



## Joint Foreign Chambers of Commerce in Thailand

### **Minutes of the JFCCT Presidents' Council Meeting Hosted by Thai – International Christian Chamber of Commerce (Macedonia) Wednesday, 18 June 2014 Eastin Grand Sathorn, Bangkok**

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#### ***Participants***

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| 1. Mr. Piyabutr Cholvijarn     | Thai Chamber of Commerce and Board of Trade                    |
| 2. Mr. Stanley Kang            | JFCCT Chairman   |
| 3. Mr. Marc Spiegel            | JFCCT Vice Chairman  |
| 4. Mr. Andrew Durieux          | JFCCT, AEC Committee Chairman                                  |
| 5. Prof. Alexander Paufler     | JFCCT, Education and Skills Committee Chairman                 |
| 6. Mr. Eric Hallin             | JFCCT, Tourism Committee Chairman                              |
| 7. Mr. Ekkamon Hutasingh       | JFCCT Representative in Anti-Corruption Committee              |
| 8. Dr. Sutharm Valaisathien    | BeLu – Thai Chamber of Commerce                                |
| 9. Mr. Thomas Nyborg           | Danish – Thai Chamber of Commerce                              |
| 10. Mr. Phongsakdi Chakshuvej  | German – Thai Chamber of Commerce                              |
| 11. Mr. Danny Yu               | Thai – Hong Kong Trade Association                             |
| 12. Mr. Girish Shah            | India – Thai Chamber of Commerce                               |
| 13. Mrs. Sally Eubbani         | Thai – Israel Chamber of Commerce                              |
| 14. Mr. Giocomo Mauri          | Thai – Italian Chamber of Commerce                             |
| 15. Mr. Steve Cheah            | Malaysian – Thai Chamber of Commerce                           |
| 16. K. Vanchai Jiratritarn     | Thai – International Christian Chamber of Commerce (Macedonia) |
| 17. Mr. Bert Cesar             | Netherlands – Thai Chamber of Commerce                         |
| 18. Mr. John Whitelaw          | New Zealand – Thai Chamber of Commerce                         |
| 19. Ms. Vibeke Lyssand Leirvag | Thai – Norwegian Chamber of Commerce                           |
| 20. Mr. Firdous Ali Khan       | Thai – Pakistan Chamber of Commerce                            |
| 21. Prof. Sourat Rakhimbabaev  | Thai – Russian Chamber of Commerce                             |
| 22. Ms. Sui Lin Teoh           | Singapore – Thai Chamber of Commerce                           |
| 23. Mr. Jan Eriksson           | Thai – Swedish Chamber of Commerce                             |
| 24. Mr. Bruno Odermatt         | Swiss – Thai Chamber of Commerce                               |
| 25. Mr. Belinda Chang          | Thai – Taiwan Business Association                             |
| 26. Mr. Abdullah Sabri Tok     | Thai – Turkish Business Association                            |
| 27. Mr. Rolf-Dieter Daniel     | European – ASEAN Business Center                               |
| 28. Ms. Nanthiya Nilkrajang    | Board of Trade of Thailand                                     |
| 29. Ms. Noppamas Puchanhom     | JFCCT Secretary  |

#### ***Apologies:***

1. Bob Fox, Chairman, ICT Committee
2. Armenian – Thai Chamber of Commerce
3. Thai – Chinese Chamber of Commerce
4. Estonian – Thai Chamber of Commerce
5. Franco – Thai Chamber of Commerce
6. Indonesia – Thai Chamber of Commerce
7. Irish – Thai Chamber of Commerce
8. Thai – Italian Chamber of Commerce
9. Japanese Chamber of Commerce
10. Polish – Thai Business Club
11. Thai – Sri Lanka Chamber of Commerce

K. Vanchai Jiratrithan, President of Thai – International Christian Chamber of Commerce (Macedonia) welcomed all participants and introduced board members consisting of to the meeting. Then passed the chair to Mr. Stanley Kang, JFCCT Chairman.

The chairman welcomed Mr. Abdullah Sabri Tok, representative of Thai – Turkish Business Association and introduced new faces namely Mr. Rolf-Dieter Daniel, President of EABC, Mr. Girish Shah, Vice President of India – Thai Chamber of Commerce, Ms. Sui Lin Teoh, Secretary General of Singapore – Thai Chamber of Commerce, and Prof. Alexander Paufler, newly elected chairman of JFCCT Education & Skill Committee to the meeting.

The meeting then turned to its agenda.

### **Agenda Item I                      Approval of the Minutes of the Presidents’ Council Meeting held on Wednesday, 21 May 2014**

The minutes had been sent out prior to the meeting and the chairman asked for any comments or otherwise for approval.

Dr. Sutharm Valaisathien, President of the BeLu-Thai Chamber of Commerce pointed on beginning time and adjournment time of the meeting to be added into the minutes.

The minutes was approved.

### **Agenda Item II                      Update from Committees/Working group**

- **AEC**

Andrew Durieux, chairman of AEC Committee provided an update as following.

The committee has not held a meeting recently. There have been no major announcements relating to the AEC so there was no need to waste the committees time.

The AEC committee are due to issue the next statement, but due to the current political situation, and the lack of any obvious decisions or changes we believe it better to hold off until further news is available.

There are two small items of information that may be of interest.

1. We have been informed that the Architect society of Thailand has been able to develop a process whereby the MRA for Architecture can be implemented here in Thailand. This means that an Architect from an ASEAN country will be able to work in Thailand and sign off on architectural designs as though they are a Thai national. We have asked for more information and will provide this when we have it.
2. We have seen some reports that business groups (other than the JFCCT) are asking for assistance for Thai companies to expand into ASEAN, and these requests include the signing of double tax treaties. The concept is for Thai companies not to have to pay taxes in another ASEAN country, and also here in Thailand. In our discussions with the DTN we have raised this issue a number of times, as well as at a recent meeting with the Revenue department at the Indian Chamber, and it is also included in our submission/recommendations for discussions with the NCPO now.

The submission that the AEC Committee has provided for the discussions with the BOT and NCPO is below. We have listed what we believe are the main drivers for Thailand to be completing the AEC implementations, and then provided a list of our recommendations which we think could be implemented relatively quickly and easily. These are all in line with our JFCCT

AEC Policy and with the overall JFCCT Position. I will highlight just a couple of these, and then I am happy to take any questions.

**JFCCT AEC Issues - For consideration in discussions with the NCPO/BOT**

**The JFCCT believes that the AEC is critical to Thailand at this time. Thailand should be seen as taking the lead within the AEC for a number of reasons. Implementing the AEC:**

1. Secures customers for Thailand's key agricultural products
2. Encourages Tourists to utilise Thailand as a central hub for regional tourism, thus generating income and focus here
3. Encourages use of Thailand as a manufacturing and logistics hub by ASEAN entities, thus generating income and focus
4. Creates opportunities for expansion and growth for many of Thailand's SME's
5. Provides opportunities for Thai companies to employ skilled professional workers, and thus enhances opportunities to:
  - a. Expand their business
  - b. Innovate new products and services
  - c. Lower operating costs
6. Assists Thailand during major natural disasters, and allows Thailand to be of assistance to other ASEAN countries during their natural disasters, thus assisting Thailand ensure regional stability and limit forced movement of groups of people, human trafficking and drug movements
7. Encourages Thai companies and individuals to become more competitive and therefore enhances Thailand's economic growth in the longer term
8. Secures Thailand's access to energy supplies – specifically Gas, Coal and some Oil – without the AEC being in place, Thailand's ability to generate additional low cost electricity for personal, business and automotive areas is seriously diminished.

**Thailand has signed all of the AEC agreements under the ASEAN Treaty. ASEAN Integration needs to be fast tracked for and sending signals to the international community that Thailand is still committed to doing the correct things internationally and regionally. This will assist in the international perception of Thailand at this time.**

Some specific items that the JFCCT would like to recommend the Thai government fast tracks include:

1. Strategic decisions should be made to allow the implementation of AEC plans and treaties already agreed. A number of key issues remain unresolved, such as key concepts about the different treatment of ASEAN versus Non-ASEAN individuals and businesses within the various laws.
2. The 7 professional MRA's (Labour area) should be fast tracked and processes within the Labour/WP/Visa areas expedited. We believe that those ASEAN citizens coming into Thailand to work under these agreements should not need to be considered as "aliens" for the purposes of existing labour laws.

3. The Tourism MRA (containing 32 sub roles) should be expedited within the labour and immigration departments so that business operators and government employees can understand how this is to be applied and implemented.
4. The JFCCT would also to discuss the creation of additional skilled and semi-skilled professions MRA's within the Labour area. Many factory operators are struggling to find sufficient workers in Thailand to undertake a range of needs. Skills such as electricians, plumbers and other technical semi-skilled roles are required.
5. Services Liberalisation such as up to 70% ASEAN ownership of services companies should be fast-tracked (original agreements showed some starting in 2008 – but this has been blocked by the use of “service packs” with meaningless categories) and the FBA altered to allow for this. Allowing the liberalisation for all foreign nationals would appear to be easier than creating a category of “ASEAN” people.
6. Clarification of how Thai companies can provide services across borders, or using short term movement of natural persons (service providing employees) to satisfy customer demand and needs is urgently required. Short-term working permits and visas are required for ASEAN countries for these companies and Thai individuals. Thailand will need to operate a similar system. A common approach within ASEAN would be the simplest solution, but some changes to the Labour law and procedures may be needed. Linking Visas and Work Permits via a single window would alleviate significant problems for service providers.
7. Many standards and definitions need harmonisation – these should be addressed asap. Labelling of various products remains inconsistent across ASEAN. Thailand should take a leadership role as it has the most to gain from improvements in this area. This needs to be pushed through. For example, Thailand would benefit significantly within (and external to) ASEAN from having a standard Halal type labelling.
8. Double Tax Treaties should be agreed with all ASEAN countries so that Thai companies are encouraged to expand into ASEAN. The current system requires a Thai company doing business in another ASEAN country to pay corporate taxes in the other country, and then repatriate the funds back to Thailand – either as a company incomes (and pay corporate taxes here) or as Dividends (taxable at 10% in most cases). Double Tax treaties should be established such that taxes paid in one ASEAN country can be credited here in Thailand – this is standard practice for many countries today.
9. Customs procedures and border controls should be modernized to allow the movement of goods across ASEAN borders easier. There is still significant corruption within the Customs area that needs to be addressed, and if this was undertaken, many companies would look to use Thailand as a central hub for all shipping in and out of ASEAN.
10. Corruption in customs is difficult to address while defamation laws remain a criminal offence, and “truth” is not a direct defence – these laws should be changed to assist AEC implementation
11. Technical issues in transport and logistics (Myanmar to Thailand requires unloading, changing vehicles and reloading for example) need to be addressed. Thailand should be seen to be the facilitator and leader in this area as it has the most to gain from physical cross border logistics operations. Assistance to the CLMV countries may be required as

an incentive, but establishing standards and practices would create the biggest opportunity for Thai based logistics providers to operate across the region.

12. Clarification of the ASEAN Investor protections under the ACIA should be agreed in detail. In Thailand the BOI for many years has provided privileges for manufacturers including 100% foreign ownership (for all nationalities). We have been informed that 100% ownership (by ASEAN citizens or all nationalities?) within the Agriculture, Fisheries and Mining industries. The business community needs clarification of the details and timeframes of such a change. If this is the case, then the Foreign Business Act, or BOI legislation (or both) will need amendments.
13. Various ministries (the MOC mainly) have indicated assistance is to be provided to Thai companies looking to expand into ASEAN. Urgent clarification of the details of such assistance is required so that business operators can factor this into their cost and planning models.
14. The JFCCT has offered to provide assistance and input via working with the various government ministries and departments about the items listed above. We would be happy to take part in working groups and detailed discussions at any time.

- **ICT**

Bob Fox, Chairman of the ICT Committee, could not attend the meeting he submitted one page handout as following.

***Key policy agenda points – main focus of this update***

As part of preparation of updated recommendations via the seven business groups (including Board of Trade) and directly with NCPO, ICT group discussed at its special meeting on 11th June all medium to long term impacts (rather than short term policy eg on censorship). Our ICT policy agenda contains long-standing recommendations. This Update contains a short summary of recommendations.

Major structural issues impeding proper functioning of the industry, SOE evolution; Foreign Dominance Notification. For a long time JFCCT (and more recently with EABC) has recommended support for evolution of the SOEs. The harm to the economy brought by not allowing them to evolve (which usually means some tough policies) far outweighs the minor short term lack of government receipts based on the current status.

The natural tendency in this industry for a government or administration may be to use the SOEs as tools for government policy. World practice shows that if the focus is on the industry as a whole, a much better result for all users and for the economy. This is described in more detail in the May 2013 letter to MICT on this topic (embedded here, and also downloadable on the JFCCT website). In our recommendation, policy makers should find a role for SOEs to fixed line backbone and backhaul providers, in a regulated wholesale market, but not



ICT SOE Development - ICT M

A trusted internet is an important economic tool. Internet governance thus means that interception, surveillance for national security reasons should not undermine that trust. Our long standing recommendation is for revisions to law and policy, starting with policy and practices.

Equipment standards (eg set top boxes, smartphones) and Type Approvals should be to published standards which are regionally compatible, even if there are some Thailand specific

features. There is slow progress on ASEAN harmonisation. The certifications of global labs should be respected. The feasibility of a national smartphone company (a separate issue) is doubtful economically.

A single international gateway would not be a positive step for attracting foreign investment. Reliable, world class communications infrastructure and quality services are very important.

Various government procurement topics, including removal of the unlimited liability requirement (there are positive indications about).

MICT Perm Sec has been moved to PMO; we have sought a meeting with the new acting Perm Sec in order to continue our dialogue.

**Digital broadcasting/Digital TV Conference:** As reported 21 May, the half day conference “Digital Broadcasting and Digital TV, a new era in high quality entertainment, information and learning” jointly organised with EABC, was held on the morning of 15 May. Presentations are available on EABC and JFCCT websites.

Apologies for not being able to attend today’s (18 June) Presidents’ Council meeting. This week 17-10 June is the region’s largest trade fair and conference in telecoms and broadcasting.

**ICT formal meetings:** Most recent: 11 June; next likely 16 July. Participation most welcome.

- **Tourism**

Eric Hallin, Chairman of Tourism Committee said that current situation has heavily impacted to the tourism. Numbers of tourist is still a problem with Bangkok Pattaya and Huahin.

Eric said that he has been invited by TAT to have a meeting and discuss on how to revise tourist to come to Thailand he had met with Deputy Governor K. Supree who is in charge of public relation. The minutes of meeting between TAT to JFCCT will be sent all chambers.

He said Thailand should do more PR in other countries such as UK, United States, France and Singapore about current situation as there are still travel alerts to Thailand in those countries. This could help understanding of the situation.

The committee scheduled to meet in mid of July. Participants most welcomed.

- **Education and Skills**

The chairman updated that the committee had met today and elected a chairman of the committee namely Prof. Alexander Paufler. He requested for an approval of the meeting and invited Prof. Alexander to address the meeting.

Prof. Alex thanked everyone for support and said that he would like to get supports from all chambers the committee will send out a short questionnaire with 3 areas on education to all chambers. The questions will be short and easy to fill out such as.

- Where are problems
- What kind of need do you have
- What is your imagination on how to close the gap

He asked for support to return comments when the questionnaires are sent out.

Mark Spiegel added that he had conducted a committee meeting today and informed that currently the committee has 15 members from various chambers of commerce he encouraged all chambers to nominate their members to join the committee as the committee is very important to improve life cycle in Thailand.

K. Vanchai added to the committee to include ethic and faithfulness in doing business to be a task of the Education and Skills committee.

Bert Cesar, Executive Director of the Netherlands – Thai Chamber of Commerce said that about 1 and half year ago it was mentioned that in order to promote JFCCT, there should be a 2 pages of overview information on JFCCT and committees activities recently. This paper can circulate and coordinate with members to know more about JFCCT.

The chairman said that JFCCT website is also on an updating he will ask Bob Fox to show on the website at PC meeting in August. JFCCT will use website to share information to members and can be linked to each chamber's website.

### **Agenda Item III Approve of JFCCT Statement of June 2014**

The chairman informed the meeting that the draft of statement has been sent to all chambers to review on 12 June 2014 and received feedbacks from various chambers then the statement has been revised and resend again prior to the meeting.

Marc have read through the statement and asked for comments.

The meeting discuss and gave some comments and changed some wordings to the draft.

Marc collected all comments and will finalize the statement to be sent out to all chambers for approval and will send to NCPO soonest.

### **Agenda Item IV JFCCT/BOI Consultative Meeting on 27 May**

The chairman reminded that the meeting will organize on Monday, 30<sup>th</sup> June at Plaza Athenee Hotel. The invitation has been sent out with agenda and topics of discussion to all Presidents and all Chambers.

Registration will start at 13:30 hrs. the meeting starts at 14:00 hrs. by an opening remarks by K. Udom Wongviwatchai, Secretary General of Thailand Board of Investment. There will be a presentation on "BOI's New Policies and the Way Forward" by K. Duangjai Asawachintachit, Deputy Secretary General of Thailand Board of Investment.

Issues for discussion will include visa and work permits focusing on WP 10 regulation change and updates on immigration and work permit rules e.g. Thai – foreign employee ratio, required working capital per one work permit, BOI's rules on unskilled foreign labour and BOI Promotion for services.

The chairman asked for confirmation of chambers who have not confirmed their participation to do so if the President is not available can send representative from board members to attend as the seats will be allocated 2 seats per chamber.

### **Agenda Item V JFCCT Honorary Chairman**

The chairman informed everyone that he had a chance to meet with David Lyman and have learnt that JFCCT has found about 30 years ago but that time was not called JFCCT the chairman said that he has an idea to publish a yearly magazine for JFCCT by end of this year so he would like to invite former chairman of JFCCT to be an honorary chairman or advisors to JFCCT as their experience could be benefit to JFCCT he asked the Presidents Council for an opinion.

Marc Spiegel said that JFCCT has 3 former Chairmen started by David Lyman who is a founder and JFCCT was called FCCCC at that time followed by Peter J. van Haren who was the President of Thai – Canadian and FCCCC was changed to JFCCT in his term then Nandor von der Luehe from Swiss – Thai Chamber of Commerce. If the Presidents Council agreed to have the position of Honorary Chairman then we have to discuss about JFCCT charter as the charter has not called for this position.

The chairman opened the floor for a discussion.

Andrew said that we have to be careful of change to the charter.

Marc suggest that to ease this we should put in the charter that “for the former JFCCT chairman will be automatically become an honorary chairman.

K. Vanchai said that he does not see any negative to have former chairman to be a part of JFCCT.

The chairman said that Board of Trade also has many former chairmen and the current chairman get good support from them so it would be good if JFCCT also get advice and support from the former chairman. Somehow, the chairman assigned the Vice Chairs to review in details if there will be any concern issue to the charter.

#### **Agenda Item IV Cooperation with the Board of Trade**

The chairman invited K. Piyabutr Cholvijarn, representative of the Board of Trade.

Firstly, K. Piyabutr thanked all Presidents of foreign Chambers of Commerce on their participation to “Get Together party” which was held on it was a successful event and BoT would try to do even more better for next year.

He said that K. Isara apologized that he cannot attend the meeting today and convey K. Isara’s message that the BoT has a lot of plan to work together and to improve cooperation with JFCCT such as activities and working of various committee that could join together with the BoT committee.

Then he updated the meeting as following.

- **Seminar on Board of Trade of Thailand’s Strategies**

The seminar is will be organized on Monday, 8 September 2014 at Plaza Athenee Bangkok Hotel. It is whole day seminar and expecting to have 500 participants, he invited all foreign chambers of commerce including embassies to attend the event.

Theme of seminar is “Business Reform to Move Forward”.

Agenda will start by K. Isara will give an opening remark focusing on how to walk together between Board of Trade of Thailand, foreign Chambers of Commerce and the embassies as partnerships to enhance business in Thailand.

There will be keynote speakers consisting of K. Karn Trakulhoon, President and CEO of Siam Cement Group, Mr. Tony Fernandes of Air Asia (to be confirmed), Dr. George Albonyi, Visiting Professor, Maxwell School, Syracuse University.

In the afternoon session will be workshop of 3 groups on “Creating Effective Value Chain” and success story of each group. 3 groups consisting of:

- Retail and Wholesale, Logistic, ICT and Digital Marketing Business Sector
- Agricultural, Food and Agricultural Energy Business Sector
- Tourism Business Sector

K. Piyabutr said that K. Isara mentioned to have foreign investors to be on a panel in each group.

The chairman invited all Presidents to recommend panellist to the Board of Trade.

Vibeke suggested Yara Thailand, the Norwegian company to be on a panel for Agriculture, Food and Agricultural Energy Business Sector.

K. Vanchai suggested discussion on “How to reuse natural resources in Thailand to enhance business in Thailand for all investors such as gas, oil or solar cell”.

Rolf-Dieter Daniel suggested discussion on opening up of Service Liberalization.

Dr. Sutharm Valaisathien added to the issue on business restriction that if referring to Foreign Business Act, under this law, if the company has been registered and paid a minimum of 100 million baht normally it will be free from the FBA and if retails and wholesales would like to expand new branch will need to pay more 20 million baht per branch.

The chairman said that he hope to set up SME Committee in September to work on this issue.

Andrew pointed out on AEC issue that for Agriculture area, ASEAN citizen can own 100% of agriculture business in Thailand he would like to get information on how ASEAN Citizen will take benefits from that. He asked to raise the issue to the Board of Trade’s meeting

The chairman thanked all comments and K. Piyabutr for his inputs.

#### **Agenda Item V Other Business**

Marc Spiegel informed everyone that according to JFCCT Chairman intention on social program in terms of developing relationship between Chambers of Commerce and Embassies and Board of Trade thus, there will be a get together party between foreign Chambers of Commerce and Embassies on Thursday, 18 September 2014 he has worked with Hilton Sukhumvit Hotel Soi 24, new General Manger of the hotel would like to sponsor the event by offering venue, food, beers and wines. There will be showcases of food from 3 hotels, Hilton Sukhumvit, Conrad and Double trees hotel.

The chairman asked support from all Presidents to invite embassies to attend the event.

Steve Cheah, Director of Malaysian – Thai Chamber of Commerce thanked to the Thai – International Christian Chamber of Commerce (Macedonia) for hosting luncheon.

The meeting adjourned at 14:10 hrs.

*Confirmed  
(signed)  
Stanley Kang, Chairman  
20 August 2014*