# Thailand

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| **Thailand’s Bogor Goals Progress Report (as at 3 September 2018)[[1]](#footnote-1)\*** |
|   | **Highlights of Achievements and Areas for Improvement** |

* Average tariffs are lower than those in the first half of this decade. However, agricultural products are still maintaining higher tariffs than non-agricultural products. Tariff-rate quotas still apply to some agricultural products.
* No import/export levies, export subsidies and minimum import prices are in place. Import/export licensing requirements apply for some products.
* The new Digital Government Plan 2017-2021 aims to improve digital capabilities in all sectors by integrating digital technologies into public services.
* Foreign ownership restriction remains in some areas. Some professions are still reserved to Thai citizens only.
* The new Customs Act is looking to facilitate trade and increase transparency. More certainty added to the appeal process.
* The 2017 Computer Crime Act provides new tools for combating online IP crimes and empowers officials to conduct investigations and confiscations.
* The Trademark Act was amended in 2016 with significant structural policy changes.
* The Trade Competition Act has introduced the Office of Trade Competition Commission as an independent government agency. State-Owned Enterprises are subject to this Act.
* A new Constitution which aims to introduce laws only to the extent of necessity and repeal unnecessary ones, conduct consultations with stakeholders, and evaluate the outcomes of the law regularly among others things, was enacted in 2017.
* A new SMART Visa targeting highly-skilled professionals in areas such as robotics, biotechnology and digital issues was launched in February 2018 to encourage knowledge transfer and improve competitiveness of Thailand.

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|   | **Summary of Topics** |

Tariffs

The latest WTO World Tariff Profiles reported an average tariff of 9.5% in 2017. However, it also showed a significant difference between tariffs applicable to agricultural and non-agricultural products. While the average tariff for non-agricultural products was equal to 7.2% in 2015, the average tariff for agricultural products reached 25.1%. Tariff-rate quotas are still applicable to a number of agricultural products.

Customs duties have been reduced or eliminated in accordance to tariff liberalization schedules in Thailand’s free trade agreements with Australia, China, Chile, Japan, New Zealand, and ASEAN members, amongst others.

Non-Tariff Measures

As a member of the International Tripartite Rubber Council, Thailand, along with Malaysia and Indonesia have set an export quota of 350,000 tonnes of natural rubber between January and March 2018 in an attempt to curb world supply in response to falling world prices. Import and export prohibitions are imposed on goods that endanger public morals, domestic security, human or animal life, health, and intellectual property, where necessary. For example, import prohibitions apply to electronic cigarettes, used cars, logs made from teak trees or rubber, CFC refrigerators, and used tyres amongst others. Similarly, export restrictions have been imposed on firearms and military vehicles to economies at war or of war-threat in conformance with international obligations.

Thailand has no import or export levies, export subsidies, and minimum import prices.

Import licenses are required for certain products, like some medical and pharmaceutical products due to domestic consumer safety. Additionally, automatic export licensing is required for everyday items like coffee, rice and sugar. In recent years, Thailand had implemented anti-dumping duties on several steel-related products pursuant to investigation initiated and conducted in accordance to WTO rules.

Services

Thailand recently announced its Digital Government Plan 2017-2021 which aims to improve digital capabilities in all sectors by integrating digital technologies into public services. In 2017, the National Energy Policy Committee had approved guidelines to fully liberalise liquefied petroleum and natural gas to promote competition and encourage investment.

New regulations under the Foreign Business Act 2017 loosened restrictions on foreigners operating businesses in certain banking and financial services, asset management services, and real estate leasing services, among others. Nevertheless, several businesses are still reserved for domestic investors (e.g. media, farming and fishing) or subject to foreign ownership and board members restrictions (e.g. mining, sugar production and transportation). Likewise, some occupations are reserved for only Thai nationals.

Investment

The Thailand Board of Investment made several announcements in recent years to promote innovation and investment into the food industry, medical services, and manufacturing, among others, by providing incentives like corporate income tax and import duty exemptions, as well as financial facilities.

Thailand has 55 international investment treaties as of March 2018.

Standards and Conformance

Thailand reported having developed 3,256 industrial standards by December 2017, of which 1,319 are internationally aligned. 285 agricultural standards were established with only 6 of them being mandatory and almost all of them being aligned with international standards such as those under the CODEX Alimentarius, World Organisation for Animal Health (OIE) and International Plant and Protection Convention (IPPC). Thailand’s regulatory authorities participate actively in international and regional standardizing bodies.

Three specific trade concerns against Thailand remain unresolved at the WTO Sanitary and Phytosanitary (SPS) Committee, with the most recent one being related to the import restriction on papaya seeds. In recent years, two specific trade concerns were raised against Thailand at the WTO TBT Committee related to the control on infant formula marketing and the notification of a draft with rules, procedures and conditions for labels of alcoholic beverages with the aim to protect public health and reduce teenage drinking.

Customs Procedures

Local-based businesses can apply for the preferential certificate of origin under the ASEAN Trade in Goods Agreement through the electronic data interchange system.

A new Customs Act was published repealing the outdated 1926 Act and introducing some key amendments, such as, reduction in reward and incentives awarded to whistle-blowers; consideration of intent and negligence in customs evasion; reduction in statutory penalties; and limited time period for post-clearance audits. It also provides a 180-day time limit to the Appeal Committee to resolve an appeal being brought to a customs officer. This new act is expected to expedite and facilitate customs procedures while ensuring more transparency and consistency.

Intellectual Property Rights

A 20-year Intellectual Property (IP) Roadmap was introduced under the ‘Thailand 4.0’ policy aiming to create a more conducive environment for IP creation, better facilitating the registration process, and improving enforcement. The 2017 Computer Crime Act provides new tools for combating online IP crimes and empowers officials to conduct investigations and confiscations.

The Trademark Act was amended in 2016 with significant structural policy changes which include adjustments in line with Thailand’s ratification to the Madrid Protocol. In addition, the amendments would enable multiple-class filings in an application, eliminate the requirement for IP owners to associate similar marks, change important timeframes to improve compatibility, and allow for a grace period for renewals.

Competition Policy

In July 2017, the Trade Competition Act was published, instituting several changes including introducing the Office of Trade Competition Commission as an independent government agency enabling better enforcement, subjecting state-owned enterprises to the new Act, and implementing high fines for anti-competitive conduct.

Government Procurement

Thailand introduced its Government Procurement and Supplies Management Act of 2017 which aims to standardize procurement processes across the economy, increase transparency, introduce a new criteria for evaluation of bids called ‘Price performance’, and provide platforms for greater public participation.The Act also extends across all 9,000 state agencies compared to the previous regulation which covered around 1,000.

Deregulation/Regulatory Review

A new Constitution which aims to introduce laws only to the extent of necessity and repeal unnecessary ones, conduct consultations with stakeholders, and evaluate the outcomes of the law regularly among others things, was enacted in 2017. A State-Owned Enterprises reform to improve transparency and efficiency is currently underway. The reform plans to establish the National State Enterprise Policy Committee as the only entity overseeing all SOEs. In addition, it aims to reduce unreasonable political interference in the board-director nomination process.

Dispute Resolution

The Thai Arbitration Institute revised the existing arbitration rules to improve efficiency and fairness in proceedings through measures like establishing a timeline for the arbitration, enabling the submission of documents by electronical means, and allowing the tribunal to grant interim measures.

Mobility of Business People

Thailand launched an online platform for ABTC application in 2017. An e-Visa system for foreign visitors is currently being developed and its initial phase is expecting completion in mid-2018.

A new SMART Visa was launched in February 2018 to encourage knowledge transfer and improve competitiveness of Thailand. The 4-year visa is targeted at attracting highly-skilled professionals to work or invest in the S-Curve industries which comprise of robotics, digital and biotechnology.

RTA/FTAs

Thailand has 12 RTA/FTAs in force[[2]](#footnote-2) and some of them are under review for further liberalisation. In addition, Thailand is currently participating in negotiations on the Regional Comprehensive Economic Partnership and bilateral FTAs with Pakistan, Turkey and Sri Lanka. Thailand has ratified the ASEAN-Hong Kong, China FTA which will enter into force on 1 January 2019.

1. \* This brief report was prepared with information from Thailand’s submission of the 2018 APEC Individual Action Plan (IAP) template; 2017 WTO World Tariff Profiles; UNCTAD Investment Policy Hub; World Intellectual Property Organization; International Rubber Council; Thai Customs; Government Public Relations Department; The Secretariat of the Cabinet; Department of Water Resources; Ministry of Public Health; Thailand Board of Investment; Ministry of Foreign Affairs; Council of State; Department of Internal Trade; Consular Department; and Court of Justice websites. [↑](#footnote-ref-1)
2. Thailand’s RTA/FTAs in force are the following ones: ASEAN (1992); Thailand-India (2004); Thailand-Australia (2005); ASEAN-China (2005); Thailand-New Zealand (2005); ASEAN-Korea (2007); Thailand-Japan (2007); ASEAN-Japan (2009); ASEAN-Australia-New Zealand (2010); ASEAN-India (2010); Thailand-Peru (2011); and Thailand-Chile (2015). [↑](#footnote-ref-2)