

Thai News Update: 25 June 2018

1. New Law For Foreign Firms In The Works

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

The Revenue Department plans to propose a law stipulating that foreign entities with no physical presence which earn income in Thailand must report their transactions here to be inspected for value-added tax (VAT) payment. The reporting requirement will help sharpen the department's tax collection efficiency and curb tax leakage amid booming online trade, said director-general Ekniti Nitithanprapas. Large foreign firms are believed to be in compliance with the requirement, but some foreign companies earning income in Thailand might not be making VAT payments and the Revenue Department does not have a mandate to force them, he said. The e-business tax will require online platform operators with a foreign presence to remit VAT from transactions occurring in Thailand to the Revenue Department through an electronic payment channel. The measure is intended to create a level playing field for local digital platform service providers, as their transactions are subject to VAT if they earn annual revenue exceeding 1.8 million baht from online services.

2. Thai Smes Can Cash In On China's Vast Online Market

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

Experts Play Down The Looming Trade War With The United States And Risk Of High Debt
China offers great opportunities to Thai small and medium-sized enterprises (SMEs) who want to sell their products via the world's largest online shopping platform, experts said. Those who have visited China several times during the past decade would have been left wondering at the scale and volume of the ongoing construction projects ranging from condominium buildings to mass transit system. Thais, with the benefit of hindsight, are reminded of the Asian financial crisis of 1997 when a similar construction boom in Bangkok blew up after the Thai economic meltdown triggered a regional crisis. Chinese authorities often explain that the new residential units would be absorbed by the high demand due to rapid urbanisation while the high speed rail between provinces and the mass transit system in big cities are a necessity to ease traffic jams. The ambitious infrastructure projects go beyond China's border, or along the Belt and Road Initiative which involves about 60

countries. China has offered loans to many countries, including Laos, Cambodia and Pakistan to finance high-speed rail, seaports and roads. “Large public debt is an issue of concern, as provincial governments have been racing to build infrastructure and other projects to boost their economies, leading to debt piling up in the banking system” said Aksornsri Phanishsarn, an economics lecturer at Thammasat University, who specialises in China’s economy.

3. SET's New Boss Hits The Ground Running

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

The Stock Exchange of Thailand (SET) plans to reduce repetitive work tasks in cooperation with the Securities and Exchange Commission (SEC) to speed up the process of fund-raising and stock listing. Such measures will streamline work flow, and listed firms will have greater understanding of regulatory practices to abide by, SET president Pakorn Peetathawatchai told the Bangkok Post in an exclusive interview. "The SET's internal working process needs to be solved," Mr Pakorn said. "We have found that each operation is separated, which has been obstructing the work flow process and impacting listed firms in terms of time and cost burden. For investors, the SET will support all types of investment incentives among every investor group and offer appropriate investment products to cater to each group, Mr Pakorn said. Different investors vary in their investment objectives, such as short-term investment gains versus long-term investment value. In the past, the SET had promoted an investment strategy called dollar cost averaging, an investment technique of buying a fixed amount of a particular investment on a regular schedule.

4. MRO Project In U-Tapao Seen As A Key Venture In Promoting Aviation In The EEC

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

Thai Airways International and Airbus Commercial Aircraft of Europe are set to implement the multi-billion-baht maintenance, repair and overhaul (MRO) project for jetliners at the U-Tapao international airport following the signing of a joint venture agreement between the two organisations presided over by Prime Minister Prayut Chan-o-cha on June 22. The signing ceremony took place during Prayut’s official visit to France where Airbus is headquartered. Earlier, Prayut also visited the UK and held talks with British Prime Minister Theresa May. Usanee Saengsingkaew, acting president of THAI, represented the national flag carrier at the ceremony in

Toulouse, while Airbus was represented by Eric Schulz, its executive vice president. The MRO project is a major component of Thailand's Eastern Economic Corridor (EEC) mega-investment project where the government aims to promote aviation and other industries. The planned MRO hub will have the latest equipment and systems for all major types of jetliners' maintenance and repair work using digital, analytic and other technologies. In addition, the project consists of a repair centre for composite materials used in aircraft as well as a state-of-the-art personnel training centre.

5. Big Data And AI At Turning Point

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

Data management and data analytics are two critical fundamental resources that should be used by Thai enterprises and tech startups to develop innovative services backed by artificial intelligence (AI) technology, instead of working to develop intelligent products or services to compete with global players. Chai Wutiwivatchai, research unit director of the National Electronics and Computer Technology Center (Nectec), said local enterprises can benefit from the many data sets held by state agencies through 20 ministries and the private sector. "Intelligent products and services driven by AI may not be easy to enter for local enterprises and startups, as there are too many global tech players and AI tech-embedded tools available for free in the market." The director outlined two benefits delivered by AI tech: "pain-to-profit", or AI tech-embedded services that resolve inconveniences for businesses, and "data-to-profit", in which AI tech creates innovative services through big data and data analytics. The director outlined two benefits delivered by AI tech: "pain-to-profit", or AI tech-embedded services that resolve inconveniences for businesses, and "data-to-profit", in which AI tech creates innovative services driven by AI tech.