

Thailand To Help Companies As Floods Spread

Grant Peck, Associated Press

BANGKOK (AP) — Thailand on Thursday offered more help to businesses affected by a national flood crisis as the waters spread deeper into Bangkok and risked cutting off a major highway.

The flooding since late July has killed 533 people and caused billions of dollars in damage, closing hundreds of inundated factories north of the capital. The water has nearly surrounded Bangkok, flooding a dozen of its outer districts and threatening chaos in the crowded city of more than 9 million people.

The floodwaters are trickling onto the main route south from the city, Rama II Road. If the water gets deeper, it will cut off the last dry highway to Thailand's south and likely swamp so-far unflooded areas of southwestern Bangkok.

The industrial closures have had an effect well beyond Thailand, since the factories supply key components for several industries, particularly the automotive and computer sectors.

Thailand's Board of Investment, which grants tax holidays and other privileges to investment projects, already has taken steps to mitigate flood damage, such as giving tax write-offs for damaged raw materials and easing rules on bringing in foreign nationals to help with recovery.

New measures announced Thursday include allowing companies to temporarily outsource all manufacturing in order to maintain customer deliveries and extending by six months import tax exemptions on replacements for damaged machinery.

Especially hard hit by the flooding have been Japanese companies, led by Honda and Toyota, that were forced to close assembly plants in flooded areas. Some have complained they were not given timely and accurate information that would have allowed them to prepare for flooding.

On top of Thailand's political instability in recent years, the floods have raised the possibility foreign investment projects may relocate elsewhere in Southeast Asia.

Prime Minister Yingluck Shinawatra has tried reaching out to Japanese businesses. Japan's ambassador accompanied Yingluck on an inspection this week in Ayutthaya, just north of Bangkok, where several flooded industrial estates have begun cleanups.

Virabongse Ramangkura, a former finance minister heading a reconstruction and development committee established this week, said he would consult in Tokyo with officials from Japan's Ministry of Economy, Trade and Industry on how best to aid the stricken businesses.

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