

## Daily Thai News Summary: 6 May 2016

### 1. More New Zealand products set for Thailand

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

Miniature apples, sheep milk gelato and “activated” muesli are some of the latest products from New Zealand expected to hit Thailand shelves in 2016, according to New Zealand Trade & Enterprise. The announcement followed New Zealand Food Connection, a B2B trade show series which took place in Bangkok on April 26. More than 50 new product items from New Zealand were offered to Thailand's top buyers at the private event held by New Zealand Trade & Enterprise. *"New Zealand producers know how to satisfy Thai consumers' appetite for new and innovative products,"* says New Zealand Trade Commissioner to Thailand, Karen Campbell. *"Thai consumers are becoming more focused on health foods, but still enjoy a sense of occasion, which makes New Zealand's fresh, safe and traceable food an ideal fit for this market,"* Campbell said. New Zealand is one of only two countries to export more than half its total food production. There are 35,000 to 40,000 regulated businesses operating 85,000 food premises in the country.

### 2. King Power zeroes in on Thai AirAsia takeover

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

Duty-Free operator King Power International Group is set to cash in on tourism growth if it achieves its takeover of Asia Aviation, operator of low-cost airline Thai AirAsia. The Srivaddhanaprabha family has reportedly spent Bt3 billion buying shares in Asia Aviation, leading it to become the largest shareholder in the airline company with 23 per cent. Vichai Srivaddhanaprabha, chairman and chief executive of King Power Group, hopes that the company's expansion into the aviation industry will help it gain more business from air travel and increase sales at its duty-free shops. The negotiation process took a month before the striking of an agreement was reported. However, Thai AirAsia, now says the two companies are still in negotiations.

Tassapon Bijleveld, chief executive of Thai AirAsia, yesterday insisted that no agreement had been reached despite the airline earlier reporting one to the Stock Exchange of Thailand. The airline said it had an extensive network of destinations in Asean, with code sharing serving seven countries via 15 routes to 12 destinations. Last year Thai AirAsia carried 14.8 million passengers. The airline expects to serve 16.9 million travelers in 2016 thanks to the acquisition of five new aircraft scheduled to arrive this year. The airline performed well in 2015 in line with

higher global demand amid lower fuel prices. King Power operates shops at the Srivaree Complex in Bangkok, in Pattaya, in Phuket, and at Suvarnabhumi, Don Mueang, Phuket, Chiang Mai and Hat Yai airports. The group owns new English Premier League champions Leicester City.

### **3. Bangladesh expo aims to boost trade, investment**

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

Bangladesh will promote more trade and investment with Asean and Thailand in particular, banking on momentum from the first-ever “Bangladesh Trade and Investment Expo” to be held in Bangkok from May 30 to June 1. Bangladesh's ambassador to Thailand, Saida Muna Tasneem, said that in view of the good relations with Thailand, the embassy would host the expo for the first time here. Thai Commerce Minister Apiradi Tantraporn and Bangladeshi Commerce Minister Tofail Ahmed will co-chair the event, which will take place at Queen Sirikit National Convention Centre. *"More than 50 Bangladeshi manufacturers and service enterprises that export goods and services to Europe and North America will join the expo to seek trading and investment opportunities in Thailand and Asean,"* Tasneem said, adding that Thailand has strong potential to be a gateway to other Asean countries.

At the expo, Bangladesh will present its special economic zones and bring members of the Board of Investment and the Board of Export Promotion to woo investors from Thailand. The ambassador said Bangladesh was considering special privileges for Thai investors. Industries in which Thailand and Bangladesh could form closer cooperation and promote joint investment are garment and clothes, pharmaceuticals and medical products, ceramic and tiles, kitchenware, furniture, leather and footwear, energy and alternative energy, electronic and electric appliances, ICT and software, silk, handicraft and home decorative items, tourism, food and beverages, frozen food, organic tea, hospital and medical services, chemical products, cosmetics, jewellery and ornaments, machinery and engineering equipment, and automobile and parts. According to a survey last year by the Japan External Trade Organisation, Bangladesh has been rated as the country that generates the highest return on investment in both the manufacturing and non-manufacturing sectors compared with other countries in Asia and Oceania. Bangladesh offers labour at a competitive cost and the cost of energy is low, as is the cost of production. Many Thai investors could do business in the country.

#### 4. Commerce Ministry targets service-export growth

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

The Commerce Ministry has responded to the exports slowdown by strengthening its plan to promote service exports, in particular healthcare and wellness items, by adopting the South Korean model for their promotion. Chantira Jimreivat Vivatrat, deputy director-general of the International Trade Promotion Department, said the department would promote businesses such as spas, hospitals and cosmetic surgery as it foresees a good opportunity to raise related revenues. She said Thailand could be promoted as a healthcare and wellness service centre, as those businesses have been well accepted by foreigners.

According to the Commerce Ministry, exports for the service sector are worth US\$53 billion (Bt1.9 trillion) a year. The government expects that export revenues from the service sector will grow beyond \$55 billion this year. Under the service-business promotion plan, the department will focus on developed markets and specific target groups such as the elderly and younger people who are greatly concerned about health and beauty. Lalida Jivanuntaprat, director of the department's Service Trade and Logistics Office, said that on a visit to South Korea to learn about its cosmetics industry, people there suggested Thailand could become a centre for healthcare and beauty in Asean. The South Korean government foresees Thailand as having good potential to produce goods and services to serve the beauty industry, Lalida said.

#### 5. Residential developers dust off their delayed launches

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

Developers plan to launch residential projects worth more than Bt200 billion combined in greater Bangkok over the rest of the year, after delaying the launch of many projects during the first four months. *"We launched only eight projects in the first four months of the year because we speeded up sales from our inventory to match the government measure to reduce transfer and mortgage fees to 0.01 per cent, which expired on April 28,"* Prasert Taedullayasatit, Pruksa Real Estate's president for premium business, said. The company will launch another 63 projects worth up to Bt50 billion over the course of the rest of this year, in a bid to boost full-year presales to the targeted level of Bt47 billion, he said. Sansiri will launch seven projects together worth Bt13.2 billion during the current half, and a further 10 projects worth up to Bt20 billion in the latter half. The developer launched only four projects in the first quarter, during which it recorded presales of Bt5 billion.

President Srettha Thavisin said the company had confidence of growth in residential demand during the remainder of the year, even though the government stimulus measure for property business expired last month. *"We are maintaining our transfer-value target of Bt36*

*billion for the year," he added. Quality Houses, meanwhile, plans to launch 13 new projects worth Bt14.1 billion over the rest of the year, after launching just two worth Bt2.1 billion combined in the first four months. "We will accelerate the launch of new projects during the rest of this year now that the government's stimulus package for the property sector has expired. We believe our presales will hit the full-year target of Bt21 billion, after recording presales worth Bt4.4 billion in the first quarter," chief executive officer Chadchart Sittipunt said. Pruksa's Prasert Taedullayasatit, who also president of the Thai Condominium Association, said most residential developers had delayed the launch of new projects during the first four months, as they had introduced special promotional campaigns to sell their stock to match the government's stimulus package for the sector. According to a survey by the Thai Condominium Association, presales value from October 28 through April 27 in Bangkok and its suburbs was worth some Bt300 billion, up 20 per cent from the earlier estimate of Bt250 billion.*

## **6. SCB plans major revamp of branches to boost SME lending**

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

Siam Commercial Bank is transforming its 1,200 branches nationwide into SME branches in an attempt to drive small and medium enterprise credit to one-third of its loan portfolio by 2020 from 20 per cent currently. *"This adjustment is a strategy of the bank in preparing to cope with digital banking and e-payment, whose role is increasing in financial services,"* Vipon Vorasowharid, the first executive vice president in charge of business banking, said yesterday. The front-office staff of branches should adjust their role to acting as business consultants to SMEs, because transactions at branches have declined. *"Customers have migrated to digital banking from going to branches. We have introduced a pilot project at some branches to serve SME customers,"* he said.

The bank's business banking group is joining forces with the retail banking group to set up a system to transfer customers and the credit analysis function to branches. The SCB executive in charge of mortgages also told The Nation that several SMEs buy residences and some of them do not require a home loan because they have enough money to make a cash purchase, so mortgage staff have to adapt to suggesting services that involve SME products. The bank calls this collaboration "leverage the bank". The bank will focus on building its SME customer base. A project loan to one corporation can help support the business of subcontractors in the corporation chain that are SMEs. This will lead to increased lending to SMEs.

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**By Harsha Hazarika**