

European Association for Business and Commerce (EABC)

Bangkok, November 23, 2020.

Safe Border Opening – An Imperative for Economic Recovery

Thailand has won accolades for its Covid-19 response. Community infections are extremely low and contagion is unlikely; however, the Kingdom has been risk-averse to the point of forgoing opportunities for economic recovery. Barriers to foreign entry remain due to fear of imported cases, which has been called a ‘zero’ mindset. 14-day quarantine continues, and only ‘semi-commercial’, repatriation and cargo flights are operating. Thailand is suffering from lack of technical personnel and business visits, and a tourism industry in meltdown. The economic and social impact is severe. Safe border opening is essential for economic survival and recovery. This necessitates reducing and eventually phasing out quarantine periods.

Summary

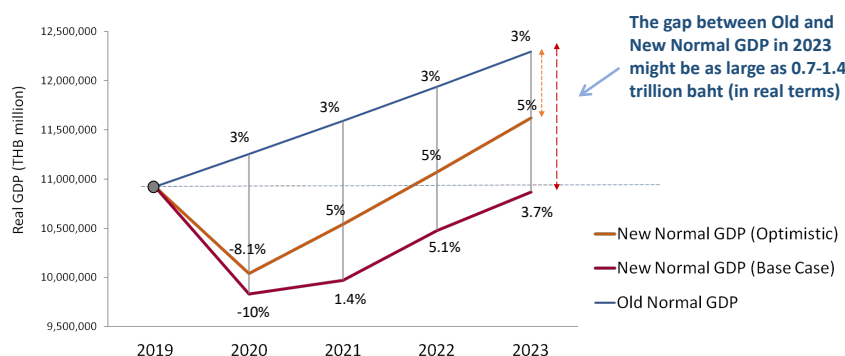
EABC focuses on three groups of visitors with different risk profiles and economic impact:

- i. Short-stay professionals (technical skills, engineering, arbitration, mediation, etc.), short-stay businesspeople for managing investments, FDI purposes, where no quarantine should be needed.
- ii. Tourism, with an accelerated reduction of quarantine time, from 14 days to none.
- iii. MICE (which could fit into either category).

with border opening and safe short stays supported.

Economic background

Thailand’s economy is expected to contract by about 10% in 2020¹. The scenario analysis below predicts the length of time needed for full economic recovery² of two to three years:



In the meantime, there is business failure, unemployment and partial employment and far greater dependence on government support. While there is unallocated capacity, government support programmes are finite and SMEs are not confident of survival and many have closed³. Larger retail businesses have closed.

Roughly **70% of the economy is made up of exports and tourism**⁴.

Exports of goods and services account for 54% of GDP. Thus, manufacturing, production, maintenance, commissioning, new FDI etc. are vital. Exports could decrease by 10% (TRDI) to almost 14% this year (UTCC). The economy needs a steady influx of professionals with technical

¹ World Bank, GDP -10.4%, Bank of Thailand -8.1%, others 7.3%,

² Source: Dr Charl Charl Kengchon, Executive Chairman, Kasikorn Research Center, BOI webinar 5 August 2020

³ Source – Asia Foundation research at ISEAS 30 Oct 2020

⁴ 54% exports/18% Tourism – TDRI 9 October 2020.

know-how in order to support engineering projects, operations and maintenance, as well as business people to boost FDIs, capital inflows and business continuity.

Tourism accounts for almost 18% of GDP. Tourist arrivals in 2020 are expected to decrease to 7-8 million from 39.8 million in 2019⁵, with only 12.5 million in 2021⁶.

Support for short stays for technical and business visits should be available now. Conversely, tourism should adopt a moderated development path, starting with 14-day quarantine and progressively decreasing to 0 days.

Safe Border Opening

A. As Covid-19 testing becomes less costly, more reliable, more available and affordable with shorter time to results, EABC recommends increasing testing capability at all entry points, and installing large-scale testing facilities at major airports.

B. Foreign nationals who live in Thailand and need to apply for, extend or convert non-immigrant visas, or work permits should not have to leave the Kingdom.

C. To support short stays, safe substitutes for quarantine are needed. It is recommended to start with green lane and bubble economies for professional, technical and business people (exceptions may be made if essential skills cannot be feasibly locally sourced):

- i. government-approved test before departure (co-operation with foreign governments needed to work out protocols, availability and mutual recognition);
- ii. government-approved tests at arrival airport;
- iii. observe local hygiene practices (see item E);
- iv. visitors should be contactable at all times. The proposed smart wristband⁷, introduced on 1 November 2020, needs checking for functionality; in some cases allow for an 'escort'
- v. report symptoms daily
- vi. some areas may be off limits (e.g. 'hotel-to-factory' / 'hotel to office' model);

D. Online filing for all aspects, not just SOE. Streamline the process, without lessening the rigour of checks.

E. Basic personal and group hygiene (no exceptions) for all:

- masks;
- hand washing;
- respect social distancing.

F. Insurance policies from global brands should be recognized by the Thai Government and accepted by medical care providers.

G. Enhance public health infrastructure for Covid-19 response and support, with economic recovery budget, if needed.

H. Where quarantine of some period may still be needed, allow it to be done safely at home.

I. Public and private sector-supported campaign to highlight the importance of enacting these measures so as to contribute to the economic recovery and well-being of the Thai people. Procedures should be in place in the event of infection cases.

⁵ Bank of Thailand estimate 8m, although 6.9m arrivals were reported in first 3 months, with low numbers since

⁶ Tourism Authority of Thailand (TAT) forecasts for 2021, mid case of three

⁷ Ministry of Digital Economy & Society 1 Nov 2020