

## Daily Thai News Updates: 9 June 2017

### **1. Prayut defends B450bn deficit as budget passes first hurdle**

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

Prime Minister Prayut Chan-o-cha on Thursday defended the proposed 450-billion-baht budget deficit for fiscal year 2018 while stressing the government's spending plan is aimed at strengthening the country, not consolidating the regime's power. In his address to the National Legislative Assembly (NLA) Gen Prayut said the 2.9-trillion-baht budget is a tool to drive national development in line with the government's strategy. It represents a drop in expenditure of 23 billion baht from this year's budget. "The spending plan has been drawn up carefully and in a transparent fashion. It is not being forced upon the public to consolidate the power of the National Council for Peace and Order [NCPO]," he said. After eight hours of deliberation, the NLA voted 216 in favour of passing the budget bill with three abstentions. It must go through two more readings with the first of these to be undertaken by a 50-member committee. Gen Prayut said the budget can be broken down into three parts: 2.15 trillion baht for fixed expenditure, 650 billion baht for investments and 86.942 billion baht for loan repayments.

### **2. Confidence dips in May on bombing, weak crops prices**

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

Consumer confidence dropped for the first time in six months in May because of the bomb blast at a Bangkok hospital and low crop prices reining in provincial purchasing power. The University of the Thai Chamber of Commerce (UTCC) reported yesterday the consumer confidence index fell to 76 points last month from 77 in April. It was 76.8 in March, 75.8 in February, 74.5 in January and 73.7 in December. The figure in June 2016 was 71.6, which was a 25-month low. Thanavath Phonvichai, vice-president for research at UTCC, said the bombing at army-run Phramongkutklao Hospital in Bangkok that injured 25 people, including retired officials, ravaged consumer confidence as people feared it could reignite political instability. Other negative factors included sluggish farm prices for rubber, oil, maize, tapioca, pineapples and paddy, lowering rural purchasing power, he said. Mr Thanavath said the government should come up with new measures to buoy crop prices to prevent negative effects to the Thai economy...Mr Thanavath said people

are concerned about the government's new tax policy, including the house and buildings tax and land windfall tax, as well as a new tax on cross-border e-commerce transactions.

### **3. Help pledge for upgrade of key industries in EEC**

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

Japan has pledged to help restructure Thailand's industries and upgrade both large and small-scale enterprises to meet the "Thailand 4.0" initiative, which focuses on innovation and technology to foster a more value-based economy. Industry Minister Uttama Savanayana signed a memorandum of understanding with Japan's Ministry of Economy, Trade and Industry (Meti) yesterday on cooperation in restructuring Thai industry. Under the MoU, Japan will focus on helping to upgrade 10 targeted industries the government is promoting as clusters in the Eastern Economic Corridor (EEC) outside Bangkok. The EEC, spanning a combined 30,000 rai in the three eastern provinces of Chon Buri, Rayong and Chachoengsao, is intended as a special zone for investment in these industries. They are next-generation cars; smart electronics; affluent, medical and wellness tourism; agriculture and biotechnology; food; robotics for industry; logistics and aviation; biofuels and biochemicals; digital; and medical services. The two countries will also work together to promote "global sourcing" in a bid to ease production costs for both Thai and Japanese companies, Mr Uttama said. As an initial step, both countries will develop manuals explaining their respective industries. Meti will do this in Japan, with the Industry Ministry and Commerce Ministry tasked with doing the same in Thailand.

### **4. Japan-Thai pact overhaul eyed**

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

Japan and Thailand are set to revise a free-trade pact under the Japan-Thailand Economic Partnership Agreement (JTEPA) to cover cooperation on innovation, artificial intelligence and the Internet of Things (IoT). According to Deputy Prime Minister Somkid Jatusripitak, who met Japan's high-ranking officials led by Yoshihide Suga, chief cabinet secretary, and Nobuo Kishi, State Minister for Foreign Affairs, the 10-year-old trade pact needs to be revised. "Technology has changed over the last 10 years and we see it as imperative for the revision to cover more innovation, artificial intelligence and the Internet of Things," he said. "Negotiations on further [tariff] reductions are continuing." The IoT is the inter-networking of physical devices (also referred to as "connected devices" and "smart devices"), vehicles, buildings, and other items embedded with

electronics, software, sensors, actuators and network connectivity, which enables these objects to collect and exchange data. The JTEPA was signed in Tokyo in 007 and came into force on Nov 1, 2007 covering trade in goods and services, rules of origin, investment and movement of people. The agreement calls for the countries to eliminate tariffs on around 90% of trade within 10 years, but talks to extend the partnership have stalled since 2009 amid internal political problems in both countries.

## **5. The amended Computer Crimes Act: important changes for business operators**

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

The Act Governing Commission of Offences Relating to Computers (generally known as the Computer Crimes Act) was enacted in 2007. Over the last decade, several high-profile cases have attracted attention, especially when celebrities or models lodged criminal charges under the Act. Its application in criminal defamation cases has also been the subject of a lot of comment. But the Computer Crimes Act is not only relevant to celebrities; it's important to all businesses that use computers in their operations. This article discusses how certain recent amendments to the Act that are now in force have important implications for business owners in Thailand. Under the amended Act, a business may face criminal punishment if it sends computer data or emails that cause trouble or annoyance to recipients without an option to allow the recipient to easily cancel, unsubscribe or inform the sender to cease sending further emails or computer data. The penalty for such actions is a maximum fine of 200,000 baht...businesses that use computer systems that involve national security, public safety, national economic security or infrastructure that concerns the public interest are now more protected from hackers, due to an increase in criminal penalties for offenders who use a computer in crimes against these systems. Offenders will face more severe criminal penalties compared with those for offences against a computer system used by normal business owners, with fines from 20,000 to 140,000 baht and imprisonment from one to seven years...An offender who dishonestly or deceitfully brings false, distorted or forged information or data into a computer system in such a way that is likely to cause damage to the public will face imprisonment of up to three years and/or a fine of up to 60,000 baht...and other related charges.

## **6. PM: Budget deficit needed to stimulate economy**

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

Prime Minister Prayut Chan-o-cha has insisted that the government needs to run a budget deficit for fiscal year 2018 during deliberation of the budget bill by the National Legislative Assembly. He said the 2.9 trillion baht budget would support the government's attempt to drive the country's development in line with its strategy and policies to help the people. The premier said the budget deficit would be necessary to stimulate employment, economic recovery and effective structural reform to help improve business competitiveness. The government projected revenues of 2.56 trillion baht in fiscal year 2018, up 3.4% from 2017. After allocating some of the value-added tax to provincial administrative agencies, he said, the remaining amount would be 2.45 trillion baht. The government would need to borrow 450 billion baht to cover the deficit, equivalent to 2.8% of gross domestic product (GDP) – an amount he deemed not injurious to the country's fiscal discipline. Of the total budget, 2.15 trillion baht (74.2%) was for fixed expenditures, 650 billion baht (22.8%) for investment and 85 billion baht (3%) for loan repayments. The government forecasted that economic growth in 2018 would be between 3.3% and 4.3% with favourable factors including exports, services, rising domestic consumption, household spending and planned investments in both private and public sectors, and the global economic situation.

## **7. Negative income tax under study**

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

Finance Minister Apisak Tantivorawong said yesterday that his ministry was studying ways to pay for the proposal. In May, the Cabinet approved a Bt50 billion assistance package for low-income earners. The government is considering whether funds from this package could help pay for the negative-income tax proposal. Final details for the tax proposal are expected before October, when fiscal 2018 starts. A condition for receiving help under the negative income tax programme is that recipients have to apply for career training from the government. The aim is to upgrade their skills so that they can make more than Bt30,000 a year in the future. This is in addition to the Bt30-billion budget for providing free public services to lower-income earners, such as mass transit, electricity, water, buses and trains. "Our policy needs to improve the quality of life for lower-income people in the country, but they also have to improve their skills to generate higher income by themselves in the future," Apisak said.

## **8. EXIM Bank opens first overseas rep office in Yangon**

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

THE Export-Import Bank of Thailand is opening its first overseas representative office today to support Thai companies investing in 18 infrastructure projects in Myanmar worth more than Bt700 billion. The new office is in Yangon, the country's commercial capital. Woramin Thavarabha, Exim Bank's chief representative in Myanmar, said in an interview yesterday that Thai investors in the neighbouring country were focusing on the energy, electricity, industrial-estate, logistics, hotel, construction, sugar and rubber sectors. As a result, the bank decided to open its first overseas representative office in Yangon. So far, the bank has provided loans worth up to Bt10 billion to Thai investors in Myanmar, while further Thai investments in 18 projects worth more than Bt700 billion are under study. Some of these potential investors have already applied for loans from the bank, he said. Woramin said that besides lending to Thai investors in Myanmar, the new representative office would provide loans to Myanmar companies that import raw materials from Thailand or employ Thai staff. The office will also provide advisory services for Thai companies interested in investing in Myanmar. Also today, Exim Bank will sign a memorandum of understanding with Myanmar Foreign Trade Bank on sharing their experiences and providing mutual advice about investment between the two countries, Woramin said.

## **9. Line, Youtube face corporate taxes**

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

The broadcasting regulator plans to force foreign over-the-top (OTT) platform providers to register and establish offices in Thailand, which will make them subject to paying corporate income tax. The measure by the National Broadcasting and Telecommunications Commission (NBTC) is intended to create a level playing field in the industry. While the TV advertising and pay TV industries have long faced tax burdens, OTT platform providers have never paid fees to the state. "The established local office must be a legal entity," said Col Natee Sukonrat, chairman of the NBTC's broadcasting committee. "It also must have executives who are authorised by their parent firms to issue orders or clarify confusion in any cases initiated by local authorities." But the regulator has yet to put forward a plan to set a licensing regime for OTT platform providers as it seeks to minimise the impact on providers and not interfere with the creative content business model, Col Natee said Thursday during a meeting with terrestrial digital TV operators on the

regulatory framework for OTT services in the country...According to the letter, foreign OTT platform providers must fall under the NBTC's control lists or be registered. They also have to establish operational offices in the country. Those OTT providers who operate in the country must also abide by Thai laws, the letter continued. The terrestrial digital TV operators who already hold licences from the NBTC do not need to combine their existing broadcasting service revenue.