

Thai News Update: 24 January 2020

1. Thailand plans new tax incentives to boost investment

Source: Reuters ([Link](#))

Thailand's finance ministry will submit to the cabinet on 21 January a package of tax incentives to encourage investment, a deputy prime minister said on 23 January, as the government looks to revive a flagging economy. The Thai economy has lagged most of its peers for years, with exports weak and investment sluggish. The government estimated growth of 2.6% in 2019, a five-year low. The finance ministry has been asked to consider more generous tax incentives to attract domestic and foreign investment this year, Somkid Jatusripitak told reporters. "Currently, we offer a tax deduction of 1.5 times on investment. But the new package will offer more, plus many other measures, Somkid said. "This will definitely increase investment even more".

2. Thailand's Environment Board to Release New Anti-Smog Measures

Source: Chiangrai Times ([Link](#))

Thailand's National Environment Board reports it will issue anti-smog measures concerning the limited use of vehicles. Natural Resources and Environment Minister Varawut Silpa-archa said the measures will be released on 24 January. The National Environment Board is chaired by Deputy Prime Minister Prawit Wongsuwon. Initially there may be measures to reduce the use of trucks and general vehicles on streets. Some measures may affect people and cause inconveniences. We must apologize for that," he said.

3. Jurin's business delegation achieves Bt2.78 billion sales in two Indian cities

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

The Thai Food and Fruits Fiesta event in India clocked up total sales of over Bt2.78 billion, Commerce Minister Jurin Laksanawisit said. Jurin led a group of 80 entrepreneurs to the southern Indian cities of Bangalore and Hyderabad with support from the Indian government where they conducted business. He said the Indian government's housing-for-all policy offered opportunities for sale of Thai rubberwood and construction materials while the ban on plastic supported the export of cassava for biodegradable plastic.

4. Pressure on agencies to start investing now so economy can revive

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

A government committee tasked with accelerating trade and investment has urged the agencies involved to start pouring money into key projects. Deputy Prime Minister Somkid Jatusripitak chaired the committee's first meeting on January 23 and said afterward the Finance Ministry had given a progress report on a new tax incentive to help boost the economy. The incentive, to be presented to the Cabinet on 21 January, will let private firms deduct 1.5 times the value of imported machinery and capital goods. Somkid said the measure would go into effect in tandem with other new tax incentives being considered by the Board of Investment, including one designed to encourage major companies to invest in rural areas.

5. INET brings Alibaba cloud services to Thailand

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

ICT services provider Internet Thailand Plc (INET) has formed a distribution partnership with Alibaba Cloud, the data-intelligence backbone of Alibaba Group. INET's services include consulting, planning, data management and international-standard cloud services based on its secure infrastructure and data centre. Jordy Cao, general manager at Alibaba Cloud Intelligence for Malaysia and Thailand, noted a growing demand for scalable, robust and secure public cloud services in Thailand.

6. Agencies explore recycling possibilities

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

The Electricity Generating Authority of Thailand (Egat) and the Industrial Works Department are teaming up to study the feasibility of recycling used solar panels and batteries, in line with the circular economy concept. The two parties signed a memorandum of understanding on 23 January on a plan to build a pilot recycling facility after completing a two-year study. Solar panels are used in many power generation types -- farms, rooftops and floating on water -- while lithium-ion batteries are installed in electric vehicles and employed in energy storage. Patana Sangsriroujana, Egat's deputy governor for strategy, said the study will review capacity size, location, budget, waste management and related regulations. The Industrial Works Department said 112 tonnes of solar panels are expected to be retired in 2022. Normally a solar panel has a life cycle of 20 years.

7. Tax perks for investors seek cabinet approval

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

Fresh tax measures meant to spur private investment of 100 billion baht are scheduled to go before the cabinet for approval next 28 January. The committee on trade negotiation and investment approved a Finance Ministry proposal to offer a corporate income tax deduction of 2.5 times expenditure on machinery and a one-year tax exemption for importing machinery, said Finance Minister Uttama Savanayana. The tax deduction applies to new machinery purchased from Jan 1 to Dec 31, 2020. The measures are estimated to cost the government 9 billion baht in forgone tax revenue, Mr Uttama said.