

**EXCLUSIVE INTERVIEW****THAI SMILE TO  
GO REGIONAL**

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**Rethink** as parent bids to keep shareSUCHAT SRITAMA  
THE NATION

**T**hai Airways International has revised its strategic and operating plans for its new airline, Thai Smile Air, by shifting its focus from the domestic to the regional market in the first year, aiming to maintain the group's 29-per-cent share in Asia.

"The adjustment came after THAI increased its stake in Nok Air from 39 per cent to 49 per cent, so Nok Air will continue to serve the domestic market while Thai Smile Air will go overseas," Woranate Laprabang, managing director of the Thai Smile business unit, said yesterday.

In the new four-year business plan, Thai Smile Air will operate from Bangkok to China, India and Asean countries within a three-to-four-hour flight time.

THAI is seeking traffic rights and permits so the new airline can start flying to five foreign destinations in July. Only one domestic route will be in the timetable in the first year.

Chinese authorities have already granted permission to land at Xiamen after midnight, but Thai Smile Air refused to take the option and is now looking for other destinations with better arrival times.

The company had initially said it planned to serve only local destinations in the first year - from Suvarnabhumi Airport to Udon Ratchathani, Udon Thani, Khon Kaen, Chiang Rai and Surat Thani. International routes would come later.

THAI would drop some international routes with less business trav-

el or in price-sensitive environments and let Thai Smile Air take them instead. It would keep high demand markets such as Singapore and Hong Kong.

The first three Airbus A320 aircraft are scheduled to arrive next year. The new airline expects to carry 300,000 passengers in its first year. Eight more similar aeroplanes will be delivered from 2013-15.

"We don't know about revenue in the first year, but it can be estimated in 2013 at about Bt5 billion and will increase because of more aircraft coming in," he said.

Thai Smile Air had been aiming at a domestic-international ratio of 50:50, but that has now been revised to 20:80.

The adjustment was also part of long-term plans to cope with the new friendly skies under the Asean Economic Community (AEC) in 2015.

Under the AEC agreement, Thai Smile Air can operate to all second-tier cities throughout the region. It is currently limited to flying from capital to capital.

Thai Smile Air's positioning is the niche between lower premium airlines and upper low-cost carriers.

A study found that the targeted passengers would need better service standards like those at THAI, so some traditional elements will be carried over such as mileage plans.

THAI used to hold nearly 40 per cent of the Asian market before 2003. Since then, its share has slipped to 29 per cent because of the emergence of no-frill carriers in the region.

"Our new airline will help THAI maintain the 29-per-cent market share, or at least prevent a further loss," he said.

Thai Smile Air will beat all existing carriers and many other active players in the region including Hainan Airlines, Kingfisher, IndiGo, Cebu Pacific, and Jetstar in Vietnam, he added.

To get ready, the airline is inviting women to apply from today until January 13 to become one of the 100-150 cabin-crew members that it will need. It also has 40 openings for pilots.

THAI will begin ticket sales for the new airline in April through its website, travel agents and all sales offices.