

Thai News Update: 23 April 2018

1. As Demand Booms, DIF Ready To Take On More ‘Thailand 4.0’ Investors

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

The Digital Telecommunications Infrastructure Fund (DIF) will offer up to 3,831 million new investment units to raise funds for additional assets in response to growing demand for Internet and broadband. DIF expects estimated distribution per unit (DPU) to increase from July 1 this year through June 2019 by at least Bt1.04 per unit, compared with Bt0.98 per unit in January-December 2017. The preliminary offering price is Bt13.60-Bt13.90 per unit and existing holders can subscribe for more during business hours from May 2-8. The subscription period for the general public will be May 2-11, said Smith Banomyong, chief executive of SCB Asset Management Co Ltd, which manages DIF. Smith said DIF – Thailand’s first and largest digital telecommunications infrastructure fund – would invest in additional assets with total value not exceeding Bt55.236 billion by offering up to 3,831 million new units. The total value of investment units issued and offered for sale would not exceed Bt53.236 billion and borrowing up to Bt2 billion from financial institutions had been approved in accordance with resolutions set out at a DIF unitholders meeting last November.

2. Apisak Seeks Lower Loan Costs For Smes

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

Finance Minister Apisak Tantivorawong said he is worried that small and medium sized enterprises (SMEs) are continuing to experience high cost of doing business when compared to the larger companies. Solving the problem would need efforts by the Bank of Thailand to regulate in a manner that would cause commercial banks to further lower their interest rates for SMEs, he said. The differential between lending and deposit interest rates is about 2 per cent on average among the banks, which is not considered high. The lending rates for largesized business operators are very low, with some corporates having many loans levied at only a 1 per cent rate, whereas the rates levied on SME loans are quite high. He added that the government is limited in what it can do to create more equitable conditions for SMEs. It could extend “soft loans”, which would be included in the annual spending budget. Though the current system is not working, the government

cannot force commercial banks to lower their rates, said Apisak. In regard to the recent feed reduction announced by commercial banks, Apisak said that it came as expected from the beginning of e-payment systems, like PromptPay, which carry nearly zero costs.

3. Alibaba Urges Higher Import Duty Exemption

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

Jack Ma's flagship unit Alibaba has asked the Thai government to raise the maximum 1,500-baht import duty exemption in a push that could boost the country's demand for imported goods and cut customs officials' workload. The e-commerce giant has signed deals to splash more than 10 billion baht in investment in Southeast Asia's second-largest economy. A decision on Alibaba's proposal depends on the government's policy, said Kulit Sombatsiri, director-general of the Customs Department. Some countries have waived imported tariffs for products worth up to 3,000 or 4,000 baht, he said. Import tariff exemptions for small-ticket items would alleviate the workload of customs officials in managing various low-priced products. The department has adopted a QR code system to sort Chinese products shipped to the EEC's duty-free zone for transit to other countries, Mr Kulit said. Products in transit are now exempt from import duty. The department also allows operators who import Chinese goods for assembly in the EEC's duty-free zone to run a business without a licence from the Industrial Works Department. Alibaba's investment in the smart digital hub is hoped to be an important platform linking Thai small and medium-sized enterprises (SMEs), Otop (One Tambon, One Product) items and farm products to China and the global market. Thai products shipped to China, particularly those items exported by Thai SMEs and startups, will also apply the same platform for the import clearance system, Mr Kulit said.

4. Bridge Holds Key To Nakhon Phanom Boom

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

Nakhon Phanom must commercialise its land surrounding the Third Thai-Lao Friendship Bridge to "unlock its potential" as a main logistics hub for international trade in Asean and southern China, Northeastern Thai Industries Federation chairman Viroj Pipatchaisiri says. The province has so far been unable to financially benefit from its "advantageous" location, bordering eastern Laos over the Mekong River, he said. The 1.4km-long bridge connects Nakhon Phanom's MueangNakhon

district to Thakhek town in Khammouane province, Laos. It is normally used as a trade route for goods traveling to and from Laos, Vietnam and southern parts of China. Prime Minister Gen Prayut Chan-o-cha invoked Section 44 of the interim charter to establish a special economic development zone (SEZ) in Nakhon Phanom in late 2016. To attract investors, the special economic zone allows import tax and logistics-related fee deduction benefits for businesses that are seen to promote economic activities in the area. The invocation of Section 44 to establish SEZs in provinces across the country has been met with mixed reactions from pundits and members of the public. Proponents of the government's move say it is a sure-fire way to kick-start economic developments in underdeveloped provinces. Others remain wary of the possible, sudden effects of unregulated industrial production.