

Daily Thai News Summary: 4 August 2015

1. BoI offers maximum incentives to eligible investments in special economic zones

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

Expected to bring about un-paralleled privileges to investors and revive the Asean economy, special economic zones (SEZs) are the Thai government's recent plan to accelerate the trade and investment capabilities of the country through promoting economic activities along the borders.

SEZs are a joint effort among many important government institutions - namely the Board of Investment (BoI), the Revenue Department and the Industrial Estate Authority of Thailand - to raise the country's capacity to compete within the upcoming Asean Economic Community, scheduled for implementation at the end of this year.

According to the recently published BoI manual for investment in SEZs, the maximum incentives are provided to eligible investors in targeted industries comprising 61 business activities, including agro-industry and fisheries, logistics, tourism, and various manufacturing businesses. The maximum incentives include exemption of corporate income tax for up to eight years, five-year 50-per-cent reductions of corporate income tax, and exemption of import duties for machinery and raw materials. Non-tax incentives include, but are not limited to, the use of unskilled foreign labour in SEZ projects.

2. SEC hopes crowd-funding platform to kick off by the year-end

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

Crowd-funding is expected to kick off to help start-ups and very small entrepreneurs access capital by the end of this year, as a tool to help boost the economy and as an alternative for investors. Regulations for equity crowd-funding, which is a platform to help small companies raise funds from people via social networks online, were announced by the Securities and Exchange Commission in May.

Sarica Apiwatthakakul, director of the intermediate licensing and SME financing department at the SEC, told reporters yesterday that the department was considering three or four enterprises as operators of equity crowd-funding portals. *"We want to see crowd-funding happen by the end of this year after the SEC has worked on this matter for two years,"* she said, adding that more details would be announced later.

3. FPO mulls Village Fund scheme rejib

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

The Fiscal Policy Office (FPO) has proposed separating the accounts of almost 20,000 Villages Funds ranked below grade B. The move is aimed at unlocking and allowing them to receive fresh capital of 1 million baht each to stimulate the rural economy. It is difficult for troubled Village Funds to address problems incurred under the previous management, so separating the new accounts from the existing ones to allow them to tap the new funding will help them, director-general Krisada Chinavicharana said.

He said to prevent them from repeating past mistakes, however, the FPO must establish regulations. Some 19,000 villages have not received the third round of the 1-million-baht new capital after the government recently paid an additional 6,000 villages.

4. TNSC cuts export forecast once more for 4.2% decline

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

Myriad negative factors are still holding back exports, prompting shippers to cut their forecast again to a 4.2% contraction this year. Nopporn Thepsithar, Chairman of the Thai National Shippers' Council (TNSC) said given the limited positive factors, Thailand's exports were likely to shrink 4.2% this year to US\$ 218 billion.

The fall was attributed mainly to the slow global economic recovery and low crude oil prices. The poor first half export showing led the Fiscal Policy Office last Thursday to further decrease its full year economic growth forecast to 3% with exports falling by 4%.

5. Sukhumvit demand acute

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

Despite soaring land and housing prices and the sluggish economy, residential demand on Sukhumvit Road in the middle-market and high-end segments remains strong, say property consultants. Phanom Kanjanathiemthao, managing director of Knight Frank Chartered (Thailand), said the property sector was affected by the country's economic slowdown, but high-end property in the inner city remained solid.

"Demand for high-priced condos remains good, and target buyers have purchasing power," he said. "Middle-market and low-end condos in outer-city locations such as Rattathibet Road have slowed down."

By Harsha Hazarika