

Daily Thai News Summary: 21 January 2016

1. Export growth target attainable, Somkid says

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

Deputy Prime Minister Somkid Jatusripitak said yesterday that the country's export-growth target of 5 per cent this year was within reach if the Commerce Ministry adjusts its market-penetration plans by boosting human resources in each target market, focusing more on emerging countries and adopting an e-commerce strategy. *"Although the global economy and some trading partners such as China are slowing down, opportunities await for us [officials and exporters] to promote more trade. The country needs to deepen its marketing strategy to focus on particular markets and the demands of each group of consumers,"* he said.

After meeting with 61 representatives of Thai Trade Offices overseas, Somkid said that despite many negative factors, Thailand should not lower its export working target, which is set at 5-per-cent expansion to US\$225 billion (Bt8.1 billion). He instructed trade officials to penetrate markets with high purchasing power, mainly mainland China, Hong Kong, India and Japan, plus Cambodia, Laos, Myanmar and Vietnam.

2. Push for telecom infrastructure

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

The Government plans to set up a national infrastructure fund to finance its expansion of the telecom infrastructure network nationwide, said Information and Communications Technology Minister Uttama Savanayana. The initiative follows the government's plan to spend Bt20 billion to extend the national broadband network to all 74,000 villages nationwide and the construction of new international Internet gateways. These networks, which will be owned by the ICT Ministry, will be put in the planned infrastructure fund, which will sell share units to investors. The money from the fund will be for the further expansion of the telecom infrastructure. The fund will be the government's vehicle for seeking money for its ICT-infrastructure expansion.

Uttama said the plan for setting up the fund would be clearer next quarter. He added that Prime Minister General Prayut Chan-o-cha had agreed in principle with the idea and had urged the ICT Ministry to start drawing up details of the plan. Currently, there are two listed private telecom infrastructure funds in Thailand, the Digital Infrastructure Fund of True Corporation and the Jasmine Broadband Internet Infrastructure Fund of Jasmine International. On Tuesday, the

Cabinet approved the ICT Ministry's plan to spend Bt20 billion to connect all 74,000 villages with wireless or fixed-line broadband. Currently, 40,000 villages have broadband access.

3. IEC Chairman forecasts big profits rise this year

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

Bhusana Premanode, chairman and president of International Engineering, has no plan to return to the telecom business and will focus on growing his company through renewable energy and waste plastic pellets. The company yesterday also announced a plan to start paying a dividend for the first time in more than a decade, ahead of a Bt497-million rights offering set from February 1-5. Its board of directors will meet on February 26 to declare the dividend payout policy and approve the firm's business plan. IEC's stock price shot up 50 per cent to close at 3 satang during trading on the Stock Exchange of Thailand yesterday, passing its rights-offering price of 2.2 satang. Bhusana said IEC's forecast was for the group's profit to rise from a two-digit figure to Bt210 million this year, Bt273 million in 2017, Bt323.5 million in 2018, Bt418.4 million in 2019 and Bt533.8 million in 2020.

The major contributors to this huge earnings-growth projection will be MSW (municipal solid waste) power projects and waste-plastic-pellet projects. *"Biomass projects will not generate a big profit, while we will not expand our solar-power business,"* he said. The forecast is *"conservative" because it does not include potential income from its planned Bt4-billion "integrated gas hub"*, a complex of sugar-cane molasses, biogas, ethanol and compressed bio-methane gas (CBG) factories. It is courting PTT, Bangchak and other investors to join the project. Renewable energy, comprising MSW, solar and biomass power plants, is expected to contribute 91 per cent of IEC's revenue in 2015, with the balance made up by the information and communications technology business.

4. King Power keen to grow within Asia

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

King Power Group, the country's duty-free operator, plans to spend more than 8 billion baht on its first business expansion abroad. It will initially invest in two Asian countries: Japan, where most of the 8 billion baht will be spent and Myanmar for which it has a 100 million baht budget, Chairman Vichai Srivaddhanaprabha said.

The two international duty-free shops are expected to open next year. *"The number of international flights and the number of foreign tourist arrivals are key factors for King Power to make an investment decision outside Thailand"* he said. Japan is a popular destination for both Thai and Chinese tourists. King Power estimates spending by Chinese travelers at its duty-free

shops at 30 billion baht, making up more than half the group's revenue. In Japan, King Power will work closely with major travel agents, while its presence in Myanmar will involve joint ventures with local investors.

5. SCB plans huge IT investment

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

Siam Commercial Bank (SCB) plans to raise investment in its infrastructure base to cash in on the digital banking trend and sustain its profitability in the long term, says President Yol Phokasub. SCB's cost to income ratio still has room to facilitate higher investment, he said. Its ratio was 37% last year compared with the 44% average of the country's four largest banks. This is expected to increase to around 40% this year, a level that will not have an impact on the bank's profitability, said Mr. Yol. The bulk of SCB's investment will be in its information technology (IT) system to prepare for changing technology and consumer lifestyles.

6. AOT urged to open up duty-free

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

The Thai Duty-Free Shop Trade Association has asked airports of Thailand Plc (AoT) to open up the management of pickup centres at Suvarnabhumi and Don Mueang airports to new players. Duty-free business should be liberalised in line with the Customs Department's law, but only King Power has been authorised to manage pickup centres where travellers collect goods purchased elsewhere, President Rawittha Pongnuchit said. This is the major stumbling block for new players, she said. Mrs Rawittha said AoT once promised the association it would consider its contracts with King Power and related laws to establish whether it was possible for the association to have a 200-square-metre space at Suvarnabhumi for duty free collection. Central Group, The Mall Group and South Korea's Lotte Group have expressed interest in entering the duty-free business, Mrs Rawittha said.

By Harsha Hazarika