

Thai News Update: 16 May 2018

1. Facebook Vows To Boost Its Investment In Thailand

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

Facebook has pledged to increase its investment in Thailand, citing its support for the country's digital transformation with a focus on small and medium-sized enterprises (SMEs), large businesses, and the community. Facebook Thailand managing director John Wanger said it was Facebook's mission to lead the transformation of Thailand into a digital economy and society and to support the country's businesses and communities to realise their digital aspirations. Facebook will launch new programmes, partnerships, and initiatives to support the three drivers it has identified for Thailand's transformation. Wanger said SMEs were central to the Thai economy, carrying out 98 per cent of business, employing 70 per cent of the workforce and accounting for 40 per cent of gross domestic product (GDP). Facebook has committed to offering the support programmes, included workshop and live training, online training, and chat support for SMEs. "Facebook also see the huge opportunities from the gaps in the digital transformation among large businesses," Wanger said. "While a lot more large Thai businesses have recognised that digital transformation is necessary, only a few of them have a digital strategy, while most of them are aware of this need but have yet acted." Wanger cited a finding from BCG Analysis 2018 that there are US10 billion in digital transformation opportunities in Thailand, "if businesses evolve their digital strategies to move faster and build more efficient Net experiences for customers", he said. He said: "Facebook is an integral part of Thai digital society reflected in the numbers that over 51 million Thais access Facebook every month, and over 34 million Thai people access Facebook every day."

2. Airlines Ride High On Tourism Boom

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

Earnings posted by some of the country's listed airlines point to a recovery in Thailand's aviation industry in the first quarter of this year, including double-digit gains by pacesetter Bangkok Airways, amid a boom in tourist arrivals. Bucking the trend is Thai Airways International Plc, which on May 15 reported that net profit slumped 13.96 per cent to Bt2.71 billion from the same

quarter of last year. But overall, the gains mesh with a healthy picture for the aviation industry in the Asia Pacific region, which enjoyed a 9 per cent increase in passenger numbers from the year-earlier quarter. This outstripped the 7.2 per cent rise for the global market over that time, the International Air Transport Association said. Bangkok Airways Plc reported to the Stock Exchange of Thailand on May 15 that the number of passengers it carried rose 8.4 per cent from the same quarter in 2017. International passengers accounted for 56 per cent of the total. The increase reflects the extra business from a number of code-share agreements the carrier has struck with partners. Nok Airways chief executive officer Piya Yodmani said the company's revenue grew 5.6 per cent from the same quarter of last year to Bt4.32 billion as the average cost per seat declined, cabin factor improved and more passengers were carried, despite the rise in fuel costs. "The result is better than expected and it clearly shows that our business turnaround plan has continued to bear fruit and the company is on the right course," Piya said.

3. Outcry Prompts Waiver Of VAT On Cryptocurrency Trading

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

The Revenue Department will waive value-added tax for people trading in cryptocurrencies on exchange markets approved by the Securities and Exchange Commission (SEC). A law governing cryptocurrency transactions came into force on May 14, drawing criticism that it would prove an obstacle to technology startups that want to raise funds with the cheaper costs from initial coin offerings (ICO). Saroch Thongpracum, the department's director of legal affairs, said on May 15 that it would issue a regulation waiving the 7 per cent VAT for individual investors to reduce their tax burden. Cryptocurrency transactions are currently subject to income tax for both private companies and individual investors. Individuals will still have to pay a 15 per cent capital gains tax, also known as a withholding tax, on income earned in a transaction, Saroch told a press conference. He said the department would later revise tax regulations for private firms trading in cryptocurrencies. In response to complaints that the tax policy was biased against the digital assets, Saroch said that the Revenue department considers cryptocurrency and digital tokens as intangible assets, so earnings derived from digital asset transactions will be subject to tax. Under the new law, private companies launching ICOs have to pay corporate income tax on the funds they raise

from the exercise. In contrast, private companies that issue initial public offerings of their shares are not subject to income tax.

4. Tobacco Trade Group Urges Delay In Cigarette Tax Increase

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

Following the discovery of rampant use of contraband cigarettes in the seven lower southern provinces, the Thai Tobacco Trade Association on May 16 called on the government to delay the next cigarette tax hike, scheduled for October. Association director Waraporn Namat noted that a Nida Poll it commissioned found most tobacco retailers in the seven provinces believed cigarettes produced in the country illegally or smuggled in were eating into their revenues. Waraporn said 1,157 shop owners in Trang, Phatthalung, Satun, Songkhla, Yala, Pattani and Narathiwat were surveyed between March 12 and 30. Half of them acknowledged that smuggled cigarettes were widely available in their provinces, with Songkhla, Satun and Narathiwat seeing the most smuggled smokes. Many warned that another tax hike on legal cigarettes would prompt more smokers to turn to the contraband variety. Waraporn said last September's excise tax increase boosted the retail price of a packet of cigarettes to Bt60, while a smuggled packet could be purchased for just Bt10.

5. Coal-Fired Plants Back On Agenda

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

Consideration of two coal-fired power plants in two southern provinces is back on track after a four-year delay, say energy policymakers. The plan for the two plants was postponed several times during 2014-17. The Energy Ministry made the announcement on May 15 after setting up a committee of several analysts from the environmental, community impact, economic profit and project viability fields to study the issue. Nantika Thangsuphanich, the ministry's deputy permanent secretary, said the committee will conduct a feasibility study for the strategic environmental assessment (SEA) report, for which a memorandum of understanding was signed by Energy Minister Siri Jirapongphan on March 30. Ms Nantika said the SEA study costs 50 million baht and is expected to take roughly five months to complete before being submitted to policymakers, who will then make a final decision. Currently, there are two natural-gas power plants in the southern region -- Chana in Songkhla and Khanom in Nakhon Sri Thammarat -- with

a capacity of 2,406 megawatts. There are also renewable power plants-hydro, biomass and wind with a combined capacity of 382MW. The two coal-fired power plants have been envisioned since 2014 under the national power development plan for 2015-36. The facilities were targeted to be developed and operated by the Electricity Generating Authority of Thailand (Egat).