

Daily Thai News Summary: 2 May 2016

1. Somkid: Recovery in Sight

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

AIRASIA'S suggestion of setting up an international headquarters (IHQ) in Thailand and Huawei Technologies' plan to open a headquarters here next month have been hailed as signalling the return of foreign-investor confidence in the Thai economy. On the second day of "Startup Thailand 2016", Deputy Prime Minister Somkid Jatusripitak said that coupled with the government's attempt to make start-ups a new engine of growth through such programmes as an "innopolis" scheme, the economy's outlook was definitely bright. "There are positive signs of economic recovery," he said, pointing to the tourist numbers and exports in the first quarter. The bright outlook was assured by the visit by AirAsia chief Tony Fernandes yesterday, the deputy PM said. During his meeting with Prime Minister Prayut Chan-o-cha and Somkid, he floated the idea of setting up an IHQ in Thailand, which is touted as the true gateway of Asean tourism.

2. Singapore firm targets region

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

Singapore listed Super Group is set to stir up its instant coffee and creamer business in the region and Thailand as the Asean Economic Community starts to percolate. *"Super Group is already a relevant regional player with 15 facilities and productions bases within the member states of AEC, including Myanmar, Malaysia, China, Singapore and Vietnam,"* executive director Peter Tan said last week. *"With the implementation of the AEC, the free flow of capital, investments, skilled labour, services and goods will immediately mean greater savings from shared resources such as labour, advertising and promotional efforts, trade tariffs/ taxes currently related to the trade of goods and allocation of various resources across borders. The group can also leverage and roll out branding, innovation and diversification initiatives within a recognised region that can elevate Super Group or better integrate the group into the global economy."* Tan told The Nation that the establishment of the AEC last year was a major milestone in the regional economic integration agenda in Asean, offering opportunities in the form of a huge market of US\$2.6 trillion and over 622 million people. In 2014, AEC was collectively the third largest economy in Asia and the seventh largest in the world.

The AEC Blueprint aims for a AEC in 2025 that is highly integrated, competitive, innovative and dynamic with enhanced connectivity and sectoral cooperation. It will be more resilient, inclusive and people-oriented - a people-centred community, integrated with the global

economy. Asean will be more proactive, having had in place the structure and frameworks to operate as an economic community, cultivating its collective identity and strength to engage with the world, responding to new developments and seizing new opportunities.

3. Toy firm initiates tourism project

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

Mafia Factory, the group of companies owning rights to manufacture the “CE” platform toy, has announced a new project “CE Localism” to spread the Thainess image and bring tourism income to local areas via its CE toy. The move came after the group's success in commercially developing the platform toy called "CE" - which stands for Creative Enhancement - after it finished among the world's top five toys in the Best DIY Platform category in the International Designate Toy Awards 2011 contest in the US.

CE (Pronounced as "Zee") is a character and platform toy project created by a Thailand-based company, Expertise Partner International (EPI), a project developed and managed by Napat Phromphruk since 2008. CE is the first platform toy in Thailand completely designed and manufactured in Thailand, from the first sketch to the final product. Napat, who is business development director of Mafia, also one of the founders of companies under the Mafia Factory brand name - Monkey and Friends Production Co Ltd and EPI - expects the "CE Localised" project would help spur the domestic tourism market in local areas.

4. Three way pact for Creative Innovation Hub

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

The Finance Ministry yesterday signed a memorandum of understanding with three state-run banks. The goal is for the hub to support the ecosystem for the country's start-ups. Permanent secretary Somchai Sujjapongse said the government aimed to make Thailand the start-up creation centre for the region and, to accelerate progress towards achieving this vision, it had set up a National Start-up Committee, as well as a venture-capital fund with initial funding of Bt3 billion. Somchai is chairman of the committee, while the Vayupak Fund and Krungthai Bank are in charge of the fund. Start-ups will also be exempted from income tax for their first five years in operation, he said. Even though Thailand has commenced a start-up project later than those established in neighbouring countries, the government believes things will now move rapidly because government agencies are jointly giving assistance to the start-up sector, he said. However, he acknowledged that the creation of start-ups came with high risk and required careful consideration at every stage, as the experience overseas was for only 3-10 per cent of start-ups to survive.

The private sector and universities have run start-up projects before, but the government considers that it should now be the centralised body of knowledge for the sector, as well as the core bio-space to make room for creativity and innovative ideas, the permanent secretary explained. The National Start-up Committee will act as the accelerator to push those ideas through to the business-model stage, while the venture-capital fund will assist start-ups that have insufficient capital to move forward, he added. The Creative Innovation Hub, which will be located in the former building of the Stock Exchange of Thailand, is expected to create 10,000 start-ups in the next five to 10 years.

5. Terminal 21, Foodland Supermarket forge alliance

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

Terminal 21 has joined forces with Foodland Supermarket to form a partnership for business expansion in supporting their strategic move to the high-potential markets in the provinces. The partners says their collaboration brings mutual support by combining both parties' strengths and competence in gearing towards the future together, with the first Foodland Supermarket in the Northeast to open at Terminal 21 Korat this year. *"The partnership with Foodland Supermarket is part of our key strategy to build supermarkets as an anchor tenant," said Prasert Sriuranpong, president of Siam Retail Development Co, the operator of Terminal 21. Both Foodland and Terminal 21 have many business objectives in common - focusing on middle-class consumers, fostering quality of products and service, and gearing towards major provincial markets. This collaboration will strengthen [both of us] in walking towards the future together. The first Foodland Supermarket in the Northeastern region of Thailand will open at Terminal 21 Korat this year. Looking forward, our partnership will strive to bring new shopping experiences to local consumers as well as help raise the profile of local product development for a sustainable future."*

Somsak Teraphatanakul, chairman of Foodland Supermarket Co, said: "Building a partnership with Terminal 21 simply goes in line with our five-year growth strategy, which is devised to be more intensive than the previous years in order to reach new customers as well as retain the existing customer base while coping with today's fiercely competitive world. *"In more than 40 years in business, Foodland has become a widely recognised and favourite supermarket brand, and still has a large potential for growth. Seeking the right business alliance that shares the same business policy, principles and direction is essential for us in growing towards the future together while constantly bringing a good quality of life to Thai consumers. We are confident that Foodland at Terminal 21 will bring a great experience to consumers looking for good-quality products and hearty service as well as the convenience of shopping at any time of day or night. Our first branch in northeastern Thailand, set on ample space of 2,500 square metres and costing about Bt200 million in investment, will come with a fresh new look and is*

expected to bring a brand-new shopping sensation to consumers in Korat and nearby provinces. We anticipate 5,000-6,000 customers daily." Foodland plans to invest Bt1 billion in this year's expansions, including the opening of three new supermarkets locally. The company posted between Bt7 billion and Bt8 billion in sales last year. It plans to open a new Foodland supermarket at the Terminal 21 complex in Pattaya in the near future.



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