

Daily Thai News Summary: 3 June 2016

1. Thailand remains attractive to German businesses

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

Thailand remains an attractive investment destination to the German business sector, concluded businessmen from the country after a meeting with Prime Minister Prayut Chan-o-cha. Representatives of different business sectors - automotive, energy, infrastructure and agriculture - made use of the meeting to present their suggestions with regard to the economic policy of the Thai government. The framework for research and development in Thailand and the cooperation in the field of dual vocational education were also addressed.

Meanwhile, Thailand emphasised that Germany and German companies are highly appreciated as long-term partners of the Kingdom. They also explained a number of reform projects of the government in detail and took note of the suggestions made by the participants. The meeting was attended by around 60 leading representatives of the German business sector in Thailand. On the initiative of the Embassy and the German-Thai Chamber of Commerce, the meeting was also attended by Deputy Prime Minister Somkid and three ministers as well as other high-ranking officials.

2. Ethiopian Airlines making Bangkok hub for Southeast Asia flights

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

Ethiopian Airlines is pushing Bangkok as a new hub to link with the Southeast Asia region, with plans to operate connecting flights to Vietnam, Singapore and Indonesia over the next 15 months. Meaza Taye, regional manager for Thailand and Southeast Asia, said the airline would operate a connecting Bangkok-Hanoi flight from November. It also plans to add connecting routes through Bangkok to Singapore and Jakarta by March next year. Currently, the airline operates seven flights a week between Addis Ababa and Bangkok, with three connecting flights per week to Kuala Lumpur and four a week to Manila. *"We are pushing Thailand as a new hub into Southeast Asia. Bangkok will play this role,"* she said. The main passenger targets in Southeast Asia are people working for construction and mining companies in Ethiopia, while tourists, particularly free independent travellers, are an emerging market. Among African airlines operating in Southeast Asia, which also include Kenya Airways, South African Airways and EgyptAir, Ethiopian Airlines has 35-40 per cent of the market. Average load factor on the Bangkok-Addis Ababa route is 75-80 per cent. Taye said the Boeing 767s flying Ethiopian Airlines' Southeast Asia routes would be replaced by Boeing Dreamliners.

The national airline of Ethiopia began a major corporate campaign in Southeast Asia last year by organising a special flight to Bangkok with an all-female crew, including the pilots. This year, the airline will continue promote itself as part of its 70th-anniversary celebration, as Ethiopia is one of the emerging destinations in Africa. Highlight attractions include the country's long and unique history, its culture, and natural sites like active volcanoes. The airline has unveiled a 10-year plan for 2016-2025 for future growth. By 2025, it aims to increase annual revenue from US\$2.4 billion (Bt85 billion) to \$10 billion and profit from \$172 million to \$1 billion. During the period, it plans to increase its international flights from 91 to 120 as well as to increase its fleet from 76 to 140.

3. Huawei shoots for 15% of the Thai smartphone market in 2017

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

Huawei says it aiming to control 15 per cent of the smartphone market in Thailand by next year. The Chinese company says it will also continue to invest in Thailand and will officially introduce a new Thai executive to take care of this market. Globally, the company reported revenue growth of 8.5 per cent in the first quarter. Thomas Liu, president for Southeast Asia of Huawei Consumer Business Group, said the company aimed for a 15-per-cent share of Thailand's smartphone market in 2017, from just 2 per cent last year. Year on year, Huawei's share of the global smartphone market increased by 62 per cent in the first quarter. *"We will continue [to] invest in Thailand in terms of marketing and business channels and will officially announce an online channel for Huawei P9 and P9 Plus as well as [promote] Tossaporn Nisthanon to Huawei county director to take care [of the] Thai market next week,"* Liu said. He said the company entered the Thai market five years ago and had grown ever since.

Huawei has invested around US\$600 million (more than Bt21 billion) in Thailand during the five year it has been doing business here. It says it will be the first brand in Thailand to offer countrywide delivery of its products within just five days of purchase. The Huawei P9 is a dual-lens-camera smartphone. The Huawei P9 Plus features a 5.5-inch display within a metal uni-body. The two new smartphones were launched in the global market in April and will available in Thailand next week. In the pipeline for the Thai market are the Huawei Watch and Huawei MateBook. *"Huawei has strategic plans to accelerate the growth of the smartphone business in Southeast Asia,"* Liu said. He said the company had invested around \$37 billion in research and development, 10 per cent of it global annual revenue, over the past 10 years. *"We will focus on developing cutting-edge technology to deliver a [better] user experience to customers worldwide through smartphones packed with a number of innovations."* International Data Corporation has presented an updated five-year forecast for smartphone shipments worldwide by device vendors. IDC says 1.5 billion smartphones will be shipped this year, up 5.7 per cent from the 1.4 billion units shipped in 2015.

4. DIW aims to boost SMEs

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

The Department of Industrial Works (DIW) expects the number of factory operators with registered machinery to increase significantly this year. It expects the total machinery value to be more than Bt80 billion. The department has joined forces with the Office of Small and Medium Enterprises Promotion to inject a yearly budget of Bt15 million over the next three years to provide SMEs with more working capital and capability by converting machinery into capital. The move aims to boost SME investment and stimulate the economy. Pasu Loharjun, director-general of the DIW, said that as of May there were 508 factory operators with 3,353 machines registered worth Bt34 billion.

A year earlier, there were 470 operators with 2,085 registered machines. From 1972 to now, 57,595 factory operators registered 800,528 machines worth Bt68 trillion. Pasu said the economy was expected to improve this year and lead to business expansions. From January to May, 113 operators registered 354 machines for metal-made products (the most registered) followed by 53 operators registering 317 plastic-product machines. Twenty-eight operators related to the grinding, milling or grinding of seeds and tubers and the burning of coconut shells for charcoal and charcoal grinding registered 259 machines. Fifty-three operators in the publishing group registered 104 machines, and 33 in the non-metal-product group registered 56 machines. Under the three-year campaign to spur SME investment and boost the economy, the DIW aims to convert machines to capital for 500 operators per year and have 1,000 operators upgrade machinery per year.

5. Siam Kubota opens Asian R&D hub

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

SIAM KUBOTA Corporation has inaugurated the Bt600-million Kubota Research and Development Asia at Nava Nakorn Industrial Zone in Pathum Thani province to deliver innovative agricultural solutions in response to the growth of Asia's agricultural economy and diverse farmer needs. The company aims to provide farmers with agricultural machinery to help reduce costs and increase productivity, company president Hiroshi Kawakami said.

He added that Kubota Research and Development Asia was born out of the Japanese parent company Kubota Corp's recognition of Thailand's potential as a base for conducting agricultural-machinery R&D, especially since agricultural exports from Asean are expected to grow while machinery continues to replace manual labour. *"We understand well the needs of the market and farmers and aim to provide products that are suitable for the different topographies and climates of each country. Our quality products have satisfied farmers worldwide. We will*

continue to develop Kubota products into a leading global major brand," he said. "Siam Kubota recognises the importance of R&D and innovation in developing quality agricultural machinery fit for rice farms and all varieties of field crops. We are dedicated to continuously improving product quality and R&D as well as designing products that meet the needs of farmers in every region to reduce costs, increase productivity, and support a sustainable agricultural sector. Kubota R&D Asia utilises modern technology to test all products under rigorous testing processes to ensure quality and accurate results," he said.



By Harsha Hazarika