

Thai News Update: 9 April 2018

1. Unfinished Tunnel Opens To Ease Traffic Snarls

Source: Bangkok ([Link](#))

The Department of Highways will temporarily open an under-construction tunnel linking Thap Lan National Park and Khao Yai National Park beginning on 10 April to accommodate a mass of motorists before and during the Songkran festival. According to the department, the tunnel will be temporarily made available from Tuesday to ease traffic congestion along Prachin Buri-Nakhon Ratchasima (304) Highway, the main artery connecting the East and the Northeast, during the festive season, which starts on 12 April. Currently, only two of four lanes are available on the highway's 192 to 195-kilometre markers where the construction of the tunnel and overpasses is underway. Atichart Boonyoung, chief of the Prachin Buri Highway District, said the tunnel is scheduled for completion late this year and nearly 80% of the construction work is finished. On the highway, warning signs have also been installed on construction sites along a 30km section covering Na Di district of Prachin Buri to Wang Nam Khieo district in Nakhon Ratchasima to prevent traffic accidents during the holiday period, he said.

2. SCB To Close 200 Branches

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

Siam Commercial Bank (SCB) plans to shutter 200 physical branches this year as part of its three-year plan to cut operating costs by 30% by 2020 and move towards digital banking. Mobile banking service has operating costs 40-50% lower than branch services, said chief executive and president Arthid Nanthawithaya. Employees who work at branches will be converted to financial advisers for business and small and medium-sized enterprises (SMEs), as the bank does not envision layoffs. "The branches to be closed will be those with low traffic, while staff will be moved to in-demand areas," Mr Arthid said. "We don't have a policy to lay off any employees, but on average 2,000-3,000 resign annually. SCB, the country's second-largest lender by assets and No.2 in digital banking with 6.5 million users, has gained 17,000 additional SCB Easy users since the bank scrapped digital transaction fees for interbank and cross-clearing zone fund transfers, bill payments and top-ups from March 26.

3. IMF Urges Creation Of Thai Sovereign Wealth Fund

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

The International Monetary Fund (IMF) has suggested that Thailand create a sovereign wealth fund, Deputy Prime Minister Somkid Jatusripitak said on 6 April. IMF officials had met Somid to discuss the economic situation. Somkid said the IMF suggestion was prompted by Thailand's large accumulated foreign exchange reserves of US\$215 billion. The sovereign fund should invest the reserves to generate more revenue for the country like many other countries do, the IMF officials suggested. Somkid explained that making use of international reserves is a sensitive issue in Thai society. He said the government previously had asked the central bank to study the creation of a sovereign wealth fund in order to ease pressure on the baht, which in recent years has risen against the US dollar.

4. Big Push For Renewable Energy As Companies Plan To Invest More Than Bt130 Billion This Year

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

Energy and non-energy firms are planning investments of more than Bt130 billion in renewable energy this year, both at home and abroad, confident of strong growth in global demand for alternative energy. Bangchak Corporation Plc has set aside an investment budget of Bt30 billion. On April 5, 2018, the company announced the Bangchak Initiative and Innovation Centre (BiiC) would invest in an alternative energy start-up in the US and in green products firms Semtive Co Ltd and Bonumose Co Ltd. This is a part of its business expansion into alternative and green energy. PTT Plc has also set aside an investment budget of up to Bt16.3 billion for alternative energy, which is a part of its efforts to drive sustainable business growth in the long-term. Thailand's Power Development Plan 2015 or PDP 2015 has set targets for the country to use alternative energy up to 19,684.40 megawatts by 2036. Currently, 8,271.24MW, or about 42 per cent of the target, has been achieved. This means the country needs more investment in alternative energy to produce 11,413.16MW from this year until 2036. B Grimm's first hydropower project in Laos started operations last year, with nine others to follow soon. The group's operations service 150 big industrial customers in Vietnam.

5. Japan Offers Loans For High-Tech HR

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

The Japan International Cooperation Agency (JICA) has offered 2.7 billion baht in soft loans to the Thai government to fund human resource development projects for industries handling high technology and innovation. Nathporn Chatusripitak, an adviser to PM's Office Minister Kobsak Pootrakool, said the loan scheme is part of the bilateral human resource development plan in manufacturing and services. He cited a recent Jica survey, which found that Japanese companies operating in Thailand desperately need more human resources in engineering and technicians for electrical engineering, electronics and mechatronics. According to Jica's survey, 52% of existing manufacturing technicians lack quality, while 71% of Thai engineers lack design knowledge. Thailand is also short of senior engineers. Under the plan, JICA will team up with Thai educational institutes to develop special courses for manufacturing and innovation. The funding was requested by the Education Ministry to improve worker competitiveness, which includes creating 4.7 million vocational graduates by 2036, up from 1.6 million in 2017.

6. B Grimm Set For Largest Solar Plant In Asean

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

B GRIMM Power Plc has taken another step towards internationalisation, expanding its power generation and distribution business in CLMV. By the end of April, B Grimm will achieve its next milestone in concluding its joint venture agreement with Xuan Cau Co Ltd to construct what is expected to be Asean's largest solar power plant, with 420 megawatts of installed capacity at Tay Ninh, Vietnam. Xuan Cau Co Ltd, one of the largest corporations in Vietnam, operates a diverse range of business including real estate, trading and service, energy and infrastructure. Currently, it is working through the contractor selection process and discussing project financing with domestic and international financial institutions. The project would operate commercially, and is expected to generate revenues by June 2019. The company is confident it will increase the contribution of renewable energy and international investment to 30 per cent of its total portfolio within five years. Thailand's Minister of Energy recently announced a limit on purchases of electricity from renewable energy over the next five years. B Grimm Power will be unaffected by the freeze, said CEO Preeyanart Soontornwata, as its main revenue stream is from SPP power

plants dominated by natural gas which comprise 2,200 megawatts of installed capacity from the company's total capacity of 2,518 megawatts. As the signal does not affect international renewable energy investment, the company will continue to seize opportunities abroad, where the demand is plentiful for electricity and B Grimm's expertise is needed, Preeyanart said.