

Daily Thai News Updates: 5 September 2017

1. UN signs on to help develop EEC sector

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

The UN Industrial Development Organisation (UNIDO) has signed a joint declaration with the Thai Eastern Economic Corridor (EEC) Office to lend support to the country to improve its industry, helping it move toward the Thailand 4.0 era. Industry Minister Uttama Savanayana said the cooperation will allow the UNIDO to set up an office in Thailand to help transfer technology and know-how, improving and modernising Thai industry in order to promote sustainable growth. UNIDO, an international organisation that promotes sustainable industry development in countries going through an economic transition, plans to set up one of its Investment and Technology Promotion Offices (ITPO) in Thailand...Under the cooperation, the ITPO plans to help Thailand gain more efficiency and create added value.

2. ASEAN wants to kick-start RCEP negotiations this year

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

Asean countries are revving up negotiations on the Regional Comprehensive Economic Partnership (RCEP), aiming to trigger the start of talks to eventually cut import tariffs by the Asean summit meeting this November. Commerce Minister Apiradi Tantraporn said Thailand will be joining the Asean Economic Minister Meeting (ASEM) during Sept 6-11 in Manila where they are expected to discuss accelerating RCEP negotiations. She said Asean needs to push forward RCEP as the global economy is recovering, particularly with the US-led Trans-Pacific Partnership (TPP) free-trade accord floundering...Although the key issue for RCEP is the start of cutting tariffs, it is also the major obstacle for negotiations, said Ms Apiradi.

3. BoT relaxes capital curbs for flexibility

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

The Bank of Thailand has further relaxed curbs on capital outflows with the goal of widening overseas investment opportunities for local investors, giving more flexibility to money changers and creating a balance of fund flows to weaken the strong baht. The central bank approved increasing the ceiling for overseas indirect investment under the quota set by the Securities and

Exchange Commission (SEC) to US\$100 billion (2.5 trillion baht) from \$75 billion billion to serve demand for local investors who want to allocate their investment portfolio abroad, said Mathee Supapongse, deputy-governor overseeing monetary stability at the central bank...Regulations governing money changing businesses were also loosened to allowing changers to buy, sell or exchange foreign-denominated banknotes with overseas banks or money changers as deemed necessary and appropriate in line with their foreign exchange transactions with customers.

4. Jobless rate ticks higher in Q2

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

The unemployment rate continued to rise in the second quarter as an influx of new graduates entered the labour market and private investment proved slower than expected. The National Economic and Social Development Board (NESDB) said yesterday that the unemployment rate rose to 1.22% or 465,000 people in the second quarter from 1.08% and 463,000 people in the year-earlier quarter. According to the government's planning unit, 39% of the unemployed had university degrees. But the agency said this is considered a normal occurrence because the working-age bracket usually has a high rate of unemployment in the second and third quarters every year, after which the rate starts to decline as the fourth quarter approaches.

5. Adopting foreign currency in computing Thai income tax

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

According to the Thai Accounting Standard (TAS) 21: The effects of changes in foreign exchange rates, an entity is required to determine a functional currency for its operation based on the primary economic environment in which it operates and to record transactions using that functional currency. Therefore, for accounting purposes, a Thai company may end up with a functional currency other than Thai baht. Under the current tax law, the use of foreign functional currency (FFC) is not permitted. The Revenue Department (TRD) is currently considering amending the revenue code to allow companies to adopt the FFC application in computing the corporate income tax. The draft legislation was released in July. The key highlights of the draft legislation are summarised below: A company wishing to adopt the FFC application will have to obtain an approval from the Director General of the TRD. A company that adopts Thai baht as its functional currency may elect to use the average between the buying and selling rates announced by the Bank of Thailand (BOT) to convert non-Thai baht denominated assets and liabilities at the

end of the accounting period. Similarly, a company that adopts FFC may elect to use the average between the buying and selling rates announced by the BOT to convert non-FFC denominated assets and liabilities at the end of the accounting period. This will eliminate the unrealised foreign exchange gains and losses resulting from the difference between buying and selling rates.

6. Thai export tipped to grow 5% in 2017

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

The Thai National Shippers' Council has forecast Thailand's exports in 2017 to grow 5 per cent after being worth US\$18.85 billion in July - up 10.5 per cent on the year. For the first seven months of the year, exports were worth \$132.39 billion - up 8.2 per cent - and Bt 4.57 trillion - up 5.9 per cent.

7. Thai health care costs rise above average

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

The costs of health care benefits in Thailand is projected to rise by a further 9.2 per cent in 2017, according to a Willis Towers Watson survey of global medical trends released on Monday. The survey projected the costs of employer-provided health care benefits in Asia Pacific would continue to climb with little relief in sight. Medical insurers in Asia Pacific are projecting the gross cost of health care benefits to rise 8.6 per cent this year, compared with a global projected increase of 7.8 per cent, the survey found. In the region, India (20.0 per cent), Indonesia (11.0 per cent) and Malaysia (15 per cent) are leading the upward cost trend, with Thailand projected to increase at 9.2 per cent – above the regional average.

7. SME GDP up 4.9% in Q2

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

The gross domestic product for small and medium-sized enterprises was worth Bt156 trillion in the second quarter - up 4.9 per cent on the first quarter, according to the Office of Small and Medium Enterprises Promotion (OSMEP) of the Industry Ministry. OSMEP director-general Salinee Wangtan said the GDP growth was lower than the 5 per cent growth recorded in the first quarter because sectors such as construction and industry did not grow as much in comparison. However, she said the OSMEP has maintain its GDP growth forecast at 5 per cent this year in line with forecast strong economic growth of 3.7 per cent in 2017.

8. BMA tells Khao San traders to move off footpaths

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

City Hall has instructed street vendors in Khao San Road to move their stalls from footpaths onto the road for a seven-day trial period starting next Tuesday. The plan was discussed at a meeting between the Bangkok Metropolitan Administration (BMA) and street vendors from the Khao San area. According to the BMA's Phra Nakhon district chief Wutichai Bunyasit, the meeting was held to minimise tensions between the state sector and street vendors, and come up with a suitable solution that will satisfy both sides. Mr Wutichai said the plan to move the street stalls in the Khao San area is part of a government initiative to "return all footpaths to the people." "We want to listen to the street vendors, to see if the proposed solution to move their stalls onto the road will work," Mr Wutichai said. After an hour-long discussion, the meeting concluded the BMA will give the plan a one-week trial starting Sept 12. Under the trial, each stall is required to move from the footpath on to the road and vendors are allowed to sell their wares from midday to midnight.

9. NokScoot carries on revival plan

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

NokScoot Airlines continues to improve its bottom line as it gears up for growth next year after the restrictions imposed by the International Civil Aviation Organization (ICAO) are removed. The Thai-registered joint venture of Thailand's Nok Air and Singapore's Scoot narrowed its loss in the first half this year by 48.9% year-on-year while raising revenue by 43.5%. It posted a net loss of 117.5 million baht over that period, down from the 229.9-million-baht-loss incurred in the first half last year. First-half revenue was 2.63 billion baht, up from 1.83 billion year-on-year, according to a statement from the low-cost carrier. After posting its first net profit since its inception in May 2015 of 9.9 million baht in the first quarter this year, NokScoot had a hiccup in the second quarter. Higher fuel costs plunged the airline into the red from April to June this year, for a net loss of 127.5 million baht, down from a 153.5-million-baht loss recorded in the same period last year. But NokScoot remained positive about the prospects of returning to profit next year as it expects to get its delayed expansion off the ground.