

Daily Thai News Summary: 3 November 2015

1. Finance Ministry focuses on 10 key issues for tax reform

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

The Finance Ministry has set out 10 key issues for tax reform aimed at improving social equality and the sustainability of government revenue, while ensuring sufficient investment funding and care for the country's elderly. The Thai Chamber of Commerce (TCC) has urged the government to complete its tax reforms within one year, and wants the private sector in on the process.

Speaking at a seminar on "Drive for Tax Reform: Private Participation" organised by the Thai Chamber of Commerce, Warotai Kosolpisitkul, deputy director-general of the Fiscal Policy Office, noted that tax revenue now accounted for only 17.2 per cent of Thailand's gross domestic product, while the government was spending more for investment and was facing an ageing society. Thus reform is required to ensure social equality and to bring the tax-revenue proportion up to 20-21 per cent of GDP. The tax reforms under the Finance Ministry's consideration target 10 key issues.

2. Shippers' council expects rebound of export growth in coming year

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

The Thai National Shippers' Council (TNSC) expects exports next year to return to positive growth, of 2 per cent, after this year's projected contraction of 5 per cent. It predicts export value next year of about US\$220.5 billion (Bt7.8 trillion). The higher exports will be a result of the government's policy to reform the economy and the country's trade strategy, as well as expectations of global gross domestic product growing by 3.6 per cent, TNSC president Nopporn Thepsithar said yesterday.

This year, export value is forecast to shrink by 5 per cent to \$216.15 billion, the third consecutive annual contraction. In the current quarter, a 5-per-cent decline is expected year on year, after a 4.98-per-cent contraction in the first three quarters. Despite its rosier forecast for 2016, the council foresees many challenging factors. The economies of many developing nations will grow slowly, while the European Union and Japan see slow recoveries. The political conflicts between many countries will also have a negative effect on trade, while natural crises caused by climate change will affect the supply of many agricultural products. These factors

could affect the price of crops and commodities worldwide, and Thailand could find it difficult to stand up to the tough competition by many countries, Nopporn said.

3. Solar power plan burns bright with overwhelming response

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

More than 1,000 government units and agricultural cooperatives nationwide are expected to take part in a public-sector solar energy programme in partnership with private interests who will invest an estimated Bt36 billion in total power-generation capacity of 600 megawatts, according to the Energy Regulatory Commission. ERC spokesman Weerapol Jirapraditkul said qualified public-sector entities, including farm cooperatives, were invited to submit applications to the commission until November 10. Successful applicants will be required to supply electricity from solar farms situated on their properties by September next year. Overall, the public-sector programme is aimed at generating a total of 800MW of electricity from solar, with the first phase consisting of 600MW.

Weerapol said applications were expected to total more than 5,000MW from more than 1,000 public-sector units, but only 600MW will be selected by the ERC for implementation, requiring a combined investment of around Bt36 billion. The public-sector solar energy programme will help boost the investment sector and contribute to next year's economic growth, he said, adding that the programme serves as a good example of public-private-sector cooperation in the energy sector, since solar energy is renewable and friendly to the environment. In addition, such an alternative source of electricity will increase the country's energy security while reducing dependence on imported oil and gas.

4. PPP panel aims to fast track 7 projects

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

The Public-Private Partnership (PPP) committee will ask the Cabinet tomorrow to fast-track seven PPP projects worth Bt340 billion as the Finance Ministry pins its hopes on the investments being the main drivers of Thailand's economic growth in 2016. Ekniti Nitithanprapas, director-general of the State Enterprise Policy Office (SEPO), said Somkid Chatusripitak, the deputy prime minister in charge of economic affairs and chairman of the PPP committee, wanted to fast-track the projects to shorten the initial PPP process time from one year and 11 months to 9 months. *"We aim to speed up the government process, especially the consideration period required by the ministers, but we will not intervene with the processes on the private sector side,"* he said yesterday during the Thammasat Economics Association's press conference.

The government has 66 PPP projects worth around Bt1.4 trillion under its five-year investment plan from 2015 to 2019. Among them, seven projects worth Bt340 billion will be fast-tracked with the details of Metropolitan Rapid Transit's Pink Elevated Line and the Yellow Line, worth Bt56.7 billion and Bt54.7 billion, already submitted to SEPO. The other PPP projects that could be fast-tracked include the Blue Extension Line, renewable energy power plants and motorways.

5. 900 MHZ auction date back to Dec

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

The National Broadcasting and Telecommunications Commission's telecom committee yesterday resolved to put off the auction of 900MHz licences to the original date of December 15 instead of November 12, citing the need to ensure transparency and meaningful competition by the bidders as advised by academics and an anti-corruption group. The auction date for two licences on the 1,800-megahertz spectrum remains unchanged at November 11. The telecom committee made the resolution at an urgent meeting yesterday, and the decision took the market by surprise.

The NBTC expects that the change in the 900MHz auction date will prompt meaningful competition among the four bidders at the 1,800MHz auction, which will bring in more money for the government from upfront fees. A telecom analyst said he doubted that the auction of the two 900MHz licences would be postponed again in the future.

By Harsha Hazarika