

## Daily Thai News Summary: 2 June 2016

### 1. Prayut urges G77 countries to pursue sustainable growth

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

Prime Minister Prayut Chan-o-cha yesterday urged countries in the Group of 77 to work closely in helping to drive the global economy towards sustainable growth, development and stability. Prayut was presiding over the “SEP in Business: G77 Forum on the Implementation of the Sustainable Development Goals” at the Siam Kempinski Hotel. The forum aims to bolster cooperation among the 77 member countries and promote the sufficiency-economy model in the private sector.

Prayut said it was necessary to tackle the current problems of developing countries such as the widening income gap, exploitation of natural resources and pollution of the natural environment, social injustice, labour shortages and ageing populations. *"The Thai government has formulated a national reform strategic plan for the next 20 years to achieve its 167 targets. The public is welcome to participate in shaping Thailand's future once reforms to tackle political and social conflicts and disunity are in place,"* he said.

### 2. Hong Kong invest to follow new Bangkok office with another one in Jakarta

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

Hong Kong Invest plans to open a new office in Jakarta following the establishment of one in Bangkok earlier this year, its goal being to attract mainly e-commerce from Indonesia and agricultural business from Thailand. Francis Ho, associate director-general of the agency, said the Bangkok office had been opened in April as part of its global and regional plans, with the aim of promoting investment in Hong Kong as well as boosting existing businesses. Currently, Hong Kong Invest operates 29 offices worldwide, covering all major economies. *"For Thailand, we aim to boost investment [in Hong Kong], especially in agricultural products and food processing as the country is a global food production base. Hong Kong can be a regional hub of for the import and export of food products from Thailand,"* he said. Meanwhile, hospitality is another potential investment sector in Hong Kong, as the Kingdom is the biggest tourism market in Southeast Asia.

Ho said that when the Jakarta was opened for business in the final quarter of this year, it would bring huge opportunities for trading and investment from the largest country in Southeast Asia. Invest Hong Kong recently signed a memorandum of understanding with Indonesian companies to expand their cooperation with the special administrative region, he added. For Indonesia, the investment promotion agency is targeting e-commerce business in particular due

to the country's plethora of islands, plus the fact that the Indonesian government announced the promotion of small and medial-sized businesses supplying overseas markets with products made across the archipelago, he explained. Invest Hong Kong also aims to attract foreign investment to mainland China, on the back of Beijing's "One Belt One Road" initiative to draw investment from around the world, he said. For China, potential investment sectors include services, finance, trading, logistics and high-technology businesses.

### 3. Firms on offensive

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

Amata B Grimm Power Group is partnering with Global Power Synergy to bid for more than 51 per cent of Indonesia's Medco Power. The two Thai companies have submitted a bid for the Medco Power stake and are in exclusive talks with Indonesia's Saratoga Group, Amata B Grimm president Preeyanart Soontornwata said yesterday. The deal is expected to be finalised in the middle of this month. The company will use cash and loans to finance the purchase, he said. A spokesman for Saratoga Group, which owns a majority stake in Medco Power, said it was in talks with several parties to sell a stake in the company, which operates power plants in Indonesia.

### 4. Khao Lak eyes 1m visitors this year

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

Local and international hotel developers are adding more supplies to tsunami-ravaged Khao Lak, which is expected to welcome a million visitors this year. Bill Barnett, managing director of C9 Hotelworks, said yesterday that in the year following the 2004 tsunami, guest arrivals in Phang Nga fell sharply to fewer than 300,000. But in a remarkable sustained upswing, the figure rose to 962,020 last year and is expected to break the 1-million mark this year. C9 Hotelworks says the key drivers of this upsurge are Chinese and Australian visitors, adding to the European guests who still dominate the market with 80 per cent of arrivals, resulting in a new wave of hotel development. Khao Lak has 104 registered accommodation units with 7,822 keys, which pales in comparison with neighbouring Phuket with close to 50,000 rooms.

However, over the past five years, the destination has grown 16 per cent a year, a performance not gone unnoticed by both Thai and foreign hotel developers, which are putting 1,213 guestrooms into the pipeline. Barnett said the upcycle in tourism was highlighted by the planned return of Bill Heinecke's Minor Hotel Group and the coming onstage of more international brands such as IHG's Holiday Inn. *"Geographically within Khao Lak we are seeing the push north for the newest and larger resorts, with Bangsak in particular seeing a number of*

*large-scale properties.*" Winter visitors from European countries, especially German-speaking nationalities, have been the legacy market. These tourists in fact the main drivers of the destination in the period after the tsunami. By 2006, foreign visitors eclipsed domestic demand for the first time and the trend has grown ever since. *"Over the past few years, Khao Lak has attached itself to Phuket's fast-rising airlift and China and Australia in particular, with strong arrivals in the traditionally lean summer months, driving the growth and market maturity as it becomes a year-around market as opposed to the disruptive seasonality it used to be known for,"* Barnett said. Other key emerging markets such as Japan, South Korea, Malaysia and Singapore are key catalysts of change.

## **5. PTTEP to bid for Bongkot gas field**

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

PTT Exploration and Production said yesterday that it would cooperate with its partners to bid for the Bongkot gas field that it is currently operates, but indicated that it might not contest for the other major gas block currently run by US oil giant Chevron. "We are still confident that operation by the existing company will bode well for the continuity [of petroleum production]. But there are many conditions to consider," PTTEP president and chief executive officer Somporn Vongvuthipornchai said when asked if his company would also bid for the Erawan block, currently operated by Chevron.

The National Energy Policy Council chaired by Prime Minister Prayut Chan-o-cha resolved on Monday for the government to put to bid the two major petroleum blocks whose concessions will expire in 2022-2023. The Erawan and Bongkot gas fields have combined production of 2.2 billion cubic feet per day, or 76 per cent of the output in the Gulf of Thailand. Direct negotiations will be held with Chevron and PTTEP if there are no interested bidders. PTTEP holds a 44.445-per-cent stake in the Bongkot block, with the balance held by Total E&P Thailand (33.33 per cent) and BG Asia Pacific (22.22 per cent). Bongkot is 203 kilometres off the Songkhla coast in the Gulf of Thailand. Somporn said PTTEP had prepared for the auction and would give importance to production continuity to ensure energy security for the nation, or, if there were a discontinuity in production, to minimise its impacts.

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**By Harsha Hazarika**