

## Daily Thai News Summary: 4 July 2016

### 1. Plan to boost organic produce industry

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

The Commerce Ministry has come out with a five-year plan to develop organic agricultural products so they gain a bigger share in the global market. Commerce Minister Apiradi Tantraporn said that the plan would start from next year and would add value to organic goods. She said it would also help the marketing and packaging development for products. "The world market value of organic is worth US\$72 billion (Bt2.3 trillion) and grows at an average rate of about 12.8 per cent each year," she said. "Yet, Thai products have still gained a less than 1-per-cent market share. The country, as an agricultural-based country, should focus on promoting organic farm crops and develop these products so that Thailand can become a centre of organic products growing and trading in the Asean and Asian regions." The United States, Germany, and France are three leading exporters of organic produce, respectively. Asia has 23 million rai (3.7 million hectares) of land for growing organic products, or about 10 per cent of the total production area worldwide. China has the most following by India.

Thailand is ranked eighth in the global market, and fourth in Asean. Australia has the biggest area of land for growing organic products, following by Argentina and the United States, while India has the most people who grow organic products, following by Uganda, and Mexico. Thailand has 3.7 square kilometres for growing organic crops. About 7,000 farmers are involved in organic farming, and they produce 80,000 tonnes of produce annually. Thailand has the potential to export organic food worth about \$135 million each year. Its major export markets are to the European Union, the US, and Singapore. Apiradi said that Thailand could expand the growing area for organic crops and increase the supply to serve rising demand in the world market. Under the five-year plan, four strategies will be focused on including a plan to increase the segment's recognition among products, traders, and consumers, and a plan to support the country launching an organic certification and standard for farming.

## **2. East to attract tech investors**

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

The Eastern Economic Corridor (EEC) is expected to boost investment in high-technology sectors by more than Bt150 billion over the next three years, Kan Trakulhoon, head of the EEC project working group, said yesterday. The government is rebranding the country's largest industrial zone, the Eastern Seaboard - covering eight provinces on the east coast - into the EEC in order to cash in on both domestic and foreign investment, as well as to promote the country as a new industrial hub in the region. Kan said the Cabinet should approve a draft law for the creation of the EEC within the next few months, and formally announce it as being on the national investment agenda by the year's end.

Kan, director of Siam Cement and one of the key figures in the economic-reform team responsible for developing the government's "Pracha Rath" and "Quick Win" projects, said the private sector was ready to invest in such high-technology sectors to the tune of about Bt150 billion over the next three years. The government has an overall policy goal of boosting 10 high-end industries and service sectors such as chemicals, biochemicals, automotive, tourism, machinery and parts, and high-speed-rail systems.

Meanwhile, deep-sea ports can be developed as a boost to marine tourism, as they can serve international cruise lines as well as luxury yachts. Rayong province, which he said claimed the highest income rate in the Kingdom, should attract new investment and service businesses. The government has already invested more than Bt300 billion in mega-infrastructure development around the country, Kan said, adding that the huge investment programme was aimed at linking Thailand with Southeast Asia, and not least with neighbouring countries under the new CLMVT (Cambodia, Laos, Myanmar, Vietnam and Thailand) cooperation drive.

## **3. GH Bank launches new model to woo high income earners**

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

The Government Housing Bank (GH Bank) has created a new housing loan model with housing developers to guarantee service quality as part of its strategy to expand its customer base from middle- to high-income earners. It hopes the model will help mix the portfolio of social solutions for customers and business solutions customers, and the middle- to high-income group will improve the quality of loans and ensure healthy margins in the long run, GH Bank President Chatchai Sirilai said. The new model, called Premier Service Centre (PSC), which kicked off on June 27, will guarantee its service to customers of property developers. Further, it will upgrade the training of the bank's sales staff to deal with housing developers' sales staff. Under the PSC, GH Bank will offer tailor-made loans to the developers to offer to their buyers. The bank is

joining hands with six developers and it aims to issue new loans of Bt30 billion per year. GH Bank's annual lending is around Bt170 billion.

At present, customers from social solutions such as the Pracha Rath or housing loans to government officers account for 30 per cent of the total loan portfolio. The bank's margin is quite low from social solutions, he admitted, and added that the bank expect to miss its net profit target of Bt9.5 billion this year. Even the major loan portfolio is business solutions customers who borrow for buying homes worth around Bt2 million. The bank wants to have a higher share in housing priced at more than Bt3 million.

#### **4. Thai Air Asia begins flights between Vientiane and Bangkok**

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

Thai AirAsia has inaugurated daily flights from Bangkok (Don Mueang Airport) to Wattay International Airport in Vientiane, beginning on July 1. The official opening of the new route took place in Vientiane on Friday. The event was attended by Thailand's Ambassador to Laos Mr Noppadon Theppitak, Minister Counselor (commercial) to Laos Ms Pimol Pongkongkaew, Director General of Laos' Department of Civil Aviation, Mr Vanhpheng Chanthaphone, and Director of Vientiane's Information, Culture and Tourism Department, Mr Khampadith Khemmanith. Air ticketing agencies in Laos were also represented at the inauguration. Speaking at a press conference on the occasion, Thai AirAsia CEO Mr Tassapon Bijleveld said the new route would help to stimulate both tourism and investment in Vientiane and build on the already strong relationship between Laos and Thailand while offering more opportunities for the two neighbours to strengthen their ties. *"To mark the inauguration of the Vientiane-Bangkok route we are offering a special promotional fare starting at only US\$35 per trip, available for booking July 1-3, 2016, for travel from July 1-November 30, 2016,"* he added. *"We are confident that both Lao and Thai nationals will see that this route offers great travel opportunities by saving them both time and money,"* Mr Tassapon said. *"We plan to actively promote this route to both Thai and foreign travellers so that they can come to Vientiane to support its business sector. We are proud to be able to contribute to enhancing Laos' economy while also building on ties between Thailand and Laos,"* he added.

AirAsia currently serves three routes from Laos with AirAsia Bhd. (code AK) flying from Vientiane to Kuala Lumpur three times a week and Thai AirAsia (code FD) flying from Luang Prabang to Bangkok daily (starting March 24, 2016), and now Vientiane to Bangkok daily. These routes not only provide more convenient travel between Laos and Thailand but also help to bridge the nations of Asean. Each year, the number of passengers using AirAsia's services increases by about 15-20 percent, of which some are in Asean countries, Mr Tassapon said.

## 5. Amway confident of 4-5% sales growth in Thailand

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

Driven by what it sees as a rebound of Thailand's overall economy and consumer sentiment, Amway Thailand expects to lead the country's direct-selling industry with stable annual growth of 4-5 per cent on average over the next five years. The US-based direct-selling giant still believes in the tremendous opportunity for this type of business in the Kingdom. Kittawat Ritteerawee, managing director of Amway (Thailand), said the nature of direct-selling business was network marketing.

The direct-selling market in Thailand was worth Bt70 billion last year, up 3 per cent over 2014. There are currently between 200 and 300 local and international direct-selling firms in the market with regular activities, of which about 50 are real active players. Amway Thailand claims to have 24 per cent share of the market. Amway will celebrate the 30th anniversary of its Thailand subsidiary next year. Thailand is Amway's second-oldest operation in Asean after Malaysia, where the company opened a subsidiary 39 years ago.

.....

**By Harsha Hazarika**