

## Thai News Update: 26 June 2019

### 1. FTI seeks measures to rein in baht

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

The Federation of Thai Industries (FTI) is calling on the Bank of Thailand to launch new measures to rein in the baht's rapid gains after the currency hit a more than six-year high, aiming to prevent the export slump from deepening. "The baht is making wild swings and is strong," said chairman Supant Mongkolsuthree. "The government should take care of the baht's fluctuation. Currently it is having a strong impact on the export sector." He said the global market is suffering from instability caused by the US-China trade war. Moreover, the Federal Reserve left its key interest rate unchanged last 19 June and was prepared to start cutting rates if needed to protect the US economy from trade conflicts and other threats.

### 2. GSB makes first foray into securities

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

State-owned Government Savings Bank has bought a 25% stake in online securities broker ASL Securities, marking GSB's first venture into the securities business and opening the door for the 106-year-old bank to offer a full array of financial services. Before making its way to investing in the securities business, GSB held 24.94% and 25% stakes in MFC Asset Management and Thanachart Fund Management, respectively, both of which are identified as asset management companies. "It is a win-win situation because the bank has a customer base while ASL has the technology," said GSB president and chief executive Chatchai Payuhanaveechai. "ASL has been established via an online securities platform for a few years."

### 3. AoT pushed back on 2nd terminal plan

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

The Transport Ministry has put the brakes on Airports of Thailand Plc's (AoT) plan to build Suvarnabhumi airport's 42-billion-baht second terminal, saying the scheme fails to take into

consideration all related infrastructure projects. Permanent secretary for transport Chaiwat Thongkamkoon said on 25 June the ministry agreed with the National Economic and Social Development Board (NESDB) review that concluded that AoT's plan for the second terminal development was not comprehensive enough. AoT has been asked to revise the blueprint so it complies with other infrastructure developments including the U-Tapao airport development scheme and the high-speed train system linking Don Mueang airport in Bangkok with Suvarnabhumi in Samut Prakan and U-Tapao in Rayong, he said.

#### **4. Creed keen on regional expansion**

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

Japan's Creed Group will invest US\$150 million a year to develop residential projects in Southeast Asia, targeting the middle-end segment. The group's founder and managing director, Toshihiko Muneyoshi, said the middle-class population in many Southeast Asian countries has growth potential to drive mid-priced housing demand. "Vietnam is a very good market," Mr Muneyoshi said. "Early in the year we sold 800 condo units in only three hours from a total of 1,000 units. Except for Japan, Vietnam is where we have made the largest investment, totalling \$100 million since 2013." Thailand is the seventh country in Southeast Asia, the ninth in Asia and the 11th worldwide where Creed has entered the property sector.

#### **5. Dusit Thani seeks investors for 'premium' Maldives hotel**

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

DUSIT THANI is working toward a public offering as it seeks to expand its investment in Dusit Thani Maldives. Dusit Thani Freehold and Leasehold Real Estate Investment Trust (or DREIT) has applied to the Securities Exchange Commission for a public offering of 365 million units to expand its investment to acquire up to Bt2.3856 billion of Dusit Thani Maldives by the third quarter of this year, the fund's manager, Sarnthor Mudhasakul, said yesterday. The financial advisor noted that the proposed investment would strengthen the REIT and diversify its revenue bases internationally and beyond local hotels, as well as its customer bases. The investment would likely not reduce the cash distribution per unit, but it would enlarge the REIT's size, which could lead to improved trading liquidity, borrowing capacity and credit rating, he said.

## **6. Supply chains re-routed to Asean**

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

Chinese investment in the region's manufacturing sector will intensify in the upcoming decade as China uses its Belt and Road Initiative (BRI) to reorientate the global supply chain towards Asean in response to its trade battle with the United States, a geopolitical expert predicts. “The Asean region will soon become a new base for China’s manufacturing hub as China seeks to reorient the Asia Pacific’s supply chain,” said Arm Tungnirun, a lecturer at Chulalongkorn University’s faculty of law and author of the book China 5.0. As the US-China trade conflict drags on, he said, its most significant impact has been the realignment of the global supply chain towards the Asean region. This is particularly so for foreign companies based in China and Chinese companies looking to invest abroad. The BRI has so far focused on infrastructure construction in developing countries throughout the world. This creates a fruitful business environment for Chinese firms that are looking to invest abroad, Arm said during an interview at the event.