

Daily Thai News Updates: 28 June 2017

1. EEC updates as 10 prominent firms sign up

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

Ten leading industrial companies and foreign investors have decided to invest and expand in the special economic zone of the Eastern Economic Corridor (EEC), says a key official. That accounts for a third of the total 30 companies the government aims to attract as investors in the area, said Kanit Sangsubhan, secretary-general of the EEC Office. The EEC is being promoted as the flagship to drive Thailand into the 4.0 era and take the country out of the middle-income trap. "At this stage, around 10 companies, both Thai and foreign companies, have decided they will definitely start investing in the EEC this year," Mr Kanit said. The companies include leading enterprises such as Airbus, Lazada, Toyota, Honda, Siam Cement Group and PTT Group, he said. Other major companies in robotics and electric vehicles (EV) have also expressed interest in investing in the EEC. They said they would make a final decision about their investment this year, Mr Kanit said, making the EEC Office more confident of meeting its investment target of attracting up to 30 companies. The corridor spanning more than 30,000 rai in the three eastern provinces of Rayong, Chon Buri and Chachoengsao is projected to help generate new investment of up to 1.5 trillion baht within five years from both the government and the private sector.

2. B2bn rice insurance scheme gets nod

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

The cabinet yesterday approved a rice insurance scheme for the first crop of the 2017 season, worth 2 billion baht. According to Kobsak Phutrakul, assistant minister to the Prime Minister's Office, the scheme will be run by the state-owned Bank for Agriculture and Agricultural Cooperatives (BAAC). The government expects the scheme to cover 25-30 million rai of rice farmland. The scheme covers six natural disasters: floods, drought, storms, cold, hail and fires. Farmers will receive compensation of 1,260 baht a rai this year, up from 1,111 baht per rai offered last year, in the case of crops damaged by natural disasters and 630 baht per rai in the event of pests and diseases, up from 555 baht last year. The scheme will charge an insurance premium of 97.37 baht per rai, down from 107.427 baht per rai last year for farmers with less than 25 million rai and 108.07 baht per rai for those with more than 25 million rai. The government is expected to

pay 61.37 baht per rai in compensation this year. Last year the government paid 67.428 baht per rai in compensation to farmers with less than 25 million rai and 108.07 baht per rai for those with more than 25 million rai of farmland. The insurance scheme will run from June to Aug 31 for farmers in most parts of the country except for the southern provinces, where it will last until Dec 15. Mr Kobsak said the government expected the scheme to entice more non-BAAC customers this year.

3. Transport plan set for next EEC policy

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

A plan for the Eastern Economic Corridor (EEC)'s public transport system and the development plan for Pattaya and Rayong will be proposed to the policy committee on EEC development on July 19. Kanit Sangsubhan, secretary-general of the EEC Office, said a public transport system connecting U-tapao International Airport with the high-speed-rail system planned for the area would be proposed, as there are currently no public buses or other systems that could serve this function. It is necessary to accelerate the transport network as there will be a large number of Thais and foreigners, including business operators flowing into the EEC once the project is complete, he said. He said the areas surrounding the three main ports in the EEC would also be proposed as special zones for investment promotional privileges at next month's meeting of the development policy committee. The three ports are Laem Chabang, Map Ta Phut and Sattahip. The progress on other major projects will also be followed up on at the meeting. One of them is the high-speed railway that is to connect Suvarnabhumi, Don Mueang and U-tapao airports. The tourism-development plan for the EEC will be presented by the tourism and sports minister. Kalin Sarasin, chairman of the Thai Chamber of Commerce, is currently brainstorming with the private sector and the Ministry of Tourism and Sports on upgrading Pattaya and Rayong as leading cities for tourism. Kanit said that by the end of this year, 30 leading international companies were targeted to submit their investment proposals for the EEC. About 10 have already done so, including European aircraft manufacturer Airbus, Chinese e-commerce giant Alibaba, and Japanese robot maker Hirata Corporation.

4. Baht strengthen dims export outlook

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

Currency weakness in some of Thailand's key developed country trading partners is clouding the outlook for exports despite some otherwise positive signs this year, said Wisit Limluecha, vice chairman of the Thai National Shippers' Council, yesterday. Wisit said that although the country had enjoyed a rise in exports in the first five months of this year, the prices for some items – such as rubber sheets – were starting to drop. Rice prices were holding up, and exports to Asean other East Asian countries had expanded. Growth in exports to those markets would likely continue in the second half, he told a roundtable discussion on the prospects for exports and private investment in the second half. The event was hosted Krungthep Turakij, a sister publication of The Nation. However, Wisit expressed concerns about the weakness of currencies in some of the big developed countries such as the United States and Britain. He said the baht was now too strong against these currencies, singling out the US dollar and the British pound. The trend of baht appreciation against these currencies would erode the competitiveness of Thailand's exporters. The council is awaiting the six-month report card on export performance to make a fuller assessment on the impact from currency trends. Wisit said he was worried that the US dollar would still be relatively weak even after the expected further rises in US interest rates. The council projected exports will expand 3.2-3.5 per cent this year.

5. OTT operators facing ad ban

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

Over-the-top (OTT) platforms have been warned that they face a ban on advertising if they fail to register their companies with the regulator within the 30-day deadline on July 22. The National Broadcasting and Telecommunications Commission (NBTC) called on the top 50 advertising agencies to acknowledge by Wednesday the regulatory framework of OTT services. On Thursday, it will call on the 50 companies that spend the most on online advertising. The NBTC will ask them to collaborate with the commission on advertising activities on the OTT platform, said Col Natee Sukolrat, chairman of the subcommittee working on an OTT regulatory framework under the NBTC. Col Natee did not mention any specific measures being imposed on those who do not comply with the NBTC. He said the NBTC has the right to govern advertising on OTT platforms under the Broadcasting Business Act. The video-on-demand service of OTT operators, generally

known as streaming, falls into the category of broadcast business. OTT businesses in Thailand can be divided into four categories: independent OTT operators; pay TV operators who broadcast using an OTT platform; telecom operators who provide OTT services; and digital TV channels that broadcast their programmes using OTT platforms.

6. Car import duty calculation be revised

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

The Customs Department will change the valuation method of imported cars to make it more acceptable to importers, deputy spokesman Kreecha Kledsriphan said on Tuesday. He did not elaborate how it would be changed. Luxury car importers have long complained about their tax burden -- import duty, excise tax and value-added tax -- is as high as 328%. Currently the GATT valuation method in which the cost, insurance and freight (CIF) prices quoted by importers are used as the base for tax calculation. The Customs Department 317/2547 announcement also set the “testing prices” or reference prices for cars that the department does not have the customs prices. The test prices are set by country of origin using the retail car prices in that country, deducted by VAT in that country as applicable and by the rates specified in the announcement (43.46% for cars made in Europe and the US, 37.11% for Japanese-made cars and 46.52% for South Korean cars). The result will be considered the free-on-board (FOB) price to be used as the test price.