

Thai News Update: 23 October 2019

1. Import duty cut up in the air

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

The Finance Ministry has not made a decision on whether the import duty on luxury brands will be temporarily cut to 5% from 30% as proposed by the Tourism and Sports Ministry to boost tourism this year. The Tourism and Sports Ministry has not made an official request to the Finance Ministry, so the latter cannot comment on the issue, said Finance Minister Uttama Savanayana. Yuthasak Supasorn, governor of the Tourism Authority of Thailand, recently said he asked for the Finance Ministry to cut the import duty on luxury products to attract foreign tourists, especially Chinese ones, to visit Thailand and encourage them to spend more.

2. Thai cabinet approves additional stimulus, targets 3% growth

Source: Reuters ([Link](#))

Thailand's cabinet on 22 October approved an additional stimulus package valued at 5.8 billion baht (\$191.36 million) and expects the economy to grow close to its target of 3%, its finance minister said, as it seeks to shore up a flagging economy. Southeast Asia's second-largest economy had its weakest annual growth rate in four years, expanding 2.3% in the second quarter, as exports have declined amid rising trade tensions and a strong baht. "We are trying, which is why there are these new measures, but global economic conditions like this, we will try to achieve our target of 3% growth," Uttama said.

3. Thai Airways at crisis point, president says

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

Thai Airways International (THAI) president Sumeth Damrongchaitham said on 22 October that staff must cooperate with the airline's rehabilitation efforts because it is in a crisis and faces possible closure. He sent his message to THAI executives during a training session at the airline's headquarters. "Today I want staff to be united to overcome the obstacles. Otherwise, the national airline must close down. There is still time for a solution, but there is not much time," Mr Sumeth said. He said that THAI had lost its market leadership on several routes to competitors,

citing northern routes that had generated a third of THAI's revenue but were now dominated by low-cost airlines.

4. EEC, Guangdong upgrade cooperation

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

Thailand and China have agreed to upgrade economic cooperation between the Eastern Economic Corridor (EEC) and Guangdong province, focusing more on targeted industries. Deputy Prime Minister Somkid Jatusripitak said with an upgrade, a joint high-level committee would be established to follow up on the cooperation. Thailand's EEC Office signed a memorandum of understanding on economic cooperation on targeted industries, R&D and human resource development with Guangdong province. The signing was presided over by Mr Somkid and Li Xi, a member of the Political Bureau of the Communist Party of China (CPC) Central Committee and Secretary of the CPC Guangdong Provincial Committee.

5. Alibaba shakes up Thailand's \$6.6bn logistics market

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

Bangkok's streets have been painted yellow and red by delivery trucks and motorcycles from Flash Express and Best Express lately, thanks to booming online trade that has resulted in fierce competition between logistics companies, and has also drawn in global players like Alibaba Group Holding. More than two million parcels are dropped at logistics warehouses across Southeast Asia's second largest economy every day, as Thais embrace online shopping. Ministry of Commerce data showed that there were 1,340 logistics companies in Thailand last year, up from 1,151 in 2017 and 830 in 2016. Of the new players, some 80% are foreign companies that have bulging war chests and cutting-edge technology that smaller local peers are finding hard to compete with.

6. TOP earmarks B1bn for energy startups

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

Thai Oil Plc (TOP), the country's largest oil refiner, has allocated a budget of 1 billion baht for innovation to seek new energy startups worldwide. Wirat Uanarumit, president and chief executive, said this budget will be a venture capital fund to encourage startups, handling energy activities and disruptive technologies from 2019-21. TOP has already teamed up with a US

startup, he said. The company will seek another startup in Israel that has high innovation potential "We are looking for new business to diversify when the oil refinery segment is disrupted," said Mr Wirat. He said TOP is ready for a trial of new energy technologies as it has prepared its facility to support experiments. The new innovation will also support its expansion via its Clean Fuel Project (CFP).

7. Huawei banking on Thai market

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

Huawei, a leading global provider of information and communications technology (ICT) infrastructure and smart devices, is considering Thailand as its main market for 5G ecosystem development and use in Southeast Asia, says its senior executive. The executive, who spoke on condition of anonymity, sees Huawei, the Thai government, the National Broadcasting and Telecommunications Commission (NBTC), universities and the media as continuing to strengthen cooperation to develop Thailand's 5G ecosystem. In tandem with the Digital Economy and Society (DES) Ministry, Huawei set up a 5G testbed, the first of its kind in the region, earlier this year in the Sri Racha district of Chon Buri, he said.