



# Bangkok Insurance studies re-entry to Vietnam market

BKI PULLED OUT OF JV THERE 10 YEARS AGO; BUSINESS IN LAOS NOW ON TARGET

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THE NATION

BANGKOK INSURANCE is conducting a feasibility study on re-entering Vietnam after withdrawing from that market a decade ago, said BKI president Apisit Anantanatarat.

He said Vietnam's healthy economic growth and large population were good reasons to conduct such a study.

BKI's previous business in Vietnam was through a joint venture, but it pulled out because of differences of opinion with its partner.

The business environment Vietnam is different now, however, and the country is luring foreign investment, causing BKI to consider the possibility of resum-

ing its business there, he said. If it does return to the Vietnamese market, it will need to acquire stakes in local insurers there, and it has discussed the matter with two or three of them. But such acquisitions would be quite costly, so the company needs time to consider whether such an investment would be worthwhile.

BKI last year expanded into Laos under a company named Bangkok Insurance (Lao). BKI holds a 45-per-cent stake in that company, with Asia Insurance and PT Asuransi Central Asia holding the rest.

Bangkok Insurance (Lao) so far this year has generated premium income of Bt30 million, which is on target, Apisit said.

He said the Laotian venture had been doing business with Thai



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construction and energy companies that have interests in that country, while also underwriting insurance for Bangkok Bank's commercial customers there.

Bangkok Insurance (Laos)

offers policies to retail customers as well, but Apisit said it had to focus on building brand awareness and advertising to make more of an impact on the retail sector.

Bangkok Insurance (Lao) set up a physical office in August, which the company believes will make its brand more visible to people in Laos.

Motor insurance will be the key product promoted to potential retail customers because Laotians have confidence in the quality of auto-repair shops in Thailand, he said, adding that Laotian customers would be able to get their vehicles fixed in this country.

BKI is interested in Myanmar as well, but that country has not yet offered licences to foreign insurers, he said. Myanmar is considering relaxing some regulations for foreign investors in special economic zones, however, which could open the door to foreign insurers as well.

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