

## Daily Thai News Updates: 8 May 2017

### **1. Thailand, Japan conclude Bilateral Swap Agreement**

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

The Bank of Thailand and the Bank of Japan have signed an agreement to govern the Bilateral Swap Arrangement (BSA), enabling both countries to exchange their currencies. The facility under the arrangement amounts to US\$3 billion (102.4 billion baht), said Chantavarn Sucharitakul, assistant governor, corporate strategy and relations group. On Friday, Bank of Thailand governor Veerathai Santiprabhob entered the deal with Haruhiko Kuroda, the governor of the Bank of Japan, acting as an agent for the minister of finance of Japan. The purpose of the BSA is to enable both countries to swap their currencies against the US dollar in the event that an immediate need arises that would require short-term liquidity support and maintenance of balance of payments for the two countries. The mechanism will also supplement the existing Chiang Mai Initiative Multilateralisation. Moreover, the BSA will strengthen bilateral financial cooperation, reinforce the stability of the financial markets markets and further develop growing economic and trade ties between the two countries. The agreement is effective for a three-year period commencing from the date the agreement is signed.

### **2. Govt pushing for deeper ties with Hong Kong**

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

Thai government agencies and the private sector will today meet with private companies from Hong Kong and Shanghai to promote trade and investments as part of China's 'One Belt One Road' initiative aimed at connecting China and the world. The economic forum, to be hosted by the Commerce and Industry ministries, will see more than 300 people participate from Thailand's government agencies, including the Commerce and Industry ministries, the Board of Investment, as well as the business sector from both Thailand and Hong Kong. The event will look at the strategic benefits for Thailand, as a centre of Asean, especially CLMV (Cambodia, Laos, Myanmar, and Vietnam) to encourage a trade relationship between Thailand and Hong Kong, and to link investments in Asean with the southern part of China. The forum will also raise the

government's Thailand 4.0 initiative and the promotion of the 10 'SCurve' industries to be the country's selling points to attract individual investors into the Eastern Economic Corridor.

### **3. Taxing e-commerce**

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

Does it make sense to impose a new tax on cross-border e-commerce transactions in Thailand to tackle profit shifting and tax avoidance by multinational firms? The government, for obvious reasons, certainly thinks so. Industry experts, however, may need some convincing. Thailand is making inroads into new tax rules with the government seeking what it terms a specialised tax on e-commerce operators with a presence either inside or outside of the country. specialised tax on e-commerce operators with a presence either inside or outside of the country. International e-commerce allows consumers to shop online, buying products from websites or markets in other countries such as Alibaba Group's Tmall.co, which hosts multinational merchants. "Our development [to tax e-commerce] comes after many countries have attempted to demonstrate multinational anti-tax avoidance laws in digital services, like in Europe, Australia, India and Indonesia," says a study from the National Reforming Steering Assembly.

### **4. CLMVT cement tourism partnership**

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

Cambodia, Laos, Myanmar, Vietnam and Thailand have reaffirmed their commitment to strengthening their cooperation in promoting tourism. The countries' leaders agreed on their tourism partnership during the two-day Regional Workshop on Methods and Strategies for Implementing Public Private Sector, which kicked off here on Wednesday. The workshop was the first for the public and private sectors of the CLMVT countries, whose representatives came together to discuss various issues in the tourism industry. Laos' Deputy Minister of Information, Culture and Tourism Savankhone Razmountry said tourism had become a significant economic sector for developing countries worldwide. "The CLMVT countries have potential for tourism due to their abundance of unique cultural attractions, rich natural beauty and relatively developed tourist infrastructure," he said. Last year, tourist arrivals in Laos reached 4.2 million and generated income of more than US\$7 million (Bt242 million), he said. In the same year visitors from CMVT to Laos exceeded 3 million. There were 16,000 visitors from Cambodia and over 3,000 from

Myanmar, while the largest number came from Thailand at 2 million and more than 900,000 people visited from Vietnam, he said.

#### **5. Prayut backs local biopharma industry**

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

Siam Bioscience Co Ltd has launched its biopharmaceuticals project in Thailand, aiming to produce world-class drugs to serve local demand and cut down on the cost of imports. Prime Minister Prayut Chan-o-cha said biopharma is one of the new S-curve industries the government wants to promote to drive the Thailand 4.0 era with higher-value industries. "We want to push innovations that can be gradually commercialised, such as this biopharma project," Gen Prayut said. "The government has ordered all of our agencies to spend at least 30% of their purchasing budget on innovations produced by Thais." The prime minister visited Siam Bioscience's first plant. Hiranya Sujinai, secretary-general of the Board of Investment (BoI), said Siam Bioscience represents the country's first step in the biopharma business. The sector has been granted investment privileges by the BoI to encourage more startups in biopharma.

#### **6. SME support urged**

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

Commercial banks and large private firms are being urged to join more Pracha Rat public-private collaborative projects to help upgrade Thai small and medium-sized enterprises (SMEs) and community enterprises. Speaking after a meeting of the Pracha Rat steering committee on SMEs, Deputy Prime Minister Somkid Jatusripitak yesterday called on commercial banks and large private companies to play a more active role in joining the government's ongoing efforts to upgrade SMEs and community-based businesses. He said government and state banks alone are not sufficient to support SMEs. Mr. Somkid also ordered the next meeting of the Pracha Rat (People's State) steering committee on SMEs to include representatives of 20 large companies, commercial banks and the Bank of Thailand. The state-owned Government Saving Bank (GSB) and Small and Medium Enterprises Development Banks of Thailand (SME Bank) are the main loan provider to SMEs and community businesses. "If SMEs and community businesses become more competitive, they can help drive the domestic economy and support more large companies and commercial banks," Mr. Somkid said.