

Daily Thai News Summary: 16 September 2015

1. Cabinet approves amendments to Investment Promotion Act

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

The Cabinet approved draft amendments to the Investment Promotion Act that was proposed by the Board of Investment with the aim of stimulating investment by providing new incentives and tax measures.

The existing Investment Promotion Act has been in use since 1977 and the BOI believes that it is outdated, ineffective in terms of promoting new investment, and does not provide enough incentives, which led to the proposal for the new law. *"The existing tax measures and incentives have been tested by the BOI and have been found to be ineffective now, so some tax measures will be revised and new incentives will be provided to encourage more investment in the country,"* said Government Spokesman Maj-General Sansern Kaewkamnerd. *"The government and the country do not lose anything by amending the tax measures and increasing the incentives, but what we will gain is an increase in the private sector's motivation to invest."*

The BOI says it has made sure that the new incentives and tax measures do not violate the World Trade Organisation's regulations. The highlights in the new law are the tax exemption for the import of machinery and raw materials that are going to be used for research-and-development purposes and the exemption of corporate income tax for up to 13 years for targeted businesses, such as those focused on R&D and innovation.

2. B200bn stimulus at the ready

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

At least 200 billion baht of the government's budget is expected to be taken out from October-December as part of efforts to ramp up public spending and tackle cooling economic expansion. In the first three months of fiscal 2016 starting Oct 1, state agencies plan to draw down investment budget to the tune of 86 billion baht, more than 7,000 tambons will take out 5 million each or 36.2 billion baht total under the government's short-term stimulus for repairs and construction, 40 billion will be disbursed for small investment projects, and 68 billion left over from the previous fiscal year's investment budget will be drawn down, Budget Bureau director Somsak Chotrattanasiri said. If budget disbursement achieves the target, it will surpass the 118 billion baht taken out in the same period last year.

3. Colombia reaches out for Thai investments

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

Thailand is firmly in the sights of Colombia as the Latin American country reaches out to Asia and Southeast Asia in particular to boost trade relations, ambassador Andelfo Garcia told The Nation.

The embassy, in cooperation with the Federation of Thai Industries, is hosting a seminar tomorrow to make a pitch for Thai investment in Colombia. *"This will be the first major event between the two countries aimed at deepening the trade relationship and we're excited about moving forward,"* Garcia said.

After closing in 1999 because of the economic crisis, Colombia reopened its embassy in Thailand in 2013, with Colombian Foreign Minister Maria Angella Holguin Cuellar visiting Bangkok the same year. *"It took us some time to understand how everything works here. But now, I think, we have the momentum going,"* Garcia said. A delegation of ProColombia, the institution of the Colombian government in charge of promoting foreign investment, exports and tourism, is visiting Bangkok to explore investment opportunities.

4. Solvay set to expand Thai operations

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

Solvay, the Brussels-based chemical giant, has inaugurated Southeast Asia's largest sodium bicarbonate plant in Thailand as the first step in its plan to aggressively expand in Asia. The 20-million-euro unit follows more than Bt20 billion in investments that the company has poured into Thailand over the last five years, said Siriporn Wutthilaohaphan, general manager of the Thai operation.

These recent investments include a hydrogen peroxide plant, which is the largest in the world, and an epichlorohydrin plant. Both are located in Rayong. Including the hydrogen-peroxide mega-plant, a joint venture, which is being consolidated with Solvay Group's books, Solvay is expected to log sales of about 700 million euros or about Bt30 billion from its Thai operations this year, she said.

5. Dana opens new factory for light-vehicle gear sets

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

Dana Holding Corporation, an Ohio-based maker of auto parts, has opened its fourth factory in Thailand at a cost of US\$40 million despite the downturn in the country's automotive industry. The company remains confident in Thailand's fundamentals for the next 20 years, said Robert Pyle, president for light-vehicle driveline technologies. *"Dana recognises the current bearish car market that is beyond our control,"* Mr Pyle said at the factory launch. *"Nonetheless, the country's vehicle exports remain strong."*

The factory will make 600,000 light-vehicle gear sets a year. It spans 6,450 square metres and required 100 new hires. Timothy Klaus, managing director of subsidiary Dana Spicer (Thailand), said the investment here would serve mainly car makers in nearby provinces including Ford, Mazda, Nissan and Suzuki.

By Harsha Hazarika