

Thai court fines Philip Morris \$4 million for customs violations

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BANGKOK, March 20 (Reuters) - A Thai court on Friday fined the local unit of tobacco company Philip Morris 130 million baht (\$4 million) for dodging tax on cigarette imports from Indonesia.

The Thai public prosecutor filed charges in 2017 against Philip Morris Thailand and seven of its Thai employees for inaccurate price declarations of cigarettes imported from Indonesia between 2002 to 2003.

The court on Friday dismissed all charges against the seven former employees.

Philip Morris Thailand said it viewed the charge as a government move to protect state-controlled Thailand Tobacco Monopoly, and is planning to appeal the court's decision.

"We strongly disagree with today's decision as the decision is contrary to domestic and international customs law," said Gerald Margolis, a branch manager of Philip Morris Thailand.

"We believe this case underscores the country's disregard for the rules in international trade and is the latest in a line of cases against foreign companies that will have an impact on continued and new foreign investment," he said.

The ruling follows a court decision to fine the tobacco giant 1.2 billion baht (\$40 million) last November for similar customs violations regarding cigarette imports from the Philippines.

The World Trade Organization (WTO) has ruled that Thailand had not met obligations under the Customs Valuation Agreement, regarding the valuation of cigarettes imported by Philip Morris Thailand from Philip Morris subsidiaries in the Philippines and Indonesia.

\$1 = 32.5100 baht Reporting by Panarat Thepgumpanat and Panu Wongcha-um; Editing by Kirsten Donovan

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