

## Thai News Update: 26 February 2018

### **1. \$5.4 Billion Petrochemical Complex Starts Construction**

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

Thailand-based conglomerate SCG Feb 23 broke ground at its US\$5.4 billion flagship project of Long Son Petrochemicals (LSP) after 10 years of preparation. The project, at Long Son Commune, Bà Rịa – Vũng Tàu Province, 100km away from HCM City, is the first integrated petrochemical complex in Vietnam with total olefins capacity of 1.6 million tonnes each year. It is designed to produce various petrochemical products, including essential plastic materials such as polyethylene, polypropylene and other products in excess of 2 million tonnes each year. Non-petrochemical supporting infrastructure, such as a deep sea port and other facilities, will also be built. The project is expected to begin commercial operation in early 2023. Speaking at the groundbreaking ceremony, Vietnam's Prime Minister Nguyễn Xuân Phúc praised the efforts of related authorities to overcome difficulties for the operation of the project.

### **2. Tris Rates TAA Debentures**

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

TRIS Rating affirms the company rating of Thai AirAsia Co Ltd (TAA) and the ratings of TAA's senior unsecured debentures at "A-", which reflect TAA's position as the leading low cost carrier (LCC) airline in Thailand; its cost efficiency; synergy with AirAsia Berhad (AAB) and its affiliate, AirAsia Group; and ongoing growth of the Thai tourism industry. However, these strengths are partially offset by intense competition in the industry plus TAA's relatively high leverage, exposure to volatile fuel prices, currency risk, and event risks. TAA is the largest LCC in Thailand. At the end of December 2017, TAA provided flight services on 43 international routes with 471 flights per week and 34 domestic routes with 789 flights per week.

### **3. Russian Firms Ready for Thai Opportunities**

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

RUSSIAN companies are ramping up business partnership with their Thai counterparts. The Russian business mission to Thailand from February 20-22 has paved the way for more trade and investment between the two countries, said Russian business leaders who spoke with The Nation

about their business plan in Thailand. Victor N Kladov, the Rostec group's director for international cooperation and regional policy of Rostec group, said his high-tech firm comprises 16 holding companies and more than 600 enterprises. The group, a state corporation, produces many products including weapons systems, aviation clusters, helicopters, high precision rockets and missiles, combat tanks, and on-board electronics for aircraft, car and truck manufacturing. The company has supplied helicopters to the Thai Royal Air Force.

#### **4. Inthanin Coffee to Expand in Cambodia**

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

Cambodia based RCG Retail (Cambodia) Co Ltd has plans to open over 100 stores selling Thailand's Inthanin brand of coffee in Cambodia from next month until the year 2022, after last week signing a memorandum of understanding with Thailand-based Bangchak Retail Co Ltd. The first, and flagship, branch will open in Phnom Penh in March this year, followed quickly by a second flagship in Siem Reap in April, said RCG Retail (Cambodia) Co Ltd's president, Jiranun Wongmongkol, in an interview with The Nation recently. Bangchak Retail Co Ltd's managing director, Viboon Wongsakul, said that Inthanin deal for Cambodia is part of its business plan to expand its business in CLMV countries – Cambodia, Laos, Myanmar, and Vietnam.

#### **5. Policymakers Aim to Adjust Legal Reserves**

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

Energy policymakers are planning to increase the volume of the country's legal reserves for refined oil from oil traders to 2% or 7.3 days, up from 1% or 3.65 days. On the other hand, oil refiners are planning to cut crude oil reserves from 6% or 21.9 days to 5% or 18.25 days. For both crude and refined oil, Thailand's reserve is 7% or 25.55 days for oil refiners and traders. Witoon Kulcharoenwirat, director-general of the Energy Business Department, said the moves will maintain the total reserve at 7% but add 1% volume of refined oil and cut 1% volume of crude oil. He said the aim is to cut operating costs for oil refiners and balance crude oil stock by adding resources from East and Southeast Asia and the US, instead of relying on the Middle East. Sukrit Surabotsopon, president of oil refiner IRPC Plc, said he agrees with the policymakers' move because the timing is appropriate and there are no signs of disruption in oil transport.

## **6. Philips Senses Opportunity in Digital**

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

Philips Thailand Co, a healthcare business arm of Royal Philips, the Dutch electronics company, plans to focus on digital healthcare this year to capitalise on the government's Thailand 4.0 policy. Viroj Vithayaveroj, the company's chairman, managing director and general manager of health systems, said Thailand's 4.0 scheme persuaded the company to focus on selling more digital products this year. Connected healthcare is the forefront of Philips's strategy for growing the business, he said. Philips founded its Thai operation in 1952. It makes healthcare, lifestyle and lighting products. The company started manufacturing in Thailand in 1960 with an incandescent lamp factory.