

TARA SIAM LIMITED

A consortium of Thai companies led by Thai Flying Service has recently signed an agreement with the US-based Statewest Airlines to establish a new airline. The Thai partners consist of Thai Flying Service Co, Asia Voyages and a Business International Group affiliate. The three will hold a combined 70% of the equity in the new company while Statewest Airlines and San Francisco-based Pacific Gate Corp will hold 25% and 5%, respectively.

The formation of the new company will be completed in April 1990, after which the shareholders will meet to discuss the final details of the investment project and seek Civil Aviation Department approval.

According to the proposal submitted to the Ministry of Commerce, the company will have an initial registered capital of 10 million baht.

The company plans to launch operations with a domestic chartered service as Thai Flying Service already holds the rights to offer this service.

Thai Flying Service managing director, Mr Thidej Maithai and Statewest Chairman, Mr Rudy Miller will serve as Co-Chairman of the new joint venture company and Business International Co managing director, Mr Pongsak Sampavakoo, has been assigned as managing director.

The fleet, technical operation, maintenance and training will be the responsibility of the American partner. Apart from technological assistance, Statewest will also provide leasing and booking services through its interline operation network with several major domestic airlines in the US to directly book flights in Thailand.

Coinciding with the establishment of the new company, consortium member Asia Voyages has also been granted a 3-year right to operate chartered flights by the Burmese Government.

This came as a result of an agreement made in December 1989 between the Thai and Burmese governments in which authorized Thai airlines will be allowed to operate chartered flights to Burma on the Chiang Mai-Rangoon-Mandalay and Pagan route.

According to the agreement, the Burmese Government will allow the chartered flights to fly in 300 passengers a week from Chiang Mai in 1990 and with the number increasing to 1,450 passengers a week in 1991-1992.

Asia Voyages plans to operate a twice weekly flight on the Chiang Mai-Mandalay and Pagan route in the form of a packaged tour (2 days 1 night). At present, Asia Voyages is looking for aircraft for its services which is expected to commence sometime during the middle of 1990.