

Thai News Update: 23 July 2019

1. Department studies income tax cut

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

The Revenue Department is studying two options for the government's personal income tax cut campaign promise -- one an outright 10-percentage point cut across tax brackets and the other a 10% cut across brackets. For the cut by 10 percentage points, individual taxpayers who are liable to up to 10% rates now will be exempt, while those with brackets of 15%, 20%, 25%, 30% and 35% will pay tax at 5%, 10%, 15%, 20% and 25%, respectively, said Ekniti Nitithanprapas, director-general of the Revenue Department. Under the alternative, taxpayers' burden in each bracket will decline to 4.5%, 9%, 13.5%, 18%, 22.5%, 27% and 31.5%, he said. Under the current personal income tax structure, taxable income of 150,000 baht or lower is exempt from tax. The rate is 5% for 150,001-300,000 baht, 10% for 300,001-500,000 baht, 15% for 500,001-750,000 baht, 20% for 750,001-1 million baht and 25% for 1,000,001-2 million baht.

2. Modern trade remains jittery in Q2

Source: Bloomberg ([Link](#))

Modern trade sentiment remained in the doldrums in the second quarter, as operators were still concerned about higher operation costs, the impact of political uncertainty, drought and the relatively low income of people living outside urban areas. Thanavath Phonvichai, vice-president of research at the University of the Thai Chamber of Commerce (UTCC), said despite growing pressure from those factors, modern trade operators are unable to raise their product prices. Mr Thanavath said modern trade covers not only large retailers but also small shops nationwide that have shifted to using more applications or QR codes for their transactions.

3. Cannabis among top priorities for new Thai government

Source: Reuters ([Link](#))

Developing a medical cannabis industry is among top policy priorities for Thailand's new government, according to a document released before the formal announcement. Prime Minister Prayuth Chan-ocha, the former junta leader who heads a civilian government following March elections, is due to set out the policies for debate in the national assembly on 25 July. The policy document was released on 28 July. Developing the medical cannabis industry was a key demand of the Bhumjaithai party, one of the biggest parties in Prayuth's 19-party coalition. "The study and technological development of marijuana, hemp, and other medicinal herbs should be sped up for the medical industry to create economic opportunity and income for the people," the policy document said. Thailand, which had a tradition of using cannabis to relieve pain and fatigue, legalized marijuana for medical use and research last year.

4. Govt tells forum of mega-aviation plans

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

The government has pledged its full support for the country's 20-year national strategy for the development of the aviation industry. "Thailand's aviation industry continues to grow by 10% a year and the government is striving to make the country a regional hub for aviation," said Transport Minister Saksayam Chidchob on 22 July. He was speaking at the Third International Civil Aviation Organisation (ICAO) Global Aviation Cooperation Symposium yesterday. The two-day forum in Phuket was being attended by 450 participants from 193 ICAO member countries. To achieve this goal, Thailand is speeding up developing its aviation infrastructure, and will turn Rayong's U-Tapao airport into the country's aviation centre in the East, he said.

5. Four foreign firms flee to EEC

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

Four companies from Japan and China are expected to relocate their manufacturing facilities from China to Thailand to escape the escalating US-China trade war, says Industry Minister Suriya Jungrunreangkit. "There are three Japanese companies -- Casio Computer, City Chain and Ricoh -- while Sailun Tire is from China," he said. Mr Suriya said the trade war has had an

effect all over the world in terms of global trade and investment, worrying operators. "The trade war is benefiting Thailand as the country has not been added to the US trade watch list and remains the manufacturing hub for Southeast Asia," he said. The ministry plans to meet Chinese and Japanese investors to invite them to invest in the Eastern Economic Corridor (EEC). The Japan External Trade Organization (Jetro) will meet with the minister before July 31 to discuss investment policies and what is required of Japanese companies, said Mr Suriya.

6. Economic cabinet, joint panel readied

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

The government looks set to bank on two mechanisms to ensure better and more effective economic management: an economic cabinet and the joint public-private consultative committee (JPPCC). The economic cabinet will be instrumental in driving policy management and improving efficiency amid a sluggish global economy, said Deputy Prime Minister Somkid Jatusripitak. He has already consulted with Prime Minister Prayut Chan-o-cha. The economic cabinet will include the finance, industry, transport, energy and commerce ministers among others. The economic ministers' meeting to be chaired by Gen Prayut does not need to meet every week, Mr Somkid said. Meetings should only be held when there is a special agenda, he said.

7. Digital asset scope may grow

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

The Securities and Exchange Commission (SEC) is conducting a public hearing to expand the scope of businesses under the digital asset royal decree. Digital asset advisers and digital asset fund managers are the additional businesses pending official approval, said the SEC statement. These businesses are categorised into two types: digital tokens and cryptocurrency. Existing operating licences under the digital asset royal decree cover digital asset exchanges, digital asset traders and digital asset dealers. Securities companies have expressed interest or discussed the possibility of offering services such as digital asset advisers and fund managers with the SEC. These companies can provide attractive investment assets to customers and invest according to policies agreed upon with customers.

8. Ministry of Tourism releases official half year tourism statistics, slight increase, Indians drive tourism

Source: Pattaya News ([Link](#))

The first official half of the year results on total tourism in Thailand has been released by the Ministry of Tourism and shows that although demographics have changed dramatically, a slight increase year over year has taken place with India and Japan driving the increase. A total of 19,769,347 tourists visited Thailand from Jan-June (H1) this year, up 1.48% on H1 2018, the MoTS reports. Total revenue generated through tourist arrivals for H1 2019 was given at B1.0224 trillion, also up 0.94% for the same period last year, the statistics showed. The growth comes despite arrivals from Mainland China falling 4.73%, from 5,931,153 during H1 2018 to 5,650,474 in H1 this year. Spending by Chinese tourists during the half also fell, from B323.46 billion last year to B310.47bn this year (-4.02%). Asian source markets still held strong, with arrivals from Hong Kong increasing 5.83%, bringing an 8.4% increase in spending.

9. Govt to push EEC policy into overdrive, but business demands tangible results

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

Prime Minister Prayut Chan-o-cha will on July 25 unveil his government's policy statement in Parliament, aimed at elevating Thailand to developed-nation status country via 12 urgent and 12 long-term policies focused mainly on the Eastern Economic Corridor (EEC) project. Among the urgent policies, the sixth calls for a "future-proof" economic system by promoting target industries and developing the bio-economy, circular economy and green economy. This policy will essentially promote private-sector investment in the EEC project, especially in "smart-city" infrastructure such as 5G wireless communication and artificial intelligent technology, along with improvement of SME and community skills.