

Daily Thai News Updates: 31 March 2017

1. King Power sets Bt 12.5 bn for five-year investments

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

Thai Duty-Free company King Power will invest Bt12.5 billion between now and 2021 to achieve sales revenue of Bt140 billion that year, the group's chief executive officer Aiyawatt Srivaddhanaprabha said. Up to Bt2.5 billion will be spent this year to renovate its Soi Rangnam branch in Bangkok. The remaining Bt10 billion of the investment budget will be used to expand its outlets in other provinces including Chiang Mai, as well as at U-tapao International Airport, and to develop duty-free businesses overseas, especially in Myanmar and the Philippines. He said the group's expansion into the Philippines was being negotiated, while in Myanmar it was waiting for government decision on allowing duty-free shops to be operated by private investors. At present, the company has 10 duty-free locations in Thailand. Six are in international airports – Don Mueang, Suvarnabhumi, Chiang Mai, Hat Yai, Phuket and U-tapao – while the other four are King Power Complexes at Rangnam in Bangkok, Srivaree in Samut Prakan province, Pattaya in Chon Buri province, and Phuket.

2. Thai business owners eager to tap digital era: Microsoft study

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

A Microsoft study covering business leaders in Thailand and Asia has revealed a clear sense of urgency in embracing the digital transformation journey with 89 per cent of Thai business leaders believing that they need to transform their organisations into digital businesses to enable future growth. However, only 29 per cent of those surveyed indicated that they have a full digital strategy in place, while 41 per cent are in progress with specific digital transformation initiatives for selected parts of their business. Thirty per cent of respondents have very limited or no strategy in place. The Microsoft Asia Digital Transformation study surveyed 1,494 business leaders from Asia, including 117 from Thailand. All respondents were pre-qualified as being involved in shaping their organisations' digital strategy.

3. Star Alliance shifting focus to improving travellers' experience

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

Star Alliance has shifted its strategy towards enhancing the traveller's experience, from the previous focus on expanding its network of member airlines, according to its new chief executive officer, Jeffrey Goh. Goh said yesterday that over the past 20 years Star Alliance had focused on building up its network across the world and now it had come to the point where it believed that its network was already strong and comprehensive. Now it wants to put greater efforts on making the journey experience of the passengers of its member airlines much better, he said on the sidelines of the first Alliance Management Board meeting of this year, which took place in Bangkok for two days ending yesterday. He said the alliance had embraced more digital technologies to enhance the traveller's experience. The alliance members have discussed which of their current products can be digitised to benefit their customers. The alliance also looks for new business opportunities and new products the airlines can use to enhance the customer experience through digital technology. Goh said his vision was to transform Star Alliance into "the most digitally advanced alliance with seamless travel and leading loyalty propositions".

4. Thai car parts may feel Trump policy sting

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

Thailand's shipments of auto parts and tyres to the US are likely to suffer from the protectionist trade policies of US President Donald Trump as they are exported directly to the US, experts warn. Speaking at a seminar entitled, "Foreign trade policies under President Trump and its impact on Thailand", organised by the Thai Automotive Industry Association (TAIA) yesterday, many experts said Mr Trump's policies have yet to have any direct impact on Thailand's automobile industry, apart from parts and tyres. Krasae Rangsipol, senior economist from the Siam Commercial Bank Economic Intelligence Center (SCBEIC), said the US imports completely built-up (CBU) cars mainly from Canada, Mexico, Japan, Germany and South Korea, while it has imported a small volume of completely built-up Mitsubishi eco-cars from Thailand in recent years. The volume is a mere 0.01% of the US's car import value. But the US imports auto parts and tyres from Thailand, which respectively account for 8% and 35% of total imports of the products.

5. Export dubious of 5% target

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

The stronger baht may tame the pace of the export recovery and make Deputy Prime Minister Somkid Jatusripitak's 5% growth target hard to achieve, shippers say. "Mr Somkid has an ambitious hope of 5% growth, but in reality we might see only a 1.5-2% expansion this year," said Nopporn Thepsithar, president of the Thai National Shippers' Council (TNSC). He said the slow expansion of exports and stronger baht are mainly driven by the unpredictable policies of US President Donald Trump. The president's policies previously led to the rate hike by the US Federal Reserve two weeks ago, Mr Nopporn said, adding that markets around the world expect a further three rate increases this year and believe that Mr Trump's policies will help the US economy grow strongly. If the Fed keeps raising rates, funds may flow out of emerging markets to chase higher yields in the US. Even so, recent times have seen persistent offshore fund inflows to emerging markets including the Thai bond market.