

Result of EABC Survey - COVID-19 impact on European business in Thailand

EABC ran a survey to assess impact of COVID-19 on European business in Thailand (e.g. impact on business performance and operation) as well as how Government measures meet company's objectives, and whether other measures are needed. This is the report.

We would like to thank you all members who participated - we are highly appreciated for the time you have taken.

As a service to members, EABC provides information about government support, kept up-to-date as best we can in a fast changing policy environment. EABC would like to hear from you about how these measures meet objectives, and whether other measures are needed. EABC will use the survey results to go back to Government with recommendations about gaps and to enhance the cover.

EABC will also provide members' recommendations on changes to these support and relief measures, in order that they may best meet objectives. EABC Working Groups continue to operate on line.

Please be in touch with us at advocacy@eabc-thailand.org with any concerns about coverage, or recommendations you may have.

Key Finding from the Survey

Number of companies responded: 25 companies

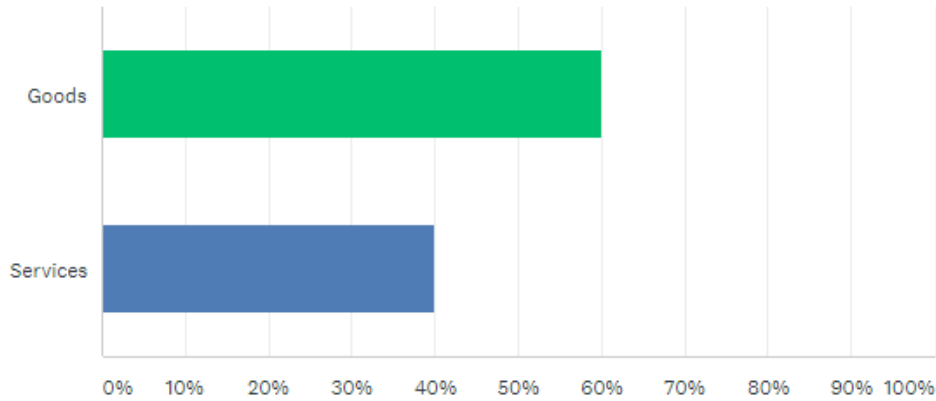
Survey period: 11th - 29th April 2020; Report done 30th April 2020.

Key information about results based on participation:

- 60% of companies primarily deliver goods and 40% offer services
- Engaged by companies in various sectors covering most EABC Working Group
- 60% are SMEs with below 200 employees in Thailand; 40% of Companies are large size company with more than 200 employees in Thailand.
- More than half of companies found significant negative impact on company's overall business performance and no company had positive impact due the current COVID-19 situation.

- More than 50% of companies are facing significant impact on company's everyday operation (e.g. Work from home policy, Loss of opportunity to attend business meetings due to cancellation of appointments and business trips within Thailand and abroad).
- The point of most impact is decrease in revenue/ sale (80%), followed by a slowdown in Thailand's domestic consumption (52%), Challenges in international logistics shipping of products e.g. export/import (52%), Lack of operational cash flow(28%), Challenges in domestic logistics (e.g. goods movement) due to lock down of some areas (16%), Difficulties in obtaining supplies of raw materials essential for production (16%). The least area of business which affected are Issues with changing business strategies and offering alternative products/services (12%)
- Government's current withholding tax measures is the most beneficial relief measure to most companies (40%). While Employment support measures (Social Security Funds: SSF) accounted for (24%), Speeding up the VAT refund measures (12%), Soft loans 12.00% and Extending Corporate Income Tax Submission (8%) and AGM deferral 4.00%. No company participating found that Government's Tax Measure for Debt Restructuring 0.00% is appealing to be useful.
- Additional requests for business continuity which are apart from the current government relief measures are mainly on subject of additional corporate and individual tax relief measures, further assistance to foreign SMEs (ie benefits should not only be to 100% Thai owned SMEs, increase of government efficiency and effectiveness response to the crisis.

Question 1: What does your business primarily deliver?

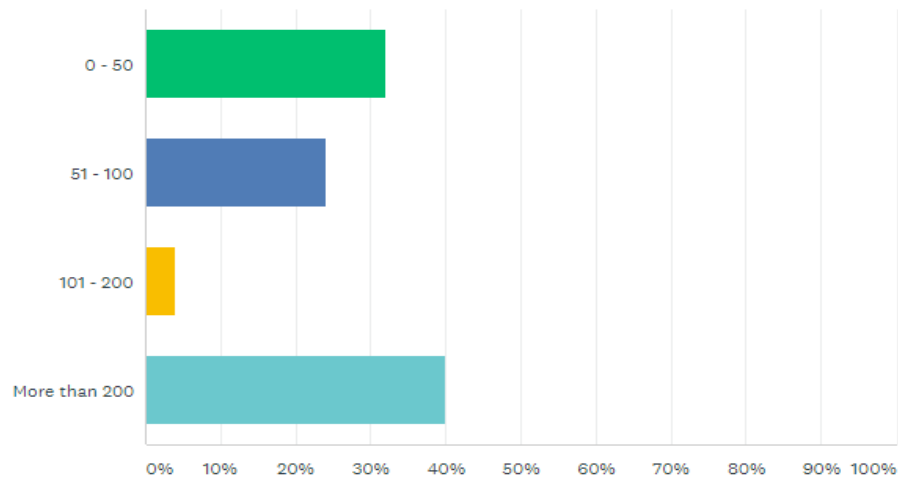


ANSWER CHOICES	RESPONSES	
Goods	60.00%	15
Services	40.00%	10
TOTAL		25

Question 2: Which industry is your company/business in?

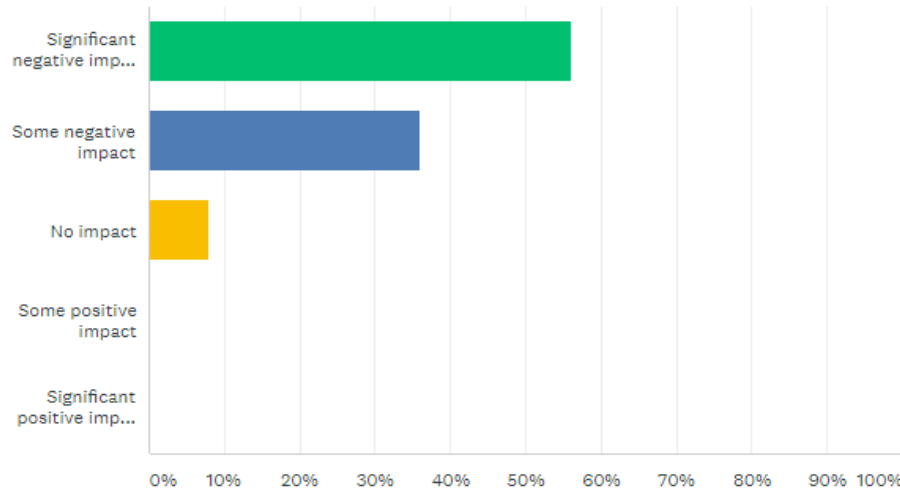
Freight and Logistic, Tobacco, Hospitality, Tourism, Legal, Automotive, Tech and management consultancy, Healthcare, Leisure Yacht Building, Import and distribution, Information Technology, Electrical Manufacturing, Food and Beverage, Manufacturing wood based panels, packaging, chemicals, steel industries, Forest and garden equipment and Consumer products (lenses)

Question 3: How many employees does your company have in Thailand?



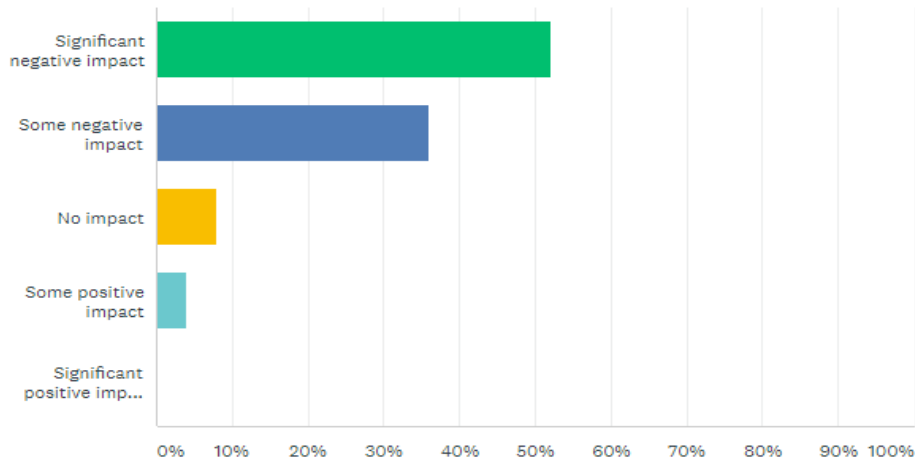
ANSWER CHOICES	RESPONSES	
0 - 50	32.00%	8
51 - 100	24.00%	6
101 - 200	4.00%	1
More than 200	40.00%	10
TOTAL		25

Question 4: Concerning the current COVID-19 situation, how would you evaluate the impact on your company's overall business performance as of now?



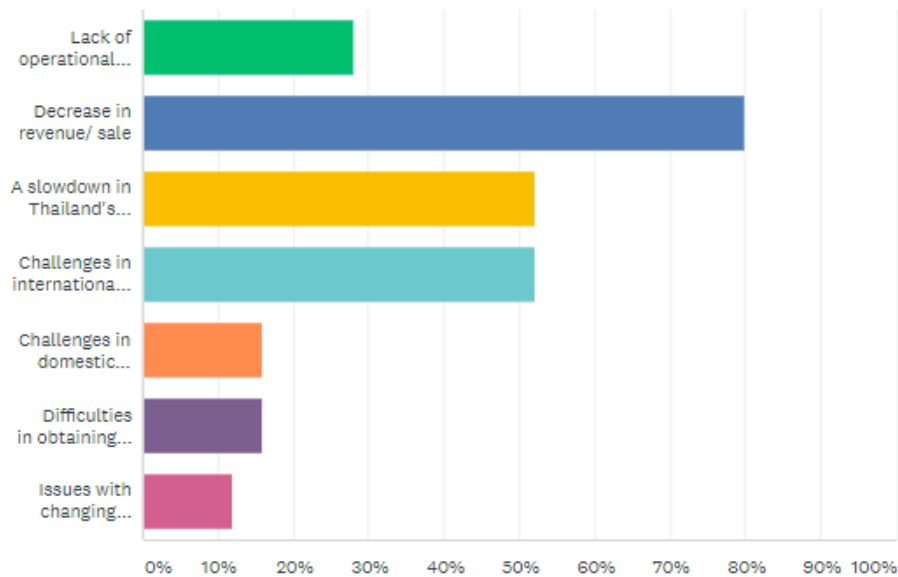
ANSWER CHOICES	RESPONSES
Significant negative impact	56.00% 14
Some negative impact	36.00% 9
No impact	8.00% 2
Some positive impact	0.00% 0
Significant positive impact	0.00% 0
TOTAL	25

Question 5: How would you evaluate the impact on your company's everyday operation? (e.g. Work from home policy, Loss of opportunity to attend business meetings due to cancellation of appointments and business trips within Thailand and abroad)



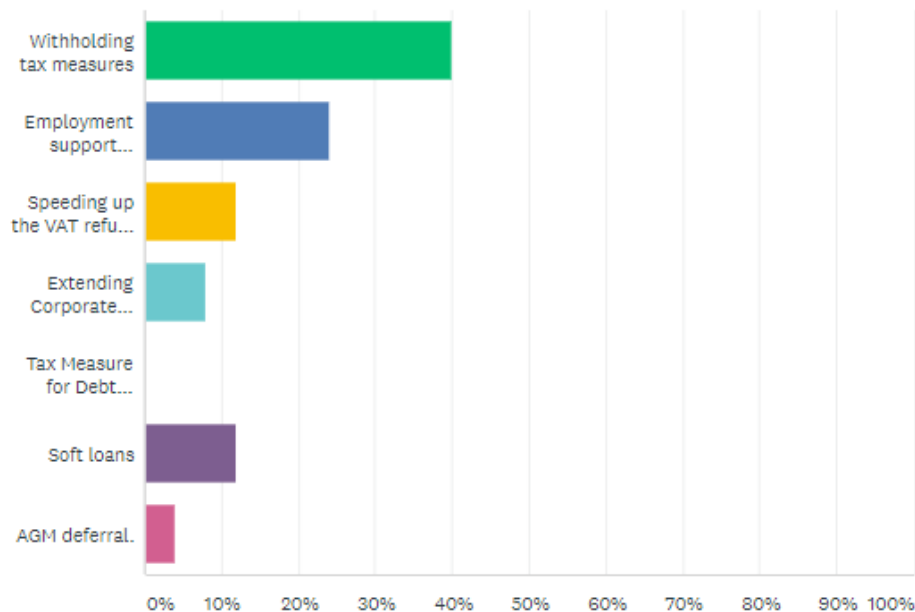
ANSWER CHOICES	RESPONSES
Significant negative impact	52.00% 13
Some negative impact	36.00% 9
No impact	8.00% 2
Some positive impact	4.00% 1
Significant positive impact	0.00% 0
TOTAL	25

Question 6: In which area is your business most affected by the COVID-19 pandemic?



ANSWER CHOICES	RESPONSES
Lack of operational cash flow	28.00% 7
Decrease in revenue/ sale	80.00% 20
A slowdown in Thailand's domestic consumption	52.00% 13
Challenges in international logistics shipping of products (export/import)	52.00% 13
Challenges in domestic logistics (e.g. goods movement) due to lock down of some areas	16.00% 4
Difficulties in obtaining supplies of raw materials essential for production	16.00% 4
Issues with changing business strategies and offering alternative products/services	12.00% 3
Total Respondents: 25	

Question 7: Which Government relief measure appear to be beneficial to your business?



ANSWER CHOICES	RESPONSES
Withholding tax measures	40.00% 10
Employment support measures (Social Security Funds: SSF)	24.00% 6
Speeding up the VAT refund measures	12.00% 3
Extending Corporate Income Tax Submission	8.00% 2
Tax Measure for Debt Restructuring	0.00% 0
Soft loans	12.00% 3
AGM deferral.	4.00% 1
TOTAL	25

Question 8: Considering question no. 7, what is missing from the government relief measure? (b) What are your additional requests for business continuity and related objectives?

Tax measurement

- Excise tax payment upon importation instead of pre-payment (upon receiving tax stamps).
- These may include postponing any regulatory change or implementation of any regulations that would otherwise increase direct or indirect tax burden for consumers or tax-payers.
- Corporate income tax reduced, personal income tax reduced
- No tax should be increased in two years
- providing more tax incentives for companies that retain employees during the challenging period

Operational relief measure

- Further support to individuals and SME's.
- Government support to help companies regards payment of salary of employee
- Assistance to Foreign SME companies
- Support for keeping business afloat and more roles from banks in order to facilitate businesses

Others;

- Shorter lockdown measures
- Clear comprehensive recovery plan / or communication
- Ease of labor law.
- Lift the travel restrictions
- Less Red tape from the Custom department and more understanding from BOI staff

Please do be in touch with any questions or requests. The capable staff in the EABC office can be reached as follows: – Dr Charanya Nopnukulvised, Operations Director at director@eabc-thailand.org and Ms Pimwan Pongsuwan, Policy Manager at advocacy@eabc-thailand.org