

Daily Thai News Updates: 6 June 2017

1. BoT eases up on forex regulations

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

The Bank of Thailand yesterday loosened a set of foreign exchange regulations, including allowing Thais to invest directly in securities abroad at an amount of up to copy million a year, in a fresh bid to ccommodate capital outflows, curb the appreciating baht (which briefly slipped below 34 to the US dollar) and make doing business easier. Investors with assets of at least 50 million baht will be permitted to directly invest in securities abroad in amounts of up to copy million a year from the fourth quarter of this year, the central bank said in a release. Commercial banks will also be allowed to lend baht to non-residents for investment in Thailand and countries in the Greater Mekong Subregion, the central bank said. According to the current rules, retail investors with financial assets of below 100 million baht are only allowed to invest in overseas securities through local intermediaries including asset management companies, securities brokers and commercial banks. "After a six-month consultation with all of the stakeholders, the Bank of Thailand finally rolled out the foreign exchange reforms to help enhance the country's competitiveness," said Bank of Thailand governor Veerathai Santiprabhob.

2. AMCHAM Thailand applauds new customs act, urges continued reforms

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

The American Chamber of Commerce in Thailand has applauded the passage of the new Customs Act BE 2560 (2017) that was published in the Royal Gazette on May 17, the chamber said in a statement on Monday. The new law replaces the Customs Act BE 2469 (1926) and its amendments and is a result of many years of drafts, consultations and debates. The most notable changes in the new act are the elimination of liability presumptions; the decrease in the percentage of fines claimed as rewards for whistleblowers and the introduction of caps to such rewards; the reduction of penalty fines; and the streamlining of procedures and imposition of deadlines for post-clearance audits and appeals. AMCHAM Thailand has been working with the government for the past 12 years on amending the outdated Customs Act of 1926 and advocating for a law that would increase the ease of doing business in Thailand and stimulate the economy. While it says the new

law is a significant step in the right direction, the chamber has urged further reforms to the Customs Act that would bring it closer to international standards. AMCHAM Thailand says it believes that the Customs Act should fully meet standards established by the International Convention on the Simplification and Harmonisation of Customs Procedures (the Kyoto Convention) and that Thailand should become a signatory of the Kyoto Convention.

3. PTTEP suspends operations of S1 petroleum project in land-reform areas

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

PTTEP Siam (PTTEPS), a wholly owned (directly and indirectly) subsidiary of PTT Exploration and Production (PTTEP) and operator of the S1 onshore petroleum project, on Saturday temporarily ceased all operations those areas of the project under land reform. According to a PTTEP filing to the Stock Exchange of Thailand on Monday, the cessation of operations follows the Supreme Administrative Court's revocation on June 1 of the Agricultural Land Reform Committee's order to allow the use of natural resources in areas under land reform for any purposes other than agriculture. As a result, the Department of Mineral Fuels (DMF) of the Energy Ministry has instructed all onshore concessionaires to suspend petroleum operations in areas under the oversight of the Agricultural Land Reform Office (ALRO). PTTEPS acquired the project from Thai Shell Exploration and Production Company (Thai-Shell) in 2004. As a result of a 1993 royal decree on land reform, the project area overlapped with land areas under the oversight of the ALRO. In 2000, Thai-Shell applied to the ALRO for permission to use the land, per the ALRO's regulatory procedures. Having acquired the project in 2004 from Thai-Shell, which had received consent from the ALRO to use the land, PTTEP assumed operations and continued periodically to submit land-usage permission requests per regulatory requirements.

4. Steep fall in tax revenue

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

The Revenue Department's collection fell short of target by 80 billion baht for the first eight months to May, largely due to the steep decline in petroleum income tax. The tax shortfall adds to the country's largest tax-collecting agency a possibility of failing to miss this fiscal year's target. Petroleum income tax for the eight months was 30 billion baht lower than the target and it is estimated the full-year shortfall will reach 45 billion, said Prasong Poontaneat, director-general of

the Revenue Department...The government-initiated PromptPay, a cheap electronic money transfer service, takes a bite out of commercial banks' net profit and resulting in lower tax payment to the Revenue Department, Mr Prasong aid. "In the 2017 fiscal year, we expect that we would not be able to achieve the 1.87-trillion-baht tax revenue target," he said. "For fiscal 2018, the Revenue Department's target is expected to be slightly higher than this fiscal [year]."

5. Amazon exec buoyant on Thailand's cloud

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

Amazon Web Services, the world's largest cloud service provider under Amazon, is optimistic about cloud services in Thailand's enterprise market. Positive factors include speed to market, strong security and low investment costs, according to Nick Walton, head of Asean at Amazon Web Services (AWS). "Over the next six months, there will be more big enterprises in Thailand moving to use public cloud services more apart from previously its dominant in startup," he said. Speaking recently at AWS Summit Bangkok 2017 to more than 1,000 delegates, Mr Walton said he anticipated success for his local office here after one year of operation, noting that some traditional firms like Dohome, a hardware store, has already moved to the world of cloud technology, and has been able to transform its business with a highly automated supply chain. In the meantime, banking, telecoms, entertainment and the media are among the sectors innovating most in terms of new services, putting them in a strong position to go to market faster with less total cost of ownership, as well as the ability to scale for overseas business expansion.

6. Carmakers keen to grab EV privileges

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

Since the government unveiled its investment privileges for electric vehicles in late March, several carmakers are keen to invest a combined 20 billion baht in making EVs in Thailand, according to the the Thailand Automotive Institute. Acting president Nattapol Rangsitpol said both existing manufacturers and newcomers are interested in the government's EV promotional privileges, which will be open for applications during 2017-18. He declined to disclose potential manufacturers' names or the type of EVs, saying only that each maker may unveil its own production plan while applying for Board of Investment (BoI) privileges. The BoI in March approved promotional privileges for EVs, including tax holidays of five to eight years. The

privileges focus on production of hybrid electric vehicles (HEVs), plug-in hybrid electric vehicles (PHEVs) and battery electric vehicles (BEVs). The promotions include passenger cars, pickups and buses, with different privileges based on production technology.

7. Booking.com hails resilience of Thai tourism

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

Despite facing several crises, tourism in Thailand will continue to grow and can always be restored after setbacks, said Parichat Haehnen, Booking.com's regional manager for Thailand, Indochina and Myanmar. "Every time we have been faced with risk factors – incidents in the South, floods, bombs, or shutting down of the capital city by demonstrators – once the crises were over tourists always came back," she said in an interview recently. "Or if Bangkok was hit they chose to go other provinces instead." Her confidence is backed up by the number of foreign tourists visiting Thailand. In the first four months of this year, 12 million foreigners came to Thailand, up 4.71 per cent from the same period last year, she said. And it is not only Thailand that is seeing tourism growth, but also its neighbours. Among the CLMVT nations (Cambodia, Laos, Myanmar, Vietnam and Thailand), the region Parichat oversees, Thailand has been Booking.com's largest market for the past 10 years, she said. However, the Vietnam market is clearly growing as well, as is Myanmar after it initiated a visa-free policy. The number of accommodations in CLMVT countries listed on Booking.com has expanded gradually, she said, but this year she expects it to grow by double digits. In Thailand, 20,000 accommodations are listed on Booking.com, of which half are major hotels and the other half resorts, island bungalows, urban hostels and countryside retreats. There are 7,000 listed in Vietnam, 2,500 in Cambodia, 1,000 in Myanmar, and 900 in Laos.

8. Bangkok tops 20 Asian cities in office rentals

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

Bangkok remained the strongest performer among cities on the Knight Frank Asia-Pacific Prime Office Rental Index, recording the highest growth rates in the region both quarter-on-quarter (3.1 per cent) and year-on-year (9.6 per cent). Rents have been on the rise for more than two years and are expected to continue rising due to strong demand amid tight supply, said executive director Marcus Burtenshaw. "Despite a generally unremarkable macroeconomic climate, strong growth in Thailand's service sector is leading to what seems like unceasing demand for office space,

pushing rents ever higher,” he said in a press release. “Faced with the reality of higher rents, tenants are increasingly demanding more from their buildings. The requirements are not limited to good access to mass transit, grand lobbies or high ceilings. Tenants want more natural light, improved security systems and quality food outlets that cater to the budgets of all of their employees. “Looking ahead, supply-side lag and a growing service sector mean that this climate of rising rents is likely to continue for some time to come.” Knight Frank, an independent global property consultancy, on Monday released its Prime Office Rental Index for the first quarter of 2017. It includes Manila for the first time, bringing the total number of markets tracked to 20. The index in Q1 grew 1 per cent quarter-on-quarter due to rising rents in 10 of the markets, with rental declines experienced in five of the markets tracked. Tokyo and Manila tied at the bottom of the index with a 1.1-per-cent decline quarter-on-quarter.