

Nava Nakorn in power play

Nava Nakorn Plc (NNCL), a SET-listed industrial land developer, plans to diversify into power generation.

Managing director Nipit Arunvongse Na Ayudhya said the company would invest in small power producer (SPP) and independent power producer (IPP) projects, which were likely to give sustainable returns in the long run.

Income from industrial property is expected to diminish in line with the weaker global economy.

Mr Nipit said the recent political turmoil was another factor making industrial real estate an unpromising business.

“Nava Nakorn is looking for opportunities that will help to drive company revenue higher such as a renewable energy business,” he said.

“We're now planning to start building our SPP and IPP plants in Nakhon Ratchasima province to serve strong energy demand in the region.

“We are just waiting for the government’s final decision about the new IPP regulation.”

Nava Nakorn’s future revenue will come largely from renewable energy operations, he said.

As for industrial real estate, the company has already sold 140 rai of developed land out of a total of 280 rai in Pathum Thani province.

The estates were sold to Thai and foreign companies in industries ranging from food to energy.

“Most of the investors who bought our land in Pathum Thani were medium-sized and large businesses that wanted to expand their production capacity and were looking for a good location with affordable prices,” Mr Nipit said, adding that Japanese SMEs opted to invest in Nava Nakorn as well.

Nava Nakorn suffered big losses from the 2011 floods.

However, Mr Nipit said most investors had stayed put rather than move their large production bases for electronics and auto parts.

“It’s a good sign for Nava Nakorn that the company’s major revenue contribution will come from infrastructure business and renewable energy,” he added.

NNCL shares closed yesterday on the Stock Exchange of Thailand at 1.75 baht, up one satang, in trade worth 1.95 million baht.

