

# 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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# Wait ends for airports link bidders

14 December 2018

COMPANIES bidding for work on the country's high-speed railway project will learn today who are the winners and losers in the hunt for potentially lucrative revenue streams. It was also revealed yesterday that the State Railway of Thailand (SRT) expects to complete negotiations with the winning private-enterprise group within two weeks and a contract signing is proposed before the end of January. Acting SRT governor Worawut Mala said that a meeting of a committee for the auction of the high-speed railway project will be conducted at 11 am today to consider the financial proposals of the bidders, with government subsidies and other details to be taken into consideration. If no problems are encountered, the SRT will go ahead with negotiations with the winner, he said. The high-speed railway will link three of the country's busiest airports: Don Mueang and Suvarnabhumi international airports and U-Tapao airport in Rayong province. "The SRT is still adhering to the terms of reference. If any private enterprise proposes to receive less in government subsidies, it will be the winner [of the auction]," Worawut said. "If all eight elements [in the financial proposal] are inconsistent and the committee sees adjustment are required for such details, the private enterprise will be summoned to make clarification and explain the background. "The private enterprise will not fail the bid or no other bidder will be considered in replacement. It will move into the negotiation process first." The eight elements of the financial proposals include backlog, business plan for the project, financial plan, funding plan for the project, property to be used in the project and property rights, financial returns throughout the joint investment contract, request for government subsidy and the amount the government receives from the private enterprise, and fare setting. Worawut expects the negotiation process would take two weeks and the committee would then open the special proposal and consider whether to take it without any impact to the auction and proposed government subsidy. The winning name is expected to be forwarded to the Cabinet for approval at a meeting in mid-January, with the a contract signing before January 31. Supachai Chearavanont, chief executive officer of Charoen Pokphand (CP) Group, has expressed confidence over the auction, and is awaiting the committee's considerations. Earlier, he said that he was confident of the company's bid prospects and looked forward to supporting the country's infrastructure development. CP Group and its allies formed a global consortium. Its strategic partners include Charoen Pokphand Holding, China Railway Construction Corporation Ltd, Bangkok Expressway and Metro Plc, Ch Karnchang (Thailand), Italian-Thai Development Plc, Japan Overseas Infrastructure Investment Corp for Transport & Urban Development and China's Citic Group Corp. Another bidder, BSR Joint Venture, includes BTS Group Holdings Plc, Sino-Thai Engineering and Construction Plc and Ratchaburi Electricity Generating Holding Plc. Previously, a source close to the auction said that CP Group had proposed a lower price for the auction than that by BSR Joint Venture, by Bt100 billion.

Source: THE NATION

<http://www.nationmultimedia.com/detail/Corporate/30360349>

# CP-led group offers lowest rail link bid

15 December 2018

A Charoen Pokphand Group (CP)-led consortium has offered the lowest bid for the high-speed railway project connecting three major airports, State Railway of Thailand (SRT) acting governor Worawut Mala said on Friday. However, the committee was still considering the state subsidy request proposed by the group. The government has set the state subsidy for the project at 119 billion baht. The committee has asked the CP-led group for additional details regarding its subsidy request. The group will provide an answer next week before the committee decides on the bid winner, Mr Worawut said. He was speaking after a committee overseeing the bidding for the project spent more than nine hours considering bid proposals submitted by the two qualified bidders. On Tuesday, the SRT opened the bid envelopes containing financial proposals for the project to link Don Mueang airport in Bangkok, Suvarnabhumi airport in Samut Prakan and U-Tapao airport in Rayong. An SRT source said that the committee was waiting for information from a project consultant regarding the proposals. The committee comprises Mr Worawut, SRT deputy governor Sujit Chou-sirikool, and representatives from the Transport Ministry, the Office of the Attorney-General (OAG), the Budget Bureau, the Finance Ministry and a committee overseeing the development of the Eastern Economic Corridor. The bidder offering the lowest price will be invited for talks and a contract drafted and sent to the OAG for examination. According to the SRT, only two groups were qualified to contest the contract, based on their technical qualifications and track record. They are BSR Joint Venture and the 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 currently operates 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 contenders 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. 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. The high-speed rail project linking the three airports makes use of existing structures and routes, as well as two new connecting routes.

Source: Bangkok Post

<https://www.bangkokpost.com/business/news/1594338/cp-led-group-offers-lowest-rail-link-bid>

# Call for neighbours to unite around SEZs

15 December 2018

The government is encouraging four neighbouring countries to seize opportunities from the Asean single market and collaborate with all 10 member nations to build up the regional economy in a sustainable manner. With the new opportunities, special economic zones (SEZs) represent a key project, connecting Thailand and nearby Cambodia, Laos, Myanmar and Vietnam, all countries with strong growth potential. Industry Minister Uttama Savanayana said Asean countries have roughly 1,000 SEZs, representing 20% of 4,500 SEZs globally in 270 cities. He said the SEZ scheme will contribute 20% of the GDP in each country and increase worker income by an average of 8% a year. "The SEZ project will improve and develop to serve the economic expansion in Asean countries," Mr Uttama said at a seminar called "Asean SEZs: A New Era of World Investment" at the Asean SEZ Summit hosted by Bangkok Post Group. In Thailand, the government initiated 10 SEZs in border provinces in 2015 and is now developing two SEZ locations in Sa Kaeo and Songkhla. The Kanchanaburi and Tak SEZs are proceeding with land development, while the Treasury Department will issue land auction envelopes for SEZ development in Nakhon Phanom, Mukdahan and Nong Khai. Moreover, the government is working hard on the flagship Eastern Economic Corridor (EEC) scheme, envisioned as an Asean manufacturing hub providing 44 special service promotion zones. In addition to Thailand's SEZs, Laos has 15 SEZs and Myanmar has 20 SEZs. Malaysia runs 18 SEZs, 300 special service promotion zones and six technology industrial parks. Vietnam has 18 SEZs, 292 special service promotion zones and three technology industrial parks. Singapore has two SEZs, two eco-industrial estates and one technology centre. "Asean should synchronise all industrial zones to be a single production base, and many SEZs in this region can support the Asean economy," Mr Uttama said. "All members should collaborate and support each other to develop industrial value chains, digital aspects and innovation to reduce inequality issues in the region." He said he expects the EEC scheme to change Asean industrial sentiment, improve existing connectivity and foster manufacturing and innovation. The government aims to connect the corridor and SEZs in other partnerships such as the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy. Nonetheless, Somhatai Panichewa, president of SET-listed Amata VN Plc, said the group has spent 3.4 billion baht on investment in industrial-related infrastructure at Amata operations in Vietnam. Amata VN plans to invest in a smart city in Vietnam and team up with Japan's Yokohama city in 2019. It will also join with South Korea's Incheon metropolitan area to develop a smart city in Vietnam. "Vietnam has such high potential in the industrial sector, and this country can connect with Thailand, so investors can expand their businesses between Thailand and Vietnam," Mrs Somhatai said. Amata VN invested in Amata City Bien Hoa, Amata City Halong and Amata City Long Thanh in Vietnam for its first overseas industrial operations. Parent firm Amata Corporation has invested in Vietnam for 20 years. In 2018, Amata VN spent 700 million baht in Bien Hoa, 1.3 billion baht in Long Thanh and 700 million baht in Ha Long. In 2019, plans call for allocating more investment budget in Vietnam, Laos and Myanmar for the development of new industrial estates. Mrs Somhatai said the four neighbouring countries can cooperate and support new investment in Asean to reduce customs red tape and help investors. The four are developing transport links such as the Thailand-Myanmar connecting route to Dawei port, Cambodia's Sihanoukville port and Vietnam's Vung Tau port. "All the related infrastructure will help support the Asean economy for sustainable growth in the long run," Mrs Somhatai said.

Source: Bangkok Post

<https://www.bangkokpost.com/business/news/1594382/call-for-neighbours-to-unite-around-sezs>

# SRT still assessing bids for high-speed rail project

16 December 2018

The State Railway of Thailand (SRT) is still looking at bids for the high-speed railway project connecting three major airports even though Charoen Pokphand Group (CP)-led consortium has offered the lowest bid. SRT acting governor Worawut Mala said on Saturday the CP-led group is "not yet a winner" as its offer is subject to due diligence by the SRT's bidding committee. Talks with the group about the details will take place this week, he said, with a winner to be announced next month. "The bidding has not been finalised. There are details that need to be looked at such as the figures. We have to evaluate the bid to see if it's feasible, otherwise it can affect the project as a whole," he said. "CP-led consortium offers the lowest bid, but we can't reveal the figures." Based on technical qualifications and track record, only two groups are qualified to bid for the rail link project connecting Don Mueang and Suvarnabhumi airports in Bangkok with U-Tapao airport in the eastern province of Rayong. The CP-led consortium comprises CP, Bangkok Expressway and Metro Plc, China Railway Construction Corporation Ltd, Ch Karnchang Plc, and Italian-Thai Development Plc. The other group is BSR Joint Venture which is made up of Bangkok Mass Transit System Plc, Sino-Thai Engineering and Construction Plc, and Ratchaburi Electricity Generating Holding Plc. The project was approved by the government in March and when the bidding was announced, a total of 31 potential investors bought the terms of reference document. According to Mr Worawut, if the CP-led consortium can verify their figures and all the pieces are right, the SRT will ask the group to open the 4th envelope which involves offers to increase the project's efficiency. He said the winner will be announced early next month and contract signing is expected in late January. The build-operate-transfer project is valued at 224.54 billion baht and comes with a 50-year concession. The bid winner will be awarded a 50-year contract -- five years for design and construction of the rail link project and 45 years for operations. The government expects the rail link project to yield an economic return of 700 billion baht. The SRT's bidding committee spent more than nine hours considering the CP-led consortium's bid on Friday. It was reported that the CP-led consortium requested a state subsidy below the amount of 119 billion baht set by the government. The state subsidy also covers 3.57 billion baht for land appropriation.

Source: Bangkok Post

<https://www.bangkokpost.com/business/tourism-and-transport/1594758/srt-still-assessing-bids-for-high-speed-rail-project>

# Isan Economic Corridor requested by private sector

18 December 2018

On the heels of the much-touted Eastern Economic Corridor (EEC), the private sector in the upper Northeast is proposing the government establish the Isan Economic Corridor (IEC) scheme. Swat Teerattananukulchai, chairman of the Udon Thani Chamber of Commerce, said the private sector in the upper northeastern provinces is keen for the IEC providing links to Cambodia, Laos and Vietnam. The upper northeast covers Udon Thani, Bung Kan, Nong Bua Lam Phu, Nong Khai and Loei. Mr Swat said a recent meeting of the private sector came to the agreement that the upper northeastern region is has potential for development, especially cultural tourism, including a silk route, agricultural tourism, and tourism along the Mekong River, which has rich natural resources. The region boasts of many unique communities and renowned Buddhist monasteries. He said the development of better hospitals and other medical services such as spas will attract visitors from Laos and Vietnam. Future infrastructure development plans in the upper Northeast, once completed, are also expected to facilitate transport in the region over the next five years. Mr Swat said by early next year, a meeting of the joint public-private sector and civil society will be held to allow all sectors to propose ideas to develop the upper Northeast. The conclusion will be later proposed to the National Economic and Social Development Board, the government's planning unit. The mobile cabinet held in Nong Khai last week approved the development of 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, the 139-kilometre 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. Udon Thani airport is being upgraded to serve 7.5 million passengers in 2022, up from 3.5 million. 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. Three more Thai-Lao friendship bridges will be built to facilitate tourism and transport. A plan is afoot in Thailand to build the fifth Thai-Lao friendship bridge across Mekong River at Bung Kan and Pakxan, Bolikhamsay province. The bridge is expected to be complete in three years. The 1.6km-long bridge is worth 3.93 billion baht. Once completed, the bridge will serve as a major transport route that links Thailand with several cities in Vietnam. The bridge would shorted the drive from Bung Kan to Nghe An province in Vietnam via Laos National Highway No.8 through Bolikhamsay to 150km. In Nghe An, the route can link up with roads to Hanoi, Da Nang and other cities in Vietnam. In addition, the new bridge will facilitate Thais to visit the northern provinces of Laos. Thailand's Transport Ministry is conducting a feasibility study to build the sixth friendship bridge at Ubon Ratchathani and Salavan in Laos, worth 4.36 billion baht. The Royal Highway Department has already completed the design. Once the two countries agree on a proposal, the bridge is expected to take three years for construction. The Thai government has also already agreed to conduct a feasibility study on the seventh Thai-Lao bridge, which is planned to connect Loei to Vientiane in Cambodia.

Source: Bangkok Post

<https://www.bangkokpost.com/business/news/1596078/isan-economic-corridor-requested-by-private-sector>

# Digital Park Thailand

18 December 2018

State enterprise CAT Telecom plans to scale up its digital business in 2019 as stronger revenue streams emerge, capitalising on the digital transformation of its enterprises. The company wants to position itself as a digital service provider, an initiative it started this year. The digital business includes solutions for the Internet of Things (IoT), big data, and cybersecurity, says CAT president Col Sanpachai Huvanandana. CAT aims to provide digital solutions to state agencies for the implementation of policies in line with the Thailand 4.0 model. In November, CAT recorded 58 billion baht in total revenue and had 45 billion in expenses. Net profit for the 11 months this year was 13 billion baht. The company expects to maintain its market share and growth rate in both mobile and internet services, he said. CAT encourages all government agencies to implement new technology in data management. In the near future, all governmental units that adopt digital solutions must improve cybersecurity measures, said Col Sanpachai. "We are preparing to provide these solutions to all state agencies in their digital adoption efforts," he said. CAT has committed to doubling revenue from digital business from 1.1 billion baht last year to 2.2 billion baht by 2020 thanks as the country develops digital transformation, especially the government's digital innovative park project, which is being developed under the Eastern Economic Corridor (EEC) roadmap. CAT's digital business comprises cloud computing services, cybersecurity, and e-businesses. Although digital services comprise a small fraction of CAT's total revenue, only 4% of 43 billion baht in 2017, the digital business is growing more than 30% per year. CAT plans to partner with global players in digital business sectors and even cross-industry partners in a drive to ensure sustainable growth of innovative digital services. "One core strength of our digital business is as a trusted service provider for operations of all state agencies and enterprises," he said. CAT hopes its digital service will generate 8-10% of total revenue by 2020. Col Sanpachai said cloud services have potential for CAT digital services as demand grows for big data management systems among enterprises that want to do business efficiently as well as to set up preventive maintenance against operation errors. CAT has a data centre service in seven major provinces nationwide, combining more than 1,000 racks of servers that operate data centre services on 250 square metres of space. CAT started providing cloud computing services in 2012 under the IRIS Cloud brand of the Intelligent Resilient Information System. CAT ranked the second largest provider of cloud services in the domestic market, valued of worth 3 billion baht in 2016 after Internet Thailand Co. The domestic market value of cloud computing services has grown in the double-digits for four consecutive years due to increasing usage demand that sees considerable year-on-year rise. Regarding Digital Park Thailand in Chon Buri's Sri Racha district that will be developed on property owned by CAT, Col Sanpachai said the project will play a crucial role in producing IT personnel in Thailand by developing knowledge in manufacturing new technology and innovation for the EEC and the rest of the country through public hearings and market sounding via public private partnership. The terms of reference for Digital Park Thailand will soon be available. The selection process for private investors is expected to be at the beginning of 2019.

Source: Bangkok Post

<https://www.bangkokpost.com/business/news/1595990/cat-positions-for-digital-advantage>

# Ministry keen on Japanese investment

19 December 2018

The Industry Ministry has high expectations of massive investment flows from Japanese investors after the completion of 19 memorandums of understanding throughout 2018. Kobchai Sungsitthisawad, director-general of the Industrial Promotion Department, said the 19 collaborations are aimed at supporting new investment by Thai and Japanese companies. In 2018, the Industry Ministry signed agreements with 19 Japanese prefectures, including Nagano, Aichi and Mie, to transfer and exchange innovation and technology. All agreements are in support of 5,000 small and medium-sized enterprises (SMEs) and connecting large companies from Japan in many industrial sectors via Japan's Ministry of Economy, Trade and Industry (METI). "We expect to improve Thai companies with their efficiency," Mr Kobchai said. "For the country, the 19 agreements will boost investment flows from Japan to Thailand in the near future." He said investment value will rise in line with the ministry's cooperation projects. Moreover, Thailand and Japan have cooperation agreements to support companies in both countries entering the Eastern Economic Corridor (EEC) scheme. "In 2019, the ministry expects more investment flows from Japan to expand both in value and number of projects, because they have seen the achievement of the country's megaprojects in the EEC locations," Mr Kobchai said. The Japan External Trade Organization (Jetro) reported that the registered capital value for companies in the EEC provinces is being led by Japan, representing 53% of total registered capital or 363.95 billion baht as of June. China came second with 41.53 billion baht, accounting for 6%. Singapore and the US were ranked third and fourth with 28.9 billion and 26.91 billion baht, respectively. Jetro also cited Board of Investment (BoI) data from 2017 to March 2018 that showed Japanese investors making up the better part with 97.39 billion baht, representing 49% of total applications. European companies submitted BoI applications worth 23.63 billion baht, accounting for 12%, in the same period, while Singapore was ranked third with 20.36 billion baht, making up 10% of total applications. Moreover, Thailand and Japan set up a consortium to develop the country's robotics industry and draw a master plan for human resource development to support SMEs gaining access to robotics and system integrators. The consortium consists of the Industry Ministry, the Technology Promotion Association (Thailand-Japan), the Japan-Thailand Economic Cooperation Society, Jetro and METI. They set a time frame for cooperation work of three years (2018-21). Hiroki Mitsumata, president of Jetro Bangkok, said Thailand and Japan are working on a pilot project for nurturing new industries to support and transfer technology and information for Thai and Japanese companies.

Source: Bangkok Post

<https://www.bangkokpost.com/business/news/1596650/ministry-keen-on-japanese-investment>

# Rethink needed in search for water funds

20 December 2018

The Finance Ministry and the Budget Bureau have been ordered to find funding for state-initiated water management projects over the next five years, as the annual fiscal budget is unlikely to be sufficient for all the projects being planned. Somkiat Prachamwong, secretary-general of the Office of National Water Resources (ONWR), said the national water resource committee chaired by Prime Minister Prayut Chan-o-cha yesterday authorised the Finance Ministry and the Budget Bureau to procure loans to develop water management projects between 2019-23. "In fiscal 2020 alone, for instance, demand for investment in water projects is as high as 100 billion baht, but the Budget Bureau can provide only 63 billion baht," said Mr Somkiat. He said the public-private partnership investment format is not suitable for water development because the returns are quite low, making it unattractive for private investment. The committee also required responsible state units to outline the priorities of their development projects and focus only on those that conform to the 20-year national strategic plan. The committee also approved the 20-year master plan for the country's water management system yesterday. Drafted by the ONWR and several other agencies, the master plan is in line with the government's three core plans, namely the 20-year national strategy plan, the plan to reform the country's water resources and the sustainable development plan. The 20-year version of the water management plan is scheduled to be implemented from this year until 2037. The water management plan consists of six core areas of water resource development. The first area of the plan deals with the management of water for consumption and general use. Under this part of the plan, the government aims to enhance the efficiency of running water systems in 20,034 villages, further develop the quality of running water in 9,816 city areas and economic zones -- which cover 4.5 million households -- and ensure that running water supplied to about 75,032 villages countrywide is safe to drink. The second part deals with the improvement of water security in the farming sector, with measures to improve the efficiency of the existing water supply system, which has a combined capacity of 717 million cubic metres. The goal is to develop a new system to divert water and link up all water resources to increase water volume to 2.5 billion cu m. The third part concerns flood management, which includes work to unblock 562 watercourses and 1,234 natural waterways with a combined length of 5,500 kilometres. Other parts of the same section of the plan include work to prevent floods in 764 flood-prone communities in urban areas. The fourth part of the plan deals with water quality management and water resource preservation, which includes work to prevent and mitigate water pollution in watershed areas. The fifth part deals with prevention and mitigation of soil erosion in watershed areas, covering about 450,000 rai. The sixth part deals with the general management of water, such as amending related laws and establishing a new organisation to deal directly with water management, with a focus on developing a water information database and supporting water development R&D.

Source: Bangkok Post

<https://www.bangkokpost.com/business/news/1597406/rethink-needed-in-search-for-water-funds>

# Joint venture firm to establish InnoSpace

## *Local and foreign investors targeted*

20 December 2018

The Industry Ministry will encourage local and foreign companies to co-invest in a 500-million-baht joint venture firm for the establishment of the country's innovation space project in early 2019. The project, named InnoSpace Thailand Co, will be a public-private venture meant to support new startups in the country. This facility is positioned as the first innovation centre in Southeast Asia, in the region's largest special economic zone, said Industry Minister Uttama Savanayana. Mr Uttama said InnoSpace Thailand will connect startups with fresh capital and increase value-added products targeted at the global market. The ministry recently received funds from five companies -- PTT, Siam Cement Group, Charoen Pokphand Group, Thai Beverage and Bangkok Bank -- for this joint venture. He said three ministries -- industry, science and technology, and digital economy and society -- will host the facility, with the government inviting companies to join. The government has been studying the overall structure of this project and forming a management model since mid-2018. InnoSpace Thailand is located in the Eastern Economic Corridor of Innovation (EECI) in Wang Chan district, Rayong province. The project is adjacent Kamnoetvidya Science Academy School and Vidyasirimedhi Institute of Science and Technology, both educational institutes owned by PTT. Mr Uttama said two foreign agencies -- Hong Kong Cyberport Management Co and Israel Economic and Trade Mission -- are interested in the EECI. "Both the public and private sectors will conclude further details and conditions for startup investment in January 2019," he said. Mr Uttama said InnoSpace Thailand aims to support the country's agricultural sector in the first phase of development because the ministry wants to promote and improve this sector using smart farming, in line with the Thailand 4.0 initiative. In 2017, Thailand's startup industry attracted total investment of US\$105 million (3.44 billion baht). Narong Sirilertworakul, president of National Science and Technology Development Agency (NSTDA), said the project will create 100-200 Thai startups in 2019. "InnoSpace Thailand will have capital funds to support investment in startup projects. These funds will help startups access financial resources," said Mr Narong. The NSTDA plans to establish a holding company to a shareholder in InnoSpace Thailand. The agency wants to serve investment and support startups in Thailand. "We expect to have a 5-10% stake in InnoSpace Thailand," he said. In 2019, all stakeholders are expected to sign a memorandum of understanding for InnoSpace Thailand Co.

Source: Bangkok Post

<https://www.bangkokpost.com/business/news/1597338/joint-venture-firm-to-establish-innospace>

# PTT puts B3bn towards EECI hub development

## *Operations to begin in 2021 in Wang Chan*

20 December 2018

PTT Plc, the SET-listed national oil and gas conglomerate, is keen on forming the Eastern Economic Corridor of Innovation (EECI) in Rayong's Wang Chan district, allocating 3 billion baht for the project. PTT is the first investor to join the government's EECI. The company was granted Board of Investment privileges for the science and technology park. PTT will use land in Wang Chan Valley to build a hub for education and research for new commercial innovation in automation, robotics, bioscience and aviation. Chansin Treenuchagron, president and chief executive of PTT, said the budget is for 2019-20, aiming to enhance national competitiveness from the project. "PTT's board of directors will consider and approve the budget for Wang Chan Valley on Friday," Mr Chansin said. "Operation is scheduled for 2021. Once approved, we will hold a roadshow to attract investors across the world in the first half of 2019." He said the EECI at Wang Chan Valley is to be located on 3,500 rai in Rayong, one of three hosting provinces of the much-touted EEC scheme. PTT purchased 152 rai of the total from subsidiary IRPC for 325 million baht. The science and technology park will be adjacent to Kamnoetvidya Science Academy School and Vidyasirimedhi Institute of Science and Technology, both educational institutes under PTT. The first phase of development will construct fundamental infrastructure such as waterworks, power and roads. Mr Chansin said the project is a game-changer for the country's industrial sector to enter the S-curve economy in the next two decades. The ultimate aim is to support the 12 targeted industries as specified by the government. "PTT expects to create new researchers and scientists to work at home and in overseas countries," Mr Chansin said. "PTT Group can use the EECI at Wang Chan Valley to establish R&D units." PTT Exploration and Production Plc aims to develop remote-operated vehicles and drones to monitor oil and gas operations, while IRPC plans to conduct R&D on medical equipment and petrochemical materials. PTT will open the EECI for other companies to join Wang Chan Valley once their R&D activities can be applied to the country's industrial sector. The National Science and Technology Development Agency will invest an additional 1 billion baht to provide equipment and machinery such as synchrotron radiation. Separately, Mr Chansin said PTT will propose its 2019 business direction to the board of directors tomorrow. "The plan is in line with oil price movement, which increased in the first half and declined in the second half, and PTT forecasts the crude oil price to rise to above US\$40 per barrel at the end of 2018," he said. PTT foresees the price in 2019 rising to \$65-75 per barrel on higher demand, driven by the trade war between the US and China and curtailed supply and stocks.

Source: Bangkok Post

[https://www.bangkokpost.com/business/news/1597394/cHR0LXB1dH#cxrecs\\_s](https://www.bangkokpost.com/business/news/1597394/cHR0LXB1dH#cxrecs_s)

# Government mulls private detention centres

## *Plan to set up rehab hubs for delinquents*

20 December 2018

The Justice Ministry expects to announce regulations to allow the setting up of privately run detention and rehabilitation centres for juvenile offenders early next year. According to Tawatchai Thaikyo, deputy permanent secretary for justice, the ministry's rules and criteria for seeking permits to operate privately run facilities for such offenders have been completed. Another set of rules drafted by the Department of Juvenile Observation and Protection, is pending review by the Council of State, the government's legal adviser, he said. Mr Tawatchai said the Justice Ministry's policy is to allow the private sector to operate such centres for juvenile delinquents as an alternative to the juvenile correction system. The move is in line with Section 55 of the Juvenile and Family Court and Procedure Act, which allows a private entity to establish an educational institution, vocational and training institute, or a psychological counselling institute for youth offenders. Under the section, the director-general of the Department of Juvenile Observation and Protection is authorised to grant licences to private operators or state agencies to operate such establishments. His comments were in response to growing calls by civic groups working on the welfare and rehabilitation of juvenile delinquents for the Justice Ministry to allow private facilities. They hope to see the expansion of the Baan Kanchanapisek project, a vocational training centre for juvenile delinquents that has won praise for its treatment of residents. Apichart Charusiri, deputy director-general of the Department of Juvenile Observation and Protection, said privately run centres will ease overcrowding and give offenders other opportunities. "We're drafting the regulations, and these facilities may be in the form of schools with psychological counselling and vocational training courses. They should be scattered across the country," he said. He said the department has 4,000 juvenile delinquents at detention centres nationwide and another 3,000 at training centres. Most young offenders are confined for drug-related offences. He said the draft regulations are detailed and should be announced in January, after which interested parties will be allowed to seek licences. Arunchat Khuruwanich, a researcher on rehabilitation and detention centres for juvenile offenders, said Baan Kanchanapisek should be made the country's first privately run facility of this type. He said Baan Kanchanapisek is different from others under the Department of Juvenile Observation and Protection in terms of management and rehabilitation efforts. Citing research findings, more than 84% of juvenile delinquents sent to Baan Kanchanapisek now exhibit self-restraint, he said, adding the repeat offence rate of those staying at the facility from 2013-2017 stood at less than 5%, compared with 15% at government-run facilities. Akkarapong Boonmi, a former delinquent at Baan Kanchanapisek, said residents are treated with respect and equality in the belief that people can change for the better.

Source: Bangkok Post

<https://www.bangkokpost.com/news/crime/1597310/government-mulls-private-detention-centres>

# Navy to issue U-tapao MRO Phase 2 terms in February

21 December 2018

The Royal Thai Navy aims to launch terms of reference (ToR) for the maintenance, repair and overhaul (MRO) facility's second phase at U-tapao airport in February. This is the continuation of the airport plan after the navy issued the ToR for the first phase in October. The first ToR, worth 10.6 billion baht, is for 500 rai, while the second phase will occupy 300 rai. Rear Adm Krekchai Wajanaporn, deputy of the Royal Thai Naval Institute Library, said the MRO facilities are part of five megaprojects under the government's infrastructure development in the flagship Eastern Economic Corridor scheme. The 224.5-billion-baht high speed railway linking three major airports and the 55.4-billion-baht third phase of Map Ta Phut seaport were the first two projects, followed by the MRO hub and the 270-billion-baht U-tapao aviation city. "The MRO's second phase will see local and foreign companies express intentions to invest in a form of public-private partnership, similar to those for Bangkok Airways and AirAsia," Rear Adm Krekchai said. He said the mobile cabinet has already approved the first phase of the MRO hub. The second phase is under consideration and the navy will design a difference investment model and consider return on the investment. The U-tapao aviation city has attracted 42 companies to buy envelopes, with 24 Thai and 18 foreign. The parties include China Communication Construction Co, China Railways Construction Corporation, Malaysia Airports Holding Berhad and Thai Airways International Plc. The navy plans to announce a winning bidder next March after the document submission process is done on Feb 28, 2019. The U-tapao airport is a joint civil-military public airport serving Rayong and Pattaya City in Thailand. The airport is located on 6,500 rai in Ban Chang district, Rayong province, serving as the U-tapao Royal Thai Navy Airfield-Sattahip Naval Base. U-tapao airport will enhance capacity for greater passenger, freight and flight volumes. The whole project comprises an airport expansion that will construct a second runway and taxiway as well as the third terminal and development of aviation-related industries that include MRO facilities, aviation training centres, cargo villages and commercial precincts. The U-tapao airport will be upgraded to serve as the third-largest commercial airport, expecting to handle 15 million passengers in the next five years, 30 million passengers in the next 15 years and 60 million passengers in the next 20 years. Earlier, the cabinet approved the construction of the second runway for 17.76 billion baht and aviation control tower at 3 billion baht. "The U-tapao airport will serve passenger growth in Southeast Asia, as it is set to be the aviation hub for this region," Rear Adm Krekchai said.

Source: Bangkok Post

<https://www.bangkokpost.com/business/news/1597946/navy-to-issue-u-tapao-mro-phase-2-terms-in-february>

# CP-led group closes in on three-airport rail link deal

22 December 2018

A Charoen Pokphand Group (CP)-led consortium is getting closer to winning the bid for the high-speed railway project connecting three major airports, State Railway of Thailand (SRT) acting governor Worawut Mala said on Friday.

It has been confirmed that the group has won when it comes to financial and investment proposals for the project to link Don Mueang airport in Bangkok, Suvarnabhumi airport in Samut Prakan, and U-Tapao airport in Rayong. The next step, which includes considering the proposed offers, will be undertaken on Monday, Mr Worawut said. If it passes, a negotiation will take place on Jan 3, otherwise, the runner-up BSR Joint Venture would be called upon.

"Today's meeting was to discuss details with the CP-led consortium to make sure the numbers are accurate. According to the proposal, the lowest state subsidy at today's value that the CP-led consortium proposed was at 117.227 billion baht, while BSR Joint Venture gave the number as 169.934 billion baht," he said. Although it was known that the CP-led group had offered the lowest bid, the figures and the official result were not announced until Friday.

Source: Bangkok Post

<https://www.bangkokpost.com/business/news/1598742/cp-led-group-closes-in-on-three-airport-rail-link-deal>

# Mass transit powers property market

26 December 2018

Mass transit lines continue to drive Bangkok's property market and change the way people work, live and play. Bangkok now has 137.5km of mass transit lines with 98 stations. In 2018, the main news was the opening of the 11km light green extension to Kheha station in Samut Prakan. Mass transit is still one of the most important factors affecting urban development in Bangkok ever since the opening of the first line in 1999. It has changed all sectors of the property market, including residential, retail, office and hotel and will continue to do so. Some of the key lessons we have learned so far are that being close to a line is not good enough, what matters is proximity to a station. Another key lesson is that not every line and station is equal. The locations with the highest demand and rents have been on the most used lines and next to the busiest stations. The BTS Green Line carries almost 750,000 passengers per weekday compared to 45,000 of the MRT Purple Line. Looking forward, there will be no new lines opening in 2019 but property owners and investors will be looking forward to 2020 when the MRT Blue Line extension, SRT Light Red Line and SRT Dark Red Line, as well as the BTS Green Line Mor Chit-Khu Khot extension, are all scheduled to open, adding 88km and 48 stations.

Construction work has also begun on the Orange, Yellow, Pink and Gold lines which will add another 88.2km and 73 stations by 2024. Based on current plans, Bangkok could have 466km of mass transit lines with 286 stations by 2030. This is comparable to London, of which underground network has 270 stations and 400km of tracks today after the first line opened 155 years ago, or in 1863. CBRE predicts that the passengers for each line and passengers using each station along the line will continue to vary widely and that the lines and stations with the most passengers will be the most sought-after office, residential, retail and hotel locations.

The importance of interchange stations -- those which connect one or more lines -- will continue to grow as these locations will offer the best connectivity with the rest of Bangkok. This has already been demonstrated by the popularity, rents and prices at existing key interchange stations such as the Sukhumvit Asoke junction.

On a final positive note, Bangkok's development of mass transit is way ahead of its peer group of regional cities such as Jakarta, Manila, Kuala Lumpur and Ho Chi Minh City, making Bangkok a more competitive business location and attractive destination for both residential investors and tourists.

Source: Bangkok Post

<https://www.bangkokpost.com/business/news/1601126/mass-transit-powers-property-market>

# Thank you

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