

## Daily Thai News Updates: 26 December 2016

### 1. Thai market emerges the best performer in Asean in 2016

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

The Stock Exchange of Thailand is expected to end the year as the best performer in Asean. This reflected strong profit growth of 35 per cent for the first nine months of 2016. We also maintain our top picks, which are ANAN (Ananda Development), COM7, GL (Group Lease), MTLN (Muangthai Leasing) and TCAP (Thanachart Capital). This month has been a very good one for the contractor sector, with significant progress in many mass-transit projects, including the announcement that the CK/STEC (Ch Karnchang/Sino-Thai Engineering and Construction) joint venture won the last contract (No 5) for the Orange Line for Bt4.9 billion. In all, the CKST group won the most contracts for this line with a combined value of Bt47 billion. CK holds 60 per cent and STEC owns 40 per cent in the JV. ITD (Italian-Thai Development) won a contract worth Bt18.59 billion, and UNIQ (Unique Engineering and Construction) got one worth Bt13.75 billion

### 2. Thai M&A's to continue in 2017

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

Mergers and acquisitions of domestic and overseas businesses by Thai conglomerates will continue in the New Year, especially acquisitions in Vietnam, according to deal-makers. It is also expected that the leaders of M&A activities in 2017 will be the same cash-rich corporates as this year. According to legal firm Weerawong, Chinnavat & Peangpanor, the maturity of the domestic market has been driving Thai conglomerates to look for growth opportunities abroad, especially in other growing Southeast Asian markets. Normally, banks define an M&A deal as a transaction worth at least Bt3 billion. Based on this definition, the value of M&As, both domestic and overseas, by Thai companies this year exceeded Bt200 billion. Beyond Asean, renewable energy will continue to be the focus of Thai corporate in the energy sector, he added. Thapana Sirivadhanabhakdi, president and chief executive officer of Thai Beverage, said that in his view, two of the most significant share-purchase deals this year were in the food and beverage sector. They were Thai Union Group's investment in Red Lobster Seafood, a US-based seafood restaurant chain, and the acquisition of US frozen-food producer Bellisio Foods Inc by Charoen Pokphand Foods. "The two deals reflect that [these] Thai conglomerates have become truly

global companies,” he said. Suthipat said he expected that M&A deals worth more than Bt3 billion would continue to be made by Thai tycoons and listed companies in the SET30.

### **3. Siemens targets large share of contracts for Thai sugar mills**

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

German Industrial giant Siemens has targeted landing contracts for at least half of new and expanded sugar-mill projects in Thailand, where the sugar industry is undergoing a multibillion-dollar, and world-record expansion. The investment is huge even by global sugar industry standards. Each new greenfield sugar mill requires US\$100 million to \$150 million (Bt3.6 billion-Bt5.4 billion) of investment, excluding budgets for cane farming, power-generating units, and other related requirements. Bernd Langhans, Siemens global sales manager, Sugar & Starch Project Business, said the output spike would lift Thailand, which is already the world’s fourth-largest sugar producer, to definitely become the most important producer in Asia, and most likely in the world as well. The global sales manager targets Siemens, which has won five of the 10 new fully integrated, automated sugar-mill projects that have been initiated elsewhere around the world over the last five years, seizing at least half of the new projects that have been awarded licenses in Thailand. These green fields and expansion projects are expected to be completed within the next five years.

### **4. TOT hands watchdog new five-year business plan to develop wireless broadband service**

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

TOT recently submitted its new business plan to develop a 2.3 gigahertz wireless broadband service to the National Broadcasting and Telecommunications Commission (NBTC) for consideration, with the ambition goal of acquiring around 20 million mobile-phone subscribers via the service in the next five years. TOT aims to utilize the spectrum to launch a 5G service in the future. The NBTC’s telecom panel is expected to consider TOT’s new business plan soon. According to the five-year plan, TOT will utilize its existing 60-megahertz bandwidth of the 2.3GHz for three services. TOT also plans to install 1,769 base stations of the 2.3GHz in the first year before expanding the number to 8,455 in the second year, 14,994 in the third year, 20,367 in the fourth year and 21,217 in the fifth year.

## **5. CAT, TOT plan to merge core businesses into two**

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

CAT Telecom and TOT will jointly propose to the State Enterprise Policy Commission early next month their plans to merge their three core businesses into two companies. CAT has hired Deloitte as the consultant to study its plan to merge its Internet gateway and data centre businesses with the same two businesses of TOT. TOT, meanwhile, has hired PricewaterhouseCoopers Thailand as its consultant for the planned merger of its broadband Internet business with CAT's. TOT has maintained its plan to merge its broadband Internet unit with the same business of CAT and name the merged entity National Broadband Network Co (NBN Co).

**By Shreya Chopra**

