

Daily Thai News Summary: 10 December 2015

1. Govt to mull power offer from Laos

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

Thailand will consider a proposal to increase the memorandum of understanding on the purchase of electricity from Laos from 7,000 megawatts to 10,000MW after committing to buy 3,316MW this year, Energy Minister General Anantaporn Kanjanarat said yesterday. He was speaking after a ceremony to open Laos's first lignite-mine-mouth power-generation plant, the Hongsa Power Plant.

The minister said that under the current MoU, which expires at the end of this year, the Kingdom had committed to buying about 5,000MW of electricity from Laos, including 1,473MW from the Hongsa Power Plant. A contract for a further 2,000MW will be signed next year, making the ongoing commitment 7,000MW in total. Meanwhile, the Laotian energy and mines minister, Khammany Inthirath, has proposed increasing the amount of power purchased under the MoU to 10,000MW, with such an agreement possibly to be signed next year, Anantaporn said.

If approved, this would enable Thailand to boost the electricity it purchases from abroad to 14,700MW by 2036, he added. According to Thailand's 20-year sustainable-electricity plan, it will buy 7,000MW from Laos between 2015 and 2026, and a further 7,700MW from Laos and other Asean countries such as Myanmar from 2027 to 2036.

2. Draft property tax bill to go before cabinet by 2017

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

A draft bill on land and buildings tax is expected to seek cabinet approval by 2017 with rates that would be more acceptable to the public, says Permanent Secretary for finance Somchai Sujjapongse. Details in the draft are quite firm and it will be proposed to Finance Minister Apisak Tantivorawong before being forwarded to the cabinet, he said without elaborating.

Local media have reported that the Fiscal Policy Office has set the ceiling rates for the tax at 0.2% of appraisal value for land used for agriculture, 0.3% for residences and 1% for land for commercial use. Undeveloped land would be taxed at 1% for the first three years before doubling to 2% for the next three years and hitting the 3% ceiling in the seventh year. However, the actual tax rate would be levied at progressive rates. Agricultural land would be charged at

0.01% if the appraised price is no more than 2 million baht or up to 200 baht a year, while land worth more than 100 million would be taxed at 0.1%.

3. NBTC expects fierce competition for 900 MHz licences

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

The National Broadcasting and Telecommunications Commission is confident of fierce competition in the bidding for two 900MHz licences on December 15, and the final bid is expected to exceed Bt30 billion per licence, NBTC secretary-general Takorn Tantasith said. The four bidders are Advanced Wireless Network (AWN) of Advanced Info Service (AIS), DTAC TriNet of Total Access Communication, True Move H Universal Communication (TUC) of True Corp, and Jas Mobile Broadband of Jasmine International. AWN and TUC both snatched licences on the 1800-megahertz spectrum at an auction last month.

Takorn said there were many factors prompting fierce competition. First, the two winners of the 1800MHz licences are unlikely to allow the final price of an 900MHz licence to be lower than what they paid for their licences at last month's auction. Second, the final bids at both auctions will be used as benchmarks for further auctions of the 1800MHz and 850MHz spectrum bands in 2018. If the final price of the 1800MHz and a 900MHz licences is too low, the benchmark for the next 1800MHz and 850MHz auction will also be low, giving those waiting for the 2018 auction a price advantage over the winners this year. Third, all four bidders are keen to acquire spectrum to boost their service capacity.

4. DKSH, aCommerce announce tie-up

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

Southeast Asian e-commerce service provider and online distributor aCommerce has signed a strategic partnership with DKSH Group, with the latter acquiring a 20-per-cent stake in aCommerce for an undisclosed amount, giving the company access to DKSH clients and infrastructure across the Asia-Pacific region. Paul Srivorakul, group chief executive officer of aCommerce, said this strategic investment was a huge win for his company because it allowed it to expand quickly into new markets such as Singapore, Malaysia and Vietnam.

With the combined strengths and infrastructure of the two partners, aCommerce can now offer complete solutions for its consumer and business clients both online and offline. DKSH is a 150-year-old Switzerland-based market expansion services provider. It generated net sales of more than US\$10 billion (Bt360 billion) in 2014 with 165 distribution centres across the region, making it the largest player of its kind in Asia. Meanwhile, aCommerce, launched in 2013, has been powering companies such as L'Oreal Group, Nestle and HP to sell online through

performance marketing, platform development, fulfilment, last-mile delivery, localised customer service, and payment solutions. With more than 140 clients, aCommerce says it is benefiting from the e-commerce gold rush in the region and has more than tripled its monthly revenue since January this year.

5. Only 11.4% of SMEs say they are set for AEC

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

Nine out of 10 Thai small and medium-sized enterprises say they are not ready for the Asean Economic Community, which will become effective at the end of this month, according to a survey conducted by Dhurakij Pundit University. The nationwide survey asked 580 SME owners or their representatives about their readiness for the AEC and the measures they have taken to prepare their businesses for regional integration. Some 11.4 per cent of respondents said they were ready for the AEC; 75.2 per cent were not ready; and the remaining 13.4 per cent had no interest in AEC.

Those who were not ready were asked how long it would take them to be ready. About 14.7 per cent said they would be ready in a year; 54.2 per cent in about two or three years; and 6.3 per cent longer than three years. A further question was asked on what the difficulties were in preparing their business for the AEC. Among those who were unready, 53.4 per cent said they lacked sufficient knowledge on market opportunities; 50.1 per cent lacked qualified staff; 43.2 per cent did not have business partners outside Thailand; 41.4 per cent could not communicate in English; 40.5 per cent faced the problem of standardizing their products; 34.6 per cent did not know where to begin; 31.6 per cent lacked capital; 30.2 per cent did not know import-export protocols; 27.8 per cent had insufficient production capacity; and 19.5 per cent were unable to communicate in other languages.

By Harsha Hazarika