

Daily Thai News Summary: 22 July 2016

1. State Bank packages for SMEs, individuals

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

State Owned banks have launched financial packages with both soft loans and mortgages to support small and medium-sized enterprises and homebuyers. The Government Savings Bank has arranged Bt30 billion in soft loans through 18 financial institutions for SMEs to replace machinery and improve production efficiency. Chatchai Payuhanaveechai, president of GSB, said yesterday that this seven-year loan programme with a no-financing condition was expected to assist about 2,000 SMEs. It carries an interest rate of 4 per cent. *"This is the third phase of soft loans for SMEs. The previous ones helped more than 30,000 SMEs with combined soft loans of Bt150 billion,"* he said. The Islamic Bank of Thailand also offers soft loans worth Bt30 billion for SMEs that plan to change their machinery and improve production efficiency. Government Housing Bank has set a Bt65-billion credit line for its four new loan products as a means to have all customer groups gain better access to residential loans.

2. Bangkok prime Condo market still thriving

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

The prices of prime and super-prime condominium units in Bangkok increased by more than 5 per cent in the first half of the year, suggesting that those segments are far from being oversupplied, according to Knight Frank Thailand. The property consultancy's research showed that for super-prime units - of which prices are Bt300,000 and above - the average prices jumped from Bt303,250 per square metre at the end of 2015 to Bt319,095 at the end of the first half of 2016, an increase by 5.23 per cent. In the same period, the prices of prime condos increased from Bt226,350 per square metre to Bt242,313, or 7.05 per cent.

Despite the slow economic recovery, which has dented purchasing power, the market still expanded. This was assisted by foreign purchases. *"We are observing more interest from foreign buyers in super-prime and prime condominiums in Bangkok. Two years ago, the proportion of foreign buyers was averaging around 5 to 10 per cent; now we believe the number is around 10 to 15 per cent,"* said Risinee Sarikaputra, research director of Knight Frank Thailand. The company says most buyers of super-prime condos are Thais who buy a unit as second home that serves their exclusive lifestyle. The foreign buyers of these units are mostly people from Hong Kong, Singapore or Taiwan who have businesses in Thailand.

Anchalee Kasemsukthawat, director of the firm's residential department, said super-prime condos appealed to those who yearn for privilege and exceptional 24-hour world-class services on a par with five-star hotels, such as concierge and serviced dining space for an exclusive culinary table, in addition to prime location, convenience and privacy. Knight Frank Research said there were no super-prime condo projects launched in the first half of the year, leaving the number of units in 10 projects unchanged at 1,960. In this category, The Residences at Mandarin Oriental Bangkok on the Chao Phraya riverside was the most recent super-prime project, having launched in the second half of 2015 with 146 units.

3. Teams find trade interest in Africa

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

Thailand has asked Kenya to allow Thai fishermen to ply its coastal waters, while Thailand has been urged to invest more in Kenya to help develop many of that country's industries. After leading Thai delegations on missions to Kenya and Mozambique from July 10-16, Chutima Bunyapraphasara, permanent secretary of the Commerce Ministry, said Thailand could form closer cooperation with the two African nations in many sectors. *"Thailand and Kenya agreed to set up a joint committee on trade and investment to support cooperation between the two nations,"* she said, adding that Thailand would like to export more rice to that country. Primarily, however, Thailand has asked Kenya to allow the Thai Overseas Fisheries Association to negotiate on behalf of the Thai fishery industry for permission to ply Kenya's coastal areas, as they are rich in seafood resources.

Fishery products that Thailand is highly interested in importing from Kenya are lobster, fish, crayfish and crab. Under the "Kenya Vision 2030" scheme, the African country's government has urged Thai investors to expand their interests there, particularly in the agricultural sector and crop processing. Nairobi aims to increase the country's competitiveness in agro-industry and other sectors in order to become a middle-income nation. Kenya also would like to learn from Thailand's experience in agriculture and agro-industry, tourism, and infrastructure development. Agro-industries in which there is high potential for Thai investors in Kenya are maize, sugar cane, feed meal and fertiliser.

4. Internet advertising in Thailand has second highest growth in ASEAN

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

Internet advertising revenue in Thailand is forecast to grow by 22.5 per cent in each of the next five years to hit US\$89 million (Bt3.1 billion) by 2020 thanks to further household fixed-line broadband penetration, according to PricewaterhouseCooper's global entertainment and media outlook for 2016-2020. The report showed that fixed-line broadband penetration currently stood at 28 per cent of Thailand's households. With this growth rate, Thailand is ranked second among Asean countries after Indonesia, which should experience a compound annual growth rate (CAGR) of 35.2 per cent. By 2020, Indonesia's Internet advertising revenue is expected to hit \$3.29 billion, thanks to growing Internet access penetration and a strongly performing economy.

In the third place, Vietnam's Internet advertising segment is expected to grow at a CAGR of 18 per cent to reach \$51 million by 2020, followed by Singapore, which will grow at a CAGR of 15.5 per cent to \$616 million, and the Philippines, which is expected to grow at a CAGR of 14.8 per cent to \$201 million. In the period, PwC forecasts total global spending on Internet advertising to reach \$260.4 billion, at a CAGR of 11.1 per cent. Total Internet advertising revenue in Thailand reached \$32 million in 2015, up from \$14 million in 2011. The consulting firm also estimated that CAGR of magazine and newspaper revenue in Thailand would be minus-0.6 per cent and minus-0.5 per cent respectively. The report highlighted that total entertainment and media (E&M) spending in Thailand is expected to reach \$11.5 billion by 2020, growing at CAGR of 5 per cent over the next five years. Globally, the average annual growth rate would be 4.4 per cent, from \$1.72 trillion in 2015 to \$2.14 trillion in 2020.

5. "Food and Hotel Thailand" to host 1,000 food firms in September

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

More than 1,000 Thai and foreign food companies plan to join "Food & Hotel Thailand" in September thanks to expectations of a bright future for Thai tourism. Justin Powell, general manager of Bangkok Exhibition Services (BES), organiser of the event, said the number of exhibitors this would be up by 15-20 per cent from 2015, and the number of visitors would increase by 10-15 per cent to 30,000. The event will take place in Bangkok from September 7-10. Powell said about 700 food-processing companies in Thailand would attend the event and 300 companies from 20 other countries or territories. Denmark, South Korea, Japan and Taiwan will have food pavilions on display. *"Buyers and sellers will have a chance to meet and do business,"* he said, adding that the value of deals discussed at the event was expected to be about Bt4 billion.

BES believes the food and hotel businesses will continue grow thanks to the flourishing tourism industry. The company believes that total tourism receipts this year will reach Bt2.58 trillion as tourism authorities have predicted. About Bt1.72 trillion will be generated by foreign visitors and Bt860 billion will be from the domestic market. The company also expects the number of international arrivals will grow by 10 per cent next year. Powell said that would be good news not only for hotels and food businesses, but also for related businesses such as spas.

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