

Daily Thai News Summary: 5 July 2016

1. SME Master plan

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

The Office of SMEs Promotion (Osmep) will soon propose the master plan No 4 for small and medium-sized enterprises to its board of directors ahead of its planned implementation next year. Sontirat Sontjirawong, adviser to the Minister of Industry, said the plan would soon be proposed at a meeting chaired by Prime Minister Prayut Chan-o-cha. Initially, the plan aims to create new business operators with high valued added, upgrade SMEs technology and innovation, enhance entrepreneurship and promote business networks and clusters. The plan also intends to strengthen the foundation of enterprises and promote market access and internationalization in order to increase SMEs' income contribution to Thailand's gross domestic product to more than 50 per cent by 2021. The current contribution is 42.3 per cent. SMEs' GDP is expected to increase up to 5.5 per cent this year. In the first quarter it rose 5.1 per cent. Osmep encourages SMEs to drive their business with innovation, while adjusting so the sector can become a manufacturing network for the country's 10 future industries, create value-added cultural products and successful designs for products and packaging. Osmep is studying the establishment of a new fund to support SMEs, particularly those with business potential, to gain credit access for business expansions.

2. New act to boost SME funding access

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

Almost 3 million small and medium-sized enterprises and start-ups should find it easier to access loans after the new Secured Transactions Act went into force on Saturday. Commerce Minister Apiradi Tantraporn said SMEs would be able to access funding more easily as they could use their assets as collateral. *"More than 300,000 SMEs and start-up businesses are expected to access more loans this year after the new act has been implemented. This should help stimulate economic growth as SMEs expand their businesses, while Thailand will also be more competitive,"* she said. Apiradi said the country's Ease of Doing Business ranking by the World Bank should improve in the near future. Under the new law, instead of using a mortgage or having to pawn their assets as business security, SMEs will be able to use such assets as raw materials, inventories, aircraft, freight, patents, copyrights and trademarks as guarantees for acquiring loans from financial institutions, or to secure their liabilities.

To prepare for the new law, the ministry's Business Development Department has issued 13 other related regulations and developed an online system to help enterprises apply for loans. Financial institutions can register their secured collateral with the department at any time through the online system, Apiradi added. Pornchai Thiraveja, deputy director-general of the Fiscal Policy Office, said lending to SMEs and start-ups should increase by about 20 per cent this year thanks to the new law. Besides banks and financial institutions, the Finance Ministry has also proposed a regulation to allow six other businesses to be secure agencies or receivers of guarantees for SMEs. Those businesses include trusts, mutual funds, asset-management companies and factoring providers.

3. CMO unveils new business strategy

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

CMO is marking its 30th anniversary by focusing more on tourism and its entertainment- and lifestyle-related business on top of its core event-management operation as it aims to achieve a revenue target of Bt2 billion within two years. Chief executive officer Sermkhun Kunawong said yesterday that to be ready for the challenges ahead, the company had prepared three main strategies. The first strategy involves CMO retaining its position as a leading event-management company by strengthening its competitiveness and manpower in line with new technology and more sophisticated clients, particularly in the sport and music industries.

CMO anticipates new requirements from clients wanting high technology for light and sound to support their sport events such as Thai Fight and concerts run by BEC-Tero Entertainment. Second, the company is expanding its tourist business. Under this business arm, it operates a contemporary cultural show called "Himmapan Avatar" at the Show DC mega-complex on Rama IV Road, and the "Imaginia Playland" theme park and learning centre for kids. It plans to expand to two more locations. The third strategy relates to its entertainment- and lifestyle-related business serving the increasing demand of customers keen on arts, fashion and partying.

4. TAT plans to boost tourist spending, fuel domestic travel next week

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

The Tourism Authority of Thailand (TAT) aims to boost tourist spending and fuel more domestic travel next year. The agency is holding its annual meeting on its marketing action plan this week in Khon Kaen, brainstorming new strategic initiatives for the coming year. The authority will announce the final master plan next Monday. Yuthasak Supasorn, governor of TAT, said the agency would continue promoting the concept of "Thainess" tourism to boost the

domestic market and it would expand the strategy internationally through a new national tourism campaign, "Discover Amazing Stories in Amazing Thailand". The campaign will aim to expose foreigners to Thainess at unique locations. Yuthasak said TAT aimed to increase tourism income from the Bt2.58 trillion projected this year to Bt2.89 trillion next year, or a 12-per-cent increase, with Bt1.89 trillion coming from international markets and Bt1 trillion domestically. *"The top concern for the coming year is to boost tourist spending per head per trip by 10 per cent, from Bt54,000 to Bt55,500"* on average, he said.

If the TAT is able to achieve next year's revenue target, the tourism sector should contribute up to 20 per cent of the country's gross domestic product, up from 16 per cent last year. Because of strong growth in the first half this year, TAT has raised its international-arrivals forecast from 29.9 million to 34 million, while hoping that the domestic market will also grow. The revenue target for this year has been raised from Bt2.41 trillion to Bt2.58 trillion.

5. SCB partners with Singapore institute to help develop relationship managers

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

SIAM COMMERCIAL BANK has partnered with the Singapore-based Wealth Management Institute (WMI) to develop an "SCB Wealth Academy" to strengthen the quality of the bank's relationship managers. Laliphat Toranavikrai, SCB executive vice president for its private-banking relationship-management division, said the needs of high-net-worth individuals nowadays were changing because there were more younger wealthy people, especially young entrepreneurs. Therefore, the bank's financial advisers have to know how to deal with this new demographic. She said Thailand was experiencing Southeast Asia's highest growth in the number of wealthy individuals, at 13-14 per cent a year. *"Therefore, we have to develop our human resources to serve our customers' sophisticated views on investment."*

In the past, relationship managers focused on trust, but today client experience is essential, and the bank's relationship managers must know how to ride this global trend. That is why the bank needs a "Wealth Academy". SCB classifies its wealthy customers in two categories. An "SCB First" customer is one with assets under management of Bt10 million to Bt30 million, while those qualifying for SCB Private Banking have AUMs higher than that. The bank now serves more than 7,000 SCB Private Banking families and more than 30,000 SCB First members, covering more than Bt800 billion of AUM. The bank has 100 relationship managers; those serving Private Banking members handle 60-70 each, and those serving SCB First handle 150-200 each. SCB is among more than 60 financial-institution clients of WMI. Foo Mee Har, chief executive officer of WMI, said that by region last year, Asia-Pacific surpassed North America for the first time with the largest amount of wealth held by high-net-worth individuals. It grew by 9.9 per cent in this region, compared with 2.3 per cent in North America. The global growth figure was 4.4 per cent.