

Thailand Infrastructure News



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Source: Eastern Economic Corridor: An Update, published on The Stock Exchange of Thailand website

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TDRI: EEC needs property returns

Institute advises commercial developments to capitalise and keep cash flowing

1 December 2018

The infrastructure projects in the government's Eastern Economic Corridor (EEC) scheme should add some commercial property projects such as mixed-use developments to increase return on investment and business flow, says the Thailand Development Research Institute (TDRI). The corridor spans Chachoengsao, Chon Buri and Rayong provinces, where the property market is seeing more competition among Thai and foreign investors. TDRI president Somkiat Tangkitvanich said related projects such as the 224-billion-baht high-speed railway linking three major airports should boost the volume of passengers using the transport system. "The railway alone is not enough to draw further investment, and the project will record a loss if it relies only on transport fares," Mr Somkiat said. "The government should look for commercial and residential projects near the railway." TDRI and the Japan External Trade Organization (Jetro) conducted a study of the EEC project as a part of the 20-year national strategic plan (2017-36). The study found that the challenge of EEC-related infrastructure will be the net cost created under public-private partnership projects bundled with property management to attract investors. Mr Somkiat said many train stations along the high-speed railway can be developed for commercial purposes, such as Makkasan in Bangkok and Sri Racha and Pattaya in Chon Buri. "This project can create many business opportunities in the future, and the three main stations have sufficient potential for mixed-use projects," he said. Daisuke Hiratsuka, president of Jetro's Bangkok research centre, said the government should consider developing stations along the high-speed railway in the EEC, in the manner of China's Shanghai, to increase the business value of commercial properties. "The study found that transit-oriented property projects should be developed on a 25-rai area at Sri Racha station and a 150-rai area at Makkasan station," Mr Hiratsuka said. "The upgrade for the Pattaya station will also improve the tourism sector in Chon Buri." Furthermore, Mr Somkiat said the government is making the right decision in developing the EEC because the previous scheme, special economic zones, has been slow to develop and SEZ locations alone are not attractive enough to draw investors. He said the EEC should be expanded into other provinces on the back of improving economic fundamentals in surrounding areas. "Under the 20-year national strategic plan, the EEC will raise GDP by 5% per year, but the TDRI expects GDP to grow by only 3% because there are many internal and external factors that the government cannot control," Mr Somkiat said. The corridor will create benefits in some targeted industries such as tourism, smart cars, aviation and robotics, he said. Mr Somkiat said Section 44 powers cannot be exercised by the new government to be voted in at next year's general election. Thailand has a skilled-labour shortage for all 12 targeted industries, despite efforts to ease regulations through the smart visa scheme.

Source: Bangkok Post

<https://www.bangkokpost.com/business/news/1585510/tdri-eec-needs-property-returns>

Khon Kaen gears up electric rail project

Publicly-funded scheme to offer 15 baht flat rate

2 December 2018

The country's first publicly funded electric rail project in Khon Kaen is promising passengers a flat rate of 15 baht per ride on its 22.6 kilometre-long route. The project announced the rate after a formal study confirmed the single rate fare of just 15 baht would help the business break even, said Thirasak Thikhayuphan, mayor of Khon Kaen municipality, yesterday. The construction of the 20 billion-baht project is expected to take about three years, he said. Since the project's Oct 17 approval by the government's committee on land transport system management, the Khon Kaen light rail project has achieved considerable progress in implementation and a start to construction is pending, he said. The project awaits one more step in the approval process before it can proceed, Mr Thirasak said. The Ministry of Agriculture must approve the project's application to use the Khon Kaen Rice Research Centre's land for construction of a train station and for commercial development under the project, he said. "As soon as the project wins approval from the ministry for that section of the project, construction will officially begin as we have been through all of the other necessary approval processes," he said. At this point, the centre's land will also be used for construction of condominiums for middle-income earners, in a project aimed at demonstrating that a condominium isn't something only rich people can afford, he said. A kaem ling water retention pond will also be built in the area to prevent frequent flooding on Si Than Road and Mittraphap Road in Khon Kaen, Mr Thirasak said. At every other station of the rail project, space will be developed for commercial purposes as well, including space for shop operations and advertisement billboards, he said. This is part of the project's commercial development plan, he added. KKTS Co, a company set up and registered by five municipalities, is running the project. The five are Khon Kaen municipality, Muang Sila municipality, tambon Tha Phra municipality, tambon Samran municipality and Muang Kao municipality. Mr Thirasak said funds would be obtained through fundraising and loans from financial institutions. The company will not seek help from the government. KKTS Co has confirmed its construction plan with the financial institutions it has been in touch with regarding the loans, he said. The company also plans to sell shares to investors nationwide but will give priority to interested parties in Khon Kaen who are promised shares at par value, he said. The company aims to promote a sense of belonging in the project among the locals, he added. The project is an initiative directed by the people of Khon Kaen, who want to develop the province into Thailand's most "perfect" city and will win global recognition for it, he said.

Source: Bangkok Post

https://www.bangkokpost.com/news/general/1585922/#cxrecs_s

SRT rails against encroachment scourge

05 December 2018

Almost 7,000 rai of land owned by the State Railway of Thailand (SRT) has been encroached upon in Buri Ram, Kanchanaburi and Trang, the SRT said on Tuesday, adding the land was valued in excess of 10 billion baht. Somyut Rueanngam, deputy traffic manager at the agency, said its board has formed a working team to address the issue on a national level. He said most provinces have encountered this problem. Efforts must be made to urgently address land intrusion in the three cited provinces where a total of 6,928 rai of SRT land has been affected, he said. Mr Somyut said around 500 rai of land in Buri Ram has been encroached upon without any lease payment made. Current occupiers include state agencies, a prison and those who are using the land for commercial purposes. The land is also being encroached upon by a training ground and stadium belonging to Buriram United FC, as well as retail stores and a popular racing circuit, he added. Deputy Transport Minister Pailin Chuchottaworn has expressed concern about this, he said. After a Moto GP event took place in Buriram from Oct 5-7, Mr Pailin suggested the SRT negotiate directly with the party that has been illegally occupying its land, Mr Somyut said. The occupant agreed to pay for the lease so it could use the land legally, he added. Mr Somyut said 1,070 rai of SRT Land close to Nam Tok train station in Kanchanaburi's Sai Yok district has been used illegally for tourism, ranging from accommodation to other service facilities. In Trang, 858 rai of SRT land by the sea has been encroached upon by people who set up restaurants, retail stores and entertainment venues there, he noted. The team will survey the land and negotiate with the encroachers in a bid to reach land lease agreements, he said, noting some may be evicted. The move aligns with the debt-ridden SRT's rehabilitation plan to generate quick revenue, Mr Somyut said. The agency is now trying to evict encroachers from 86 rai near Mae Nam railway station in Yannawa district.

Source: Bangkok Post

<https://www.bangkokpost.com/business/news/1587650/srt-rails-against-encroachment-scourge>

Private firms can bid to run Skytrain Green Line in 2019

06 December 2018

The Bangkok Metropolitan Administration (BMA) will early next year allow private firms to bid for the contract to operate the Green Line Skytrain system after the concession held by the Bangkok Mass Transit System Plc (BTSC) ends in 2042, Bangkok governor Aswin Kwanmuang said. The new concession, which will be in the form of a public-private partnership (PPP) contract, is expected to last for 24 to 25 years, Pol Gen Aswin said. The bidding is expected to open in January. He made the remark after a memorandum of understanding was signed recently to transfer the property of the Green Line's two extensions from the Mass Rapid Transit Authority of Thailand (MRTA) to the BMA. The MRTA has built the extensions to the BTS Green Line -- from Mo Chit to Khu Khot in Pathum Thani and from Bearing to Samut Prakan. Both are extensions to the existing BTS Green Line which terminates in Bangkok. The current BTS train lines are operated by the BTSC. After the ownership transfers, the BMA will shoulder the payment of about 100 billion baht in debts and other costs related to the construction of the extensions. Of that amount, about 50 billion baht is for construction costs, 20 billion baht is related to the installation of signalling systems, and an estimated 20 billion baht is being set aside for interest payments over a 10-year period, Pol Gen Aswin said. There are conditions for being granted the contract. The winner of the concession will be required to shoulder all the debt and pay it back to the MRTA within 10 years; train fares must be capped at 65 baht along the entire route; and returns must be offered to the BMA for 14-15 years after all of the debts have been paid off, Pol Gen Aswin said. He said he had informed the BTSC of the conditions if it wants to join the bidding and continue to operate the Green Line system. At present, the BMA must pay the MRTA over 100 billion baht in fees and interest.

Source: Bangkok Post

<https://www.bangkokpost.com/business/tourism-and-transport/1588242/private-firms-can-bid-to-run-skytrain-green-line-in-2019>

Green Line reaches Samut Prakan

06 December 2018

The 13km extension of Bangkok's Green Line electric railway was opened on Thursday, linking the capital with Samut Prakan province and commuters could use it for free for four months until mid-April. Prime Minister Prayut Chan-o-cha opened the link in a ceremony at the extended route's train depot in Muang district of Samut Prakan in the morning. He said the new link would help relieve traffic congestion and serve people of Samut Prakan who worked in Bangkok. After the opening ceremony, he tried the service from the depot to an adjacent station. There are nine stations along the Bearing-Samut Prakan extended route plus a park-and-ride compound covering 18 rai for 1,200 vehicles at the Kheha Samut Prakan station. The construction of the extended and elevated link started in 2012 and the Green Line service was extended from Bearing for one station to the Samrong station in April last year. Free service from Samrong to the Kheha Samut Prakan will continue until April 15 next year.

Source: Bangkok Post

https://www.bangkokpost.com/news/transport/1588702/green-line-reaches-samut-prakan#cxrecs_s

BSR clears key hurdle on bid for airports rail link

07 December 2018

BSR Joint Venture has passed the requirements for its technical bid for the high-speed railway project that will link three main airports in the country, with the winner expected to be announced this month. An anonymous source from BTS Group Holdings Plc (BTS) said that it has been informed that BSR Joint Venture has passed a preliminary assessment for its technical bid for the high-speed railway project and is awaiting the official announcement of the State Railway of Thailand (SRT). The SRT is expected to consider the pricing bids over the coming week and the outcome of the bidding process is expected this month, the source said. BTS holds a 60 per cent stake in BSR Joint Venture, while Sino-Thai Engineering and Construction Plc and Ratchaburi Electricity Generating Holding Plc each own 20 per cent. Worawut Mala, SRT's acting governor, said yesterday that the committee will convene to inspect the document to finalise the scores for the technical bid before considering the pricing bid, adding that it will take about one week to decide the winner. A contract signing is still expected no later than January 31.

Separately, at the opening ceremony for the 13-kilometre extension of the Green Line electric railway from Bearing to Samut Prakan yesterday, Prime Minister Prayut Chan-o-cha said that the new link will help alleviate traffic congestion and that input from transport-related agencies was required for development plans for further road and rail works to solve the capital's traffic problems as a top priority. Pailin Chuchottaworn, Deputy Minister for Transport, said that the extended and alleviated link will help relieve traffic congestion for commuters between Bangkok and Samut Prakan. Free service and a park-and-ride compound covering 18 rai for 1,200 vehicles at Kheha Samut Prakan station will continue to be provided until April 15 next year. Regarding the pricing of the fare for the whole Green Line route at Bt65 per trip, this is not found in a transfer agreement but was a proposal of the Bangkok Metropolitan Authority (BMA), said Pailin, who conceded that the proposed fare is cheaper than the Blue Line's fare of Bt70 per trip for the whole line. The Blue Line has an underground part that carries higher costs. Fare pricing is determined by agreement between the private enterprise operator and the BMA. Pakapong Sirikantaramas, governor of the Mass Rapid Transit Authority of Thailand (MRTA), said that the construction of the extension started in 2012 and the Green Line service was extended from Bearing for one station to Samrong in April 2017. There are nine stations along the extended route.

Keeree Kanjanapas, BTS Group Holdings Plc's chairman, said that he has not yet had official discussions with the BMA for running the Bearing-Samut Prakan extended route and the Mo Chit-Saphan Mai-Khu Khot section and having BTS set the whole-route fare for the Green Line at no more than Bt65 per trip. "[We] must talk about the fare seriously as the private enterprise which invests does not know whether or not it is able to reduce the fare that much. But I do not say that it's impossible. We have to sit down and talk about this matter seriously. Ultimately, it will be me who decides. Now, I don't think that's final," Keeree said. The cost of the whole Green Line stays at over Bt140 per trip and if the fare is discounted to Bt65 per trip, fares for the Mo Chit-On Nut and National Stadium-Saphan Taksin sections may be reduced. Keeree said that BTS will be able to discount the maximum fare to lower than Bt100 per trip but serious discussions must be taken on the factors for the possibility and BTS's gains such as extension of concessions, amendment of agreements or price subsidies.

Source: THE NATION

<http://www.nationmultimedia.com/detail/Corporate/30359962>

Tollway spends B300m on Smart

08 December 2018

Don Muang Tollway is spending 300 million baht to implementing the Smart project, a traffic control management system to be complete by the end of 2020. Short for Safe, Manageable, Accurate, Reliable Traffic control, the Smart project is part of a plan to efficiently manage traffic in line with the government's Thailand 4.0 initiative. The existing traffic management system has been used for 30 years, while technology has been developed and modernised in the meantime, said Sakda Panwai, executive vice-president of Don Muang Tollway Plc. The three-year project started in 2018 with the installation of a traffic management room and IT backbone. Next year brings implementation of the artificial intelligence (AI) system and traffic displays. In early 2020, trial runs of the new system will begin to make sure the AI software is working well. Of the 300-million-baht budget, the AI software cost is about 20%. The rest is to replace old equipment and build the control room. The tollway's surveillance system so far is 100% manually functioning. The existing system takes time to be able to detect something wrong, or objects dropped on the expressway, or whether an accident happened. The new system can automatically detect objects so that staff can deal with the problem immediately. "The new system is beneficial to both people who commute on the tollway, who can get assistance faster in case of an accident, and tollway employees who can work more efficiently," Mr Sakda said. One thing drivers will notice in the new system is that the traffic display board on the tollway can show how long it takes from one location to another in real time. "Data of vehicles on the road will be sent to be processed by the control system and then shown on the traffic display board," Mr Sakda said. The Smart project is part of 900 million baht worth of upgrades at Don Muang Tollway. The other parts are 300 million baht to replace the manual toll collection system, 100 million baht for integration to support M Pass and Easy Pass, and 200 million baht for physical tollway lane improvements. In 2018, some 100,000 vehicles a day use the tollway, up 2% from last year. Don Muang Tollway has had zero fatal accidents for several years, Mr Sakda said. He said accidents this year have involved fewer than 200 cars, with 50% of them a case of one car rear-ending another.

Source: Bangkok Post

<https://www.bangkokpost.com/business/news/1589890/tollway-spends-b300m-on-smart>

SRT opens airport link bid envelopes

BSR, CP Group vie for high-speed rail tender

12 December 2018

The State Railway of Thailand (SRT) is expected to announce the winning bidder for the construction of a high-speed railway project connecting three major airports next month. SRT acting governor Worawut Mala said his agency on Tuesday opened the bid envelopes for the project to link Don Mueang airport in Bangkok, Suvarnabhumi airport in Samut Prakan and U-Tapao airport in Rayong. The bid amounts will be made public on Friday after a thorough examination of relevant documents submitted by bidders, the deputy governor said. After that, the bidder offering the lowest price will be invited for talks and a contract made and sent to the Office of the Attorney-General for examination. "It is likely that the bid result will be announced in January," said Mr Worawut. According to the SRT, only two groups were qualified to contest the contract, based on their technical qualifications. They are the BSR Joint Venture and a Charoen Pokphand Group (CP)-led consortium. BSR is made up of Bangkok Mass Transit System Plc (BTSC), Sino-Thai Engineering and Construction Plc (STEC) and Ratchaburi Electricity Generating Holding Plc (RATCH). BTSC is currently the operator of the Skytrain in Bangkok. Its Phaya Thai station is linked to the 29-kilometre Airport Rail Link which connects the capital with Suvarnabhumi airport. The other contender consists of CP, Bangkok Expressway and Metro Plc (BEM), China Railway Construction Corporation Ltd (CRCC), Ch Karnchang Plc (CK) and Italian-Thai Development Plc (ITD). BEM is the operator of a subway connecting Hua Lamphong with Bang Sue in Bangkok. Its Phetchaburi station is also a stop on the Airport Rail Link. According to an SRT source, a median price of 119 billion baht was set for the project and the group proposing the lowest price will win. The 220-km-long high-speed railway network is scheduled to open in 2024. Its trains are expected to be able to reach up to 250 kilometres per hour. The project was fast-tracked as part of plans to develop the Eastern Economic Corridor.

Source: Bangkok Post

<https://www.bangkokpost.com/business/tourism-and-transport/1592094/srt-opens-airport-link-bid-envelopes>

Purple Line, Phuket light rail among projects up for PPP

12 December 2018

The MRT's Purple Line southern extension from Kanchanaphisek Outer Ring Road to Tao Poon and provincial mass transit projects in Phuket are expected to seek approval from the public-private partnership (PPP) committee early next year before proceeding under the fast-track PPP scheme. But the committee has instructed the Mass Rapid Transit Authority of Thailand (MRTA) to reconsider the Orange Line's eastern and western sections, saying the proposed civil construction cost is too high, said Prapas Kong-led, director-general of the State Enterprise Policy Office, after a PPP committee meeting chaired by Deputy Prime Minister Somkid Jatusripitak. The Orange Line extension from Taling Chan to Min Buri is expected to be operational in 2025, with the eastern section opening from 2023, he said. The route, worth a combined 235 billion baht, will help ease travel from Bangkok's western and eastern districts to the capital's centre and alleviate traffic jams.

Phuket's provincial mass transit plan includes a 58.5-kilometre light rail (tram) worth 39.4 billion baht, running from Tha Noon in Phangnga province to Chalong intersection in the south of Phuket. The MRTA will build the first phase from Phuket airport to Chalong circle, with 24 stations worth 30.15 billion baht.

The Purple Line's southern extension route is valued at 128 billion baht. Mr Prapas said two provincial mass transit projects, in Chiang Mai and Nakhon Ratchasima, are expected to go before the PPP committee by next year. The eight projects comprising the Purple Line's southern extension, the Orange Line's western and eastern projects, three provincial mass transit projects and three motorways are in the pipeline under the fast-track PPP investment scheme.

The motorways will run from Nakhon Pathom to Phetchaburi's Cha-am, Bang Pa-in to Nakhon Ratchasima, and Bang Yai to Kanchanaburi.

Fast-track PPP projects are generally approved in nine months, compared with two years under the normal process.

The Nakhon Pathom-Cha-am motorway project, worth 79 billion baht, is being considered by the Highways Department and related agencies and is expected to go before the cabinet this month.

Source: Bangkok Post

<https://www.bangkokpost.com/business/news/1592238/purple-line-phuket-light-rail-among-projects-up-for-ppp>

EEC committee pushing four new special zones

12 December 2018

Thammasat University, WHA Corporation and Toyota Motor Thailand are being promoted for new special economic zones worth a combined 42 billion baht next January, says the ad hoc committee for developmental administration of the Eastern Economic Corridor (EEC). Industry Minister Uttama Savanayana, who chaired the ad hoc panel yesterday, said the three organisations have facilities in two of the corridor's provinces. Thammasat University's Pattaya campus in Chon Buri will be the special zone for education, as the university will invest and expand all facilities to produce graduates for the corridor and construct a new medical centre for locals and expats. The university will spend 8 billion baht on 566 rai of the campus in 2019. WHA Corporation will be granted 232 rai in Bang Pakong district, Chachoengsao province for an e-commerce special zone, with an investment of 1.3 billion baht in robotics, automation, logistics and a digital centre. Japan's Toyota will enjoy two special economic zones for the Ban Pho and Gateway plants in Chachoengsao, where there are manufacturing facilities for pickups and passenger cars. The car maker has a 21-billion-baht project for hybrid electric vehicles under way. "The EEC Policy Committee, chaired by Prime Minister Prayut Chan-o-cha, will acknowledge and approve the proposal on Jan 23," Mr Uttama said, adding that the four zones total 3,063 rai, of which 2,420 rai is for the investment area. "The ad hoc committee considers these four zones to be eligible for the government's S-curve policy," he said. The four special economic zones will enjoy a 50% reduction in corporate income tax for five years. Under the S-curve policy, there are 12 targeted industries: new-generation automobiles; smart electronics; affluent, medical and wellness tourism; agriculture and biotechnology; food; robotics for industry; logistics and aviation; biofuels and biochemicals; digital; medical services; defence; and education. Mr Uttama said the ad hoc committee plans for new megaprojects to serve the expansion for the EEC of Innovation (EECI) after four companies showed their intentions to join the scheme: PTT Exploration and Production Plc, PTT Global Chemical Plc, Bangkok Industrial Gas Co and BioLASCO Co. In 2017, the EEC Policy Committee approved the EECI scheme for PTT Plc to invest 10 billion baht in the Vidyasirimedhi Institute of Science and Technology in Wang Chan district, Rayong province on 3,140 rai. "The EECI is expected to gain 33 billion baht from the private sector, and the government is calling for companies to join a public-private partnership forum and spend 110 billion baht in the near future," Mr Uttama said. "The EECI will contribute 217 billion baht to the economy over the next 20 years." Kanit Sangsubhan, secretary-general of the EEC Office, said it will propose the EEC Policy Committee to acknowledge and approve the EEC development fund, worth 1 billion baht. The fund will support locals in the corridor's provinces. "The office has 100 million baht, while 900 million will be called for the government to start the fund," Mr Kanit said. "In the future, the fund will generate revenue from recurring income, without government support."

Source: Bangkok Post

<https://www.bangkokpost.com/business/news/1592294/eec-committee-pushing-four-new-special-zones>

Airport bottlenecks need to be addressed: IATA

12 December 2018

GENEVA: Airport overcrowding -- with Bangkok a key example of passenger congestion -- and sustainability were among the key highlights outlined in a report by the International Air Transport Association (IATA). Alexandre de Juniac, the IATA director general and chief executive officer, said on Wednesday that 70% of travellers polled by the association sensed overcrowding at airports -- and more than half of the respondents would support plans to expand their community's airport. Stopping a project under construction is an extreme case, he said, but the problem of airport bottlenecks is affecting travellers in all parts of the world, including Bangkok, New York, Sao Paulo, London, Frankfurt, Addis Ababa and Sydney. His comments followed reports that Airports of Thailand Plc (AoT) has put the brakes on the controversial second terminal project scheduled to be built at Suvarnabhumi airport pending steps to glean opinions from relevant parties, including the International Civil Aviation Organisation (ICAO). Mr de Juniac conceded that finding a solution to the airport capacity problem would not be easy. He said, however, that digital transformation based on global standards was a key method for improving the optimal usage of airport infrastructure. The IATA has a process to more efficiently allocate scarce slots at overcrowded airports, he said. He insisted calls for slot auctioning must be rejected as it enriches airports, raises the cost of travel, provides no incentive to grow capacity and curbs competition. Despite the near-gridlock in aviation traffic in some places, the association's forecast for commercial airlines' net profits next year is quite upbeat -- US\$35.5 billion, up from \$32.3 billion this year. The Asia-Pacific region, in particular, is predicted to rake in net profits of \$10.4 billion, compared with \$9.6 billion this year. From January to October, air travel grew strongly worldwide, with Asian domestic markets showing a marked expansion. IATA chief economist Brian Pearce said robust economic growth and lower oil prices will enable the airline industry to stabilise profitability next year with an average return on capital of 8.6%. But he noted that while fuel costs may be falling, other aviation-related unit costs are not. A major worry, Mr Pearce said, is trade protectionism and the US imposition of tariffs on China and threats on others. Aviation depends on openness, he said, and itself facilitates the free movement of people and goods. Border disputes put a damper on aviation and economic development as a whole, Mr Pearce said. Meanwhile, the IATA affirmed that sustainability is crucial for the aviation industry's survival in the long term. Mr de Juniac said through the ICAO, many governments have been asked to work with the association to manage the carbon footprint. The solution was the agreement on a Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), which will effectively cap net emissions from 2020. The association hopes that by 2050 net emissions will be cut by half. Michael Gill, the IATA's director of aviation environment, made it clear that governments must support the CORSIA by implementing it as agreed -- with no exceptions. The governments must work as partners with the IATA to incentivise new technologies and develop infrastructure that accommodates efforts to reduce carbon emissions.

Source: Bangkok Post

<https://www.bangkokpost.com/business/tourism-and-transport/1592682/airport-bottlenecks-need-to-be-addressed-iata>

Udon Thani welcomes Chinese

Kunming-Vientiane train debuts in 2021

14 December 2018

The Kunming-Vientiane high-speed train project, scheduled for operations in 2021, is expected to stimulate service industry growth in the Northeast, with at least 2 million Chinese visitors forecast to flood the region every year. Swat Teerattananukulchai, chairman of the Udon Thani Chamber of Commerce, said the new high-speed rail network linking Kunming and Vientiane will usher in big changes to the service sector in the Northeast, with new hotels, restaurants and other services planned to serve foreign visitors, particularly from China. He projected as many as 2 million Chinese visitors will come to Thailand after the railway starts running in 2021. "There are 500,000 Chinese visiting Laos that do not come to the Northeast because of the absence of supporting facilities and the lack of transport infrastructure between Laos and Thailand," said Mr Swat. He said Udon Thani airport is being upgraded to serve 7 million passengers in 2022, up from 2.7 million. He said the private sector in Udon Thani is developing an industrial estate on 2,000 rai with a total investment of 4 billion baht. The industrial estate is expected to be operational in 2021. The project is about 60% complete. Mr Swat forecast border trade via Udon Thani province is expected to increase by 10% in 2021 from 500 billion baht in 2018.

In a related development, Transport Minister Arkhom Termpittayapaisith said the cabinet at Thursday's mobile meeting agreed to speed up the 167-kilometre double-track rail linking Khon Kaen and Nong Khai, worth 26.6 billion baht. The route is aimed to function as a transport link with the Kunming-Vientiane high-speed train network to Nong Khai province. Mr Arkhom reported to the cabinet on Thursday that the ministry was scheduled to propose the Khon Kaen-Nong Khai double-track rail route to the cabinet for approval by January. The project is expected to be completed by 2022. The cabinet on Thursday also ordered related agencies to speed up infrastructure development in five provinces -- Nong Khai, Udon Thani, Nong Bua Lam Phu, Bung Kan, and Loei. The cabinet also acknowledged private sector proposals to develop infrastructure worth 7 billion baht over the next four years (2019-22) to facilitate transport in the five provinces of the upper northeastern region. The projects include four-lane road construction, 139-km bypass construction for Udon Thani and Bung Kan, the upgrade of Udon Thani airport, and port construction along Mekong River in order to support marine tourism between Thailand and Laos.

Nathporn Chatusripitak, an adviser to the minister to the Prime Minister's Office, said the cabinet on Thursday approved the amended draft bill of the Private Investment in State Undertakings Act of 2013. The new bill requires only state infrastructure development projects and public services excluding commercial development by state units such as land development of the Treasury Department. State infrastructure projects valued more than 5 billion baht are required to be implemented under the public-private partnership scheme, while all ministries are allowed by the new law to implement their own projects if the project's value is less than 5 billion baht.

Source: Bangkok Post

<https://www.bangkokpost.com/business/news/1593638/udon-thani-welcomes-chinese>

Bt7 bn boost for Northeast backed

14 December 2018

FIVE provinces in the upper-Northeast region have been given the go-ahead on plans for projects worth a combined Bt7 billion that will take in the development of an improved logistics system and better water resources management for agriculture and flood prevention, along with upgrades to manufacturing capabilities. In all, the projects are being touted as improving the livelihoods of people in the region – designated as Area 1 – while also promoting tourism. The multibillion-baht package was approved yesterday at a meeting on economic and social development for the five provinces: Bueng Kan, Loei, Nong Bua Lamphu, Nong Khai and Udon Thani. The meeting was chaired by Prime Minister Prayut Chan-o-cha. Sawat Teeraratananukulchai, chairman of the Udon Thani Chamber of Commerce, said that, broken down, the projects aimed at bringing in development in five dimensions: logistics; water resources for agriculture and flood solutions; manufacturing upgrades and product value-adding; tourism; and people's quality of life. He said the projects would help equip the targeted provinces for the expected leap in the country's economic growth in 2021, when key elements of the major transport projects would be completed. Some of the new transport links would pass through these provinces. Among such projects are the Bangkok-Nong Khai double-track railway and the high-speed railway from southern China to the Lao capital Vientiane. These projects are expected to raise the number of Chinese tourists in Vientiane from 500,000 a year to at least 2 million. In turn, more Chinese are expected to cross the border into Thailand's upper-Northeastern provinces, where they will spend on accommodation, sightseeing and shopping. The value of Thailand-Laos trade in the five provinces is expected to rise 10 per cent a year from 2019-21. "We want to push for this group of provinces to become the Isaan Economic Corridor or IEC. We've discussed this in detail and are preparing to propose that the next government give its support by focusing on raising capabilities in services and tourism, particularly tourism along Mekong River," Sawat said. The government's measures to boost tourism through visa-free initiatives and eased re-entry visas have led to a 4 per cent in visitor numbers so far. In regard to the planned investment in infrastructure to cope with the to-be-expanded tourism and economy, Sawat said that Udon Thani province has proposed that the government support a plan for a Bt3-billion third terminal at Udon Thani airport. This project falls under a Ministry of Transport plan. Sawat also wants to see support for a planned Bt1.4-billion private sector-led dry port project for the purchasing of local agricultural products. About 60 per cent of the infrastructure of Udon Thani industrial estate has been completed and a number of Chinese investors are keen to invest in the area, he said. Wilawan Kanoksil, chairman of the Nong Khai Chamber of Commerce, said that the five upper-Northeastern provinces had teamed up for a collective pitch on the projects related to economic development and people's quality of life. Among the priority projects is for a logistics system, especially for a Mekong River rail crossing to shorten the travel time to Vientiane, and a 139-kilometre route from Udon Thani to Bueng Kan. Details for both projects will likely be studied next year. Other logistics projects approved include studies for bypass roads for Loei province and Chiang Kan, investment in an integrated transport system for tourism within the group of provinces, and the construction of a port along Mekong River. Puttipong Punnakanta, deputy secretary-general to the Prime Minister, said the Transport Minister had reported to the meeting on details for the major transport projects benefiting the five provinces. The Bangkok-Nong Khai double-track rail project, worth about Bt26.65 billion, is included and has been prepared in detail. The report is expected to be forwarded to a Cabinet meeting in January. Agriculture and Cooperatives Minister Kritsada Bunrat said that amid a decline in both demand and prices for rubber, the Ministry of Agriculture and Cooperatives, Ministry of Transport and the Ministry of Finance have discussed solutions. Possible remedies include the determination of the central construction models and a manual for construction of roads mixed with rubber for local administrative organisations' planned para-soil cement roads. It is planned that all villages, 75,032 in total, will each construct one kilometre of such rubber-mixed road, under the government's efforts to stabilise rubber prices over the long term. No less than one million tonnes of rubber are expected to be used on such road construction in the villages.

Source: THE NATION

<http://www.nationmultimedia.com/detail/Economy/30360346>

Cabinet approves changes to PPP act

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The Cabinet yesterday approved the revised public-private partnership act (PPP Act), under which the private sector can increase their investments in public projects.

The new act allows state agencies to propose projects to the Cabinet and open the way for joint investments with private investors in infrastructure projects and commercial development nearby, said Nuttaporn Jatusripitak, adviser in the prime minister office, after the cabinet meeting yesterday.

Any project worth more than Bt5 billion would need to be approved by the PPP board, he added.

Source: THE NATION

<http://www.nationmultimedia.com/detail/Economy/30360343>

‘Time to get on with ‘Suvarnabhumi’s capacity development *Delays on airport repairs and construction may stifle tourism and push airlines away*

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GENEVA: Working out how to ease overcrowding at Suvarnabhumi airport is moving too slowly and it's time to "get on with it", says Vinoop Goel, Regional Director, Airports and Member Relations, of the International Air Transport Association (IATA). Better consultation and information exchanges can solve the problem, he said. In an interview with the Bangkok Post, Mr Goel said: "Progress is slower than we would like. Things are starting to move but it could be faster." "We do hope that in at least two months a decision will be made and the construction [of a new terminal] will start," Mr Goel said. He acknowledged that expanding an airport requires big decisions, because while construction proceeds, it will hinder existing operations, adding that the IATA stands ready to provide as much expertise as it can to help with a timely expansion. He suggested airlines and airport officials thrash out issues which must be considered in adding to Suvarnabhumi's capacity. "In an ideal world, a decision [at Suvarnabhumi] should have been made already on whether to expand the existing terminal or build a new one. "If the current terminal cannot be expanded, then you need a second terminal," he said. The Airports of Thailand (AoT) has put the project to construct a second terminal on the back burner, pending steps to glean opinions from relevant parties including the International Civil Aviation Organisation (ICAO). The Council of Engineers (CoE) and the Architects Council of Thailand have railed against the plan, saying the proposed new facility is poorly located and veers away from the original Suvarnabhumi master plan drafted in 1990. An AoT source said the board agreed to put construction of the terminal on hold in line with the management's proposal. This was because some critics pointed out that the structure does not comply with the master plan, which has been studied by the ICAO. However, the IATA is not too concerned about the master plan, which was conceived to dictate how the airport would be enlarged in the future, not being followed strictly. "Every master plan needs to be updated periodically to reflect the latest traffic trends," Mr Goel said. He added that the IATA and AoT wrote a report containing recommendations on airport improvements, which was presented to Transport Minister Arkhom Termpittayapaisith. He said the association was glad the minister had taken an interest and instructed the AoT to form a consultative committee with the association to iron out the airport overcrowding issue. What is needed to address congestion at Suvarnabhumi is a thorough design analysis, in full consultation with the airlines and other stakeholders, he said. Also, the government should review the options rather than look at just one option and arrive at a conclusion. "Sometimes adding a building or annex building is easier than starting a brand new building. But again it's not always that simple. If I'm expanding a building, I have a negative impact on the gates right next to where the expansion is," Mr Goel said. "Let's do a proper pros and cons analysis of these options. Look at how much time [the project] will take, what impact it will have on capacity, how much will it cost, and the answer should be fairly obvious to everyone," he said. "When you don't have access to all information, everyone is making assumptions based on limited information," he said. In the meantime, the government and AoT should work together to rectify deficiencies in terms of runway "soft spots" and the shortage of self-service technology and automation, such as self-check-in kiosks, Mr Goel added. Last month, Mr Arkhom said the aviation body recommended AoT's scheme to improve ground safety conditions be sped up, when asked for suggestions about airport services. Replacing asphalt with concrete is expected to increase the life expectancy of the runways to 10 years and it is part of efforts to permanently resolve the threat of "soft spots" on taxiways, taxi lanes and aircraft stands. According to Mr Arkhom, the AoT plans to spend about 2.5 billion baht replacing all 700,000 square metres of asphalt with concrete on all runways and taxiways at Suvarnabhumi airport next year. Mr Goel said if fixing the soft spots on the airside takes too much time, it will not give the community very much confidence of when the terminal will be back to full function. Also, the capacity cannot be added during repair. Mr Goel insisted the bottom line is if problems that are holding Suvarnabhumi airport are not tackled in a timely fashion, airlines will move elsewhere. "And that will be unfortunate for Bangkok's position as the hub in the region. But more importantly, it impacts the economy of Thailand which is quite dependent on tourism. If the tourists are not coming there is a negative impact on jobs and the GDP," he said. "In an ideal world, you add capacity ahead of demands so you aren't faced with overcrowding. The faster they get started with this expansion, the better it is," Mr Goel said.

Source: Bangkok Post

<https://www.bangkokpost.com/news/general/1593726/time-to-get-on-with-suvarnabhumis-capacity-development>

Thank you

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