

Transportation Sector – Overweight

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News Update

The draft entertainment complex bill approved

- **The next step is to propose to the parliament in July before...**
 - **...it will go to get approval from the Senate and the king.**
 - **The government expect this project to increase...**
 - **...5-10% more tourists and Bt110-230bn tourism revenue.**
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- Yesterday, the cabinet approved the draft entertainment complex bill. This act will legalize casinos and regulate entertainment complex operations in Thailand. The proposed legislation is set to be present to the House of Representatives in July. If it passes the parliament, it will require the Senate's endorsement and the King's ratification to become law.
 - The operator of an entertainment complex can be either a private or public company registered in Thailand with paid-up capital of not less than Bt10bn and it has to obtain a 30-year license from the government with the initial license fee of Bt5bn and the annual license fee of Bt1bn. While most of the complex's areas are water and amusement parks, shopping malls, concerts, festivals, exhibition, conferences, and sport events, casinos account for up to 10% of the total areas.
 - According to the news, at least six major global casino companies, Las Vegas Sands Corporation, Wynn Resorts, Caesars Entertainment, MGM China Holdings Limited, Hard Rock International, and Melco Resorts & Entertainment, have expressed interest in investing in Thailand's entertainment complex project.
 - Thai companies that show their interest include U-tapao International Aviation (a JV between Bangkok Airways (BA TB, Bt18.90, BUY), BTS Group (BTS TB, Bt5.60, BUY), and Stecon Group (STECON TB, Bt5.55, BUY)), Siam Park City, Royal Turf Club of Thailand, the Mall Group, CP Group, Proud Group, etc.
 - The government believe this project will help to revitalize Thailand's tourism with 5-10% more tourists and Bt110-230bn more tourism revenue, create 9,000-15,300 jobs, address illegal gambling, and attract over Bt100bn domestic and foreign investments. If the law is passed, besides the potential operators mentioned above, we see Airports of Thailand (AOT TB, Bt39.50, BUY), Asia Aviation (AAV TB, Bt1.78, BUY), and the hotel sector as the indirect beneficiaries. The Erawan Group (ERW, Bt2.84, BUY) will be the most beneficial in the hotel sector because it has the highest revenue exposure in Thai tourism.

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