

JFCCT Trade Committee Meeting June 2019

Date : Thursday 13th June 2019

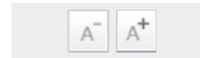
Time : 16.00 – 17.30 pm.

Venue : JFCCT Office, Sathorn Road, Bangkok

Agenda Item I FTA / RCEP / BOI Update

1. https://www.bangkokpost.com/business/news/1692852/thailand-eu-to-discuss-brexit-renewing-fta?utm_source=newsletter_alert&utm_medium=email&utm_term=business

Thailand is scheduled to discuss with the EU the impact of Brexit as well as revive Thai-EU free trade agreement (FTA) talks at the 14th meeting Thailand–EU working group set for June 14.



Auramon Supthaweethum, director-general of the Trade Negotiations Department, said she will act as negotiator in discussions with Peter Berz, acting director for trade with Asia and Latin America at the European Commission. The meeting is scheduled for Brussels, Belgium on June 14.

The issues include the impact of Brexit, the world's economic situation, reform of the World Trade Organization, and an attempt to revive the long-stalled negotiations on a Thai-EU FTA.

Initially, Thailand would exchange data with EU representatives to prepare for the FTA talks once a new government is in place, said Mrs Auramon.

She said the meeting will also find ways to promote bilateral trade and investment and tackle existing obstacles.


"As Thailand and the EU are in the process of forming new governments after elections, the working group will not discuss details of an FTA," said Mrs Auramon. "The focus is on exchanging data to pave the way for future talks."

The EU is Thailand's third largest trade partner. Two-way trade rose 6.51% to US\$47.3 billion in 2018, making for 9.4% of total trade volume. Thai exports represented \$25.0 billion, up 5.15% from a year before, with imports up 8.07% to \$22.3 billion.

Important export items include computers and components, automobile and parts, gems and jewellery, electrical circuits, rubber products, air conditioners and parts, and processed chicken. Key imports include machines and parts, aeroplanes, gliders and parts, chemical products, medical supplies and medicines, electrical devices and parts, diamonds and precious stones.

2. https://www.bangkokpost.com/business/news/1694120/perks-dangled-to-boost-low-income-communities?utm_source=newsletter_alert&utm_medium=email&utm_term=business

Perks dangled to boost low-income communities

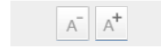
13 Jun 2019 at 04:00  0 comments

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The government has pledged to offer greater perks for investment in agriculture, agri-business, service, tourism and human resource development, in part to raise the income of low-income earners.



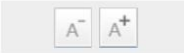
Yesterday, Deputy Prime Minister Somkid Jatusripitak told Nobuhiko Sasaki, chairman and chief executive of the Japan External Trade Organisation (Jetro), that these industries have a heavy reliance on domestic raw materials and involve a significant portion of the population, meaning investment in those sectors would raise incomes and help tackle poverty.

"The Board of Investment (BoI) has been mandated to design a package to promote investments that help people's income and narrow income disparity," Mr Somkid said. "I've asked Jetro to become instrumental in promoting and supporting Japanese companies engaged in farm and agri-business, services, tourism and human resource development to invest in Thailand. The government pledges to offer higher promotional privileges than those given to the 12 targeted industries."

He said existing BoI policies are not attractive enough to entice large companies to invest in projects that promote and raise income among community businesses, community tourism operators and farmers.

3. https://www.bangkokpost.com/business/news/1684392/call-for-foreign-firm-perks?utm_source=newsletter_alert&utm_medium=email&utm_term=business

The government is being advised to come up with more attractive investment perks to lure foreign companies ravaged by the ongoing trade row to relocate their production bases to Thailand.



COMPANIES REPORTEDLY RELOCATING THEIR PRODUCTION BASE SINCE EARLY 2019

Company	Sector	Status/possibility
■ Quanta Computer	Electronics	Considering feasibility of relocating to Southeast Asian countries
■ Foxconn	Electronics	Considering feasibility of relocating to Vietnam or back to Taiwan
■ Compal Electronics	Electronics	Considering feasibility of relocating to Vietnam
■ Kenda Rubber Industrial	Rubber products	Considering new investment in Vietnam
■ Samsonite International SA	Bag products	Considering a move out of China
■ Macy's Inc	Product distribution	Moving production out of China
■ Fossil Group Inc	Product distribution	Moving production out of China
■ Nitto Denko	Chemical products	Considering lowering production in China and raising production capacity in other countries
■ Kobe Steel	Steel products	Considering relocating its factory
■ Harley-Davidson	Big motorcycle	Building factory in Thailand

**How can JFCCT influence the FTA and RCEP progress through a joint working group with DTN?
 Work with EU Ambassador to include JFCCT to be part of the FTA influence / input group?
 Survey for opening up of the Services as part of FTA / RCEP to be circulated amongst the JFCCT members after meeting with the EU Trade Commissioner.**

Agenda Item II New Customs Act – Several Issues

1. There is a seminar on ASEAN Single window clearance at Novotel, Sukhumvit on 24th June. I will attend the same.
2. We need a meeting with Thailand Customs about two months after formation of the new government to clarify the following

JFCCT needs to follow up with Customs regarding the Advance Ruling Process as presently it takes nearly 6 months as compared to the Customs stated deadline of 30 to 60 days after application. However, for the application to be accepted it takes a long time.

JFCCT should also discuss with Customs regarding the Advance Ruling on Valuation of Imports and Certificate of Origin

Number of days allowed for Re-export of Goods in Transit to be increased to 60 days

Agenda Item III Other Government Dept Meetings

We have revised the Agenda and resubmitted to FDA, requesting a meeting – follow up

Agenda Item IV – IBC

Share minutes of IBC Meeting with TRD

Agenda Item V - Any other items

1. EU Trade Representative – request a courtesy meeting with him for the Trade Committee in based on the formation of new government.
2. Meeting with Thai Institute of Industrial Standards – TISI – July
3. Export Control Act for Dual Use items- Request a meeting with Department of Foreign Trade to share the highlights / changes in the Act with the Foreign Business Community asap
4. JFCCT is planning a PM luncheon after the appointment of a new government. At the next meeting , the International Trade Committee should focus on Areas that we should focus upon at the PM luncheon. Suggested Headline could be , **“OPEN FOR BUSINESS: THE NEXT CHAPTER IN THAILAND’S COMPETITIVENESS”.**(2016 theme)
5. How to attract investments to Thailand as a consequence of the USA – China Trade war – we will send out a questionnaire – 3 advantages and 3 disadvantages – to do manufacturing in Thailand compared to Vietnam, Indonesia, Malaysia.

Next Meeting – 11th July