

## Daily Thai News Summary: 2 February 2016

### 1. Thailand and China to finalise Bt 500-Bn-Medium speed railway contract in May

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

Thai and Chinese authorities are expected to finalise a Bt550-billion contract on a medium-speed railway system in May as part of the grand strategy to connect Southeast Asia with China's "Belt and Road" initiatives, in which more than 60 countries will likely be involved in coming years, said Dr Aksornsri Phanishsarn, director of the Thai-Chinese Strategic Research Centre. Speaking at a panel discussion hosted by Suthichai Yoon, chief adviser of Nation Multimedia Group, Aksornsri, also a lecturer at Thammasat University, said the "Belt and Road" initiatives would also connect countries in the Pacific Ocean with those in the Indian Ocean based on the ancient Maritime Silk Road. *"The Chinese are building a 507-kilometre railroad extension from the southern city of Kunming to Laos, where another 600km-plus railroad will be built to link with the Thai section of over 800km, which runs from the northeastern province of Nong Khai to Map Ta Phut and Bangkok,"* she said.

Because of the strategic importance of Thailand and the rest of Southeast Asia, Chinese authorities have given a high priority to the Thai-Chinese railroad scheme, which has been considered by several Thai cabinets over the past few years. Last month, the China-led Asian Infrastructure Investment Bank (AIIB) was also officially established to provide financial support for infrastructure schemes in Asian countries. Thailand and other Asian as well as European countries including the United Kingdom, Germany and France are among the 57 countries that hold shares in the AIIB.

### 2. More inflows to Thai capital market expected: TMB

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

The Thai stock and bond markets are expected to witness new investment inflows in the short term following the Bank of Japan's decisions last Friday, said TMB research. *"Expectations run high that other central banks in Asia including the People Bank of China and Bank of Thailand would boost the economy in a similar manner,"* it said.

The BOJ last week decided to keep the policy rate at the negative territory for the first time in its history. TMB noted that a sharp drop in Japanese and US bond yields on Friday, minus 14 and 13 basis points respectively, indicated inflows into global bond markets. Thai treasury yield also fell by 19 basis points to 2.30 per cent. Meanwhile, the decision boosted

global stock markets. The Stock Exchange of Thailand Index also ended the month above the psychological level of 1,300 points.

### **3. Twenty contract signing in pipeline**

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

Contracts for 20 megaprojects in the Transport Ministry's infrastructure development plan are likely to be signed before the current fiscal year ends, a senior transport official says. Speaking after a meeting following up on the megaprojects worth a combined 1.79 trillion baht, Deputy Permanent Secretary Peerapol Thavornsuphacharoen said contract signing for all of them should be completed by September. However, he said several megaprojects are divided into phases and are made up of small schemes. The cabinet in December last year approved action plans for the projects, part of the government's urgent strategy to kick-start an ambitious development plan from 2015-22. The megaprojects cover all of transport systems, including railways, maritime and air transport.

### **4. Commerce Ministry wants to spur exports, drive local economy**

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

The Commerce Ministry plans to ask the Cabinet next week for an additional budget of Bt1.5 billion to support the multi-agency project to spur exports and create a sustainable economic structure for the country. Deputy Prime Minister Suwit Maesincee said yesterday that the budget would be spent over three years to implement a plan to drive the growth of the local economy as well as to guide local enterprises foraying into the global market. Many government agencies as well as the private sector were involved. Under the Commerce Ministry, there was the Internal Trade Department, International Trade Promotion Department, Foreign Trade Department, Business Development Department and the Intellectual Property Department.

The Industry, Interior and Agriculture ministries were also cooperating. From the Bt1.5 billion budget, Bt620 million would be spent for driving the local economy and Bt880 million for promoting doing business overseas and exporting. The project targets increasing incomes for local farmers by 15 per cent this year, border trade by 15 per cent and the number of Thai businesses operating in border provinces by 20 per cent from the current 96 firms. Malee Choklumlerd, director-general of the International Trade Promotion Department, said to promote overseas trade, the government will focus on spending to drive trading and investing overseas, as well as to promote tourism.

## 5. Ministries to establish “info gateway” for foreign visitors

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

The Ministries of Information and Communications Technology and Tourism and Sports will jointly develop a “Thailand tourism gateway” to provide comprehensive information to tourists to help bring in more revenue from foreign travellers. The gateway will consist of many platforms including websites and applications. Yesterday the two ministries met for the first time and announced that the first phase would be launched by the end of this year. Meeting at the ICT Ministry, they agreed to set up a committee for the project and to meet again on February 10 at the Tourism and Sports Ministry.

According to the plan, the first phase will be a platform that will provide information on popular tourist sites, including hotel accommodation, transport networks and activities. Tourism and Sports Minister Kobkarn Wattanavrakul said the first phase would cover eight major tourist destinations including Phuket, Pattaya and Hua Hin and another 12 "do not miss cities" such as Lampang, Chanthaburi and Trat. "Our objective is to provide more info for tourists [so that they will] spend more time and money in Thailand. Currently, one tourist spends Bt5,000 per day and 9.5 days per trip" on average, she said. After the first phase, the two ministries will expand the project to cover more cities and provinces next year. ICT Minister Uttama Savananyana said his ministry would support the plan in such ways as e-commerce platform reservations, free Wi-Fi for tourist sites and a "smart city" project in Phuket.

## 6. Thai Union completes deal for Rugen Fisch

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

Thai Union Group (TU) has completed the acquisition of a 51 per cent stake in Rugen Fisch, Germany’s shelf-stable seafood leader. TU said in a statement that the transaction was approved by the competition authorities in Germany and the EU. It added that after the acquisition, Rugen Fisch's headquarters will remain in Germany. *"Today we achieved another important milestone for Thai Union. We are ready to delight and win consumers with our premium, nutritious and sustainable seafood products in the German market,"* said Thiraphong Chansiri, president and chief executive officer, Thai Union Group.

The German company supplies ambient and chilled fish products, including herring, mackerel and salmon, across Germany to all leading retailers under its own key brands, namely Rügen Fisch, Hawesta, Ostsee Fisch and Lysell, along with a significant private label manufacturing business.

## 7. Bangchak buys solar power firm in Japan

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

BANGCHAK Petroleum is acquiring SunEdison Japan, a solar power company in Japan, for Bt2.92 billion as part of its plan to expand its power plant capacity and geographic footprint. *"This acquisition is an important milestone of [wholly-owned subsidiary] BPCG in expanding its growth platform toward its goal to become a regional renewable energy company,"* president Chaiwat Kovavisarach said yesterday.

In its filing to the Stock Exchange of Thailand, Bangchak said BPCG had signed an agreement with SunEdison International and SunEdison Energy Holding (Singapore) to acquire all outstanding shares of SunEdison Japan Corporation, SunEdison Japan |Debt Financing and SunEdison TK Investor 1. The transaction is in accordance with the company's board of directors meeting on Thursday. BPCG will buy the entire solar power plant business of SunEdison in Japan with total capacity of 198 megawatts. SunEdison's portfolio includes solar power plants in operation with total capacity of 13MW, solar plants under construction with total capacity of 27MW and projects under development with total capacity of up to 158MW.

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