

## Daily Thai News Updates: 20 April 2017

### 1. B280m to support Thailand 4.0 startups

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

Software Park Thailand, a government agency under the Science and Technology Ministry, has allocated a budget of 280 million baht to sponsor and support local startups this year. The move is part of the government's attempts to drive the Thailand 4.0 economic model, said Chalernpol Tuchinda, director of Software Park Thailand. He said Software Park will play an integral role in supporting local startups as well as building new entrepreneurs from state university graduates. The budget is slated to support the agency's existing two projects: the Startup voucher, free cash-equivalent vouchers worth 1 million baht each for qualified startups; and the Research Gap Fund, a funding for startups' business development. Software Park obtained 80 million baht from the government to offer free vouchers to startups in 2017, up from 50 million last year. The agency also obtained 200 million baht for the Research Gap fund from the Science and Technology Ministry to stimulate the creation of new entrepreneurs.

### 2. ADB predicts 3.5 % Thai growth

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

The Thai economy is expected to expand by 3.5% based on an export recovery and domestic public spending this year, with momentum set to continue next year, raising growth to 3.6%, says the Asian Development Bank (ADB). "A sustained recovery in major economies, robust domestic consumption and the continued implementation of large public infrastructure projects are the key reasons for our projection," said Luxmon Attapich, ADB's senior country economist. The ADB expects Thai merchandise exports to grow 2% this year and 4% in 2018, supported by a stronger global economic recovery and rising commodity prices. Mrs Luxmon said the gradual recovery of global oil prices should also boost exports of petroleum products. She said the 2% export growth forecast is rather conservative, given that it accounts for the rising trend of protectionism in international trade. "We foresee the impact of protectionism on Thailand from the influence of US trade policy as rather moderate," Mrs Luxmon said. "We included that impact in our risk analysis, rather than just weighing from the baseline."

### **3. Effective education key to escaping middle income trap, ADB says**

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

Thailand faces more challenges as it strives to improve the economy and people's incomes for the long term as it struggles to move up from being a middle-income country, the Asian Development Bank says. For the short term, the ADB has predicted that Thai exports will expand by 3 per cent this year, following zero growth last year. Luxmon Attapich, senior economist at the ADB Thailand Resident Mission, said yesterday that rising demand overseas would allow exports to play a significant role in driving economic growth here, with gross domestic product forecast to rise by 3.5 per cent this year, up from 3.2-per-cent growth in 2016. GDP growth next year is expected to be 3.6 per cent. She acknowledged concerns about trade protectionism as the United States under President Donald Trump reviews its policy with an eye to reducing trade deficits. However, she said she did not expect Washington to adopt severe measures against Thailand or 15 other countries carrying trade surpluses with the US. Key factors contributing to Thai economic growth this year include farmers' rising incomes and private and public investment in infrastructure projects, she said. For the long term, the ADB has predicted that if Thailand could increase its scores in the Programme for International Student Assessment to meet the benchmarks of the Organisation for Economic Cooperation and Development (OECD), it would lead to a 60-per-cent increase in GDP per capita between 2015 and 2045, Luxmon said.

### **4. Dept told to watch for corporate tax avoidance**

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

The Finance Ministry has assigned the Revenue Department to boost tax-collection efficiency and keep an eye on corporate taxpayers, given lower-than-targeted revenue collection from them for the past three to four years. Somchai Sujjapongse, the ministry's permanent secretary, said that if large companies accounted for less than 70-80 per cent of total corporate income tax collected as targeted, the government's overall revenue would be negatively affected. Earlier, all three revenue-collection departments were assigned to formulate plans to increase efficiency after they missed their targets. The ministry now has urged the Revenue Department to analyse the causes of lower-than-targeted revenue collection from large business operators and improve its collection efficiency by way of monthly reports, starting now. Somchai said that although large business operators, particularly listed companies, had accounting and auditing systems in place, there could

be loopholes, particularly in transfer pricing between a parent company and its subsidiaries, to avoid taxes. Fraudulent tax rebates and groups that avoid paying taxes must be kept under close watch, he said. "We have to keep pace with large business operators, given the ways to avoid tax payment. In the United States or Europe ... caution is taken for transfer pricing between a parent and its subsidiary, as it's a way to avoid paying tax," Somchai said.

### **5. More Thai-built Sony phones**

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

Sony Corporation has relocated some of its premium smartphone production from China to Thailand as the Japanese electronics giant seeks to cut labour costs and make use of export tax incentives. The relocation is illustrative of the continued rise in labour costs in China, as well as the abundance of locally made electronic components with affordable prices in Thailand and attractive tax benefits, said Satoshi Mekata, general manager for the mobile sales division of Sony Thai. "We're gradually moving a part of our China production for premium smartphones to the Thai factory in Pathum Thani, with the relocation having started earlier this year," he said. The Pathum Thani factory began operations in 2015 with 4,000 employees. The facility was especially designed to produce mid-range smartphones for export, with prices in the neighbourhood of 16,900 baht each.