

## Daily Thai News Updates: 18 August 2017

### **1. Ministry seeks S44 order to clear startup barriers**

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

The Finance Ministry will seek the government's approval to invoke the powerful Section 44 of the interim charter to push the enforcement of a startup law as a tool to temporarily bypass laws considered stumbling blocks. Startups face legal hurdles to their development. Enacting the startup law will let these entities grow and operate in a more conducive legal environment, said finance permanent secretary Somchai Sujjapongse. Uber's operations, for example, breach the Motor Vehicle Act, which forbids ride-sharing via smartphone apps, he said. The laws as written refer only to private, public and service vehicles, rather than to ride-sharing vehicles. Mr Somchai said only fintech, insuretech, financial institutions and insurers are allowed to test their financial technology innovation in the regulatory sandbox, but the bill on startups could open opportunities for non-financial and insurance companies to take part. The startup law will provide temporary bypass rights for startups, enabling them to clear legal obstacles until the laws related to them are completely amended, he said.

### **2. PM Acts to boost Thailand 4.0**

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

Prime Minister Prayut Chan-o-cha has signed an order to establish a committee to drive national reforms to cope with Thailand 4.0 policy. Suvit Maesincee, a minister attached to the Prime Minister's Office, said the new committee would remove limitations and obstacles preventing Thailand 4.0 leading the country towards a technology-driven economy. Aside from Prayut, who acts as chairman, other committee members include Suvit, Kan Trakulhoon - chairman of Advance Info Service, Tevin Vongvanich - president and chief executive officer of PTT - and Ninnart Chaithirapinyo - chairman of Toyota Motor Thailand.

### **3. Government to kick in more retirement contribution**

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

The government plans to increase its contribution to the National Savings Fund in order to provide incentives for those who want to save money for retirement, Somchai Sujjapongse, permanent secretary of the Finance Ministry, said on Thursday. Currently, the majority of NSF members are farmers and the self-employed not covered by the social security law. Under existing law, government contributions range from 50 per cent to 100 per cent of one's savings depending on what age group the citizen matches. Under the proposed law, the government contribution would be 100 per cent for all age groups, said Somchai. However, the government contribution will not exceed Bt1,500 per year per participant. The move is expected to cause annual budget spending to increase to Bt1.5 billion from Bt600 million currently.

### **4. Finance Ministry aims to ease legal restraints on start-ups**

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

A regulatory “sandbox” for experimental undertakings is among measures the Finance Ministry is introducing to help start-ups succeed. Permanent Secretary Somchai Sujjapongse said on Thursday the sandbox would enable entrepreneurs to test out innovations currently prohibited by law. He said the ministry was drafting legislation for submission to the Cabinet next month or in October. The ministry will also consider waiving a withholding tax for start-ups and might allow them to raise funds on the Stock Exchange and by issuing convertible bonds. Incentives would also be provided to foreigners working with Thai start-ups, Somchai said. He said the ministry would launch a training course for middle-school and vocational students to encourage them to think about innovative approaches to business. “We want start-ups to register in Thailand instead of Singapore,” he said, acknowledging that Thailand has been slower in creating the necessary “ecosystem” for them to thrive. The result has been that many Thais register their start-ups in Singapore, where there is less bureaucratic red tape.

### **5. Diageo Moet Hennessy backs overhaul of drinks taxes**

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

Diageo Moet Hennessy (Thailand) Ltd (DMHT), an importer and distributor of premium alcoholic beverages in Thailand, has expressed support for the alcoholic beverage tax scheme under the new Excise Tax Act B.E. 2560. The tax scheme under the new Excise Tax Act B.E.

2560, places emphasis on categorising commodities that are subject to excise, and on reducing unequal treatment and discrimination in business. The base for ad valorem tax calculation has shifted from the last wholesale price (LWP) to the suggested retail price (SRP), or the market price that consumers pay for products. The excise tax rate structure remains dual, but moves from a price-focused to an alcohol degree-focused tax system, which will encourage the development of quality alcoholic beverages and control high-degree alcoholic products that affect public health.

#### **6. Officials calls on tour guides to report for law briefing**

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

The Department of Tourism is calling on the 70,000 tour guides across the nation to report to tourism offices to ensure a smooth transition to the requirements of a new tourism law. The new law has effectively introduced a new system for tour guides nationwide. According to Wanasiri Morakul, director general of the Department of Tourism (DOT) under the Ministry of Tourism and Sports, the new Tourism Business and Guide Act (Second Edition) B.E. 2559 (2016) now divides tour guides into three categories: general, regional and local. The new tour guide categories prescribed by the Act are timely responses to changes in the tourism industry, she said. The new system will also benefit tour guides by expanding their service areas more comprehensively. The DOT has sent letters to some 70,000 tour guides nationwide to inform them of changes in the new tourism law and to call upon them to report to the tourism offices in their vicinities.

#### **7. Restaurants, hotel earning off the boil**

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

Hotels and restaurants are crying foul over falling sales, saying consumer purchasing power has yet to recover from the economic slowdown. Taniwan Koonmongkol, president of the Thai Restaurant Association, said non-branded restaurants have been hit the hardest, with their sales falling by up to half in the first half, while sales at branded fell by 20-30% in the period. "More importantly, people in Bangkok, especially those working in the Silom and Sukhumvit areas, have opted for ordering more food and beverages online," Ms Taniwan said. She said shrinking purchasing power has also prompted people to stay away from luxury restaurants or avoid ordering expensive menu items such as seafood, prawn and fish. They preferred street food instead, Ms Taniwan said...The food business is expected to rebound in the second half because of myriad scheduled food and hotel trade events, Ms Taniwan said. The sector contributes 1.1 trillion baht to

the economy. Tourist consumption accounts for 600 billion baht, with the rest from the domestic food business...Supawan Tanomkieatipume, president of the Thai Hotels Association, said hotel restaurants have also felt the pinch from the struggling economy, with their sales falling by 10-20% in the first half of the year. "Thais have really cut back on their visits to hotel restaurants in the past several months, thanks to higher competition from general restaurants, which are trying hard to lure local diners," Mr Supawan said. Typically the food business contributes about 35-40% of a hotel's revenue.

#### **8. Thailand's July tourists arrivals up 4.8% - ministry**

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

International tourist arrivals in Thailand rose 4.8% in July from a year earlier, led by visitors from China, Malaysia, Laos, Korea and India, the tourism and sports ministry said on Friday. Foreign arrivals stood at 3.1 million in July, the ministry said in a statement. For the seven-month period, arrivals were 20.4 million, up 4.47%. The government expects about 35 million tourists this year. Tourism accounts for 12% of Thailand's economy.

#### **9. Old red postboxes now yellow smartboxes**

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

The old red mailbox has been turned into a yellow smart postbox providing tourism information such as nearby tourist attractions, restaurants, souvenirs and local product shops through its QR code, under a Thailand Post initiative. Dubbed *Pee Too Roo Tuuk Rueng* (the box knows everything), 15 innovative post boxes were installed in Phitsanulok province as a pilot project, with plans to expand them to other provinces nationwide in the near future. The move is a part to achieve the Thailand 4.0 roadmap by 2019, said Lt. Gen. Satit Pittarat, chairman of the board, speaking on the occasion of the country's 15<sup>th</sup> anniversary...It hopes to create sustainable growth for the organization and cope with competition in the industry from an influx of no-frills messenger service apps and international parcel delivery service providers...On the other front, the government has asked Thailand Post to develop its postal and delivery business ecosystem to serve as a logistic hub for the government's Eastern Economic Corridor (EEC) project by 2019.