

EQUITIES

SET mulls foreign currency payment for competitiveness

NUNTAWUN POLKUAMDEE

Investors may be able to pay for Thai shares in major currencies in the future, particularly US dollars, as the Stock Exchange of Thailand is set to propose the move to the Finance Ministry.

Foreign currency payment for stock transactions would be aimed at beefing up the SET's competitiveness and pushing the local bourse to be a regional leader.

Other stock exchanges in Southeast Asia such as Singapore and Malaysia have allowed multiple-currency payments to investors for several years, said SET president Kesara Manchusree.

She said the service could help to sway foreign investors by helping to mitigate their investment risks from foreign exchange fluctuations.

The move would be part of the SET's capital market development plan that will be proposed to the Finance Ministry.

Mrs Kesara said the baht had played less of a role in intra-regional trade since the 1997 financial crisis.

Greater Mekong Subregion (GMS) members — Cambodia, Laos, Myanmar, Thailand, Vietnam and southern China's Yunnan province — use the dollar and their local currencies for payment.

"The baht should play a more active role in Asian trading so Thailand can become a GMS and Asean trading hub," said Mrs Kesara.

As competition among regional exchanges ratchets up, multiple-currency payment services, trading speed and facilities will all be used to attract investors.

Pattara Dilokrunghthirapop, chairwoman of the Association of Securities Companies, said the Thai bourse needed to amend some regulations and taxes that were barriers.

"Our rules and taxes should be on a par with our neighbours in order to maintain our competitiveness," she said.

Separately, global index provider MSCI Inc plans to add 10 more Thai listed companies to its indices, the SET said in a statement.

Delta Electronics (Thailand) (DELTA), Energy Absolute (EA) and Thai Union Frozen Products (TUF) will be added to the MSCI Global Standard Index. These changes, resulting from MSCI's semi-annual index review, take place on Nov 26.

"The three listed Thai companies, with no deletions from the previous list, gives Thailand the highest net addition in Asean," said Mrs Kesara.

Aira Capital (AIRA), Ichitan Group (ICHI), Kaset Thai International Sugar Corporation (KTIS), P.C.S. Machine Group Holding (PCSGH), E for L Aim (EFORL), Srisawad Power 1979 (SAWAD) and Superblock (SUPER) will be added to the MSCI Global Small Cap Index. Thai listed companies on MSCI indices now number 29.