

## Daily Thai News Updates: 29 June 2017

### 1. PPP fast-tracks for motorways

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

The Public-Private Partnership (PPP) Committee has approved to put two motorways worth a combined 142 billion baht under the fast-track PPP scheme, the first joint investment projects from the Highways Department in 20 years. The two projects are motorways linking Ayutthaya's Bang Pa-in district with Nakhon Ratchasima province, worth 85.9 billion baht, and Nonthaburi's Bang Yai district with Kanchanaburi, worth 56.5 billion. The PPP gross cost concession, which allows private investors to invest in and operate projects under government ownership, will be applied to the two motorways. Deputy Prime Minister Somkid Jatusripitak said under the PPP gross cost model, the government will fund the civil work for both infrastructure projects, while private actors that win the auction will invest in operation and maintenance. Private investors will be granted a 30-year concession to operate and maintain the projects, he said. Under the fast-track PPP scheme, the joint investment period will be shortened to nine months from 20 months. The private sector is expected to be allowed to submit bids for the two motorways by this year. Mr Somkid said that the policy he delivered to the PPP committee considered the balance of the joint investment projects between cities and rural areas.

### 2. Uproar over new labour law

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

The private sector says local companies, particularly small and medium-sized enterprises, are likely to be hurt by the new Royal Decree on Recruitment of Foreigners, as the tighter law with massive fines for employers could cut SMEs' competitive advantage at a time when the economy has yet to fully recover. Thai Chamber of Commerce (TCC) chairman Kalin Sarasin said his group and other private associations are brainstorming solutions and have sent word to the government demanding a quick response. "At this stage, hundreds of TCC members are trying to evaluate the impact of this new law on their business," Mr Kalin said. Chen Namchaisiri, chairman of the Federation of Thai Industries, said the FTI sent an open letter to the Labour Ministry requesting that related state agencies seek solutions and policies to reduce the adverse impact of tighter labour regulations. "We have got many complaints from our members that many companies, especially

SMEs, were badly affected by the implementation of the Royal Decree on Recruitment of Foreigners," Mr Chen said, adding that the law took effect on June 23...The definition of "recruitment of foreigners" covers migrant workers and cheap labour brought in from the neighbouring countries of Cambodia, Laos, Myanmar and Vietnam. Those labourers play a crucial role in production at Thai SMEs. According to the Royal Decree on Recruitment of Foreigners, the aim is to raise the standards of recruitment and management of labour and avoid accusations of abuse or even human trafficking by the international community.

### **3. Rice from Thailand safe for consumption**

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

The Royal Thai Embassy in Brunei Darussalam wishes to refer to the video that had gone viral via social media about rice supplied to Brunei. "Although the rice packaging shown in the video is not from Thailand, we, on behalf of the Government of Thailand, wish to assure that the rice supplied and sold in this country is absolutely safe for human consumption," the Royal Thai Embassy said in a statement. "Every delivery of rice is accredited with Phytosanitary Certificate from the Ministry of Agriculture and Cooperatives, Bangkok, Thailand, and Certificate of Quality issued by the authorities in Thailand in accordance with the terms stipulated in the contract between the Government of Brunei Darussalam and the supplier from Thailand." According to the Royal Thai Embassy, the rice supplier from Thailand and the Thai Government firmly value the good and long term business cooperation with the Government of Brunei Darussalam. "We assure to the utmost that the rice supplied to this country is of real rice with the condition and quality as stipulated in the contracts." The Royal Thai Embassy reassured the public that there is no plastic rice being produced, sold or distributed in Thailand or in other countries to where Thailand supplies rice.

### **4. Carmakers calm on excise rise**

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

Carmakers expect the new excise tax computation on cars to have little impact on the local market, saying they will be manageable without any retail price increases. Although the government is yet to formally announce details of the new formula, effective in mid-September, Wallop Treererkngam, executive director of Suzuki Motor Thailand, said that retail prices of Suzuki cars will remain unchanged despite the possible price increases. "We believe that we can

adjust the gap and design new promotional campaigns for customers so that Suzuki can follow the state's new rules," he said. "Eco-cars, a main contributor to Suzuki, will be less affected by the new excise tax rate." From September 16, Thailand's amended excise tax law will revise the base tax rate to account for recommended retail prices of goods, rather than using only ex-factory prices and cost, insurance, and freight (CIF) values. The government says a tax system based on retail prices will create a fairer playing field for makers and importers after some were found to have been exploiting the ex-factory and CIF values to understate tax bills.

#### **5. NESDB meets to vet Thai-Sino rail**

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

The government's planning unit, the National Economic and Social Development Board (NESDB), will hold a special meeting today to vet the controversial Sino-Thai train project amid academics' concerns about its lack of detail. According to Porameteer Vimolsiri, the secretary-general to the National Economic and Social Development Board, the meeting chaired by NESDB chairman Paron Israsena Na Ayudhya will discuss the benefits of the 179-billion baht project, including economic, investment and social returns, passenger volume and the government's future public debt burden. Mr Porameteer said public debt is unlikely to suffer from borrowings to finance the development. Public debt is expected to stay at 42-43% of gross domestic product (GDP) even after the first lot of loans worth 1.74 billion baht are secured to finance design, civil works, and advisory costs for the Chinese team. He said the Sino-Thai rail development will be divided into two parts: civil and infrastructure works, which account for 75% of the project's investment, and the rail network and trains including signaling and operation systems, which account for rest. The government will start with the first section, which spans 252.5-km linking Bangkok and Nakhon Ratchasima.

#### **6. Coaching for small retailers**

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

The Commerce Ministry, the Thai Wholesale and Retail Trade Association, Kasem Bundit University, and locally based wholesale and retail businesses nationwide are launching a coaching project that will have 132 well-developed businesses act as mentors for small retail shops. Wiboonlasana Ruamraksa, permanent secretary of the ministry, said the wholesalers and retailers

developed as role models by the Department of Business Development (DBD) would be asked to assist mom-and-pop shops in terms of management and modernising their image. The focus will be on improving the shops' attractiveness, cleanliness, convenience and comfort, she said. "This will be an assistance project. It's like an elder sister who takes care of a younger sister," she said. "We will not let them struggle on their own. We have operators and associations [that can] help. Don't fear changes. Changes are not easy but if there's a change, we guarantee improvement." DBD director-general Banjongjitt Angsusingh said 132 businesses had been selected as role models and would be asked to act as mentors to show small retailers how to increase sales.

## **7. Car production in Asia countries**

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

In Asia, the biggest motor vehicle production plants are in China, Japan, India and South Korea. China, though, captures a bigger pie of the global market share in auto production than any other Asian country. China produced around 28 million vehicles which captures 30% of the global market share in auto production and leads all other countries in Asia, according to Organisation Internationale des Constructeurs d'Automobiles (OICA), France, 2016. Japan is responsible for second highest number of vehicles produced (9 million). India with 4.4 million and South Korea with 4.2 million vehicles produced, are also among those Asian countries which have leading motor vehicle production plants. Thailand and Indonesia have also produced 1.9 million and 1.1 million vehicles respectively in 2016. There's an increase of 4 million in the production of China from 2015 while the increase in production of vehicles in India from last year is around 0.3 million based on the data from OICA, France. India comprises 0.04% of the global market share in car production and has become the third-largest car producing country behind China and Japan. Other Asian countries like Malaysia (513,000), Taiwan (309,000), Pakistan (220,000) and The Philippines (135,000) fared poorly in terms of car production in 2016. Vietnam, having total population of 91.7 million, produced only 66,030 vehicles in 2016 which is still comparatively higher than the 50,000 cars produced in the year 2015.

**8. eBay strategy to help Thai users sell their products**

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

To create confidence and help sellers improve their products, eBay has come out with a strategy to support them in Thailand. It expects to achieve revenue growth in the double digits in the Thai market this year. Country manager Boonphan Boonprayoon said the strategy had two parts – to encourage sellers to start their own online retail business and to expand to the global market. eBay will provide a structured data-driven platform and an integrated plan to enable sellers to be active and successful in the global online market. With the innovative platform, sellers will be equipped with detailed marketing insights to grow their eBay business, while buyers can find items faster and sooner with better-curated and personalised catalogues. The firm says it continues to develop artificial intelligence to improve personalisation for buyers while enabling sellers to do market research, and more easily track sales performance. It is also delivering more targeted product suggestions to buyers so that they can make purchasing decisions easier and faster. The technology allows sellers to keep growing their business and increasing sales.