

Daily Thai News Updates: 20 January 2017

1. BoT says B/E defaults don't reflect bond market

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

The Bank of Thailand has reassured the market that a recent series of defaults on bills of exchange (B/Es) will have a limited impact on the country's overall financial stability, as the debt instrument accounts for a small portion of the overall bond market. "The important thing is a potential loss of investor confidence. What we're trying to do is to prevent that from happening," said Don Nakornthab senior director at the Bank of Thailand's macroeconomic and monetary policy department. Other regulators such as the Securities and Exchange Commission have already taken actions to handle the problem, Mr Don said. Bond default is a normal occurrence in capitalist economies, he said, and developed countries have also experienced the bond defaults as well, especially on those that are unrated. He said US investment-grade bond defaults in the past had hit 7% and junk bond defaults reached almost 20%. "The B/E defaults [in Thailand] that have recently occurred are individual cases that have nothing to do with the overall economy," Mr Don said.

2. Tourism industry needs smart management in several areas, Dusit head says

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

The Thai Tourism industry is on the right track but needs to be well managed in terms of infrastructure capacity, faster immigration processing and developing new tourist destinations, says the chairman of Dusit International. Chanin Donavanik, chairman of Thailand's leading hotel-chain operator, said yesterday that it was conceivable that the country would welcome between 34 million and 35 million foreign tourists this year. "But the authorities should turn their focus on quality control and management both at the main international airports and at each tourist destination." Current airport capacity does not appear to be sufficient for the expected influx of international travellers. Chanin pointed to the newly opened terminal at Phuket International Airport as an example, as the airport hit full capacity from Day 1. Another example is Suvarnabhumi Airport, which exceeded its planned maximum capacity more than five years ago. A new midfield terminal project is under construction, and is expected to be completed in the

near future, but he said: “This project development might be too late to accommodate increasing passenger traffic once it is completed.”

3. Hotel executive says 100 million tourists ‘doable’

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

The government and private tourism operators should work closely to develop more tourism infrastructure and facilities to accommodate the growing number of foreign tourists to Thailand, says Chanin Donavanik, chairman of the executive committee at Dusit Thani Plc. "Thailand has a lot of tourism potential and tourist arrivals could rise as high as 100 million, the same level as France, if we have better infrastructure," he said. (The UN World Tourism Organisation reported that France had more than 85 million foreign tourists last year.) Mr Chanin said Thailand needs to upgrade international and domestic airports to have enough capacity to support a sharp rise of foreign tourists in the near future. Last year, the country welcomed 32.5 million foreign tourists. The immigration process when tourists arrive at international airports should be shortened to be more convenient he said.

4. Japan’s Shinwa Group kicks off Asean expansion push in Thailand

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

Japanese property firm Shinwa Group plans to expand its investment in Asean between now and 2019, targeting revenue from overseas sales to reach Bt10 billion by that year. The group launched its foray into the Asean market last year, announcing its first investment in Thailand, Shinwa Group director Tomoyasu Yamabe told a news conference yesterday at the company’s headquarters in Osaka. Other countries in Asean where it plans to develop condominium projects are the Philippines, Vietnam, Malaysia, Indonesia and Singapore. “The Philippines and Vietnam are the next two priorities for our investment expansion in 2018 after launching our first condominium project, Runesu Thonglor 5, worth Bt1.2 billion in Thailand early this year,” he said. The group is also negotiating investments in the United States and Europe, with deals to be finalised this year. All of its overseas investments will be through joint ventures with local partners, as it did in Thailand, he said.

5. CP Group eyes healthcare arena

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

Chareon Pokphand Group is looking into a foray into the healthcare and medical-centre businesses, with the focus on expatriates and other foreigners as potential customers. True Corp chief executive officer Suphachai Chearavanon said yesterday that CP had studied the possibility of entering those arenas and potential partnerships, but he declined to elaborate. CP Group is the parent of True. A CP source said the group's interest in such businesses was in line with the government's policy to turn Thailand into an international medical hub. The CP businesses would focus on foreign customers, the source confirmed. In a separate matter, CP is expected officially to appoint Suphachai, 49, as its new CEO in the middle of this year. He will replace his father, the tycoon Dhanin, 76, who is now CP Group's CEO and chairman. Early this month Dhanin announced at an event for CP executives that his youngest son, Suphachai, would replace him as CEO, while his eldest son, Soopakij, 53, who is CP's executive vice chairman, would assume the post of CP chairman. Dhanin will be chairman of the CP advisory group. Currently Suphachai is also vice chairman for sustainability, good governance and corporate communications at CP Group.

By Rajnee Narula

