

## Daily Thai News Updates: 11 September 2017

### **1. ASEAN – HK trade pact agreed**

**Source: Bangkok Post ([Link](#))**

Hong Kong and the 10-member Association of Southeast Asian Nations announced on Saturday that they had concluded negotiations for a free trade agreement and related investment pact. Asean and mainland China have had a free trade agreement in effect since 2010. "Asean is a very important trading partner of Hong Kong. It was our second largest trading partner in merchandise trade in 2016 and the fourth largest in services trade in 2015,"... The two sides will sign the FTA and the investment agreement in November, Yau said. Merchandise trade between Hong Kong and Asean totalled HK\$833 billion (US\$106.8 billion) in 2016, while trade in services totalled HK\$121 billion in 2015, the *China Daily* reported, citing Hong Kong government data. As of the end of 2015, Asean ranked sixth among destinations for Hong Kong outward direct investment with a total of HK\$218 billion, and Asean also ranked sixth as a source for inward direct investment totaling HK\$555 billion, the newspaper said.

### **2. Asia-Pacific ministers admit no RCEP agreement by year-end**

**Source: Bangkok Post ([Link](#))**

Economic ministers from 16 Asia-Pacific countries negotiating an alternative trade pact to the floundering Trans-Pacific Partnership (TPP) pact acknowledged on Sunday no agreement will be finalised by year-end. Instead, the economic ministers involved in negotiating the Regional Comprehensive Economic Partnership (RCEP) agreement -- covering more than 3.5 billion people, or half the world's population, and 30% of global gross domestic product and trade -- said they will strive to make major progress by November when the leaders of the 16 nations meet in Manila. Those 16 nations are China, Japan, India, South Korea, Australia and New Zealand, as well as all 10 members of the Association of Southeast Asian Nations. The RCEP is viewed as a major alternative to the TPP, the 12-nation trade pact agreed last year and then dealt a massive blow by the withdrawal in January of the United States as one of the first acts by US President Donald Trump.

### **3. Government ramps up IP legal efforts**

**Source: Bangkok Post ([Link](#))**

Thailand is revving up its crackdown on intellectual property (IP) infringements and modernising its laws and regulations for the online market, hoping to be delisted from the US' Priority Watch List because it puts the country at risk of being slapped with non-tariff barriers on trade. Thosapone Dansuputra, director-general of the Commerce Ministry's Department of Intellectual Property, said the department is due to amend IP regulations related to the online market and e-commerce to modernise them. The amendments will include a way for owners of IP, goods or advertisements to force internet service providers (ISPs) to take down all posts that infringe on their rights...Previously IP owners had to wait until the accused were found guilty of violating the Computer Crime Act 2007, which could take up to several months, before using court orders to force ISPs to take down infringing content.

### **4. Govt sets B3 trillion tourism target**

**Source: Bangkok Post ([Link](#))**

The government aims to achieve 10% growth in tourism income, or roughly 3 trillion baht, next year, by rolling out various tourism promotion packages to attract both Thai and foreign tourists to explore new destinations and promote longer stays in Thailand. The country's tourism income has grown 8% already this year, compared to average annual growth of 3% to 5% per year, according to figures cited by the government and the Thai Tourism Promotion Association (TTPA). However, the government believes it can better that, and is hatching an ambitious campaign drawing various agencies together to push growth Prime Minister Prayut Chan-o-cha said the government would focus mainly on quality tourism and long-stay tourists, government spokesman Sansern Kaewkamnerd said.

### **5. Cigarettes tax higher for dearer brands in new tiered pricing**

**Source: Bangkok Post ([Link](#))**

The Excise Department will impose a cigarette tax based on tiered pricing, with expensive brands charged a higher rate than cheaper ones, with a goal of striking a balance between public health and government revenue. Imposing a single rate tax regardless of cigarette prices will take a toll on cheap cigarettes produced by Thailand Tobacco Monopoly, while expensive cigarette

brands will benefit, said an informed source at the Finance Ministry. Such a tax structure could encourage people to smoke imported cigarettes, said the source. Moreover, a single excise tax rate for cigarettes could affect the Excise Department's revenue, if the rates is set too low, but it could hurt low-income smokers if the rates is too high, the source said...The new excise law is scheduled for enforcement on Sept 16.

## **6. Railway project expansion on track for approval**

**Source: Bangkok Post ([Link](#))**

The second phase of the double-track railway projects worth 395 billion baht is likely to be forwarded to the cabinet for consideration before year's end, according to the State Railway of Thailand (SRT)...Once the schemes are officially approved, they will be submitted to their cabinet for the final approval, which is expected to take place before the year's end. The nine projects are the 77-billion-baht Den Chai-Chiang Rai-Chiang Khong section; the 60-billion-baht Ban Phai-Mukdahan-Nakhon Phanom; the 23-billion-baht Chumphon-Surat Thani; the 51-billion-baht Surat Thani-Songkhla; the 7.9-billion-baht Hat Yai-Padang Besar; the 56-billion-baht Pak Nam Pho-Den Chai; the 60-billion-baht Den Chai-Chiang Mai; the 26-billion-baht Khon Kaen-Nong Khai; and the 35-billion-baht Chira-Ubon Ratchathani section. The tentative schedule was unveiled after the SRT last week announced the winners of the first phase of double-track project, which comprise five routes covering 668km.

## **7. New Act to give social enterprises big boost**

**Source: The Nation ([Link](#))**

Thailand's Social Enterprises Act will propose that the National Legislative Assembly (NLA) set a target for the rest of this year and through 2018 to boost the number of social enterprises in the country. Apichat Todilokvech, director-general of the Community Development Department of the Interior Ministry said after the September 8 opening ceremony for Batik Week that the Cabinet two months ago approved that the Council of State revise the Social Enterprises Act. The NLA will then review the proposed changes. The proposed changes would exempt social enterprises from the 30 per cent corporate income tax and allow a tax refund for 100 per cent of investments in social enterprises. That should encourage all firms to expand their investment in social enterprises, Apichat said. And this, in turn, would increase wages for lower-income people in the communities with social enterprises, and reduce the number of poor people in the nation, he

said. Some 20 social enterprises are now registered with the Community Development Department and another 56 have applied for registration.

### **8. Towards a Cashless Society**

**Source: The Nation ([Link](#))**

As China leads mobile cashless society, QR codes with mobile apps can enable Thais to catch up rapid changes in digital technology have brought about new ways for global "netizens" to pay for their purchases. Many countries are working towards creating a cashless society, and some are setting a trend and getting lots of attention for doing so...Here in Thailand, QR Code use has been available for a while, mainly focused on serving the approximately 9 million annual Chinese tourists who arrive here annually. To accommodate their needs, KBank was the first Thailand bank to install QR Code scanners on over 200,000 electronic data capture machines (EDCs) at cash registers across the country to enable merchants to accept payment from popular Alipay and WeChat Pay apps. Later, KBank partnered with SUN108 to develop vending machines that can use Alipay app QR Code scanning. Now Chinese tourists can more easily make payments this way and Thai merchants gain the opportunity to build business volumes by offering payment convenience. Mobile payments through banking apps are set for promising growth, as QR Codes become a more significant part of retail payment. Already, mobile banking payment services have expanded over 50 per cent per annum. For example, K PLUS (K+) has over six million user accounts, making it the number-one mobile banking app in Thailand. During just the first half of 2017, K PLUS handled over 1.2 billion transactions with an enormous total value of Bt2.9 trillion.

### **9. Cheap and cheerful shopping**

**Source: Bangkok Post ([Link](#))**

Several business sectors have felt the pinch from the slow economy of the past few years, but some see the sluggishness as an opportunity. Conditions have forced shoppers to curtail spending on consumer products and visit one-price stores, a retail segment that has grown sharply in recent years. These stores offer all products at the same price, typically 60 baht and are influenced by Japanese chains such as 100-yen shop Daiso, which operates in more than 2,800 stores in Japan and nearly 2,000 overseas. Many Thai operators have adopted the marketing model and prefer to call their business model one-price lifestyle stores, as the products they sell vary in price from the

60 baht seen in Daiso. The growing popularity is reflected in over 200 one-price lifestyle stores across the country, operated by both international companies and local retailers. Two retail giants, Central Department Store and Robinson Department Store, have jumped on the bandwagon in recent years.