

Daily Thai News Summary: 27 July 2016

1. WHA-Daiwa JV plans 2 logistics hubs

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

WHA GROUP, a major logistics and industrial-estate developer, has formed a strategic partnership via a joint venture being established today with Daiwa House Industry, a large Japanese conglomerate. Jareeporn Jarukornsakul, group chief executive officer of WHA Corp, said the joint venture, WHA Daiwa Logistics Property, would pursue two large logistics centres in the Laem Chabang and Bangna-Trat (Chonlaharn) areas for a total investment cost of Bt2.3515 billion. WHA will hold 51 per cent of the JV and Daiwa the remaining balance, *"Daiwa has prepared a budget of several billions of baht to join us in several other projects,"* she said. *"It is our strategy not to focus on competing, but rather on having strategic partnerships with people doing similar businesses that will make us No 1 and growing larger."* She said WHA was discussing with Daiwa the possibility of forming joint ventures to pursue new logistic projects in neighbouring countries, especially Indonesia and Vietnam, where both companies already have some projects.

Daiwa managing executive officer Tatsuya Urakawa said the company had earmarked 700 billion yen (Bt235 billion) for investments over the next three years, of which 360 billion yen would go for logistics. Of the total logistics investment budget, 10-20 per cent is expected to be for Asean, including Thailand. The WHA joint venture marks Daiwa's first entry to the Thai market, after its inroads to Vietnam's logistics market in 2011 and Indonesia's in 2012. The company has also entered the housing-prefabrication business in Malaysia. Daiwa expects its Thai business to generate similar revenue as its Indonesian and Vietnamese businesses, each of which currently generates between 3 billion and 4 billion yen annually. It is also considering entering the elderly-care and healthcare businesses in Thailand in the future.

2. Cabinet approves Bt 44 Bn rail projects

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

The Cabinet yesterday approved construction of two Bangkok urban rail lines worth Bt44.16 billion, part of a larger infrastructure initiative by the ruling junta as it seeks to revive the sluggish economy. The lines are among some 20 infrastructure projects worth Bt1.4 trillion that the military-led regime hopes to get under way before 2018. The State Railway of Thailand is expected to open bidding for the projects next month and construction will likely start in February, Kobsak Pootrakool, vice minister at the Prime Minister's Office, told reporters.

The proposed 25.9-kilometre overground and underground Dark Red and Light Red lines will connect northern Bangkok to the city's eastern suburbs and to the city centre. The planned construction period is 36 months for both lines with nine stations, with expected completion in 2019 and services in 2020. As part of the Mass Rapid Transit Master Plan in Bangkok, there are two Red Lines. The Dark Red Line runs from Thammasat University's Rangsit Campus to Mahachai in Samut Sakhon province, while the Light Red Line runs from Salaya in Nakhon Pathom province to Hua Mak in Bangkok. Both pass through Bang Sue, which will act as a connecting hub to the MRT system. Yesterday's approval follows the nod for several rail lines in the traffic-jammed capital this year.

3. New Boeing ups Swiss capacity on Bangkok-Zurich route

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

SWISS International Air Lines (SWISS) is increasing passenger capacity on its Bangkok-Zurich route with the introduction of a new Boeing 777-300ER, while Switzerland's tourism agency predicts that Asean will continue to grow as a major source market for visitors to the European nation. Peter Pullem, SWISS vice president for Sales and Marketing International, yesterday said Bangkok was the first Southeast Asian destination in the carrier's network to receive the new aircraft, which arrived this month. The airline is commencing daily flights to Bangkok with brand-new cabin products on the Boeing 777-300ER, which replaces the Airbus A340-300 that has been used on the route, he said, adding that SWISS's capacity on the route will increase by more than one-third as a result. *"This is a key milestone in the history of SWISS and we are very proud to bring this accomplishment to our customers and partners in Thailand,"* the executive said.

Pullem said the airline was not unduly worried about the prevailing economic uncertainty in Europe, and especially the UK's recent Brexit vote to leave the European Union, as it believed tourists would continue to travel to Thailand and other countries in Southeast Asia. Dirk Grossmann, general manager for Passenger Sales Thailand and the Mekong Region at Germany's Lufthansa Group - of which SWISS is a subsidiary - said the group had introduced Eurowings into the Thai market late last year in order to cope with the strong market in the region, and Bangkok continued to be an important Asian hub for the group's operations.

4. Fund inflows continue to drive Thai market

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

The Stock Exchange of Thailand in the first half of this year outperformed other bourses in Southeast Asia in terms of fund inflows and dividend yields. The SET said its dividend yield in the first half was 3.3 per cent, overtaking Singapore's 3.1-3.2 per cent. Thanks to fund inflows, the SET recorded average daily turnover of Bt46.67 billion in the first six months of the year. According to SET president Kesara Manclusree, including daily turnover of Bt64 billion in July, the average in the first seven months would be Bt48.16 billion, up 0.97 per cent from the same period last year. For the first six months, the Thai bourse recorded Bt35.98 billion in net buys by foreign investors, turning around from a net-sell last year and making it the highest figure in Asean, Kesara said. The Thai stock market is still underweight while foreign funds were in rebalancing mode, increasing the chance for continued inflows. According to Santi Kiranand, senior executive vice president of SET, about 30 Thai stocks are described as "investability", or those with market capitalisation of more than US\$1 billion and daily turnover of more than \$10 million.

5. Crest Collection to open first serviced residence in Asia

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

The Crest Collection plans to open the Metropole Bangkok in September in Thonglor as the first serviced residence in Asia, aiming to grab the expatriate and tourist segments. "The location really is impossible to beat," Jean Keijdener, general manager of Ascott in Thailand, which will manage the property, said yesterday. Thonglor is a residential neighbourhood preferred by Japanese and foreign executives. The developer is a local investor, Fico Corporation. The serviced residence with a hotel licence will offer 116 studio and one-bedroom apartments ranging from 27-67 square metres in size. Bangkok is one of the most dynamic cities in Asia and Thonglor is its most vibrant area. Metropole is one of four properties bracketed under The Crest Collection label. The others are Ascott's Citadines Suites properties in Paris, France that have been renamed to La Clef Louvre Paris, La Clef Champs-Elysees Paris and La Clef Tour Eiffel Paris. Recently launched in Europe, The Crest Collection is a new selection of some of Ascott's serviced residences.

