

Thesis Paper Title : Tax and Environmental Incentives to Use
Hydrocarbon Based Air Conditioning Units in
Thailand

Author : Ms. Sepideh Bazrafkan

Major : Master of Law (Business Law)

Academic Year : 2015

Advising Committee of Thesis:

- | | |
|----------------------------------|------------|
| 1. Asst.Prof. Dr. Poom Moolsilpa | Advisor |
| 2. Prof. Vichai Ariyanuntaka | Co-Advisor |
-

ABSTRACT

Environmental protection is one of the most important global issues in 21st century. And Ozone layer depletion is one of the serious environmental problems. Stratospheric Ozone filters out most of the sun's potentially harmful shortwave ultraviolet (UV) radiation. If this ozone becomes depleted, then more UV rays will reach the earth. Exposure to higher amounts of UV radiation could have serious impacts on human beings, animals and plants. Ozone is being destroyed by a group of manufactured chemicals, containing chlorine and/or bromine. These chemicals are called ozone depleting substances (ODS). The main ODS are chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs), carbon tetrachloride and methyl chloroform which mostly are used in Refrigerant and Air Conditioning (RAC) systems.

As a result of this issue protection of ozone layer needs a global effort and immediate action by the help of laws, regulations and standards and at the same time coordination between different public and private stakeholders. Montreal Protocol is one of the international agreements to protect the ozone layer. Thailand is one of the countries which have signed it. Under the Montreal Protocol, Thailand has an obligation to phase out and phase down the use of ODSs. But it would be impossible without having a clear environmental tax law to control import, export and use of ODSs and ODSs based refrigerant and AC units.

At the same time, customs law and customs tariff should have coordination with Environmental Law and environmental authorities.

Thailand does not have environmental tax law to control and ban manufacturers from the production of HCFCs and HFCs based AC units and to ban traders to import them. Lack of environmental tax law is a barrier to incentivize the use of ODSs alternatives, such as Hydrocarbon based air conditioning units. And also all the customs tariff for any kind of gasses which are used in AC units have the same tariff rate and all of them are under the same section in Harmonized system code and this issue works as an disincentive to use HC based AC units.

This study will suggest Thailand to enact environmental tax law and also to amend customs Law and regulation to achieve its obligation under Montreal protocol.

This study will look at the environmental tax law of Australia and the United States as the best case studies, because these two countries were really successful to control and ban the use of ODSs and ODSs bases equipment, even earlier than the time when they were obligated to control and ban import/ export and use of ODSs and ODSs based equipment.

At the end, this study aims to help Thailand to do sustainable business of HC based air conditioning units among ASEAN countries because Thailand plays a major role in business of this region.