

Thai News Update: 7 March 2018

1. Thailand Urged to Seek Markets amid Trade Row

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

The country should seek out new markets and pursue direct trade negotiations with the United States against the backdrop of heightened fears of a global trade war following protectionist moves by Washington, the Thailand Development Research Institute (TDRI) said. Last week, President Donald Trump said that the US will impose tariffs of 25 per cent on steel imports and 10 per cent on aluminium imports to shore up the country's struggling heavy industries. The action could trigger retaliation from other countries. Nonarit Bisonyabut, a TDRI research fellow, said that what the US wants from this move is new trade negotiations with the countries with which it incurs trade deficits. Thailand is among these countries. Thailand will likely see impacts as a producer of intermediate goods that are exported to the US's key trading partners, such as China. The effects would also be felt if the US were to impose tariffs on additional products, such as electrical appliances, to address its large trade deficits, he said.

2. AIS nabs Rabbit Line Pay share

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

Advanced Info Service (AIS), Thailand's largest mobile operator, is investing 787 million baht through its subsidiary Advanced mPAY to acquire 33.3% of Rabbit Line Pay (RLP), an e-payment platform provider to capitalise on the push toward a cashless society. With the partnership, AIS aims to become the No.1 mobile payment platform in the country by 2021. The move is also intended to help the company compete with other e-payment platform providers for unbanked people, especially the partnership of Ascend Money and Ant Small & Micro Financial Services Group, an affiliate of Alibaba Group. Rabbit is the No.1 micropayment operator providing 8.5 million cards to users accessing public transport. Line Thailand is the biggest instant messaging application with 42 million users. AIS also has 15,000 privilege outlets and 200,000 telecom distributors, while Rabbit has 200 brand partners (offline) and 600 online merchants via 5,200 touch points.

3. Thailand Riviera' Wins Cabinet Seal of Approval

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

A proposal to turn a stretch of coastline southwest of Bangkok into a "Thai Riviera" was approved in principle on March 6 cabinet meeting along with a raft of other projects. The Tourism and Sports Ministry's call to build a so-called "Royal Coast" around the sleepy town of Hua Hin, home of a royal residential retreat, was met with enthusiasm and approved as part of the government's 20-year development plan running until 2020. The government plans a high-end tourism campaign in the western coastal provinces which it hopes will boost income among locals in the region. The cabinet also approved in principle 45 projects with 170 million baht from the fiscal 2019 budget. All of them are small projects to support community tourism Deputy Prime Minister Somkid Jatusripitak said the "Thailand Riviera" development will be expanded from the previous plan to cover Petchaburi, Prachuap Khiri Khan, Chumphon and Ranong.

4. Foreign Websites to Come Under VAT Net

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

The Finance Ministry will soon impose a 7 per cent value-added tax (VAT) on foreign e-commerce transactions in an effort to ensure fair competition between international and local businesses, said the director general of the Revenue Department, Prasong Poonthanet. The department also signalled that it would order a block on the websites of any of the global e-commerce giants that failed to pay the tax. In other financial measures announced on March 7, the Cabinet approved tax credits for companies that hire holders of the state welfare cards. The tax credits would be applied at up to 1.5 times the expenses of such companies. The government stands to forego tax revenue of as much as Bt3 billion a year as a result of this initiative to help the poor. Prasong on March 7 said the department would this month submit a tax bill covering e-commerce to Finance Minister Apisak Tantivorawong for endorsement, before it goes to the Cabinet for approval.

5. Summit Capital Aims For Lead in Bikes

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

Summit Capital Leasing aims to be the market leader for the provision of hire purchase financing for motorcycles in Thailand this year, its president and CEO, Wichit Phayuhanaveechai, said. The

company, which is under Japan's Sumitomo Corporation, has a target to boost 2018 total operating income by 25 per cent from last year, said Wichit, the first Thai chief executive of the company. In 2017, the company enjoyed growth of 40 per cent in its total outstanding balance and 33 per cent in the number of new contracts for motorcycle hire-purchases, even though Thailand's motorcycle market grew by only about 4 per cent over the year. "Our firm, which has been in the market for 24 years, expects to get 120,000 leasing contracts for new motorcycles this year, which will be an increase of 7 per cent from last year," he said. Although he stated the company's ambition for it to be the market No 1, Wichit declined to name the incumbent leader in the leasing market for new motorcycles. "The total sales of new motorbikes last year were 1.87 million. This year, it is expected that the number will increase by between 3 to 5 per cent, to about 1.95 million," he said.

6. Cabinet Approves Further Crab Banks

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

The mobile cabinet meeting at Phetchaburi on March 6 approved a scheme to financially support fishery communities in coastal areas and establish blue swimmer crab banks, an initiative that helps increase the number of crabs and boosts farmers' income. Nathporn Chatusripitak, a spokesman for Deputy Prime Minister Somkid Jatusripitak, said the government via the Government Savings Bank will provide soft loans of 150,000-200,000 baht each to 300 communities to set up blue swimmer crab banks. Recipients earning less than 30,000 baht a year get a monthly allowance of 300 baht, while those with annual earnings of 30,000-100,000 receive 200 baht to buy discounted goods at Thong Fah Pracha Rat Fah Pracha Rat shops and other designated stores. Each cardholder also receives 1,500 baht a month to subsidise transport and 500 baht for inter-provincial public buses, third-class trains, and local public buses and electric trains.

7. Bourses Renew MoU on Development

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

The Stock Exchange of Thailand (SET) on March 5 signed the renewal of a memorandum of understanding (MoU) with Indonesia Stock Exchange (IDX) to enhance synergised efforts on

capital market development, especially cross-border transactions, information technology and business opportunities between the two exchanges, as well as knowledge and experience sharing. SET President Kesara Manhusree said that the MoU between SET and IDX, spanning another five years from March 5 to March 6, 2023, underscores SET's strategic plan to enhance fund-raising and investment in order to create business opportunities for long-term growth in the region. The extension of the MoU period would further foster our long-term relationship and boost cross-border transactions from financial instruments such as Depository Receipts (DRs) and Exchange Traded Funds (ETFs) with Thai or Indonesian underlying assets.