the back of consistent stimulus measures, relief measures for farmers and increased number of tourists. The economy grew 0.9 per cent in 2014. In December and the fourth quarter of 2015, there was a recovery in domestic spending for both consumption and private investment due partly to consistent government stimulus measures since and government spending. At constant prices, value-added tax collection rose 6.8 per cent and 2 per cent year-on-year in December and the fourth quarter, indicating improved consumption. For private investment, property tax soared 32.7 per cent and 18.8 per cent year-on-year in December and the fourth quarter.

2. Million foreign tourists expected during Chinese New Year

Source: **The Nation** (Link)

Around A million tourists are expected to travel to Thailand during Chinese New Year, generating revenue of Bt29 billion. Srisuda Wanapinyosak, the Tourism Authority of Thailand's deputy governor for international marketing in Asia and the South Pacific, yesterday said an estimated 1.01 million foreigners would visit the Kingdom during the nine-day celebration, from February 6-14. The projection is equivalent to a 19-per-cent increase in arrival numbers over last year's Chinese New Year.

The forecast revenue contribution of Bt29 billion represents a 32-per-cent rise from the same period last year. Srisuda said Chinese from mainland China, Hong Kong, Taiwan, Singapore and Malaysia would together make up nearly half of the visitors at 476,000 - some 20 per cent higher than last year. About 300,000 of them are expected to be from mainland China. Chinese tourists in total are expected to generate income of Bt15 billion during the celebration period, she said. A total of 330 charter flights from mainland China, Hong Kong, Taiwan, Singapore, Malaysia, South Korea, Japan and Vietnam will carry tourists to Thailand over Chinese New Year. Of these flights, 174 will be direct to Bangkok, 75 to Phuket, 44 to Chiang Mai and 37 to Krabi. *"Despite China's [economic] instability, the TAT remains optimistic that the country will contribute the largest arrival source with more than 6 million tourists expected this full year,"* Srisuda said. According to the TAT Intelligence Centre, the key factors that are helping attract more Chinese and other tourists to the Kingdom are the availability of multiple-visit visas and visas on arrival, more scheduled and charter flights, and the marketing efforts by travel agencies overseas.

3. LPN Development's latest Bt 1.3 billion project

Source: **The Nation** (Link)

Introducing LPN Development's about to be opened condominium project, Lumpini Ville Ratchapruk-Bangweak, worth Bt1.3 billion with a starting price of Bt999,000 per unit. The condominium has a total 1,085 units, combining using space of between 22.5 and 26.5 square metres per unit. The project is scheduled to start construction in the first half of this year for completion in the second quarter of 2017. The project opens to booking on January 30. Nye Estate Co introduces its latest townhouse project, Cherkoon Sathorn-Ratchapruek, at a starting price of Bt4.99 million per unit.

The project has 70 units - three-storey townhouses with using space of 168 square metres per unit, combining three bedrooms and three bathrooms. The project will have its grand opening on February 12-13, this year. A mixed-use project from D-Land Group D-Land Group Co plans to launch its latest mixed-use project, D Town Sriracha, worth Bt1 billion, this year. The project will combine Porto Market, D Complex, and D Park Condominium, and service apartments.

4. E-Commerce driving office demand

Source: **The Nation** (Link)

One of the key sectors that has been driving office demand in the past two years is e-commerce. The tremendous growth in the value of e-commerce in Thailand, from 768 billion baht in 2013 to 2.1 billion baht in 2015, has led to the growth in demand for office space from this sector. In 2013, e-commerce businesses accounted for only 5% of CBRE's office lettings transactions. This increased to 15% in 2015, accounting for over 20,000 sq.m. of office space let through CBRE. The exponential growth in this sector is not surprising given the growing popularity of online shopping in Thailand.

The four key characteristics e-commerce businesses look for in an office building is location, quality, efficiency and lifestyle. The preferred location is within the CBD, or close to the CBD such as Ratchada. Whichever location they choose, access to mass transit is a mandatory requirement. To project the right image for their companies, e-commerce businesses tend to prefer high-quality buildings with extensive facilities, hence the preferences is for Grade-A offices. The image factor is also important in terms of attracting young talent and Generation-Z employees who tend to be more lifestyle and image conscious. Several e-businesses who have bigger space requirements have also opted to shift to newer buildings.

5. APEC states nod to ease rules on financial product sales

Source: **The Nation** (Link)

Seven members of the Asia-Pacific Economic Cooperation (Apec) forum have agreed to liberalise cross-border sales of investment products by financial-services professionals in the region. Finance officials and regulators from seven Apec economies, namely Australia, Japan, South Korea, New Zealand, the Philippines, Singapore and Thailand, signed on January 18 in Singapore a memorandum of cooperation on the content of the Asia Region Funds Passport. The seven Apec members are pioneer participants in the Asia Region Funds Passport, an agreement that aims to make it easier for financial-services professionals in a participating Apec economy to sell investment products, such as mutual funds, to retail customers in other participating Apec economies. The agreement hopes eventually to promote job creation and growth in the region.

Securities regulators from these seven economies are expected to sign a further memorandum early in the year, according to an official statement. The Asia Region Funds Passport is on track for commencement by 2017. Activation for the Asia Region Funds Passports will take place as soon as two or more participating economies sign the memorandum and implement its arrangements, the statement said. The Apec Policy Support Unit found in its study that once fully launched, the Asia Region Funds Passport could save the region investment to the tune of US$20 billion (Bt717 billion) annually in fund-management costs and could, furthermore, offer higher investment returns with the same or with a lower degree of risk. The group also said the initiative would encourage a pool of local funds that could create 170,000 jobs in Apec economies within five years. *"The Asia Region Funds Passport aims to cut down on incompatible or overlapping regulation that may hinder the marketing of managed funds between participating Apec economies,"* said Trudie Wykes, chairwoman of the informal group leading its development. *"The initiative is a win-win idea for financial services professionals and retail investors with potentially significant benefits for employment and economic growth,"* she said.

6. Sukhumvit Soi 38 popular for condos

Source: **The Nation** (Link)

As the Thong Lor area becomes saturated with residential projects, nearby Sukhumvit Soi 38 is the new choice for property firms to develop luxury condominiums as demand remains strong in this part of Bangkok. *"We decided to launch our new luxury condominium, The Bangkok Sukhumvit 38, with a starting price of more than Bt300,000 per square metre when we saw strong demand in this location,"* Land & Houses president Naporn Soonthornchitcharoen said. Sansiri president Srettha Thavisin also said his company would launch a luxury condominium costing more than Bt350,000 per square metre on Sukhumvit 38. The project will feature interiors by French designer Philippe Starck. This will be Sansiri's second condominium project employing an internationally renowned interior designer.

Sukhumvit Soi 38 is opposite Sukhumvit Soi 55, which is well know as Soi Thonglor. The location offers easy access by car to Sukhumvit and Rama IV roads. Soi 38 also has lower density than Thonglor but with similar facilities. These include the Thong Lo Skytrain Station and close proximity to The Em District, featuring EmQuartier and The Emporium. According to a survey by The Nation, Sukhumvit Soi 38 has fewer condominium projects than Soi Thonglor. Most have been launched since 2007, when prices started at Bt110,000 per square metre. But the new condominiums that will be launched this year will charge more than Bt300,000 per square metre, 200 per cent higher than nine years ago.

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