

Thai News Update: 31 January 2018

1. Relief Measures for Business Operators as Rise in Minimum Wages Approved

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

The Cabinet has approved a rise of Bt8-Bt20 in minimum wages to raise Thailand's average minimum wages to Bt308-Bt330 per day, while the government has launched three relief measures to help affected business operators. Among the three relief measures, the tax measure will allow SMEs to have all expenses arising from the wage rises as tax deductibles by 1.15 times during April 1-December 31, 2018. The SMEs must earn income of no more than Bt100 million with no more than 200 workers. There will be seven wage rates - Bt308, Bt310, Bt315, Bt318, Bt320, Bt325 and Bt330. The average minimum wage is Bt315.97. Three provinces - Phuket, Chon Buri and Rayong - will get the highest rate at Bt330 a day, and three southernmost border provinces - Yala, Pattani and Narathiwat - get the lowest at Bt308.

2. Kaidee Boasts 35m Thai Users, Transactions Worth Bt100bn Via Its Platform

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

Kaidee, Thailand's biggest online market place, announced on Jan 30 that more than 35 million Thai users had visited the platform. Some 1.85 million items were sold, with a combined value of over Bt100 billion. Striving to be the best market place for Thais, Kaidee is set to better facilitate the property industry with the best user experience on the platform, and is offering FarmKaidee to enable Thai farmers to connect with buyers and other businesses in the first half of the year. "This year, we will grow progressively and healthily. We will improve our platform to continue to facilitate Thai people in online buying and selling. Everyone and anyone can trade on Kaidee," Tiwa York, chief executive officer/head coach of Kaidee added.

3. India- ASEAN Trade on the Rise

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

India-ASEAN trade relations have been growing steadily, with ASEAN being India's fourth largest trading partner. Both sides have set a target of at least US\$200 billion in two-way trade by 2022 compared to US\$ 71 billion in 2016-17. Investment flows are also substantial both ways. In the years 2016-2017, India's share of total exports and imports was around 11.2 per cent and 10.56 per cent, respectively. India also has a Comprehensive Economic Cooperation Agreement with various countries of the Asean region which has resulted in rise in investments; around 10 per cent of the total FDI equity inflows to India come from the Asean region. Trade between India and Thailand also increased with reduced tariffs and new initiatives by both the countries. India exported goods worth US\$ 3133.44 m and imported goods worth US\$5415.40m respectively in the year 2016-2017.

4. AMLO Orders that Cryptocurrency Deals Must Be Reported to Curb Criminals' Money Laundering

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

The government will step up surveillance of bitcoin and other cryptocurrencies by requiring digital currency exchangers to report their transactions to the country's anti-money laundering agency. Pol Maj-General Romsit Viriyasan, the acting chief of the Anti-Money Laundering Organisation (AMLO), said the agency would amend its law to impose the requirement in order to suppress money-laundering activities using bitcoin and other cryptocurrencies as media of exchange. Investing in digital currencies carries a high risk because Thai law does not recognise them as legal tender, so the public should exercise caution to avoid misleading and cheating tactics, he said.

5. Nestle Launches Dairy Coffee Enhancer in Thailand

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

Nestle is launching into the Thai market Coffee-Mate Milky, which it calls the "world's first dairy coffee enhancer". In a press release, Nestle says the product will "excite the instant coffee market and drive the coffee personalisation trend", noting that it is the biggest Nescafe launch in Thailand in more than 10 years. The company is also introducing actor Gunn Svastiwat Na Ayutthaya as a

brand ambassador for the product. Coffee-Mate Milky is said to contain high-quality imported milk from New Zealand and the United States, and to have no cholesterol or trans fat.

6. BOT Warns Institutions Allowing Baht Speculation

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

The Bank of Thailand (BOT) has issued a warning to financial institutions in Thailand to cease transactions that may counter measures to prevent speculation on the baht. BOT assistant governor for Financial Markets Operation Group Vachira Arromdee said that after more rigorously monitoring foreign exchange transactions, some financial institutions in Thailand were found to have facilitated businesses that appeared to contradict the central bank's measures to prevent speculation on the baht. The BOT has imposed penalties on these financial institutions and warned them against such activities. There are several types of penalties, from warning and fines to ceasing transactions.

7. Thailand Takes One-By-One Approach to Bolster EU Ties

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

Thailand is tightening its strategic partnerships with individual EU nations after the bloc agreed last December to resume political contact "at all levels", more than three years after suspending them in protest against the 2014 military coup. "A joint meeting for high-level economic dialogue is also held every year between Thailand and French officials" said Mrs. Auramon, director-general of the Trade Negotiations Department. She said Thailand is scheduled to hold a trade mission and promote Thailand's investment in those EU countries. Two-way trade between Thailand and the EU totalled US\$40.14 billion in 2016, with Thai exports accounting for \$22.05 billion and imports copy8.09 billion. EU investment in Thailand was estimated at \$6.73 billion in 2016, with the top five investors being Germany, Britain, the Netherlands, France and Italy.

8. DTAC to go Digital with Workforce Culling

Bangkok Post ([Link](#))

Total Access Communication (DTAC), the latest in a growing list of companies seeking to capitalise on digital transformation, will slash its workforce by 1,000 employees this year in an effort to increase earnings. The strategic move by the country's third-largest mobile operator is

part of parent company Telenor Group's attempt to reduce human resources costs in 2018 by using digital technologies, according to a reliable source. The company plans to increase the use of digital channels by up to seven times, allowing its customers to accomplish more and to complete routine operations faster.

9. Shell to Sell Its Stake in Thai Bongkot Fields to PTTEP

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

Royal Dutch Shell said on Wednesday that it will sell its stake in the Bongkot gas field and adjoining acreage offshore Thailand to PTT Exploration & Production PCL for \$750 million (23.5 billion baht) before tax. The transaction is expected to be completed in the second quarter, both companies said. The deal with Thailand's PTTEP comes after Shell in October cancelled a \$900 million agreement to sell the same gas field stakes to Kuwait Foreign Petroleum Exploration Company (KUFPEC). PTTEP is keen to continue as the field's operator after the Bongkot concession expires in 2022-2023 to maintain Thailand's energy security, Somporn said.