

Thai News Update: 29 January 2020

1. Cabinet OKs measures to stimulate investment

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

Fresh incentives meant to spur private investment of 110 billion baht and add 0.25 percentage points to economic growth sailed through the cabinet on 28 January. The measures include a corporate income tax deduction of 2.5 times expenditure on machinery, a one-year tax exemption for importing new machinery, and special-rate loans offered by the Export-Import Bank of Thailand for exporters to alter their machinery for export. The tax measures apply to new machinery purchased from Jan 1 to Dec 31, 2020. The 2.5-times tax deduction is not applicable to leased machinery. The measures are estimated to cost the government 8.6 billion baht in forgone tax revenue, said Narumon Pinyosinwat, a government spokeswoman.

2. Steps planned to boost consumption, tourism

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

The government plans to introduce additional measures next month to boost consumption and tourism, its finance minister said on 28 January, as it tries to shore up a faltering economy potentially facing a sharp blow from the coronavirus in China. Tourism, a key growth driver and previously the only bright spot in the economy, has been hit hard by China's ban on all group tours. China is Thailand's biggest source of foreign tourists, with 11 million Chinese visitors last year accounting for 28% of the total. The Tourism Authority of Thailand expects Chinese visits to fall by 2 million this year. "We have to admit that there must be an impact on the overall economy, as tourist numbers fall," Finance Minister Uttama Savanayana told reporters.

3. Government mulls new economic stimuli to be rolled out in February

Source: Thai PBS World ([Link](#))

The Thai Government is set to roll out a new economic stimulus package, including another phase of the Chim-Shop-Chai (Eat-Shop-Spend) program, to stimulate domestic spending and investment by businesses in a slowing economy, which is being hampered by a reduction in tourist arrivals as a result of the coronavirus outbreak in China. The Fiscal Policy Office, the

Revenue Department and the Comptroller Department have been assigned, by the Finance Ministry, to work out details of the package, to be ready for implementation in February. Finance Minister Uttama Savanayana said on 29 January that the stimuli will include an updated version of the Chim-Shop-Chai program, and about 12.6 million people already registered will be eligible to take part. He said, however, that it is yet to be decided whether the program will include a 1,000 baht giveaway/ per head, which depends on the economic situation and the assessments of the 3rd phase of the program, expected by the end of this month.

4. Bt100 bn new investment seen in latest tax, loan measures

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

The Cabinet on January 28 approved the new tax and loan measures proposed by the Finance Ministry, expected to attract new investment of up to Bt110 billion this year, said Finance Ministry's spokesman Lavaron Sangsnit. Leading the measures is the incentive of tax deduction, allowing companies to deduct expense of their investment in machinery at 2.5 times of the actual cost. It covers investments from January 1 to December 31, 2020. The second is the exemption of tariffs on 146 items of imported machinery. Another one is the Bt5 billion loans from the Export-Import Bank of Thailand for the purchases of new machinery and improvement of existing items.

5. Thailand No.6 for Chinese tourists' mobile payments

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

Thailand ranked sixth out of the top 10 countries where Chinese tourists prefer to use mobile payments, while Singapore ranked first, according to a report by Nielsen and Alipay. The report surveyed 4,837 Chinese travellers and 547 overseas merchants and found Southeast Asia maintains its leadership in mobile payment usage among Chinese tourists, with Singapore and Thailand positioned at No.1 and No.6 in the global ranking. Other countries include South Korea, Japan, Australia, France, New Zealand, Canada, Britain and the US. Among the countries surveyed, the usage of Chinese mobile payment in Singapore, South Korea and Japan was highest. Some 77% of Chinese tourists in Singapore use mobile payments for their transactions.

6. Cabinet okays disability allowance hike from Bt800 to Bt1,000

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

The Cabinet has approved a hike in disability allowance from Bt800 to Bt1,000 per month starting October 1, Government Deputy Spokeswoman Ratchada Thanadirek said on January 28. “The adjustment was made to help disabled persons cope with the present cost of living,” she said. “Statistics show that most of the disabled persons live in rural areas and have an average income of only Bt4,326 per month. The increase in disability allowance is expected to promote a better quality of life for the disabled and reduce the burden on relatives.” Ratchada further added that the prime minister has also ordered related agencies to work together in improving the quality of life of disabled persons in three aspects: improve facilities, career promotion and benefits.