

## Daily Thai News Summary: 21 October 2015

### 1. Chamber project to boost efficiency of agricultural co-ops

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

Worried that declining prices of agricultural products worldwide will continue to affect Thai farmers' incomes, the Thai Chamber of Commerce (TCC) has initiated a project to support the development of agricultural cooperatives nationwide. The project aims to raise farmers' incomes by 30 per cent in three years and increase the efficiency of the cooperative system.

TCC chairman Isara Vongkusolkrit said yesterday that as part of the country's economy relied on domestic growth, sustainable development of the farm sector and incomes of farmers was the heart of the economy. Thus the chamber will focus on helping increase the efficiency of agricultural cooperatives. *"Thailand has many agricultural cooperatives, but some have lacked efficiency, so farmers could not earn as much as they should. The project will help strengthen cooperatives' power and increase the efficiency of their work to link to consumers and buyers domestically and abroad,"* Isara said.

Under the project, the TCC will work with provincial chambers of commerce nationwide to support the strengthening of agricultural cooperatives, while the Internal Security Operations Command and TOT will help create software linkages between cooperatives and buyers. Isara said the project would help educate farmers on how to manage their community cooperatives, increase crop quality to serve market demand, and help link cooperatives with traders and consumers directly so that crop prices will not be bargained down by middlemen.

### 2. HQ wooed with tax incentives

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

The Cabinet has approved the Finance Ministry's proposal for more tax incentives to facilitate the creation of International Headquarters and International Trading Centres in Thailand. IHQs and ITCs in the Kingdom currently enjoy both tax and non-tax benefits, including complete income-tax exemption for out-out transactions, while in-out transactions will be eligible for an income-tax rate of 10 per cent instead of the normal 20 per cent. The tax exemption will be granted for any fees derived from services rendered to foreign associate companies - offshore service fees - while a tax rate of 10 per cent will be applied to fees derived from services rendered to local associate companies - onshore service fees - with the condition that the total onshore service fees do not exceed the offshore service fees.

Other current tax benefits include withholding-tax exemption on dividend payments and royalties, and a 15-per-cent tax rate for expatriate income. Meanwhile, the Cabinet yesterday approved complete exemption from specific business taxes on all financial activities of IHQs and ITCs, which currently stands at around 3 per cent, to encourage the setting up of more IHQ and ITC treasury centres. *"Finance Minister Apisak [Tantivorawong] has explained that the government will lose some tax revenue, but it will be minimal, since this is only the initial stage, while the tax collection has yet to be added into the revenue code and specific business taxes on IHQs and ITCs are rather small when compared with the amount of specific business taxes that are being collected from firms in the country,"* Government Spokesman Sansern Kaewkamnerd said yesterday.

### **3. PTT to buy LNG from PETRONAS**

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

PTT PLC will import about one million tonnes per year of liquefied natural gas from Malaysia's oil and gas company Petronas to prepare for the expected rise in future demand and strengthen Thailand's energy stability. *"PTT recently signed an MoU (memorandum of understanding) with Petronas for the import of LNG at one million tonnes per year. It's the head of the agreement. Now, details will be discussed,"* PTT chairman Piyasvasti Amranand said yesterday.

When the deal is completed, it will be forwarded to the National Energy Policy Council. The long-term contract should contribute 60-70 per cent of LNG imports. The rest would be purchased on the spot market, he said.

### **4. TCT predicts foreign arrivals will hit 30 M**

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

The Tourism Council of Thailand (TCT) projects foreign tourist arrivals will reach 30.3 million this year, growing 22% and surpassing the Tourism Authority of Thailand's largest target 28.8 million visitors. Tourism revenue from foreign tourists is expected to surge 21% to 1.42 trillion baht, slightly up from the government's projection of 1.4 trillion. The soaring Chinese tourist market is the main driver of Thai tourism amid the downturn in the European market, which has been affected by the global economic slowdown.

## 5. Central festival shopping centres to undergo concept change

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

In response to changes in the lifestyle of today's consumers, mainly driven by urbanisation, Central Pattana is planning to use the model of its twenty-ninth branch - Central Festival EastVille, which opens next month - to "re-concept" its Central Festival format into one that is more metropolitan by the end of next year. *"Nowadays, lifestyle centres and shopping malls have become the third place for consumers, after their homes and offices. Meanwhile, the young generation, like generation Y and generation Me, prefer do their homework /or meet either for leisure or business/in coffee shops,"* Nattakit Tangpoonsinthana, Central Pattana executive vice president for marketing, said yesterday.

Given this behavioural change, Wallaya Chirathivat, senior executive vice president for business development and project construction, said: *"We have to create and offer new things that Bangkok residents need in order to be indulged. We have travelled to many cool places, such as the Meat Packing District in New York City, Covent Garden in London, and Omotesando in Tokyo, to find a new format fit for such demand."* All the inspiration gained from these destinations has been combined into the concept of "Bangkok Escape" for Central Festival EastVille, which is located in the eastern part of Bangkok on an 8.2-hectare plot on Praditmanutham Road, near the Ekkamai-Ram Indra Expressway, she said.

## 6. KTC sees brighter year ahead for credit business

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

Although Krung Thai Card (KTC) will miss the target of 400,000 new credit cards this year because economic uncertainty has dented consumer sentiment, it is maintaining its 400,000-card goal for next year as economic prospects are brighter due to the government's stimulus packages. The packages will be positive for the confidence of consumers, who have been less active during the slowdown, with the government's stimulus measures leading to an expected rebound in spending, Pittaya Vorapanyasakul, KTC executive vice president for credit-card business, said yesterday. This year's economic slowdown has negatively affected the quality of customers, resulting in the company falling short of its full-year target of issuing 400,000 new cards, she said.

KTC issued more than 200,000 cards during the first nine months, and now expects the total for the year to come in at around 300,000, she added. Pittaya said that based on the assumption of bright prospects for the Thai economy, KTC would not be altering its 400,000-card target and spending growth of 15 per cent for next year. The mid- to upper segment will still be KTC's key focus for new credit-card customers, even though it will still experience fierce competition, especially from small banks that have a customer base in the affluent segment, said

the executive. In the current economic circumstances, more applicants with a monthly income of Bt15,000 have been rejected on the grounds of quality than those in the upper segment, with a monthly income of Bt50,000, she explained.

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