

THAI NEWS UPDATE: 25 AUGUST 2021

1. Cabinet approves VAT extension

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

The cabinet on Tuesday approved the extension of the 7% value-added tax (VAT) rate for another two years to help reduce the financial burden of consumers, enhance business confidence and boost economic recovery. Rachada Dhanadirek, a deputy government spokeswoman, said the 7% VAT will be retained until Sept 30, 2023. The 7% tax rate, which has been extended several times, was set to expire on Sept 30 this year.

2. Cannabis to be a cash crop in the EEC

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

The government plans to turn 10,000 rai of Sor Por Kor land in three provinces that form the Eastern Economic Corridor (EEC) into herb plantations growing cannabis, hemp and fa talai jone, under a project to develop and add value to Thai agricultural products. Fa talai jone (green chiretta) is a medicinal herb currently in the spotlight because its andrographolide substance is used to treat illness caused by Covid-19, while cannabidiol, or CBD, extracted from marijuana can be applied to treat numerous ailments. Hemp extracts can be turned into cosmetic ingredients and its fibre can be used for weaving cloth. The three herbs are being promoted under a memorandum of understanding (MoU) signed on 24 August between the Agricultural Land Reform Office (Alro) and the Eastern Economic Corridor Office (EECO).

3. Mama producer rejigs plans

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

The ongoing pandemic has prompted Thai President Foods Plc (TFMAMA), the manufacturer of Mama instant noodles, to revise its overseas business expansion plans. Pojjana Paniangvait, the company's director, said the prolonged Covid-19 outbreaks have resulted in difficulties in international travel, disrupted global supply chains, and led to changes to some countries' import regulations. Under the revised plans, the company will open fewer than 4-5 new markets a year over the next five years from at least 4-5 new markets a year in its original plan. The company will also invest more as a strategic partner in some of its existing foreign distributors. This should allow Thai President to strengthen its overseas operations and help build up business collaborations, she said.

4. Cabinet approves THB4.1bn for EXIM Bank to support SME loans

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

The Cabinet on 24 August approved a capital injection of 4.189 billion baht for the Export-Import Bank of Thailand (EXIM Bank), as proposed by the Finance Ministry. The money will be allocated by the Specialised Financial Institution Development Fund (SFIF), said government spokesperson Ratchada Thanadirek. XIM Bank can use the money to support SME loans for investment in trading, both domestically and internationally. The Cabinet wants Thai SMEs to invest in three market segments – domestically, in the CLMV (Cambodia, Laos, Myanmar, Vietnam) and new-frontier markets such as Indonesia, Malaysia and the Maldives. This strategy accords with the 5-year policy of Specialized Financial Institutions (2021-2025).

5. Cabinet removes WHO approval requirement from ATK procurement order

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

The Cabinet on 24 August approved the proposal by the Centre for Covid-19 Situation Administration to amend the prime minister's order regarding the procurement of antigen test kits (ATK) by the Government Pharmaceutical Organization (GPO), a news source revealed. The order, which was published in a Cabinet resolution dated August 17, had stipulated that the antigen test kit the GPO would purchase must be approved by the World Health Organization (WHO) and by the Thailand Food and Drug Administration (FDA). The amended version of the order has removed the requirement of approval by the WHO, with the addition of a provision that the "Ministry of Public Health must process the procurement as soon as possible and handle any problem to the best of their ability."

6. Thai companies urged to invest in data

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

Thai businesses need to build data culture and literacy, invest in data science and embrace multi-cloud adoption to drive their data monetisation ability and competitiveness, says technology giant Dell Technologies. "Most businesses in Thailand are struggling with the proliferation of data," said Noppadol Punyatipat, managing director of Dell Technologies Thailand. "Instead of offering a competitive advantage, data has become a burden due to an array of barriers, such as a data skills gap, data silos, manual processes, business silos, and data privacy and security weaknesses," he said. Mr Noppadol was speaking at an online press conference about "Data Paradox" research conducted by Forrester Consulting on behalf of Dell.