

Daily Thai News Updates: 21 July 2017

1. New excise rates round the corner

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

The new excise tax rates for vehicles, non-alcohol beverages, batteries and crystal glass will be announced before Sept. 16 when the new law comes into effect, says an official at the Excise Department. These products are not popular items for hoarding, so the announcement of rates shortly before their implementation should not have any impact, said Nuttakorn Utensute, director of the Excise Department's Planning Bureau. But the new tax rates for 15 products categories and four services will be announced on Sept 16, the date the rates come into force, to prevent hoarding, said Mr. Nutthkorn. With the implementation of the new excise tax base just around the corner, automakers and consumer goods manufacturers are concerned about the tax burden increase, which will cause them to raise retail prices as purchasing power remains weak. The industry has therefore asked the department to reveal the tax rates before bringing them into effect.

2. Apisak aims to allay fears over currency

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

The economic recovery remains resilient in the face of the stronger baht, with large firms able to handle the situation, says Finance Minister Apisak Tantivorawong. The economic recovery remains resilient in the face of the stronger baht, with large firms able to handle the situation, says Finance Minister Apisak Tantivorawong. The baht climbed to near 26-month high against the US dollar yesterday at 33.59. The local currency is the second-best performer in Asia, gaining 6.1%, year-to-date, trailing only the Korean won (6.9%). "Possible effects of the stronger baht on the economic recovery are not really an issue, as most of the big exporters have already managed the risks associated with the currency movement," Mr. Apisak said. But some smaller firms, especially small and medium-sized enterprises (SMEs) that fail to properly hedge against currency risks, are affected by abrupt surge in the baht's value, he said...Thailand's outbound shipments in June surged 11.7% year-on-year. For January-June, export rose 7.8% year-on-year.

3. Alibaba to upgrade Thai workforce

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

Chinese e-commerce giant Alibaba is close to setting up its own training courses in Thailand to create more skilled labour for its business platform, said Kanit Sangsubhan, secretary-general of the Eastern Economic Corridor (EEC) Office. The courses will help Thailand build a skilled workforce to match rising demand, particularly in the EEC, he said. Alibaba's move reflects the lack of skilled Thai labourers to work in the EEC, a flagship special economic zone designed to gather next-generation industries with digitised modern technologies, said Mr Kanit. The project 30,000 rai in the eastern provinces of Rayong, Chonburi and Chachoengsao. Mr Kanit said he is in monthly talks with a representative from Lazada, a German e-commerce company that as of last year is majority-owned by Alibaba, to be updated of the Chinese company's investment progress in the EEC.

4. June exports defy baht, jump 11.7%

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

Exports in June surged 11.7% year-on-year despite the firmer baht, supported by strong orders from traditional markets and boosting the government's confidence of meeting the full-year target of 5% growth in export value. The double-digit growth in June after a 13.2% leap in May signals a brighter outlook for the second half, the Commerce Ministry said, adding that shipments to traditional markets were up 7-8%. Pimchanok Vonkorpon, director-general of the ministry's trade policy and strategy office, said exports in June rose 11.7% to US\$20.3 billion (683 billion baht). June imports rose 13.7% to \$18.4 billion, giving Thailand a trade surplus of copy.9 billion. "June exports rose because of growth in every major export market, with demand growing in line with the recovering global economy," Ms Pimchanok said. Export value has risen sharply since May despite the stronger baht making prices of Thai products, especially farm items, more expensive.

5. Govt tries to reassure foreign firms for over tax

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

The government has sought to ease the concerns of foreign companies ahead of changes in the way excise is calculated for a range of goods and services, with the deputy finance minister Wisudhi Srisuphan telling business leaders that their overall tax burden will not be increased. Wisudhi said the government intended the new tax rates – to be announced on September 16 – will

be revenue neutral. Businesses need not be worried, the deputy minister told a seminar hosted by the American Chamber of Commerce in Thailand yesterday. Wisudhi took the time to meet with the leaders of foreign companies operating in Thailand amid uncertainty about the impact of the changes, which will also take effect on September 16. He assured the business leaders that the tax changes are in line with international best practice and the government wanted to ensure fairness and a level playing field for both domestic producers and importers. The excise covers 15 products and four services. The calculation of the tax amount will be based on suggested retail price rather than current ex-factor, or CIF, price.

6. Thailand mulls carrots to dazzle foreign filmmakers

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

The government is mulling additional incentives in an attempt to entice foreign producers to use Thailand as a location for shooting films. Wanasiri Morakul, director-general of the Department of Tourism, said the new perks would include work permit exemptions, as production companies and documentary filmmakers can currently stay in Thailand or no longer than 15 days per shooting period. More importantly, Ms Wanasiri said the department is promoting 37 provinces as locations to shoot films and documentaries. Provinces picked as having high potential include Chiang Mai, Chiang Rai, Lampang, Ubon Ratchathani, Chon Buri, Rayong, Phuket, Loei, Ayutthaya, Krabi and Sukhothai. "The move is intended to attract more film shoots from overseas producers," she said. Currently, the government offers generous tax incentives to foreign movie producers including cash rebates of 15% for every 50 million baht spent for big-budget foreign films shot in Thailand and another 5% for filmmakers hiring Thais and promoting Thai tourism. Ms Wanasiri said the department plans to team up with film companies in China and Hong Kong to swap actors for co-starring opportunities. The idea is aimed at attracting fans of the actors to travel to Thailand, and vice versa.

7. Lesson for training EEC skilled workers nearly ready

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

The first set of curricula for producing manpower to support trade and investment development in the Eastern Economic Corridor is expected to be completed in a couple of months. Kanit Sangsubhan, secretary-general of the Eastern Economic Corridor (EEC) office, said yesterday that that was the probable timeframe that came out of his recent meeting with the Education Ministry.

He was speaking on the sidelines of the two-day Trade and Development Regional Forum that ended yesterday. The event was organised by the International Institute for Trade and Development. The development of the curricula is in line with the Cabinet's approval on Tuesday of the government's Bt619.40 million five-year plan to provide manpower for EEC development. The plan, which will be implemented this year, will see the development of vocational students living in the EEC area, which spans the provinces of Rayong, Chon Buri, and Chachoengsao, to meet both international standards and the country's "4.0 Industry Policy"

8. PM urges 27 universities to form clusters

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

Twenty-seven universities are being urged to unite into five clusters for research and development and focus more on market demand to optimise the use of government funding. Prime Minister Prayut Chan-o-cha said yesterday that 100,000 studies have been conducted by universities and state agencies, but only 1,000 of them have found commercial use. "Many research projects are not utilised because they were conducted only for the purpose of furthering an academic career," he said. "The universities should, therefore, come together and form a cluster to better use the state budget, and the R&D, once conducted, should meet private sector demands." According to Gen Prayut, the Pracha Rat public-private collaborative model should be applied to drive R&D development in order to support Thailand 4.0, which focuses on added value, high technology, and innovation. Gen Prayut said R&D should also be used to support low-income earners, farmers and small and medium-sized enterprises in order to help them upgrade their occupations and generate income in communities.