

Thai News Update: 14 August 2019

1. THAI calls for official review of 'open skies'

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

Thai Airways International Plc (THAI) has called on the government to review the international "open skies" policy, which it claims favours certain countries. THAI president Sumeth Damrongchaitham said on 13 August that THAI will submit details of the "open skies" policy's impact to relevant authorities including the Transport Ministry. While Thailand "opens its sky" to foreign airlines, several countries fail to reciprocate, which is unfair to Thai airlines, claimed Mr Sumeth. The open-skies agreement allows foreign carriers unrestricted access to signatories' airspace and airports. Mr Sumeth said the policy, coupled with the rise of low-cost airlines, has forced THAI to withdraw from slots at major airports, including in Japan.

2. FDI Applications More Than Doubled in First Half of 2019, Thailand BOI says

Source: PR News Wire ([Link](#))

The total value of applications received by the Thailand Board of Investment (BOI) from foreign investors more than doubled to 147.2 billion baht (around USD4.8 billion) in the first half of 2019, as compared to the corresponding period last year, according to data from the BOI. In terms of the source of the foreign direct investment applications, out of a total of 468 projects, Japanese companies, which have long been the largest source of Thailand's FDIs, ranked first with applications for 114 projects worth 42.45 billion baht, followed by China, with 81 projects worth 24.28 billion baht, and Switzerland, with 10 projects worth 11.44 billion baht, BOI data showed.

3. Over-the-top tax bid for Asean

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

Thailand will propose a tax on over-the-top (OTT) service providers to Asean members when the region's telecom regulators meet in Bangkok next week, says the National Broadcasting and

Telecommunications Commission (NBTC). The 25th Asean Telecommunication Regulators' Council (ATRC) meeting will be held Aug 20-23 at Anantara Riverside Hotel. A press statement yesterday from the NBTC indicated that key topics to be discussed at the event include issues surrounding the OTT business. NBTC secretary-general Takorn Tantasith, who serves as chairman of the ATRC meeting, said Thailand will propose a collective solution to fairly obtain an "economic contribution" in terms of revenue from OTT businesses.

4. New body gets BoT nod

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

Bank of Thailand governor Veerathai Santiprabhob has thrown his support behind the government's plan to form a fiscal and monetary committee, saying the new body would reinforce cooperation among related agencies to better handle rising global economic uncertainties. The imminent committee will not have any impact on the central bank's monetary policy decision-making, leaving its independence intact, he said. Last week, Deputy Prime Minister Somkid Jatusripitak announced the formation of a fiscal and monetary committee, saying the government did not aim to interfere in the central bank's monetary policy nor its independence. The committee is likely to be an advisory team tasked with facilitating information sharing and helping policymakers steer economic policies in the same direction, Mr Veerathai said.

5. Prayut will shift unused budget to fund stimulus

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

Prime Minister Prayut Chan-o-cha has ordered state agencies to speed up budget disbursement for fiscal 2019, which ends next month. He also threatened to allocate any undisbursed budget to the government's economic stimulus measures and to projects that ease the impact of dry spells on farmers. Gen Prayut told all ministers that the budget allocation should be based on maximum efficiency and public benefit. The prime minister insisted that development projects proposed by state agencies for economic ministers' vetting should create a multiplier effect in the short term. According to Finance Minister Uttama Savanayana, the new economic stimulus measures that

cover all groups of farmers, small and medium-sized enterprises, startups, low-income earners, community enterprises and citizens are to go before the economic cabinet on 16 August.

6. Top US diplomat discusses investment opportunities with Suriya

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

Industry Minister Suriya Juangroongruangkit said the US Charge d'affaires Peter Haymond met him to discuss further investment and expansion of trade. Haymond also invited the Thai government to invest in ExxonMobil, which is interested in building a petroleum chemicals plant in the Eastern Economic Corridor (EEC). The petrol giant is eyeing 1,000-rai (160-hectare) of reclaimed land and plans to spend Bt200 billion on the project. Suriya said he was pleased with ExxonMobil's interest in expanding its investment in Thailand and will coordinate the discussion of details between the US company and the Industrial Estate Authority of Thailand (IEAT).