

## Daily Economic News Summary: 9 June 2016

### 1. Makkasan project at B300 Bn

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

The Treasury Department's development plan for Bangkok's prime Makkasan area is estimated to need at least 200-300 billion baht in investment, making it one of the country's largest projects. The department has set a green concept for the initial development of Makkasan's 497-rai plot that private sector partners will have to abide by, said director-general Chakkrit Parapuntakul. The auction winner for the project will hold a 50-year contract with a renewal option, he said. The loss-ridden State Railway of Thailand (SRT) has agreed to lease the Makkasan plot to the Finance Ministry for 99 years in a deal worth 61 billion baht to clear part of the railway operator's hefty debt. The Treasury Department recently planned to develop the land into a commercial area and public park. Mr Chakkrit said the project would be under a public-private partnership in which a Thai privately owned group or company must own at least a 51% stake.

### 2. Esso allots B1 Bn for stations

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

Esso (Thailand) Plc is proceeding with the second phase of its business revamp, spending up to 1 billion baht over the next three year to increase the number of petrol stations with non-fuel retail businesses. Yodpong Sutatham, Esso's Director of retail sales and fuel marketing said the first phase of the revamp included a refurbishing of the existing 542 stations at a total of 1 billion baht. The revamp aims to raise the company's market share from 14% to surpass rival Bangchak Petroleum Plc which ranks second with a market share above 15%. Esso's expansion plan calls for increasing the number of petrol stations to more than 600.

### 3. High speed rail routes chosen for PPP fast track

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

Two high-speed rail projects, the 193.5-kilometre Bangkok-Rayong route worth 153 billion baht and the 211km Bangkok-Hua Hin route worth 94.7 billion, are set to be included for fast track consideration in the public-private partnership (PPP) scheme. Transport Minister Arkhom Termpittayapaisith said the two were likely to be submitted for approval by the PPP

committee by this month or next. If approved, they will be the sixth and seventh such projects. Last November the government put five projects worth a combined 334 billion baht on the front burner under the PPP scheme, giving them a mandate to start in the second half this year. They comprise three mass-transit routes in Bangkok: the Pink Line from Khae Rai to Min Buri, the Yellow Line from Lat Phrao to Samrong, and the Blue Line extension from Hua Lamphong to Bang Kae and Bang Sue to Tha Phra. The routes were worth a combined 194 billion baht, while two interprovincial motorways were worth 140 billion.

#### **4. Group announces strategy to back tech start-ups**

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

The Thailand Tech Startup Association yesterday announced a two-year strategy called “Start-up Thailand 4.0” that aims to make tech start-ups part of the country’s economic engine. Established in May 2014, the association yesterday also announced that Vachara Aemavat, the chief executive officer and founder of Computerlogy, would be its second president. The first president of the Thailand Tech Startup Association was Patai Padungtin, founder of Builk Asia. Vachara said that during his 2016-17 term, the association's "unite, accelerate, and drive" mission would continue. From now on, the association will concentrate more on communication and collaboration among all stakeholders in the start-up ecosystem including start-up themselves, venture-capital providers and government. *"Tech start-ups are expected to be a part of the growth engine driving the country's economy,"* he said. *"Start-up businesses can help support the country's economy through the funding from venture investors around the world into Thai tech start-ups. Tech start-ups themselves can support the country's economy through their business growth as well."*

The association yesterday also signed a memorandum of understanding with the Thai Venture Capital Association. Thanapong Na Ranong, president of the Thai Venture Capital Association, said the two organisations would collaborate to strengthen the start-up ecosystem in Thailand. *"This MoU is for tangible collaboration between the two associations to bring start-ups and venture-capital [providers] closer. They will match funds, contribute knowledge about start-ups and venture capital as well as investment, and provide information or reports on the current landscape of the start-up ecosystem in Thailand,"* Thanapong said. He said his association this year would have a greater presence in every region of Thailand as well as collaborate more with the private sector.

## 5. No imports of GM plants allowed if Thailand joins TPP: Vice Minister

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

Thailand would neither allow the import of genetically modified (GM) plants nor the registration of longan as a new plant variety in other countries if the Kingdom were to join the Trans-Pacific Partnership (TPP), the Commerce Ministry clarified recently. During a meeting with farmers in Chiang Mai and other provinces in the North, Winichai Chaemchaeng, vice commerce minister, said the government understood their concerns and would not allow any imports of GM plants or the registration of Thai plant varieties by TPP signatory states. Before reaching a final decision on whether to join the TPP, the government would continue to conduct public hearings to learn about the concerns over potential membership among involved sectors, he said. The Commerce Ministry and the Agriculture Department's meeting with around 300 northern farmers was part of the hearing process, he added.

Allowing the import of GM plants is the top issue of concern among farmers in the North, mainly from the provinces of Chiang Mai, Mae Hong Son, Lampang, Lamphun, Nan, Prayao, Chiang Rai and Phrae. *"The ministry has stressed to farmers that the government will not allow GM plant imports, as some might have feared. The TPP pact only aims [for member states] to learn about each other's farming policy, and to exchange information. Thailand already has a specific law to control GM plant imports. If we joined the TPP, GM plants would not be allowed into the country,"* Winichai reaffirmed. As to longan farmers' concerns about the registration of the plant variety in other countries, the government would not allow any country to go down such a path as the Thai fruit variety is protected under the Plant Variety Act, he added. The vice minister also explained that the international ISDS (investor-state dispute settlement) mechanism should benefit Thai investors overseas in the event of any dispute.

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