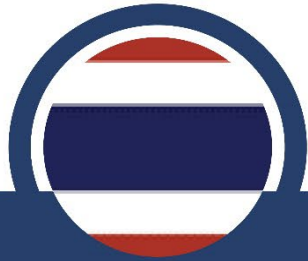


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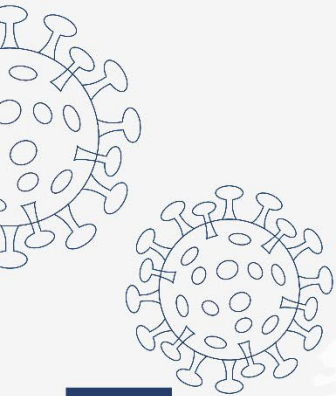
FROM EMERGENCY RESPONSE TO POST-PANDEMIC RECOVERY

Country Experiences: Thailand



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The Office of Economic and Social
Development Council





Today's talking points

01

Impacts of Covid-19 on tourism industry in Thailand

- micro level
- macro level

02

Policies and responses to Covid-19 for tourism industry

03

Lesson learnt

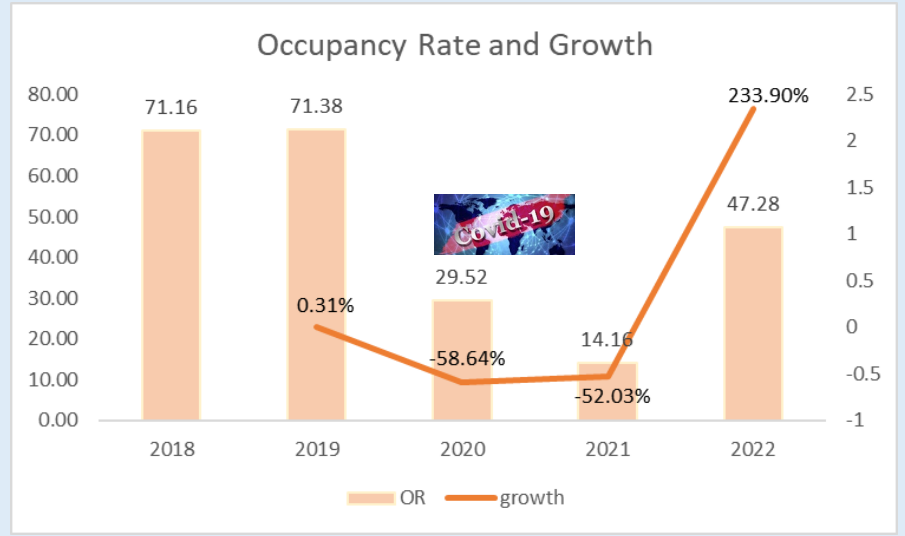
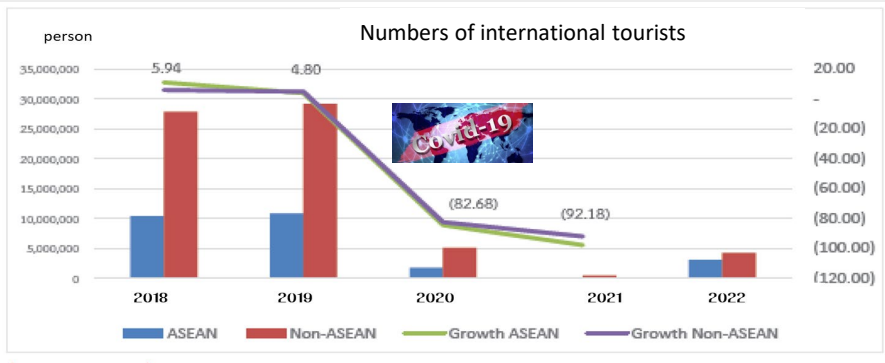
Covid-19 impacts on Thailand's GDP were significant, worse than 2008 global financial crisis, with average annual growth of 2-7% prior to Covid-19 to just -6.1% in 2020



%	2018	2019	2020	2021					2022				
				all year	Q1	Q2	Q3	Q4	all year	Q1	Q2	Q3	Q4
GDP	4.2	2.1	-6.1	1.5	-2.5	7.7	-0.2	1.9	2.6	2.2	2.5	4.6	1.4
GDP_SA (QoQ)					0.4	0.5	-0.9	1.8		0.8	0.9	1.1	-1.5

Tourism industry took quite a serious hit from Covid-19

Travel restrictions and border closures led to a sharp decline in **tourist arrivals**, resulted in significant **declines in numbers of international flights, tourists, accommodation's occupancy rate and growth nationwide**, but magnitudes varied depending on the region.



Occupancy rates dropped drastically from over 70% to negative 52-58% btw 2020-21

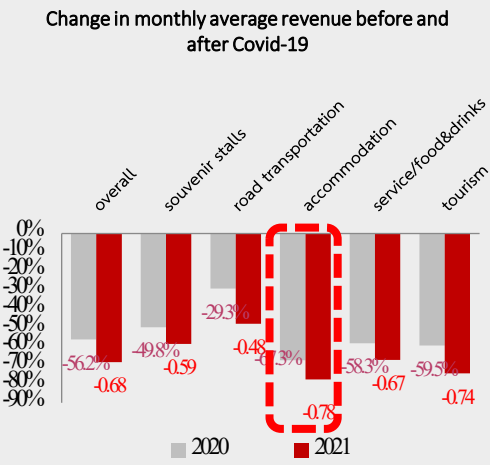
Source : Minister of Tourism and Sports // BoT // NESDC // AOT

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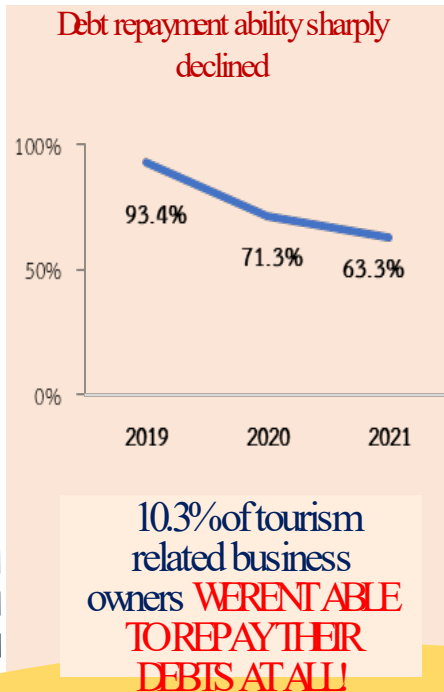
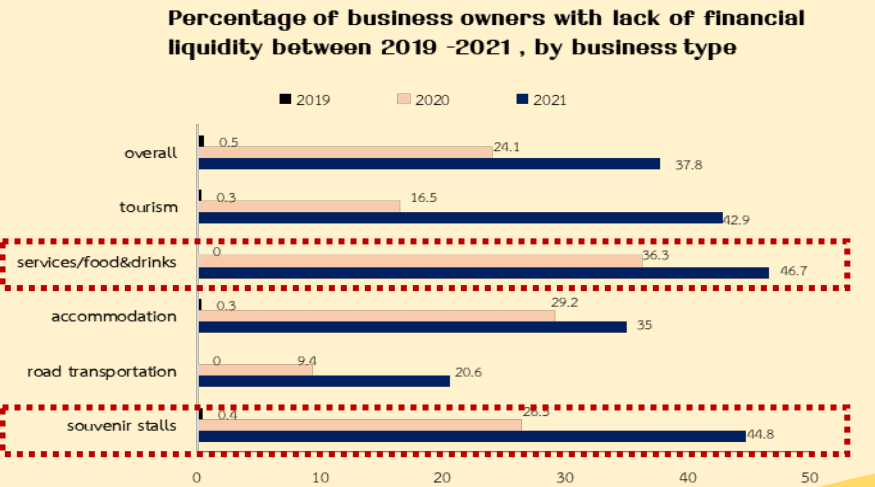
Tourism industry took quite a serious hit from Covid-19 (cont)

Significant declines in numbers of international flights, tourists, occupancy rate, resulted in significant impacts on tourism related businesses (hospitality, tour operation, transportation, and entertainment sectors.), esp. SMEs, nationwide, included revenue losses, business closures, layoffs, job losses, liquidity crisis, and debt repayment inability (unemployment rate went as high as nearly 3% mid 2020 (from usually about 1%))

Less revenues for most related businesses, but most apparent in hospitality, service and tourism



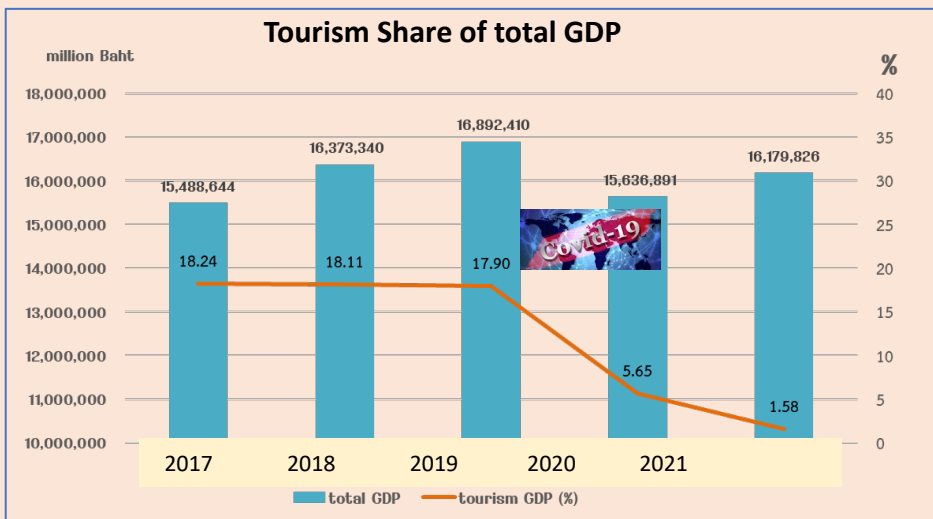
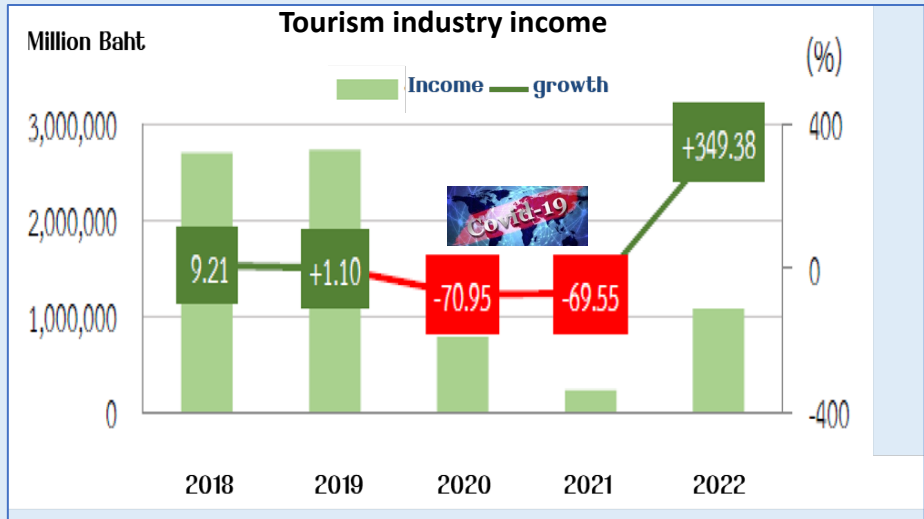
1 in 3 of business owners were faced with financial hardship, struggled with financial liquidity, with an annual average of 10% increase in the number of indebted business owners



Source NESDC's ad hoc survey on SME owners in tourism industry

Tourism industry took quite a serious hit from Covid-19 (cont)

Significant negative impacts and revenue losses in tourism related businesses resulted in drastic drops in the GDP's share from tourism industry



A significant drop in tourism industry income of approximately 70 percent

- 2020 792,534 million Baht
- 2021 241,350 million Baht

GDP's share from tourism industry dropped from 18.24% prior to Covid-19 in 2017 to just about less than 2% in 2021

Source : Minister of Tourism and Sports // BoT // NESDC

Covid-19 response policies and measures : restore, revive to reopen Thailand



Phase 1

Domestic tourism/consumption promotion

- Visit Thailand Year 2022 : Amazing New Chapters campaign – more social responsible/sustainable tourism, community-based tourism
- Co-payment programs : We Travel Together / “Kon La Krueng” (half : half payment)
- Domestic flights subsidy (300 Bper 1 booking)
- Workation Thailand – digital nomad and remote workers
- Tax deduction for businesses’ work trips



Business owners’ relief packages

- Soft Loan/SME D-Money Soft Loan (150 billion B): low interest rates, extended repayment periods, flexible conditions to help financial liquidity problems (building renovation, equipment) // can also use expenses for tax deduction
- Flexible and extended credit terms
- Operation fee exemptions
- Extension of social protection for formal workers in 13 related occupations who suddenly lost their job

Phase 2



Reopen Thailand

- Safety & Health Administration (SHA) to rebuild confidence back to the industry : certified 50,215 establishments
- “No Quarantine” Phuket Sandbox : July 2021 fully vaccinated international tourists with Thailand Pass + negative RT-PCR test result from designated countries could stay (at SHA++cert. accom) and travel throughout Phuket for 7 days then could leave for other provinces
- Test&Go : fully vaccinated travelers were exempted from quarantine

Phase 3

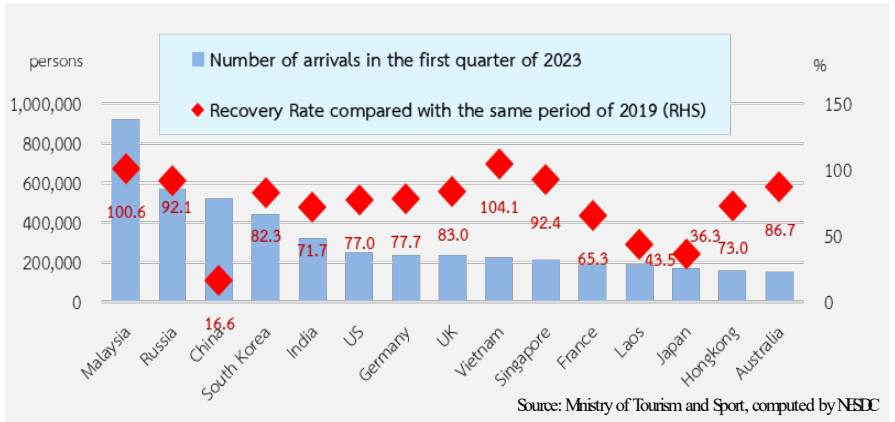
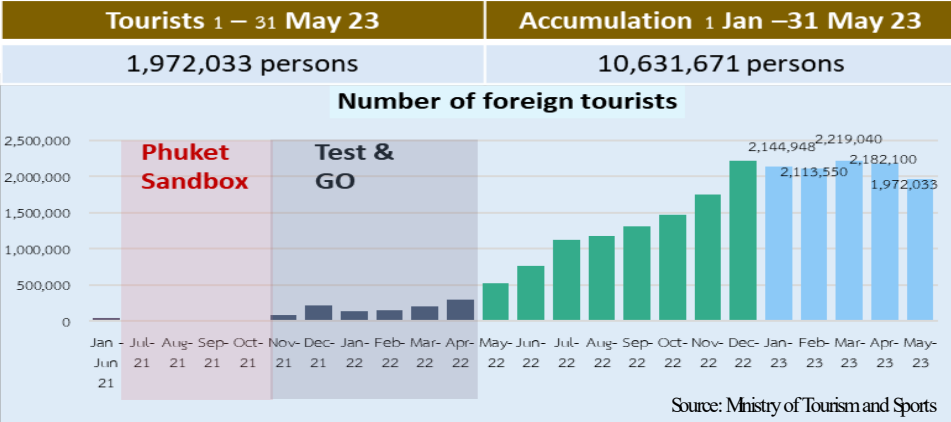


International tourism attractions

- Gradual international restriction lifting : fully reopened Thailand in October 2022
- Extension of stay (1 Oct 22 – 31 Mar 23):
 - Visa upon arrival travelers 15 → 30
 - Free visa travelers 30 → 45
- Shopping Paradise scheme : custom tax exemption on some goods

Covid-19 response policies and measures : restore, revive to reopen Thailand

Tourism sector conditions have notably improved after re-opening country



Catalyzing the recovery in tourism and related service sector

- ✓ Preparing and assisting the tourism sector to be ready for the resuming of foreign tourists such as inbound flight availability, sufficient labor supply for tourism and related service sectors, along with accommodating liquidity for business sector to be able to resume business
- ✓ Promoting the development of high-quality tourism, and enhancing potential, to achieve sustainable tourism. In particular, the emphasis should be placed on enhancing facilities and infrastructure, improving area and environmental management, and ensuring safety of tourists
- ✓ Supporting the tourism promoting events to attract long-term residents with high potential and high purchasing power
- ✓ Promoting domestic tourism to attract Thai tourists who generally prefer traveling abroad to travel domestically instead

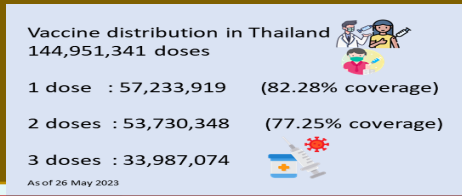
Key success factor: Rapid government responses to the pandemic

National emergency declaration and establishment of Center for Covid-19 situation Administration (CCSA) as a command center to ensure coherent communication with the public and as a clearinghouse for the Government's health policy and operations, led to effective lockdowns and border control rules and measures as well as covid-19 vaccine distribution strategy

- surveillance conducted at points of entry
- risk communication preparedness
- active case finding by village volunteers
- utilisation of ICT in contact tracing (Thai Cha Na) and contactless payments

Rapid establishment of a B2.4 trillion (\$76.8 billion) pandemic relief and stimulus budget for fiscal years (FYs) 2020 and 2021, comprising B1.5 trillion (\$38.4 billion) for fiscal programs and B1.2 trillion (\$38.4 billion) for monetary measures (public health spending, impact relief and economic stimulation)

Well established public health system and Universal Health Coverage, allowing people to get treatments, despite some struggles in the beginning – flattened the curve of the 1st outbreak by June 2020



- Delay in Covid vaccine distribution/production/acquirement
 - Impact assessment would have been more accurate if "definition" of tourism industry is well established
- Key challenges**
- Ability to have labor back in tourism related industries, resulting in poorer-than-usual service standard

A person with a backpack is silhouetted against a sunset sky, standing on a mountain peak. The scene is framed by a large, light-colored triangle that points downwards. The sky is filled with soft, orange and yellow clouds. The overall mood is peaceful and reflective.

谢谢
Thank you