

## Daily Thai News Summary: 20 April 2016

### 1. Farming sees increase in investment

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

New investment in the agricultural sector rose sharply in the first quarter of 2016, especially regarding innovation to add value to farm products, the Board of Investment (BoI) said. Investment in agriculture in the first quarter amounted to 78 projects with a combined investment value of 27 billion baht, said secretary-general Hiranya Suchinai. Most of the projects involved collaborations between investors and research institutions to apply innovation to common farming products, such as frozen coconut milk.

### 2. Cabinet backs income tax re-jig

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

The Cabinet yesterday approved a new structure for personal income tax, the Baan Pracha Rath affordable-housing scheme, plus draft laws related to the digital economy. Finance Minister Apisak Tantivorawong said the new tax structure (see table) would come into force for the 2017 tax year. The new rates could cost the country Bt32 billion per year in lost tax revenue, but this could be offset by higher value-added-tax revenue from increased consumer spending, he said. Apisak believes the new tax structure will boost people's disposable income and encourage spending. Among highlights of the new tax structure is an increase in the personal allowance to Bt60,000 a year, from the current Bt30,000. The maximum child allowance will also be doubled to Bt30,000 per child, from Bt15,000 currently. The current limit on the number of children that are eligible - three - has also been scrapped. Taxable income bands are also being widened in some brackets.

Personal income tax accounts for 17 per cent of overall tax revenue, while corporate income tax accounts for 32 per cent. Under the current personal income tax structure, taxable income of up to Bt150,000 per year is exempt from tax; while Bt150,001 to Bt300,000 is subject to 5-per-cent tax; Bt300,001 to Bt500,000 is taxed at 10 per cent; Bt500,001 to Bt750,000 is taxed at 15 per cent; Bt750,001 to Bt1 million is taxed at 20 per cent; Bt1,000,001 to Bt2 million is taxed at 25 per cent; Bt2,000,001 to Bt4 million is taxed at 30 per cent; and more than Bt4 million is taxed at 35 per cent.

The Cabinet also approved the Finance Ministry's proposed Baan Pracha Rath affordable-housing scheme on plots owned by the Treasury Department. The programme aims to serve state officials on low incomes and other low-income earners.

### **3. Tesco Lotus to further grow with at least 65 new stores this year**

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

Despite sluggish consumption, Tesco Lotus, the country's leading retail chain, will keep expanding by adding at least 65 stores this year. *"We saw a small improvement in the market in terms of local consumption. But we are optimistic that the Thai market is still promising, as it is the second-largest unit outside the UK,"* John Christie, chief executive officer, said yesterday. The company will also work on enhancing the customer shopping experience at existing stores and improving online outlets. He declined to disclose the capital expenditure budget for this year's expansion but said the number of new branches would be more than the 65 opened last year. *"Due to the location limit, I would say that the small type would be suitable for the Bangkok area while large ones would be deployed upcountry. Importantly, we are looking for an opportunity in medium-size provinces where we have not been yet,"* he said.

With this expansion, the company aims to create at least 3,000 jobs. It has prepared a budget for renovating 18 stores to enhance the shopping experience, particularly for children and family groups, and to boost customer traffic. Under the plan, the company hopes to welcome more visitors than last year's 15 million, which was up from 13 million the year before. To cash in on the change in customers' digital lifestyles and behaviour, the retail giant is also putting more weight on online distribution.

### **4. Builk.com to become B2B e-commerce channel for construction industry**

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

Start up Builk Asia yesterday joined forces with Millcon Steel, one of Thailand's leading producers and distributors of steel products, to transform builk.com into a business-to-business (B2B) e-commerce channel for the construction industry through Millcon's 40-per cent investment in Builk Asia's parent company Longkong Studio, a Thai construction-software firm. The collaboration shows how a Thai start-up can grow and co-exist with large corporates, said Builk Asia principal and evangelist Patai Padungtin. He said builk.com was working this year to transform itself into a marketplace for the construction industry by 2017. The company aims to increase its revenue by five times from Bt25 million last year to more than Bt100 million in 2016, around 95 per cent of the revenue from Thailand.

Currently, Builk Asia has a business presence in five countries in Southeast Asia, namely Thailand, Indonesia, Myanmar, Laos and Malaysia. Builk Asia yesterday officially kicked off its e-commerce business via builk.com. Builk.com is to play a key role as an e-commerce business for its strategic partner, Millcon Steel, which invested 40 per cent in Longkong Studio. Longkong Studio has a 90-per-cent stake in Builk Asia, the operator of builk.com, with the remaining 10 per cent held by private investors. Pawoot Pongvitayapanu is the lead private investor in Builk Asia. Millcon Steel's resources and Pawoot's expertise are expected ensure that builk.com achieves its goal of being the largest B2B e-commerce channel for the Thai construction industry.

## **5. Bank hire purchase operator post Q1 profit rises despite drop in lending**

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

Bank players in the hire-purchase (lease to own) business have reported year-on-year increases in net profit for the first quarter, thanks to an improvement in funding costs and better debt quality. Their improved performance was achieved despite experiencing a slowdown in instalment lending during the period. Tisco Financial Group, the holding company of Tisco Bank, reported a first-quarter net profit of Bt1.25 billion, against Bt1.19 billion in the same period last year. Its non-performing loans (NPLs) as of the end of March also improved - to 3.07 per cent, from 3.23 per cent at the close of last year.

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**By Harsha Hazarika**