

## PROPERTY

# Israeli-Thai venture has region in sight

## JV firm targets B3bn building jobs locally

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Israeli construction company Danya Cebus Group is focused on Southeast Asia following its joint venture with SET-listed developer Major Development Plc (MJD).

They set up TMDC Construction Co in Thailand late last year, which targets having at least three construction jobs in Bangkok totalling more than 3 billion baht this year.

Danya's chief executive Ronen Ginsburg said Thailand, despite the political instability, was the first country in Asia the group invested in because it saw huge opportunities here driven by the imminent Asean integration.

"The country is enjoying a quick improvement in political stability and economic outlook with a strong network of manufacturers and suppliers and a competent workforce," he said.

Danya has a business presence in North America, Russia and Eastern Europe. It has more than 80 years experience in construction including residential, non-residential, infrastructure, civil engineering and public projects.

Listed on the Tel Aviv Stock Exchange since 2000, the group is a subsidiary of Israeli conglomerate Africa Israel Investments Ltd. The group and MJD established TMDC with registered capital of 100 million baht where they hold 49% and 51%, respectively.



**Suriya: Company to start with property**

"Thailand and Israel have a very good political relationship," he said. "We are not worried about the political situation in Thailand as our investment is for the long term. For Thailand, political instability is a short-term problem and does not affect the economy."

TMDC is expanding its staff from 30, and only the chief foreman is Israeli, said Mr Ginsburg, who spent 10 months last year studying the Thai construction sector before he decided to set up the joint venture.

The first job for TMDC is Canapaya Residences, a 57-storey luxury condo by the banks of the Chao Phraya River with a construction area of 44,000 square metres and construction value of 1 billion baht. The project is scheduled to be completed by 2017.

The company is in the final stages of tenders for four other property projects, including an office building, a residential site and two shopping malls. It expects to secure two malls with construction value of 1 billion baht each this year.

Suriya Poolvorlaks, TMDC management executive and MJD managing director, said the Israeli partner had the financial strength and construction and civil engineering technology to help the

Thai construction industry.

"Thailand still lacks quality contractors for high-rise projects. We believe our partner can help minimise defects at residential projects we will develop in the future," he said. "The key to reducing defects is construction management."

TMDC is interested in infrastructure projects planned by the Thai government, but it wants to build a good track record first from property development projects, mainly residential and commercial, Mr Suriya said.

Danya Cebus Group, the first Israeli investor in the Thai construction sector, recorded income of US\$1 billion last year, up 5-10% from 2013. It had a backlog of \$1.4 billion.

MJD stated in March the company would launch five new projects this year worth a combined 12.2 billion baht, comprising two condo projects and three low-rise projects.

The first project will be Maestro 01 Yen Akat worth 790 million baht, which will be located on a one-rai site on Soi Yen Akat. An eight-storey building, it will have 88 units sized 33.5 to 165 square metres and priced 150,000 baht per sq m.

MJD shares closed yesterday on the SET at 3.48 baht, down two satang, in trade worth 1.78 million baht.