

Daily Thai News Updates: 2 June 2017

1. PTT revises capex around EEC plans

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

PTT Plc, the country's national oil and gas conglomerate, and its subsidiaries are revising their five-year capital expenditures (capex) and investment plans to match the rise of the Eastern Economic Corridor (EEC), which the group is keen to invest in. President and chief executive Tevin Vongvanich said the PTT executive board is expected to approve the newly revised capex shortly as some of the subsidiaries also have plans to invest or develop in EEC areas. At end-2016, the PTT group announced its five-year capex (2017-21) would be in the range of 1.6-1.9 trillion baht. The capex was designed to match the context of weak global oil prices and the plan to cover all subsidiaries, ranging from upstream petroleum, petrochemicals and biochemicals to infrastructure and utilities businesses. The group will need to take in additional projects for the new capex. These are mostly projects still in the feasibility or design stage. For instance, IRPC Plc's Beyond Everest Project in Rayong province, worth US\$2 billion (41 billion baht), is targeted to produce 1 million tonnes of paraxylene and increase ethylene cracker production capacity by 50%...PTT is spearheading investment in the EEC, where PTT has already had existing investment and facilities. The government aims to attract 30 leading multinational firms to invest in EEC, which is designated to serve as Thailand's new growth engine with high-tech and innovative cluster, over the next two years. Under the plan, global leading international companies will be solicited in the first year, according to the secretary-general of the EEC Office, Kanit Sangsuphan.

2. BSR keen to add to EEC deals

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

BSR Joint Venture Group has flagged it wants to chase work on all the infrastructure projects in the Eastern Economic Corridor (EEC) after the group won approval to build two monorail routes worth Bt100 billion. BSR secured the monorail deals on Tuesday, and the contracts will be signed with the government on June 16, BTS Group Holdings chairman Keeree Kanjanapas told a press conference yesterday. BTS Group holds a 75 per cent stake in the joint venture group, which has

registered capital of Bt28 billion. The second-largest holder is Sino-Thai Engineering and Construction with 15 per cent. Ratchaburi Electricity Generation Holding holds the remainder. He said the group has enough funds to develop the infrastructure projects earmarked for the EEC area as well as both the monorail line routes. The monorail projects comprise the Pink Line, from Khae Rai to Min Buri and the Yellow Line, from Lat Phrao to Samrong, with a combined 64 kilometres that were approved for construction by the cabinet on Tuesday. The group would also propose to the government that it to agree to extensions to both lines that would add a total of four stations, requiring a combined Bt6 billion additional investment that the group can cover by itself, said Keeree, who added that contracts with banks would be signed for the loans required for the work approved at Tuesday's cabinet meeting.

3. BOI backs two logistics projects worth Bt12 bn

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

The Board of Investment yesterday blessed two logistics projects worth nearly Bt12 billion to push Thailand towards hosting hubs for logistics and aviation. After the BOI meeting chaired by Prime Minister Prayut Chan-o-cha, BOI director-general Hiranya Sujinai said Hutchison Laemchabang Terminal's Bt7.21-billion project and Thai Lion Mentari's Bt4.77-billion project gained approval for privileges. Hutchison Laemchabang Terminal will expand its goods handling for container vessels, which could improve Laem Chabang Port's capabilities and develop Thailand into a centre for trade and marine logistics in Asia. The Thai Lion Mentari project involves expansion of air transportation by investing in the services of a low-cost airline to promote Thailand as a centre of aviation in Asean. The BOI won approval to continue promoting special economic zones (SEZs) for another year after 2018 to attract more investment, PM's Office Minister Suvit Maesincee said.

4. Huawei investing in \$15m in OpenLab, Thailand

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

Huawei is investing US\$15 million to set up OpenLab Bangkok to support digital transformation and the government's "Thailand 4.0" scheme. The new lab will provide one-stop support to enterprises' information and communications technology infrastructure as well as to facilitate Thailand's digital transformation drive. David Sun, president and chief executive officer,

Southeast Asia region, of Huawei Technologies, said the company would invest a total of \$15 million (more than Bt500 million) to set up its seventh OpenLab. The others are in Suzhou, China; Mexico City; Munich; Singapore; Johannesburg; and Dubai. OpenLab Bangkok is in a 2,000-square-metre space at G Tower that also houses Huawei Thailand's new headquarters. It is the second-biggest Huawei laboratory and its biggest outside China.

5. Bank of Thailand chief: No trace of a bubble

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

There are no signs of dramatic growth in borrowing for property speculation activities, while banks have been better at managing risks associated with project financing, says Bank of Thailand governor Veerathai Santiprabhob. His comments dispelled concerns over a real estate bubble after Supachai Panitchpakdi, a former director-general of the World Trade Organization and secretary-general of the UN Conference on Trade and Development, earlier warned that most domestic private investment was concentrated in the property sector, which could cause a bubble. "We did not see strong growth in loans used for speculation on property prices compared with overall housing loans," Mr Veerathai said Thursday on the sidelines of the Greater Mekong Investment Forum. The increase in investment in high-end property was partly attributed to low interest rates, which pushed investors to look for higher returns...Even though the price of property has been rising fast in some segments, the main condition that is different between today and the 1997 financial crisis is the source of the funding, the central bank governor said.

6. Thai-Japanese pact to fight illegal fishing

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

The Ministry of Agriculture and Cooperatives has stepped up cooperation with the Japanese government to fight Illegal, Unreported and Unregulated fishing activity (IUU). The ministry and the Ministry of Agriculture, Forestry and Fisheries of Japan on Tuesday signed a joint statement setting down their efforts. They will work together on expansion of multilateral catch documentation and certification requirements to help the global traceability of fishery products. They have also agreed to reinforce bilateral cooperation in the global fight against IUU fishing. Gen Chatchai Sarikulya, Minister of Agriculture and Cooperatives, said the parties have announced they also will support global fishing sustainability development. Thailand wanted to

assure its trade partner that all fisheries products are legal and comply with good practices, he said...Thailand has spent three years dealing with IUU fishing problems after the European Union (EU) threatened to ban Thai fishery products to the region if the country failed to deal with these concerns. A preventive illegal fishing system, including traceability tools, observer on board, and Port In-Port Out reports, have been set up under the EU's requirements, together with measures to prevent illegal labour on board. The law on fisheries is also in effect, with stronger punishments to suppress illegal fishing activities...The EU is expected to follow up on Thailand's progress in next few months.

7. Call for push on luxury destination

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

Thailand has the potential to become a true luxury tourism destination if the country offers unique products and premium services, say hoteliers and tourism experts. Spain, Italy, Maldives and Sri Lanka have staked claims as top luxury destinations on the global tourism map, judging from their strong menu of products and services offered to international visitors. "For international tourists, Thailand is already the most popular destination in Southeast Asia, and some cities like Bangkok can be boosted to another level," said Greg Liddell, general manager of the Mandarin Oriental Bangkok Hotel. Luxury tourism offers the time and space that travellers are searching for. High-spending tourists usually travel with family members to special places for a long holiday and need high-end accommodation and excellent services. He said if all stakeholders in Thailand could deliver services to their guests with unique products such as art, culture and gastronomy, the country would draw more high-end tourists...Luxury comprises not only hotels and accommodation but also full-service airlines, luxury sedans or limousines, fine-dining restaurants, high-end retail stores like Jim Thompson Silk, and upscale travel agencies.