

## Thai News Update: 19 April 2018

### **1. MoUs Signed With China For Support**

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

The Commerce Ministry on April 18 signed two memorandums of understanding (MoUs) with the Chinese Embassy in Thailand and the Mekong Institute as a commitment for China to provide financial support worth US\$ 1.7 million (53 million baht) for three years to help enhance intra-regional economic links among the Mekong subregion. The financial support is aimed at enhancing collaboration projects of the Mekong-Lancang Cooperation (MLC) between six countries: Cambodia, China, Laos, Myanmar, Thailand, and Vietnam. Commerce Minister Sontirat Sontijirawong said these two MoUs attest to the commitment between Thailand, China, and the founding members of the MLC. Thailand views the MLC as the most important vehicle to promote sustainable development in the Mekong subregion and to reduce disparity among MLC members, said Mr Sontirat. The Commerce Ministry has proposed four projects to benefit small and medium-sized enterprises (SMEs) and increase cross-border trade, including the promotion of e-commerce and building business networks, business matching, as well as improvement of trade facilitation through joint one-stop services such as e-customs for logistics development. Under Mekong-Lancang initiative projects, trade volume is targeted to increase to \$250 billion in 2020 among MLC countries. In 2017, trade volume among the six countries stood at \$220 billion, up 16% year-on-year.

### **2. Export Control: Preparation Is The Key**

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

With growing fears over the use of weapons of mass destruction (WMD) and the proliferation of international terrorism, governments are increasingly taking precautions against exports that could be used in WMDs. The Thai government joined this trend when it announced in 2015 that it would implement new legislation that controls the export of good related to WMD including dual-use items (DUIs); goods that have a civilian purpose but which can also be used for military ends. This legislation, in the form of the Trade Controls on WMD Act (TCWMD Act), is nearly completed and is expected to come into force beginning of 2019. Goods which the Thai government

considers to be DUIs will be subject to strict controls and are required to go through an approval procedure prior to being exported. Specifically, goods classified under the DUI list (List I) would require an export license, while goods which fall under the designated HS code list (List II) would need to be self-certified that they are not a dual-use item. The exporter will be required to request for a licence or self-certify every shipment. Nonetheless, this Act also provide an opportunity for the exporter who operate the Internal Compliance Programme (ICP), a programme for self-screening and monitoring trade transactions, to apply for an annual export license. During the annual license period, an annual license holder will not be required to request for a licence for every shipment. The annual licence's application period is expected to begin in September 2018.

### **3. Apisak Cools Talk Of State Bank Mergers**

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

The government will not force state-owned banks to merge after cabinet approval of tax incentives to encourage local lenders to consolidate in the hopes of sharpening their competitive edge against foreign lenders and regional rivals, says Finance Minister Apisak Tantivorawong. Thai banks' financial position is solid, but they are smaller than regional lenders, he said. This size disadvantage limits businesses. "The tax incentives encourage consolidation in the banking sector in order to create mega-banks in Thailand," said Mr Apisak. He recently said Thailand needs large "champion" banks to be able to compete with foreign banks. The tax deductions and exemptions to encourage mergers among Thai banks, which will lapse in 2022, are estimated to cost between 600 million and 1.4 billion baht in foregone revenue. Banks with total assets valued at more than 4 trillion baht will be allowed to deduct double their expenditures, while those with assets worth between 3 trillion and 4 trillion baht can deduct up to 1.75 times.

### **4. New Standards Set For Fermented Fish**

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

Makers of fermented fish seasoning, known as pla ra, have welcomed new production standards just announced by the Agriculture and Cooperatives Ministry. However, some raised concerns they may affect small producers who employ various methods in making pla ra production depending on their location. The standards were published in the Royal Gazette on April 17. Pla

ra -- a popular seasoning, particularly in northeastern food -- which fails to meet ministry requirements will not be certified. Fai Nantachuang, chairwoman of a pla ra producing group in Ban Nonplakhao, in Kalasin province's Sahatsakhan district, said she agreed with the new standards as it will help improve quality. However, small producers were concerned as many follow recipe's and ways of making it that are traditional to certain areas and which might not meet set standards. They say they give large producers an unfair advantage as they will find it easier to meet them. Labels must bear details such as product name, type of fish and other ingredients, food additives, net weight, manufacture and expiry dates, preservation and consumption instructions and manufacturer's address.

### **5. Airport Rail ToR To Lure Foreigners**

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

The private sector has proposed terms of reference (ToR) that permit foreign investors to hold more than a 50% share in the 224.54-billion-baht high-speed railway linking the three main airports in a bid to boost management efficiently. The Eastern Economic Corridor (EEC) Committee, chaired by Prime Minister Prayut Chan-o-cha, Wed acknowledged the progress of a ToR that allows a 51% foreign holding stake. Kanit Sangsubhan, secretary-general of the EEC Office, said the bidding process should be international and should strike a balance between foreign investors and benefits to the country. The high-speed railway linking the three airports will be developed under a public-private partnership scheme, with the government paying 3.57 billion baht for land appropriation and 108.33 billion baht over 10 years after the trains commence their operations. The cabinet on March 28 approved the high-speed railway linking the three main airports and a 3.5-billion-baht budget to finance land appropriation. The railway involves extending Bangkok's Airport Rail which runs to Suvarnabhumi airport in Samut Prakan province, to connect to Don Mueang airport in northern Bangkok and U-tapao in Rayong province.

### **6. Chansin Hopes To Maximise Value At State Oil And Gas Firm**

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

Chansin Treenuchagron, the newly appointed president and chief executive of PTT Plc, believes his direction will add value to existing assets of the national oil and gas conglomerate. Mr

Chansin talked to Thai media for the first time since PTT's board announced his appointment on March 16. He told PTT's annual general meeting with shareholders that the group is planning to add value to its coal mining business, including cleaner coal-fired power plants. Mr Chansin made the decision based on the fact that global coal prices have normalised after a slump in recent years. "Although the coal business gained limited profits over the last five years, PTT expects high profit to resume after the company's implementation of a lean cost programme since 2016," Mr Chansin said. Mr Chansin said PTT may not focus on coal capacity expansion, as adding value to existing assets is the top priority. He said PTT will focus on fast-growing businesses in line with the government's S-curve policy, including electric vehicles, electricity, petrochemicals and biochemicals.

## **7. Shrimp Firms Buys Brazilian Assets**

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

Charoen Pokphand Foods PCL (CPF) has recently acquired 40 per cent of the shares worth US\$17.5 million in Camanor Produtos Marinhos Ltd, one of a leading shrimp farming and processors in Brazil to further expand the business into the high-growth Latin American market. Adirek Sripratak, chairman of the executive committee at CPF, said the company agreed to purchase 4,666,667 newly issued ordinary shares representing 40 per cent of total capital stock of Camanor worth US\$17.5 million (TB547 million). The deal was expected to be completed within one month after the investment agreement was signed, he said. Camanor engages in shrimp farming and primary processing businesses in Brazil. Its main products include fresh and frozen-processed shrimp distributing through domestic wholesalers and exported to countries like France. It has also developed and owns shrimp-farming technology called AquaScience, which is a close operating system raising shrimp in a high-density environment without using chemicals or antibiotics, resulting in high productivity per hectare. "It is the synergy investment which will strengthen CPF's competitiveness in the shrimp business in terms of feed production, genetic improvement and shrimp-processing capacity through the company's 'Kitchen of the World' programme by applying Camanor's experience in shrimp-farming technology and CPF expertise in shrimp genetics," Adirek said