

Daily Thai New Summary: 8 July 2016

1. BOI eyes continues Japanese investment

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

The Board of Investment feels convinced that Japanese investors have remained confident in Thailand and will continue to expand their investment here. BOI secretary-general Hirunya Suchinai made the remark yesterday at the in "Bangkok Nikkei Forum", co-organised by the BOI, Nikkei Inc and Nikkei Group Asia. The forum's topic was "Asia's New Era of Opportunity and Cooperation - Thailand as New Asian Business Hub". According to the BOI, Japanese have been ranked among the top investors in Thailand in terms of the value of projects applying for BOI privileges over the past decade. Currently Japanese investment in Thailand is not only focused on heavy industries like automotive or electrical products but on higher advanced technology and research and development. This is in line with the BOI's new policy of focusing on wooing foreign investment in high-tech industries.

Last year Japanese investment in Thailand that obtained BOI support was valued at around 100 billion yen, most of it aimed at the service sector, followed by metal and machinery production. In the past five months, the BOI approved tax support to 121 Japanese projects worth Bt20.85 billion or 62.55 billion yen, of which 48 were in the service sector. The BOI is revising its regulations to raise the tax-waiver period on corporate income from the current maximum of 8 years to 13 years in order to woo more foreign investment. It is also working out details on which kinds of investment will be able to enjoy the new privileges. The BOI has received incentive applications for foreign investment worth Bt300 billion in the first six months, compared with the whole-year target of Bt450 billion. Deputy Prime Minister Somkid Jatusripitak said in a speech at the event that the Thailand Future Fund worth about Bt100 billion was expected to be put before the Cabinet within the next two weeks. He said the government had undertaken many moves to make Thailand fundamentally stronger, including the reduction of economic inequality and improvement of the country's competitiveness.

2. ADB proposed 3 country bus service

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

The Asian Development Bank is promoting a regular bus service as part of a transport agreement being negotiated by Thailand, Myanmar and India for the historic 1,400-kilometre highway currently under renovation. ADB country director Yasushi Negishi said yesterday that the negotiations are expected to be concluded next year as the Indian government has offered

Myanmar financial assistance to upgrade bridges along the route linking India's eastern region with Myanmar and Thailand. Indian Ambassador Bhagwant Bishnoi has told The Nation that 73 bridges inside Myanmar, built since the Second World War, are being renovated, to ensure the highway is safe to use. The highway runs from the Indian city of Moreh to Myanmar's Tamu city and reaches Thailand at Tak's Mae Sot district. It will serve as the first major land bridge linking India with mainland Southeast Asia.

The Indian envoy said cargo transport is the first priority for this route. Negishi yesterday told a Fitch Ratings conference on infrastructure development in Thailand and the Mekong Region that Thailand has already completed road transport links with Cambodia via Aranyaprathet district and Laos via its northeastern provinces. Previously, there was a 5km missing link between Thailand and Cambodia. Regarding Laos, there are now several bridges across the Mekong River linking Thailand's northeastern provinces with the neighbouring country. According to the ADB, the 10-country Asean grouping needs to invest an estimated US\$60 billion (Bt2.1 billion) per year in infrastructure, especially for roads and railways. At present, Asean countries have a combined average of 10km of roads per 1,000 persons, compared to the OECD countries' 200km, while the railways deficit is at about 0.25km per 1,000 people for Asean countries compared to the OECD countries' 5km.

3. Laem Chabang to be “Amsterdam port” of ASEAN

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

The government plans to transform the deep-sea port in Laem Chabang into the “Amsterdam Port” of Asean. *“Laem Chabang Phase 3 will be an important project as it will (be developed) to become 'the Amsterdam of Asean' to help distribute goods from China, Laos, Cambodia and Myanmar (to the rest of the world),”* Vice PM's Office Minister Kobsak Pootrakool told a seminar yesterday. Similar to the Port of Amsterdam, which serves regional shipping traffic and complements London port, which connects Europe to the rest of the world, Thailand is keen to develop its Laem Chabang Port as a regional gateway for Asean and a complement to Singapore, which acts as an international gateway.

Laem Chabang Phase 3 is part of the government's recently announced Eastern Economic Corridor (EEC) scheme covering three eastern provinces that are already home to the automobile and petrochemical industries. The government wants to leverage the EEC's central location in Asean to make it a regional hub for transportation and logistics, aviation, industries and tourism. U-Tapao Airport will be developed as a hub for the new industries of aircraft maintenance and parts manufacturing. *“Airlines can fly their aircraft, taking only two hours from China. AirAsia and other airlines are flirting with us to use U-Tapao Airport as their maintenance bases,”* he said. In its bid to develop local tourism, the government will invite

Japanese firms to come in to help develop hot springs. There are more than 200 spots in Thailand that can become nice tourism destinations as Japanese onsens, he added.

4. Thailand Future Fund secures adviser

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

A Consortium formed by Phatra Securities, Finansa Securities, Krungthai Bank, JPMorgan and Merrill Lynch Securities (Thailand) has secured the winning bid to become financial adviser for the Bt100-billion Thailand Future Fund. Vorapak Tanyawong, president of KTB, said yesterday that the financial adviser would propose the options for fund mobilisation to the government, with KTB having the nationwide network to distribute fund units to retail customers. The capital from selling fund units will be used to finance infrastructure projects, starting with the high-speed-rail project from Bangkok to Nakhon Ratchasima province.

Separately, KTB yesterday unveiled the KTB PromptPay campaign, which offers prizes worth a total of Bt9 million. The campaign will run from July 15 to October 15. Songpol Chevpanyaraj, senior executive vice president and head of the bank's global transaction banking group, said the campaign was part of a strategy to get existing customers to use KTB as their main bank. Under the scheme, the bank said fund transfers would be more convenient because there would be no fee if the amount was less than Bt5,000, while the cost of cash management was reduced as well. Vorapak said the benefit of being the main bank for customers was the cross-selling of products. The bank said it had received more than 300,000 PromptPay pre-registrations since it began accepting them on July 1.

5. Central looking to expand Auntie Anne's outlets in region

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

Central Restaurants Group, the local franchisee of the Auntie Anne's pretzel chain, is negotiating with US-based Focus Brands International for the right to expand the soft-pretzel shops to emerging markets in the region, especially Vietnam. The company is conducting a feasibility study on priority expansion markets, which also covers logistics, consumer insights and local regulations. The recent acquisition of Big C hypermarkets in Vietnam by Central Group will allow other branded business units of the group, including Auntie Anne's, to be expanded along with Big C's network in that country.

Nongnapas Rumphoei, assistant vice president of Auntie Anne's, said yesterday that the company planned to increase its shops in Thailand from 134 currently to 200 in five years. Investment will be between Bt3 million and Bt5 million per store depending on the size, which

will range from 35 to more than 40 square metres. "We want to more than double our annual revenue from more than Bt800 million targeted for this year to about Bt2 billion in five years," she said. The company targets 20-per-cent growth for its Auntie Anne's business and 149 shops in total this year. For next year, sales are expected reach Bt1 billion and outlets to 159-169. *"Under the negotiation with our franchiser, it would like us to open Auntie Anne's in countries without such soft-pretzel shops, such as Vietnam, Myanmar, Cambodia and Laos. "It has seen our great potential to expand the business in the AEC based on our local success in Thailand," she said. Auntie Anne's Thailand is the franchisee with the fastest expansion record in Asean. "We took only 19 years to open 134 Auntie Anne's shops in the Thai market," she said.*



By Harsha Hazarika