

EASY, EASIER, EASIEST

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Thailand gets more business-friendly

Tax cuts pave way to likely top-10 ranking

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Thailand is expected to be among the top 10 countries for ease of doing business in the World Bank's index next year.

Recent corporate and personal income tax cuts will play a great role in boosting the country's ranking from 18th of 189 countries this year, Areepong Bhoocha-oom, secretary-general of the Office of the Public Sector Development Commission, said in a seminar entitled "Paying Taxes 2014" hosted by PwC Thailand yesterday.

Thailand has lowered corporate tax to 20% from 30% while lowering the ceiling of personal income tax to 35% from 37% and widening the tax brackets to seven (5%, 10%, 15%, 20%, 25%, 30% and 35%) from the previous five (5%, 10%, 20%, 30% and 37%).

This year, Singapore ranks highest for ease of doing business, followed by Hong Kong, New Zealand, the US, Denmark, Malaysia and South Korea. Thailand's ranking was unchanged for a third year.

"Our ranking in the 'Doing Business' report this year is 18th of the 189 countries. The 2013 ranking has resulted from evaluation in the previous year. I believe our ranking will improve after the tax reductions have been taken into account," said Mr Areepong.

He said the civil service needs to

clarify and shorten its processes, increase use of electronic systems and improve the asset sales procedure of the Legal Execution Department.

PwC Thailand chief executive Sira Intarakumthornchai said Thailand's ranking for the ease of paying taxes has improved from 96th to 70th this year among the 189 economies.

The country is also ranked fifth in Southeast Asia after the recent tax cuts.

Thailand's tax rate averaged 29.8% of profit this year, down from 37.5% in 2006, and this helped raise its payment ranking, said PwC lead partner Thavorn Rujivanarom.

However, the number of payments and the time to spend on tax payments remained unchanged this year at 22 times a year and 264 hours.

For the 189 countries, the tax rate averaged 43.1% of profit, while the number of payments was 26.7 times a year and the payment period 268 hours.

An employee is ready to serve at the Industrial Estate Authority of Thailand's Total Solutions Center in the Makkasan area of Bangkok. The office, which opened last week, offers one-stop service to investors seeking to set up a business or factory in Thailand.

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