



# Tax Policy & Thailand's Competitiveness

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# Things of Beauty



Illustrates  
tax trends &  
FDI climates



Uses  
comparative  
studies



Uses  
firm and individual  
levels data set

# Observations & Recommendations



3 in 1



Effectiveness of Tax Policy vs.  
Tax Responsiveness to tax policy changes

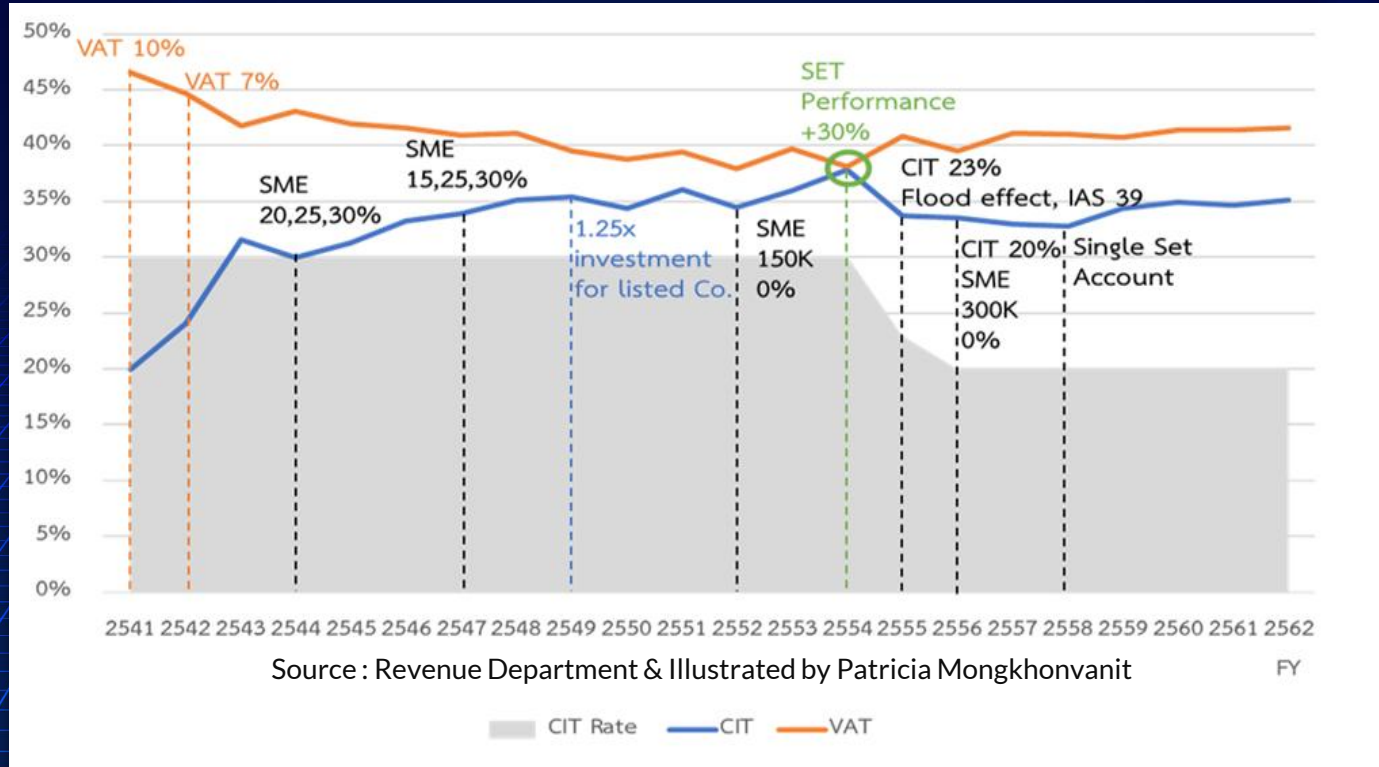


Sustainability vs. Competitiveness



Research Questions vs. Actual Scenarios

# Ratio of CIT & VAT to Total RD tax collection



# Tax incentives to attract FDI : Tax and Location choice decision

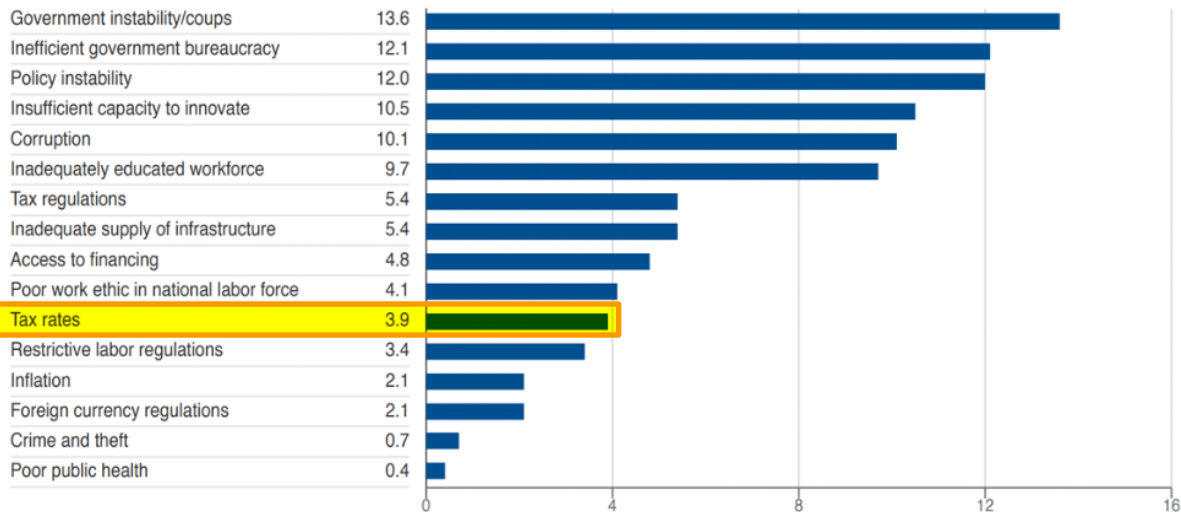
- Importance of Tax incentives vs. Non-Tax Factors

Non-Tax Factors	Tax Factors
High Tech Company	Low Tech Company
With Prior Presence	Without Prior Presence
With Tax Haven connection	Without Tax Haven connection

# Tax incentives to attract FDI : Tax and Location choice decision

## Most problematic factors for doing business

Source: World Economic Forum, Executive Opinion Survey 2017



**Note:** From the list of factors, respondents to the World Economic Forum's Executive Opinion Survey were asked to select the five most problematic factors for doing business in their country and to rank them between 1 (most problematic) and 5. The score corresponds to the responses weighted according to their rankings.



# Tax incentives to attract FDI : Tax and Location choice decision

Wrong package for the right targets vs. Right package for the wrong targets



International tax avoidance vs. Domestic tax avoidance



Tax Incentives to attract FDI vs. Tax Revenue to improve infrastructures



Policy recommendations



# Tax cut to promote investment : Tax cut to boost domestic investment

Boost Investment vs. Expand Tax Base



Tax rate cut vs. Extra deduction for depreciation



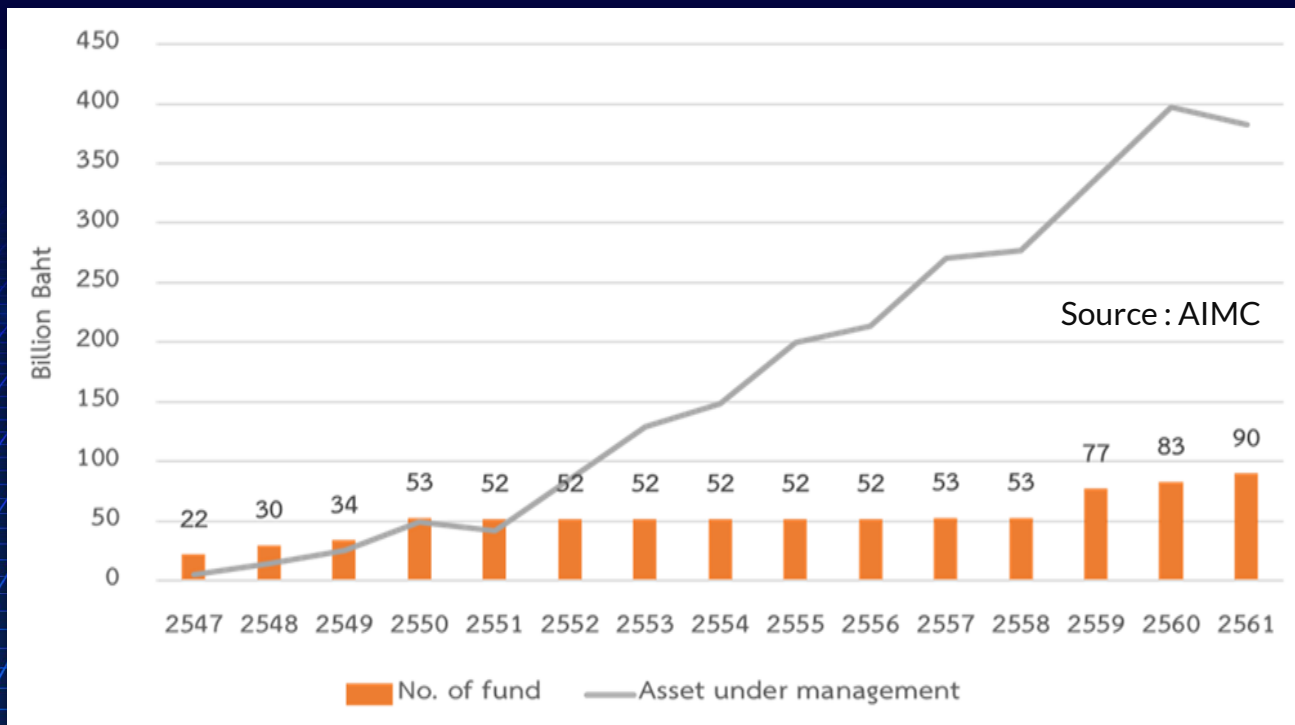
Policy recommendations





# Tax subsidy to promote individual long-term investment

## Long-Term Equity Fund : LTF



# Tax subsidy to promote individual long-term investment

Competitiveness vs. Responsiveness



Promote long-term investment vs. Capital Market Stability



Effectiveness of Tax Policy on Research Question vs. Actual Scenario



LTF vs. PVD, GPF, TPF, RMF



Policy recommendations



Source : <http://knowledge.ckgsb.edu.cn>



## How to balance Fiscal Sustainability & Competitiveness ?

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# Thank you

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