

## Daily Thai News Summary: 28 December 2015

### 1. Thai investments rise in Asean

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

From January to September this year, investments worth Bt242.9 billion have been channeled overseas, according to the Bank of Thailand. Of those investments, 27 per cent was ploughed into other Asean nations, amounting to Bt64.75 billion. The investment sum increased significantly from the Bt23 billion reported in 2005, with Bt3 billion or just 13 per cent earmarked for Asean. Thai companies have shown a clear trend to venture overseas to grow their businesses and Asean has been a key destination, thanks chiefly to the Asean Economic Community (AEC), which promises free flow of trade, investment and labour.

Big corporate names like Charoen Pokphand Group, Siam Cement Group, PTT Group, Siam City Cement, Thai Beverage Group, Banpu Group, Ratchaburi Electricity Generating Holding and Thai Union Group are among the first firms to make forays into other Asean nations. Following in their footsteps, several small and medium-sized firms from various industries are also establishing a footprint abroad to cash in on regional economic integration. For example, the Siang Pure Oil Group has expanded its investments in Cambodia, and MK Restaurant will open branches in Indonesia, Malaysia, and Singapore. Coca Holding International, which is part of Coca Suki, opened new branches in Laos, Cambodia, Vietnam, Singapore, Indonesia and Malaysia.

### 2. PTT, Ministry work to cut domestic gas supplies

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

The Energy Ministry is working with PTT to cut natural-gas purchases from domestic sources to exploit the sharp plunge of LNG (liquefied natural gas) prices in the international market. Energy Minister Anantaporn Kanjanarat also told reporters yesterday that the government had talked with Cambodian Prime Minister Hun Sen during his recent visit to Thailand about cooperating to develop petroleum deposits in the two countries' overlapping area in the Gulf of Thailand. An agreement could be reached by next year.

Twarath Sutabutr, director-general of the Energy Policy and Planning Office, said the National Energy Policy Council had recently agreed for the ministry to draw up a plan to purchase LNG from the spot market as long as it is cheaper than domestic gas. Areepong Bhoocha-Oom, permanent secretary of the ministry, said that because LNG spot prices had fallen

below the contractual prices of natural gas in some domestic fields, PTT should reduce its purchases from domestic sources and import LNG. *"This is in line with our strategy to prolong depleting domestic gas reserves,"* he said.

### **3. Tax incentive to boost year-end shopping**

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

The Government's tax incentive for year-end shopping, which became effective yesterday, has boosted consumer interest at shopping centres nationwide, with combined spending expected to rise by Bt150 billion over the week until year-end. Gross domestic product will expand further by an estimated 0.1-0.2 percentage points from 2.8 per cent, while the incentive for the seven-day period will cost the government an estimated Bt4 billion to Bt5 billion in tax revenue. As well as a tax reduction on shopping valued up to Bt15,000 per person, the tax break covers domestic travel of the same value in the December 16-31 period.

More than 2 million middle- and high-income earners are expected to benefit from the measure with a tax saving of up to Bt750-Bt5,250 per person depending on their income-tax bracket. *"One of the current economic problems is that people who have money are reluctant to spend, and I believe that this measure will boost domestic consumption and tourism,"* Finance Minister Apisak Tantivorawong said yesterday. *"We earlier introduced measures to help low-income earners, which are now adequate, while higher-income groups tend to shop and travel abroad. So this measure is considered a New Year gift for middle-income groups who will help support the economy,"* he said. Under the tax move to boost year-end shopping, a person whose personal-income-tax rate is 20 per cent will be entitled to a saving of Bt3,000 if he or she spends Bt15,000 during this period, while a person who pays 10 per cent in personal income tax will receive a Bt1,500 reduction in tax.

### **4. Malls ready to cash in on tax initiative**

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

Major Shopping Malls have launched campaigns to support the government's tax-rebate initiative aimed at stimulating year-end spending by shoppers during the festive season. Effective since Friday, taxpayers can get a tax rebate on purchases worth up to Bt15,000. Siam Piwat backed the government policy by unveiling an attractive year-end campaign "The Season of Siam Celebration" to woo shoppers until December 31. The campaign allows shoppers to select the right gifts for their loved ones and to have a chance to win a number of world-class prizes. Chanisa Kaewruen, the executive vice president of marketing and business relations at Siam Piwat, said that each year marketing promotion campaigns for year-end and the upcoming year

were one of the biggest promotional activities. Every shopping centre would launch its own smart strategies to attract local and international shoppers to spend during the high season.

This year, Siam Paragon and Siam Center are launching "The Season of Siam Celebration" campaign, offering year-end promotions. The highlight of this is a range of world-class prizes, which will be given away to customers. Shoppers spending Bt2,000 and more will have a chance to win a grand prize - a luxurious BMW 320i M Sport and many other prizes such as Siam Gift Card and Club 21 gift card. Members of Platinum M Card, Viz Card, Aeon credit card, True, and Muang Thai Smile Club will be granted a double coupon. To support the government's special tax deduction, Siam Paragon and Siam Center are preparing a series of prizes to be given away as part of a sales boost. Shoppers spending Bt30,000 and more will instantly get an exclusive gift from renowned brands at Siam Paragon and Siam Center. They will have a chance to win a one-of-a-kind prize, the first-ever made in Thailand - a limited-edition Snow Globe.

## **5. Govt urged to extend tax deduction measure until first quarter of 2016**

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

The tourism and retail sectors have urged the government to extend the consumer tax deduction measure until next year in a bid to boost spending. Chai Srivikorn, president of the Ratchaprasong Square Trade Association (RSTA), asked the government to extend its tax deduction measure, being endorsed for a week until the end this year, for another 2-3 months so as to cover the first quarter of 2016. *"Due to the short time, the current measure won't help increase consumer spending by much. It needs to also run for a few months early next year,"* he said.

Meanwhile, Ittirit Kinglake, president of the Tourism Council of Thailand (TCT), suggested that the current tourist tax deduction be extended for another year. This scheme was initiated in 2014 to encourage local people to travel and hold meetings and events at registered hotels. The measure is set to end next Thursday. The government yesterday announced it would endorse the new tax deduction measure as part of the economic stimulus plans. Consumers who purchase goods worth up to Bt15,000 before December 31 can use receipts to claim the tax reduction. According to Chai, even without the measure many people had already planned to spend some money during the festive season. Popular items will be gifts, travel, shopping, and dining. Ittirit said people would not spend more money because of the measure, but they would be happy with the tax reduction.

## 6. Land appraisals to rise by 27.72% on average nationwide

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

Land appraisals will jump by 27.72 per cent on average nationwide in the new year, with the highest at Bt1 million per square wah (Bt250,000 per square metre) in Bangkok's Silom Road. The lowest is Bt10 per square wah in Chiang Mai. The new land appraisals take effect on January 1. Chakkrit Parapuntakul, director-general of the Treasury Department, said Bangkok had seen a 15.78-per-cent rise in average appraisal values, while those in its surrounding areas rose by 18.97 per cent. The appraised values of land and buildings have been set for the 2016-2019 period.

The manufacturing sector is expected to perform better next year, thanks to a number of factors including a weakened baht, low oil prices, and government measures, said Industry Minister Atchaka Sibunruang. The ministry forecasts output for the manufacturing sector to expand by 2 per cent in 2016, up from 0.5-per-cent growth this year. Five industries were cited as the "stars", namely electrical appliances, electronics, foods, ceramics, and sugar cane and sugar. Thai automobile production is expected to grow by 10.26 per cent next year to total 2.15 million units, of which 1.25 million will be for export and the rest for the domestic market. The cane and sugar industry is expected to grow thanks to restructuring that has led to more cane acreage and output. Atchaka said the industry's revenues were expected to balloon to Bt450 billion next year, up from Bt200 billion annually in previous years.

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