



## **Solving the influx of cheap goods**

The small local producers of household goods have been damaged by the influx of the cheap foreign products into Thai markets.

Because of a tax and tariff waiver, foreign products has been flooded into Thai market. Thailand waived the import duty and VAT on imported parcels with combined prices and cost, insurance and freight fees of no more than 1,500 Baht per piece. More than 30 million parcels are shipped into Thailand and half of them, their price is lower than 1,500 Baht every year. There are more than 20 industrial sectors, such as steel, aluminium, plastics, ceramics, petrochemicals and medicine. The small and medium-sized enterprises (SMEs) is facing with the most negative effect.

For steel industry, the capacity utilization in the industry has been decreased due to a slow economic recovery and also the low-priced steel from a foreign country . Moreover, the dumping steel wire rods into Thailand is one of the factors for causing the decrease of the capacity utilization. Household goods also has been affected by the foreign product, especially via e-commerce platforms.

The anti-dumping and anti-circumvention measures, beefing up customs inspections of imported goods, and expediting the establishment of standards for industrial products shall be enforced in order to protect local businesses. Moreover, the VAT exemption of imported goods at 1,500 baht or less shall be reviewed and the tax collection shall be started from the first Baht.