

Thailand's Bogor Goals Progress Report (as at 8 August 2014)*

Highlights of Achievements and Areas for Improvement

- Tariffs were reduced or eliminated for 376 tariff lines since the HS 2012 nomenclature was adopted. However, high MFN tariffs remain for some industrial and agricultural products.
- Tariff rate quotas remain for a selected number of agricultural products.
- Neither import/export levies nor export subsidies are applied, but import prohibitions and licensing still remain for some cases.
- Improved commercial presence conditions for foreign companies in the securities and derivatives market.
- Foreign investors are welcomed to invest in most sectors. Some restrictions remain, in particular due to safety or security, arts, culture and traditions, natural resources and environmental matters.
- Efforts to align domestic standards to international standards to the extent possible.
- Physical inspections in customs have declined due to the implementation of risk management techniques and new technologies.
- Thailand is gradually implementing the Electronic Government Procurement System. Additional procurement methods are being added into the system.
- Implementation of Regulatory Impact Analysis for all proposals concerning new legislation.
- Most official information has to be made available to the public, unless it is considered confidential by the Government. Any denial to disclose information can be appealed before the Official Information Commission for reconsideration.

Summary of Topics

Tariffs

By the end of 2013, Thailand reported a simple average MFN tariff measured at the HS 8-digit level equal to 12.2 per cent. After the implementation of the HS 2012 nomenclature, Thailand mentioned that tariffs were reduced or eliminated for 376 tariff lines.

Around 67 per cent of non-agricultural tariff lines entered duty free by 2011. However, high MFN tariff rates above 60 per cent remain for some motor vehicles, tobacco and alcoholic beverages. Many apparel products and agricultural products have MFN tariffs around 30 to 50 per cent.

Thailand has reported reducing tariffs for the goods originating from Thailand's FTA signatory partners as agreed in the corresponding tariff liberalization schedules.

Non-Tariff Measures

Tariff rate quotas (TRQ) are applied and imposed for 23 agricultural products. Thailand reported that the application of these TRQ complies with WTO agreements.

* This brief report was prepared with information from the Thailand's submission of 2012 APEC Individual Action Plan (IAP) template; the WTO SPS and TBT Information Systems; WTO 2013 World Tariff Profiles; UNESCAP Single Window Planning and Implementation Guide (document ECE/TRADE/404); and information from the Department of Trade Negotiations website.

Thailand prohibits the import of electrical and mechanical operations devices for gambling. In general, import prohibition measures are only applied to protect public morals, national security, human, animal and plant life, public health and intellectual property; or to meet international commitments.

No import or export levies are applied, as well as export subsidies. As reported in the 2012 Bogor Goals Progress Report, discretionary import and export licensing is applied for some products on the grounds of public health and moral, financial security, conservation of domestic resources and treasuries, which are consistent with WTO. Import of fuel oils needs approval of the Department of Foreign Trade.

Services

Thailand has announced that foreign equity participation is now allowed in securities and derivatives businesses. Also, it was announced that up to five new banking licenses might be granted to foreign banks to establish subsidiaries in 2014. They will be allowed to have a maximum of 20 branches and 20 off-premises ATMs.

In the telecommunications sector, the 3G spectrum license was awarded to three mobile operators.

In general, commercial presence with foreign equity participation is allowed in almost all business sectors. Limitations on the amount of foreign equity participation are imposed on certain services sectors.

Investment

Foreign investors are welcomed to invest in most businesses in Thailand. In recent years, Thailand has been promoting foreign legal entities to own land for establishing offices and residences for investors and workers. However, certain restrictions exist on businesses, in particular for those related to safety or security, arts, culture and traditions, natural resources and environmental matters.

Thailand has reported 41 Investment Promotion and Protection Agreements signed so far, among which 37 already entered into force.

A new division called the Thai Overseas Investment Promotion has been set up to promote investment abroad. In this regard, the limit of USD 100 million for a Thai natural person to invest in an affiliated business abroad was removed.

Standards and Conformance

Since the 2012 Bogor Goals Progress Report, Thailand has aligned 12 its domestic industrial standards to international standards. Thailand is aiming to align its domestic standards to international standards as much as possible. Currently, 1,005 Thai standards are aligned to international standards.

In terms of agricultural products, 220 standards have been implemented. Almost all of them are aligned to international standards, such as the Codex, OIE (World Organization for Animal Health) and the IPPC (International Plant Protection Convention).

Thailand participates actively in international standardization activities, and is a signatory of the Pacific Accreditation Cooperation and the International Accreditation Forum Multilateral Recognition Arrangement, the Asia Pacific Laboratory Accreditation Cooperation and the International Laboratory Accreditation Cooperation Multilateral Recognition Arrangement (MRA), among others.

By the end of 2013, three specific trade concerns raised against Thailand at the WTO SPS Committee had not reported a resolution. The most recent concern dates back to 2011 and involves products such as table grapes, apples and pear. Similarly, eight specific trade concerns against Thailand raised at the WTO TBT Committee had not reported a resolution. Some of the most recent concerns raised in 2013 were related to ceramic tiles and pneumatic tires of rubber.

Customs Procedures

As parts of its efforts to expedite trade, the Thai Customs Department has put into operation the Phase II of the National Single Window (NSW) since 2012, which includes paperless trading options for traders to obtain permits, certificates and licenses, and track the status of the documents and movement of goods through this platform.

Thailand has reported that physical inspections of export and import cargo have declined recently due to the implementation of risk management techniques and the use of X-ray container machines. An “e-Express System” is being implemented for all express consignment shipments.

Government Procurement

The implementation of the Electronic Government Procurement System (e-GP) is taking place gradually. Phase 1, which was implemented in April 2010, covered three major procurement methods: price enquiry, competitive bidding and e-auction. Phase 2 started its implementation in October 2012 and cover the remaining procurement methods used by the Thai Government. Phase 3 covers two new electronic procurement methods: e-Bidding and e-Market. Thailand announced its intention to implement Phase 3 in selected government agencies from 2013.

Deregulation/Regulatory Review

Thailand has established a review process for all proposals concerning new legislation. Before submitting any draft to the Council of Ministers, government agencies need to conduct a Regulatory Impact Analysis (RIA), which includes the impact of the proposed regulation from the economic, social and environmental perspective.

Mobility of Business People

At present, it is possible for travelers to change their tourist visas to business visas at the Thai Immigration Office. For Non-Immigrant “B” (business) visa holders, it is not necessary anymore to report every 90 days at the Thai Immigration Office.

Thailand reported that 7,172 APEC Business Travel Cards (ABTCs) issued to Thai business travelers were active by December 2013. This represents a slight decrease in the number of Thai ABTC holders in comparison to August 2012 (7,327 ABTC holders).

Transparency

Most official information should be disclosed to the public, with some specific exemptions that the Government considers confidential. In the case any government agency denies the disclosure of data, it is possible to appeal before the Official Information Commission for a reconsideration of the request for information.

RTA/FTAs

Thailand has implemented 13 RTA/FTAs¹. It is currently involved in nine separate negotiations towards new RTA/FTAs, including the Regional Comprehensive Economic Partnership, or the extension of the coverage of existing RTA/FTAs.

¹ Thailand's RTA/FTAs in force are following ones: ASEAN (1992), Thailand-Bahrain (2002), Thailand-India (2004), Thailand- BIMSTEC (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), and Thailand-Peru (2011).