

Daily Thai News Summary: 7 January 2015

1. Thai-Myanmar trade expected to double in 2 years

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

Thailand and Myanmar are set to double bilateral trade to between Bt350 billion and Bt420 billion within two years, while also promoting cross-border trade to Bt300 billion, under closer cooperation through the Joint Trade Commission (JTC) and Asean integration. Commerce Minister Apiradi Tantraporn said yesterday that the countries would strengthen ties in trade, investment and other forms of cooperation, which should help promote trade and investment growth between the two neighbours. The proposals for enhanced cooperation will be discussed during the upcoming seventh meeting of the JTC, to be held in Nay Pyi Taw from January 14-15. Apiradi will lead the Thai delegation, while Myanmar's trade minister will chair the meeting.

Besides setting trade targets, the ministers will also seek further cooperation in banking and financing in a bid to use local exchange rates for trading between the two countries. They will also exchange information on trade rules and regulations, increase cooperation at cross-border checkpoints and discuss how to upgrade the checkpoints so that Thailand and Myanmar can achieve increased trade growth, Apiradi said. Other discussions during the JTC meeting will be about logistics, trading of farm crops, cooperation among commercial banks, accelerating the Dawei special economic zones, tourism promotion, and the development of human resources, she added. Apiradi said Thailand and Myanmar would emphasize increased collaboration along their joint border, as cross-border commerce accounted for 80 per cent of overall trade value between the countries. The neighbours will also set up a Thai-Myanmarese Business Council for increasing collaboration between the two countries' private sectors.

2. Jardine Schindler strengthens presence in Thailand as ASEAN integration is set to bolster growth

Source: **Bangkok Post** ([Link](#))

Thailand's participation in the ASEAN Economic Community (AEC) will herald a major change in the country's position as a leading regional shopping hub and top tourist destination. The improved infrastructure, transportation, and airports in key cities are expected to increase inbound tourism from 25 million to 40 million people with the next five years in destination cities including Bangkok, Phuket, Pattaya, Hua Hin and Chiang Mai, among others.

Jardine Schindler, the leading provider of escalators and elevators in the region, is one of the strongest players in building transportation systems for all forms of urban infrastructure, to commercial and high-rise towers. Jardine Schindler has more than three decades of on-the-ground expertise in Thailand. Riding the wave of inbound tourism growth triggered by the coming AEC, Jardine Schindler has recently been commissioned by The Mall Group, Thailand's prestigious mall operator, as the major mobility partner in its latest US\$1.4 billion plus investment in five world-class shopping centers that are

set to make Thai retail history. The tremendous expansion plan aimed at growing the District EM in Sukhumvit, into a gigantic retail hub that will host over 1000 leading Thai and international brands.

Jardine Schindler has been tasked to install the elevators, escalators and moving walks in five of these projects – including the Emsphere in Sukhumvit; BLÚ PORT in Hua Hin; BLÚ Pearl in Phuket; the Bangkok Mall project (destined to become a city within a city with ultra-modern and spectacular architecture consisting of business, residential and office space) as well as the revamping of the Mall Korat. Overall, Schindler's contract for these five projects encompasses 60 Schindler 5500 elevators, 212 Schindler 9300 AE escalators, and 6 moving walks.

3. Wealth manager site eyes Thais

Source: **Bangkok Post** ([Link](#))

Findawealthmanager.com, the free online matching service that helps investors find wealth managers is boosting its website presence in Thailand to capitalize on the intergenerational shift in wealth. *"Thailand is an important market for us due to the growth in the number of high-net-worth individuals (HNWI), or rich people, and tech-savvy investors,"* said Dominic Gamble, founder and chief executive of the London based company.

Its website, supporting both online and mobile platforms, uses a unique algorithm to transparently and efficiently connect investors with high-quality wealth managers, providing investment options at various levels of risk.

4. ACAP seeks partner to spur consumer finance business

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

ACAP Advisory, the parent company of Capital OK Co, is negotiating with a non-bank from Japan for a strategic partnership to strengthen funding cost so that Capital OK can compete in the consumer-finance business in Thailand. ACAP acquired Capital OK from Shin Corp in 2007 after Shin had to divest some subsidiaries when Temasek Holdings became the major shareholder. Sugunya Sukjaroenkraisri, chief executive officer of ACAP, said yesterday that negotiations were expected to be completed by next quarter. She added that a Japanese non-bank was interested in Capital OK, as it wanted to expand into the consumer-finance business in Thailand. *"Capital OK will be able to compete with banks and non-banks if its cost of funds is lower. We are offering many options to strategic partners if they desire major stakes in Capital OK,"* she said.

She added that while waiting to sign up a strategic partner for Capital OK, ACAP this year would give importance to providing working-capital loans to small and medium-sized enterprises via another

subsidiary, OKCASH Co. She said that OKCASH had room to grow in lending to SMEs as banks are more cautious, and focused on sustaining their reserves in order to maintain their capital ratios, in keeping with the international regulatory framework for banks (Basel III). *"SMEs have demanded increases in working capital to improve their liquidity, while we will be completing our internal restructuring begun in the middle of last year, making us ready to provide working capital to SMEs aggressively,"* she said.

5. TAT aims for more revenue per tourist

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

The Tourism Authority of Thailand this year will target niche markets and freer-spending tourists to boost revenue per visitor. *"This year, TAT will be focusing on quality, not quantity. We want to increase arrivals by 4 per cent but revenues by 8 per cent,"* TAT governor Yuttasak Supasorn said yesterday. Some examples of big spenders are golfers, honeymooners, wedding-party members and long-haul travellers. China was the largest source of arrivals with more than 8 million last year, but only 10 per cent of them were "quality" tourists. The agency this year will seek more high spenders from China. The Tourism Ministry said this week that it planned to increase MICE (meeting, incentive, convention and exhibition) travellers by promoting Thailand as the MICE centre of Southeast Asia. The ministry will propose Thailand as the host country for world sports events such as Moto GP, Formula One and Thai boxing. Muslims are one of the potential markets for Thailand. The ministry also plans to promote Phuket as the hub for cruise and marine travel. With greater accessibility via land, air and sea connections, as well as smooth facilitation that allows visa-free or visa-on-arrival access for citizens from 68 countries and territories, TAT is confident that Thailand will remain in the top three of international tourism receipts in Asia.

6. Somkid lays out broad outline of measures to support shift to domestic led economy

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

The deputy prime minister in charge of economic affairs, Somkid Jatusripitak, has laid out a general outline of the stimulus measures which will be used this year to support the shift from an export-led economy to a domestic-led one. The measures include extra Board of Investment (BoI) privileges and tax incentives from the Finance Ministry. State banks will become the "tip of the spear" in aiding small and medium-sized enterprises (SMEs) and the agricultural sector to create innovative and value-added products that will support their move to higher up the value chain. *"The economy in the fourth quarter [of 2015] will definitely be better than in the third quarter and we have to maintain this momentum, while all economic engines will fully move forward this year,"* Somkid said during his keynote speech yesterday at a seminar arranged by the Economic Reporters Association. *"For example, how can exports be sitting in the back seat when the sector accounted for 70 per cent of GDP [gross domestic product]? I have instructed the Commerce Ministry that exports have to expand by 5 per cent this year, and I will discuss with the ministry how to make that happen,"* he said.

The deputy premier also said he had instructed the BoI that he wanted to see more investments at the local level, such as small agricultural-processing factories, by providing extra privileges for private-sector businesses that were willing to invest with cooperatives and other farmers' groups. The Bank for Agriculture and Agricultural Cooperatives (BAAC) and the Government Savings Bank (GSB), meanwhile, will play a vital role in providing financial and other support for farmers and SMEs to use as a means to increase the level of local innovation and the quality of their output, he added.

By Harsha Hazarika