

Daily Thai News Updates: 14 July 2017

1. Wider land, building tax base mulled

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

A cut in the proposed land and buildings tax exemption threshold from 50-million-baht for main homes is on the cards to expand the taxpayer base, says Deputy Finance Minister Wisudhi Srisuphan. The tax rate for homes valued below 50 million baht is also likely to be lower than the 0.05% planned levy for those with appraisal value in a range of 50-100 million in an attempt to avert opposition from taxpayers, he said. If the tax exemption threshold is slashed to 20-30 million baht, the number of housing units subject to the new property tax will be doubled, Mr Wisudhi said. The Finance Ministry said in 2013 that there were only 11,000 houses valued at more than 50 million baht, while 96.5% of the total homes had appraisal prices below 5 million. The draft bill calls for the tax to be levied on main homeowners and farmland appraised at more than 50 million baht. A tax rate of 0.05% will be applied to first homes and agricultural land worth 50-100 million baht, and a 0.1% rate for homes above 100 million. People owning second homes will be taxed in a range of 0.03-0.1% of the appraisal price, depending on the value of the property. The tax on vacant land will rise by 0.5 percentage points every three years, up to a cap of 5%, while land for commercial and industrial use will be levied at 0.3-1.5%. The land and buildings tax, which will replace the outdated house and land tax and the local development tax, is aimed at narrowing income disparity, expanding the national taxpayer base, increasing tax income for local administrations and improving land use.

2. China keen to make Laos part of chain

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

Laos's special economic zone is expected to become part of a planned cooperation pact between Thailand and China linking their flagship Eastern Economic Corridor (EEC) and Kunming SEZ. Connecting these zones will establish a supply chain and production hub for Asean, according to Industry Minister Uttama Savanayana. "China has confirmed its plans to link its Kunming SEZ with Thailand's EEC, and it also wants to add Laos's SEZ to the project to make the three zones parts of a major supply chain supporting many industries in the area," Mr Uttama said. China seems convinced that Laos's SEZ in the southern part of the landlocked country could play

a key role as a production centre. China's Kunming SEZ and Thailand's EEC are designed to accommodate high-tech industries and embrace the digital economy, while Laos's Savan-Seno SEZ is geared towards heavy industries, Mr Uttama said. "This would strengthen the region, with Thailand being in the centre of a consolidated supply chain offering full technological support and also housing special zones for heavy industries with investment privileges," he said. The Lao government offers investors many privileges, and companies from China, Malaysia, Japan, Australia, the Netherlands and Thailand have taken advantage.

3. BoT 'suppressed baht' to bolster exports: KBank

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

The Bank of Thailand intervened in the currency market last week in what was believed to be an attempt to prevent the baht strengthening so as to stop export recovery momentum stalling, according to a senior official at Kasikornbank (KBank). A sign of the central bank's intervention was that the baht was pegged back at no more than 33.80 to the dollar throughout last week, said Kobsit Silpachai, head of the bank's capital market research department. The currency was trading in a range just shy of 34 to 34.16 between July 3 and 7. The baht is among the best-performing currencies in Asia, up 5.3% year-to-date against the US dollar. With a firmer baht, exporters called on the Bank of Thailand to step in to prevent them from taking a hit on exports, which are picking up.

4. Experts urge fewer curbs on solar power

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

Energy experts have called for the deregulation of the solar rooftop industry, which is under strict government control. The Thai Photovoltaic Industries Association (TPVA) said deregulation would encourage more people to install solar panels, which would lead to further development of renewable power. That would create efficient power-generation and consumption, which would benefit the whole country, it said. The TPVA said the number of businesses in Thailand that have installed solar panels is rising. They include factories and workplaces, state universities and state and private general hospitals. Most generate power for themselves without demanding state utilities produce any backup power for them. The TPVA said the rate charged to consumers during peak demand periods was 5 baht per kilowatt hour, but the power state utilities bought from solar farms cost only 4.12 baht per unit. Producing power from a solar rooftop is cheaper. The

association is encouraging consumers to switch to solar rooftop to generate power for their own use. The more solar rooftop users there are, the faster the response to industry deregulation should be, according to the TPVA.

5. US climate change-deal exit ‘won’t affect Thailand’

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

The United States' decision last month to halt its participation in the 2015 Paris agreement may have little impact on financial assistance given by developed countries to Thailand and other developing countries to support their climate change mitigation and adaptation plans, a government agency says. Developing countries are expected to host further talks on how to subsidise climate change mitigation and adaptation plans during the next Conference of the Parties (COP23) meeting under the UN Climate Change Framework in Bonn, Germany, from Nov 6 to 17, said Raweewan Bhuridej, secretary-general of the Office of Natural Resources and Environmental Policy and Planning... “Thailand and other developing countries might be slightly affected as we still need money from the fund,” she said, adding that China has promised to donate more money, so the impact may not be so bad...Regarding Thailand, she said the country will set up more effective systems to calculate greenhouse emission amounts in all sectors to the government can proceed with various measures and plans to deal with emissions.

6. 2,300 small restaurants face closure

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

Unfavourable economic conditions and the government's tougher rules on migrant workers are major reasons forcing about 2,300 small restaurants nationwide to close this year, according to the Restaurant Business Trade Association (RBTA). The situation is worse than last year when some 1,000 Thai-owned restaurants, all non-chain businesses, shuttered their shops as a result of the weak economy. RBTA president Ladda Sampawthong said amid weak sentiment, people are opting to cook their own meals and cut down on dining out. More importantly, the rapid growth of restaurant chains have impacted local food shops adversely, she said. An RBTA found about 1,300 foreign-owned restaurants went out of business in the first half this year and the number could reach 2,300 by end of this year as the economy has yet to recover fully. She said that the new decree on foreign labour, which introduces strong penalties on illegal workers has also

resulted in closures despite enforcement being deferred to January next year. "Over 70% of the workforce in local restaurants are from neighbouring countries," said Mrs Ladda.