

Thai News Update: 14 April 2020

1. Asean rallies against Covid-19

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

Prime Minister Prayut Chan-o-cha will on 14 April push ahead with a proposal to set up the Asean Response Fund (ARF) as part of a six-point declaration to be endorsed by the 10 Asean leaders as they join hands to fight Covid-19. Their cooperation, initiated in response to the pandemic that has left the situation in each member state volatile, will witness a rare Asean summit teleconference chaired by Vietnamese Prime Minister and Asean chair Nguyen Xuan Phuc. Gen Prayut has been preparing for the talks since last week. He said he plans to table a number of important items during the one-day meeting, which will culminate in the Declaration of the Special Asean Summit on Coronavirus Disease (Covid-19).

2. King Power shifts focus to online

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

Duty-free retail giant King Power is pivoting to e-commerce in response to the pandemic, with a new sales campaign and free shipping to attract online shoppers. The sharp decrease in flights in and out of the country has affected foot traffic at King Power's duty-free shops nationwide, while online sites like Lazada and Shopee have seen significant growth in sales during the nationwide shutdown. King Power will offer duty-free and non-duty-free items for home delivery.

3. BoI ramps up privileges for local medical equipment

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

The Board of Investment (BoI) approved additional privileges on 13 April for medical devices and related industries, with a reduction in corporate income tax by 50% for three years. Additional privileges aim to induce investors to rev up producing medical equipment for the domestic market, as demand surges because of the pandemic. Duangjai Asawachintachit, secretary-general of BoI, said additional privileges are for eligible projects submitting investment applications to the BoI from Jan 1 to June 20, 2020. The investment projects are required to start operating and generating income by Dec 31, 2020, and donate or sell at least 50% of products to the domestic market during 2020-2021.

4. Fresh markets banking on online ventures

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

Two fresh market operators -- Yingcharoen in Saphan Mai and Number One in Bang Na -- are ramping up their online shopping channels in an effort to stay afloat after traffic plummeted at their fresh markets because of the viral outbreak. Yingcharoen fresh market reintroduced online shopping for customers two weeks ago after pausing online services eight months ago because of fierce competition, shifting focus to business customers. "With malls and restaurants closed since March 22, purchase orders from business customers declined by 28%. We resumed our online shopping for customers two weeks ago," said Ariya Tumwattana, chief operations officer at Suwapee Holding Co, the operator of Yingcharoen. Demand is relatively high, with 40-50 orders on weekdays and up to 100 orders on the weekend. Orders per bill total about 1,000 baht, up from 800 baht in the past.

5. AOT dismisses rumours it is buying THAI shares

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

Airports of Thailand (AOT) is rejecting rumours that it plans to secure shares of the national carrier Thai Airways International (THAI). AOT president Nitinai Sirimatthakarn said on Monday (April 13) that related regulations oblige an airport operator to treat all airlines equally to prevent a conflict of interest. Meanwhile, a source from the Finance Ministry, which is a major shareholder of THAI, said the ministry held a meeting with related state agencies on April 13 to look for ways to solve the financial woes of the national carrier. The ministry has told the agencies to come up with plans within this month.

6. New US-Japan pact 'really an opportunity for Thai exporters'

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

The US-Japan Trade Agreement (USJTA) will not affect Thailand's trade and may even help boost export to the two countries, Pimchanok Wonkorporn, director for the Trade Policy and Strategy Office (TPSO), said. This agreement went into force on January 1, 2020, with the aim of expanding trade between the two countries as well as control their total exports. "Most products from Thailand can still compete with those sold in the US and Japan," Pimchanok said. "However, we may face some pressure in exporting industrial products to the US, since we have no agreements."

7. Thailand to adjust 20-year national strategy

Source: Vietnam Plus ([Link](#))

The National Economic and Social Development Council (NESDC) of Thailand has been ordered to revise the 20-year national strategy (2018-2037) and the 12th national economic and social development plan (2017-2021) to catch up with changing social and economic trends caused by the global economic slowdown and the COVID-19 pandemic. At the latest meeting of the National Strategy Committee, Prime Minister Prayut Chan-o-cha requested the NESDC to revise the master plan for the first five years (2019-2023) under the 20-year national development strategy. The national strategy, which came into force on October 13, 2018, has 23 master plans. Under those plans, there are 15 urgent flagship projects that must be implemented during 2019-23. The first five years (2019-23) of development are based on requirements set under the national strategic plan. Gross national income per capita is targeted to increase by an average of 70,000 (2,100 USD) baht a year to reach 360,000 baht (10,100 USD) in 2023, up from 290,000 baht in 2019.

8. Thailand cuts taxes to lure investment in masks and pharma

Source: Nikkei Asian Review ([Link](#))

Thailand will deploy targeted tax cuts to encourage investment in face masks and other crucial items that are in short supply due to the coronavirus outbreak, the country's Board of Investment said on 13 April. A 50% corporate income tax cut lasting three years will be available for projects that involve the manufacturing of medical devices, diagnostic test kits, pharmaceuticals or mask materials. The reduction covers projects applying for governmental approval during the first half of 2020, and which start production by year-end. The cuts apply in addition to the existing three- to eight-year tax exemption. In addition, equipment imported into Thailand this year for producing medical devices will be exempt from tariffs. Though the incentives address an immediate need, they also align with Bangkok's goal of turning the country into a hub for Southeast Asia's medical industry.