



Swiss Thai



JULY 2020 | SWISS-THAI CHAMBER OF COMMERCE | E-NEWSLETTER #120

Good food, Good life

TOP NEWS

- Deutsche Bank:** Are we past the worst?
- Legal:** Thailand to Relax Rules on T.M. 30 Immigration Notification Requirements
- School News:** The 2020 Graduates of RIS Swiss Section – Deutschsprachige Schule Bangkok bid Farewell / Chemical experiments / Last day of school

SUPPORTED BY



THE PRESIDENT'S MESSAGE

DEAR FRIENDS AND MEMBERS OF THE STCC



PRESIDENT BRUNO G. ODERMATT

I am a big fan of liberal capitalism and believe it is one of the greatest inventions of our human race. However, looking at the most recent protests and social unrest occurring in many places, pundits are surprised by the increasing radical nature of the protests. I truly believe that, looking at its current form, we allowed capitalism to become unbalanced. Some emerging problems emanating from this unbalance is an accelerating inequality of income and wealth, as well as government intervention in regulating individuals and businesses. A significant portion of the productivity gains of the booming

economy of the last 2 decades went to those on the top of the distribution. 1% of the richest Americans own almost as much as the middle class. 10% of ordinary Americans live in poverty and 20% are one car-engine-breakdown away from personal bankruptcy.

When you take a closer look at the latest civil unrests emanating in Minneapolis and spreading across many cities in the USA, the original trigger was a white police officer placing his knee on the neck of an African-American person, for 8 minutes and 46 seconds to be precise. I watched the video many times over and having lived in the USA in the 1990s, I was shell shocked, but still not that surprised. What really bothered me to see was the face of this police officer, displaying a casual and nonchalant expression as he went about his every-day business. He casually put his left hand in his pocket and pressed the knee so as to teach this un-

SERVICE

MEMBER DETAIL UPDATES

Do you have changes among your delegates or changes to your e-mail, mobile, telephone, or fax numbers?

Please send all updates to secretary@swissthai.com



Swiss Thai



JULY 2020 | SWISS-THAI CHAMBER OF COMMERCE | E-NEWSLETTER #120

Good food, Good life

THE PRESIDENT'S MESSAGE

fortunate person some sort of a lesson. It triggered debates about racial relations around the world and one underlying reason, in my view, is the extent of the prevailing inequality. Inequality in race, gender, wealth, income, education, opportunities – you name it. It is no surprise that the Covid-19 pandemic caused more human lives and economic hardship amongst the least privileged, such as racial minorities.

Though I consider myself a Libertarian, I still believe that the government can play a meaningful role, especially in times of an unprecedented crisis. Ronald Reagan famously stated during the economic recession in the early 1980s "Government is not the solution to our problems; government is the problem". Maybe he was wrong. Take the example of the Swiss government. SMEs are the backbone of the Swiss economy, like in other developed economies, and on 25th March the government unveiled an emergency loan package of 20 billion US\$ to support small businesses. In its first week of operation, it disbursed 15 billion US\$ to 76,034 businesses. Even seasoned Swiss people accustomed to the efficiency of the central government were stunned by the speed of implementation of the package. According to the local press, one guy running a family engineering business applied

for a loan on a Friday afternoon, filling out a one page-page application form. The following Monday the money was in his bank account, which helped him to protect his business and to keep the jobs of his employees safe. The cooperation between the federal government and the banking system in making those loans immediately available was just brilliant. In Germany and Italy, politicians urged their governments to follow Switzerland's model.

Thailand is also loosening up its grip on the economic lockdown and is now allowing Thais and foreigners to selectively enter Thailand again, starting on 1st July. The list also includes foreigners who are holding Residency Permit and valid working permits, including spouses and children. It is also extended to foreigners who have residence in Thailand as well as students and teachers. It is a positive step forward and provides some hope. The Bank of Thailand forecasts the economy to tank by 8,1%, which is deeper than the 7,6% contraction of the 1997 financial crisis. However, it should not affect financial stability, as the banking and finance sector is by far stronger as it was in 1997.

The first ever held electronically Annual General Meeting (AGM) of the STCC is behind us and you all received the voting results

SUPPORTED BY





Swiss Thai



JULY 2020 | SWISS-THAI CHAMBER OF COMMERCE | E-NEWSLETTER #120

Good food, Good life

THE PRESIDENT'S MESSAGE

on all items up for vote at the AGM. I am happy to report that all directors were re-elected and the Board was fully discharged. The Chamber Office project and the budget for 2020 was also firmly approved. The STCC leadership team can now move forward with establishing a professional office with a full-time staff and implement all planned key tasks for 2020. It will be a challenging year and we will keep you updated about progress being made on our various projects. We are aware that some of our members are going through difficult times and economic hardship, but let's stay optimistic that the Covid-19 crisis will be soon behind us.

With my best wishes

Bruno G. Odermatt-Maag
President

Contact the President:
Bruno G. Odermatt
President STCC
president@swissthai.com
Tel: +66 2 652 1911

STCC CALENDAR JULY 2020:

Due to the Corona Situation all other activities of the Chamber are put on hold.

More details for above events please wait for the invitation-mail or get it from www.swissthai.com, click on "events".

TRINA
INTERNATIONAL

ONE STOP

Your reliable Partner
in Thailand

+ Swiss Management +
Quality since 1996

One Stop Business Consulting

Start-up, Registration, Visa & Work permit, VAT, SSF, Bank Accounts

Recruiting

all sectors, foreign and Thai Nationals

Accounting Services

incl. VAT, w/t, mid year & year end, reportings

Project Management

Management, Produktion, Marketing, HR

Insurance Solutions

Corporate und Privat, medical, travel, property, car & bike

TRINA Management (Thailand) Co. Ltd.

#193/115; Gusto Grand Ramkamhaeng;

Ratpathana Road, Sapansoong, Sapansoong, 10240 Bangkok

Tel: 02 136 7333 Fax: 02 136 7335

N 13.7883 / E100.7097

info@trina-thai.com www.trina-thai.com

Member of the Swiss Thai & German Chamber of Commerce

WIN CUSTOMERS ONLINE

Branding | Digital Marketing | PR



robert@paperandpage.com
www.paperandpage.com



ECONOMY SPECIAL REPORT BY DEUTSCHE BANK

ARE WE PAST THE WORST?

The Covid-19 crisis has exacted a heavy toll on Asian economies. South Korea and Taiwan managed to contain it without anything like a 'lockdown' of their economies and escaped with relatively mild declines in real GDP although their exporters remain exposed to the collapse of demand elsewhere. Countries that did opt for some kind of lockdown – India, Indonesia, Malaysia, the Philippines, Singapore and Thailand – could experience double-digit declines in GDP as China did.

While most economies are still reporting unprecedented declines in economic activity, China's data continue to show evidence of a sharp, dare we say V-shaped, recovery. Three months after the lockdown of Hubei Province ended, growth rates of industrial production, car sales and property sales have turned positive again. Although relatively modest still, South Korean data likewise show a rebound in consumption, led by autos, after the initial Covid-19 shock.

The Chinese and South Korean experiences are important examples, we think, for what may lie ahead of other economies and we update our surveys of Chinese and South Korean households here. We see the importance of virus containment in restoring confidence and, therefore, spending. For countries just emerging from quarantine, the possibility that their economies might recover almost as quickly as they collapsed is an encouraging one. At the same time, however, Taiwan offers an alternative scenario in which the public's continued strict social distancing, despite its success in containing the virus, may result in sustained weakness in consumption.

But failure to effectively contain the virus in India and Indonesia despite major disruption to economic life could mean they experience a steep decline in incomes but only a fleeting pause in the epidemic and miss out on the strong recovery. 'Second-wave'

outbreaks seem to be occurring in Malaysia and the Philippines as they open up, threatening to derail their recoveries too if households return to isolation.

On a more positive note, China's exports have been surprisingly resilient to the global crisis. The same is true for South Korea's and Taiwan's export volumes (falling petroleum prices obscure the slow pace of decline in real exports of important petrochemical products). Indeed, across the region exports of electronics products, a significant share of most economies' exports, have held up well. The tech cycle seems to have survived the Covid crisis, at least so far. This is a very pleasant surprise which, given the uncertainty about the progress of the virus around the world, offers some welcome upside risk to our forecasts.

Overview: Tech offers some upside risk to a bleak outlook

An easing or termination of lockdown restrictions around the region is allowing for a rebound in domestic economic activities in Asia, although there is considerable uncertainty with regards to the pace of recovery. Data suggest that the economic normalization in China has continued through May, with car sales, property sales, industrial production all above year-ago levels. South Korea is trailing behind, challenged by the emergence of another new cluster of Covid-19 infections in a country that thought it had the virus contained. Hong Kong offers an example of how a second wave outbreak can quickly halt an economy from its recovery path (see our May Asia Macro Insight for details).

India and Indonesia haven't contained their outbreaks and yet are opening up and higher rates of new infection in Indonesia, Malaysia and the Philippines as they open up from 'lockdown' threaten to at least restrain the recoveries there if people respond



Swiss Thai



JULY 2020 | SWISS-THAI CHAMBER OF COMMERCE | E-NEWSLETTER #120

Good food, Good life

ECONOMY SPECIAL REPORT BY DEUTSCHE BANK

by returning to isolation. The economic cost of containment is proving too much for some countries and they may end up in the worst of worlds – a massive decline in incomes yielding only a fleeting pause in the epidemic.

Household sentiment is the main driver of economic activity through this crisis, as voluntary decisions may be more important than government-mandated social distancing policies. We have been surveying households in China and South Korea for a couple of months now to try to offer a guide to how households respond to hopefully successful containment experiences.

Our dbDIG Household Survey continues to point to strong headwinds against a normalization in international travel, which will hold back the recovery in tourism-dependent economies like Thailand. Chinese and Korean households regard going on a cruise vacation as the riskiest activity, with respectively 55% and 58% of respondents indicating they will wait more than three months before resuming such trips. In terms of air travel, 44% of Chinese households say they will wait more than three months, while their Korean counterparts are even more reserved, with 54% avoiding air travel.

Interestingly, Chinese households were more likely than not to say that they are spending more on electronics goods than normal, although that was not the case for their Korean counterparts. When asked if they are likely to replace their electronics within a month about a third of respondents in China said they would, vs. about 12% in Korea and 20% in Europe. Another point of interest in durable goods sales is that, after an initial plunge, we saw a sharp rebound in auto sales in both China and South Korea. In fact, when surveyed, a majority of households in both China and South Korea noted that they were considering to buy a new car.

That's interesting because one of the most notable developments in recent months has been the resilience of electronics exports. We've left Malaysia and the Philippines out of the following chart because their lockdowns since March have prevented many firms from exporting. We've also left India out because it's not yet a major factor in the East Asian supply chain, but it's important to note that India's electronics exports are still growing more than 30%yoy. But as this chart suggests, the tech cycle, which we had identified at the beginning of the year as a positive force, seems too far to have weathered the Covid crisis remarkably well.

GLOBAL HD TV



Weltweit europäisches Fernsehen über das Internet empfangen!

Mehr als 50 deutschsprachige und **NEU** die 4 französisch- und italienischsprachigen schweizer Sender! Integrierte digitale Fernsehzeitschrift und Aufnahmemöglichkeit. Alle Sendungen bis zu 14 Tage zurück abrufbar!

www.globaltv.to Hotline Thailand 080 643 3640 werktags von 9 - 15 Uhr



ECONOMY SPECIAL REPORT BY DEUTSCHE BANK

Better-than-expected exports performance offers some upside risk to growth in economies that weren't shut down for most of Q2. And if the tech cycle continues into the second half of the year then this could be an important differentiator between economies. However, given the considerable uncertainties with regards to the global economy's recovery path and therefore the exports outlook beyond this quarter, we have refrained from making significant upward forecast revisions, except in Singapore where the authorities have announced another very significant stimulus package.

While the peak of the Covid-19 outbreak appears to be behind most economies in the region, Asia's authorities continue to put forth additional fiscal stimulus to support the recovery, which we discuss in detail in the country sections. Income replacement is a common theme in stimulus packages, with governments sending money directly to households. This is often more important than government spending initiatives. The increase in deficits this year is possibly unprecedented, and poses a significant challenge to finance. Interestingly, while a larger share of respondents in both China and South Korea say that they are likely to spend the financial assistance from the government, that was not the case in Europe where households say that are as likely to save it.

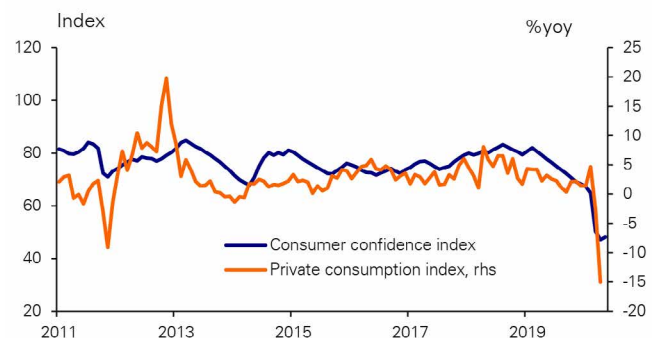
Thailand

- Its nationwide lockdown points to a significant negative shock to Thailand's domestic demand and tourism in Q2. While the government's phased-in reversal of lockdown orders limits the rebound in economic activities at the outset, it also ensures their sustainable recovery. Meanwhile, exports have been surprisingly resilient and, together with a large fiscal stimulus package, they pose upside risks to our 2020 GDP growth forecast of -6.9%.

Although Thailand extended its state of emergency until end-June, it entered a third phase of easing of nationwide lockdown orders this month, allowing for

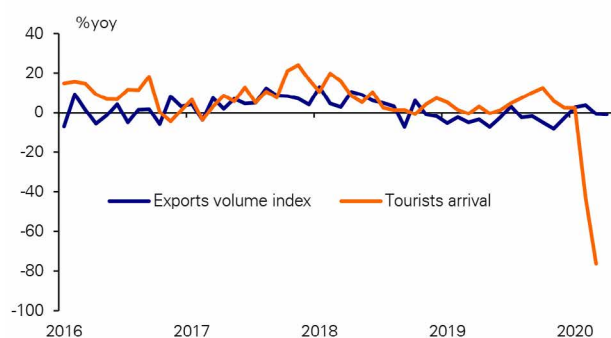
the shortening of the curfew (to 22:00-03:00 from 22:00-4:00) and inter-provincial travel/flights, with all passengers required to wear face masks on public transportation. And, moderate-risk businesses, including boxing stadiums, massage parlours, spas and convention venues, were allowed to reopen. This follows the second phase, which began on 17 May, allowing for the reopening of malls, beauty clinics, gyms, library and museums. The first phase started on 3 May, allowing for the reopening of relatively low-risk businesses, including golf courses and restaurants. A successful completion of the third phase would allow for all lockdown-related measures to be lifted from 1 July, including international flights.

Consumption collapses



Source: CEIC, Deutsche Bank Research

Goods exports fare far better



Source: CEIC, Deutsche Bank Research

As of 10 June, the total number of Covid-19 cases in Thailand stood at 3125, translating into an infection rate of 45 out of 1mn people, with a recovery rate of 95.4%.



Swiss Thai



JULY 2020 | SWISS-THAI CHAMBER OF COMMERCE | E-NEWSLETTER #120

Good food, Good life

ECONOMY SPECIAL REPORT BY DEUTSCHE BANK

Not surprisingly, the nationwide lockdown resulted in a significant economic cost to Thailand. The tourism sector came to a complete halt, with the number of international visitors falling to zero in April, vs. a monthly average of 3.3mn in 2019. Just a couple of months prior to the declaration of the Covid-19 pandemic, in December/January, the number of international visitors to Thailand stood at 3.9mn. A rebound in tourism activities is likely to take some time, weighing on Thailand's growth through 2020. In fact, our proprietary dbDIG Households Surveys suggest that the majority of households remain reluctant to travel by plane and ship. With the tourism share of GDP at over 11%, this bodes badly for its recovery path, confirming our view that Thailand may be one of the worst-hit economies in the region, with growth at -6.9% in 2020. Its recovery could be significantly faster than our current forecast of 4.2% growth in 2021, if effective antiviral drugs and a vaccine against the virus are developed and distributed earlier than expected.

On the other hand, Thailand's goods exports fared better than expected, rising 2.1% in April, vs. 1% in Q1, despite the plunge in manufacturing PMIs. This strength owes much to the 151% surge in exports of vehicles. At the same time, Thailand's electronics exports also expanded, rising 3.3% in April, contrib-

uting positively to the headline growth, albeit down from 5.1% growth in Q1.

Meanwhile, the phased-in easing of lockdown orders suggests a rather limited rebound in domestic demand until Q3, after a sharp lunge in Q2. Private consumption plunged 15.1% in April, led by a 37.5% fall in durable goods sales and a 31.9% fall in services, while a sustained contraction in payrolls (1.1% fall in April) continues to weigh. A services rebound is also likely to be limited in the absence of effective treatment against or vaccine for Covid-19. Meanwhile, investment continued to contract, by 6.1% in April vs. a 6.7% fall in Q1.

In Q2, destocking is likely to result in a considerable drag on Thailand's headline GDP growth, after its large positive contribution in Q1. We continue to see about a 9% qoq decline in GDP in Q2 GDP, which, if realized, would mark its fastest decline since the AFC. Having said that, we believe Q2 will mark the trough of this cycle, with a rebound likely from Q3 onwards.

To support the recovery, earlier this month, Thailand's parliament finally approved its largest stimulus package ever, worth THB1.9tn, THB1tn of which will be financed by bond issuance, largely in domes-

Life skills for professionals Professional skills for life

Did you know.... 93% of employers agree that soft skills are a key hiring factor
75% of long-term career success depends on soft skills

Discover our 5 hospitality management schools in Switzerland with specialisations in:

- Entrepreneurship
- Luxury Brand Management
- Resort & Wellbeing
- Finance
- International Business
- Culinary Arts
- Design Management
- Events Management



Contact Details: **SWISS EDUCATION GROUP**
T: 02 652 1481 : www.swisseducation.com (ENG)
www.swisseducation.ac (THAI)



ECONOMY SPECIAL REPORT BY DEUTSCHE BANK

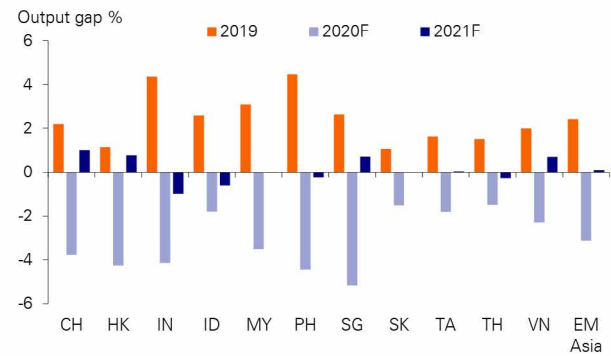
tic debt through September 2021. As a result, the government sees the public debt rising to 57% of GDP in 2021 (still below the limit of 60% under fiscal rules). The remainder, THB900bn, will come from the BoT in the form of financial market support. Of the THB1tn, THB600bn would be used for direct support to the temporary, contract and self-employed workers whose businesses have been adversely affected by the Covid-19 outbreak - including a monthly cash handout of THB5k from April to September, while the remaining THB400bn would be used for infrastructure investments and job creation. This includes about THB45bn spending for “healthcare readiness”

In addition to the 75bps rate cut to its policy rate and liquidity injection, the Bank of Thailand’s financial support includes THB400bn for the Corporate Bond Liquidity Stabilization Fund and cheap funds for FIs to lend THB500bn of loans to SMEs at an annual interest rate of 2%. FIs will also provide a moratorium on principles and interest payments for six months on loans of up to THB100mn. In addition, the commercial banks’ contribution to a financial bailout fund was cut to 0.23% of deposits from 0.46%. **This provides the BoT with room for one more 25bps rate cut, the likelihood of which is now better than even amid renewed strength in the Baht and falling CPI inflation, to -3.4% in May. We expect the next rate cut to take place in July.**



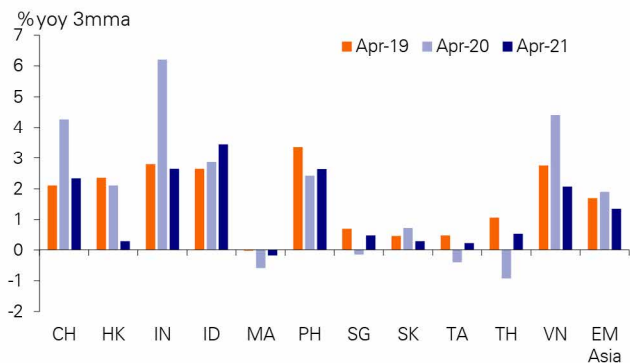
Juliana Lee,
Chief Economist, +852 2203 8312

EM Asia output gap



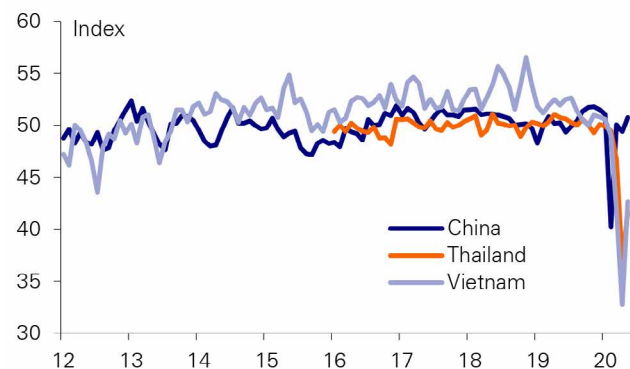
Sources: CEIC, Deutsche Bank Research

EM Asia CPI inflation



Sources: CEIC, Deutsche Bank Research

Mfg PMI – China, Thailand, Vietnam



Sources: Haver Analytics, Deutsche Bank Research

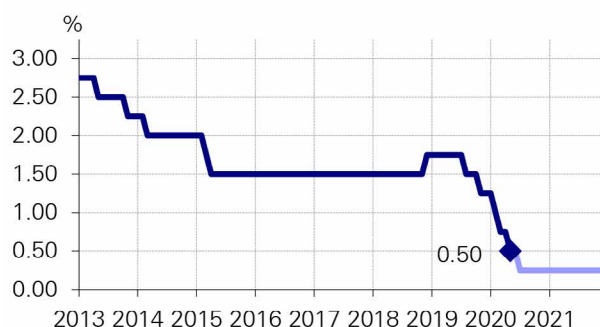
ECONOMY SPECIAL REPORT BY DEUTSCHE BANK

Thailand – Inflation (CPI)



Note: Next CPI release: 3 Jul, Deutsche Bank forecast (previous): -2.0% (-3.4%)

Thailand – 1-day Repurchase Rate



Note: Next policy meeting: 24 Jun, Deutsche Bank Rate Call: No change in rates expected

Thailand

	2018	2019	2020F	2021F
National Income				
Nominal GDP (USDbn)	506.6	543.8	495.1	535.8
Population (mn)	66.4	66.6	66.8	67.0
GDP per capita (USD)	7,383	7,752	7,406	7,998
Real GDP (YoY%)	4.2	2.4	-6.9	5.0
Private consumption	4.6	4.5	-1.5	5.0
Government consumption	2.6	1.4	2.0	2.9
Gross fixed investment	3.8	2.2	-6.5	4.6
Exports	3.3	-2.6	-14.2	10.8
Imports	8.3	-4.4	-11.2	10.5
Prices, Money and Banking				
CPI (yoy %) eop	0.4	0.9	-1.2	1.4
CPI (yoy %) ann avg	1.1	0.7	-1.4	1.2
Core CPI (yoy %) ann avg	0.7	0.5	0.2	0.4
Broad money	5.1	4.1	6.4	6.1
Bank credit ¹ (yoy %)	5.9	1.8	5.2	5.5
Fiscal Accounts (% of GDP)¹				
Central government surplus	-3.4	-2.7	-4.2	-2.5
Government revenue	15.5	15.2	15.8	17.1
Government expenditure	18.9	17.9	20.1	19.6
Primary surplus	-2.1	-1.6	-3.0	-1.3
External Accounts (USD bn)				
Merchandise exports	251.1	243.0	211.0	228.6
Merchandise imports	228.7	216.4	194.9	216.0
Trade balance	22.4	26.6	16.1	12.5
% of GDP	4.4	4.9	3.3	2.4
Current account balance	28.5	37.3	8.0	11.2
% of GDP	5.6	6.9	1.7	2.1
FDI (net)	-8.0	-7.1	-6.8	-9.0
FX reserves (eop)	205.6	224.3	219.6	221.4
FX rate (eop) USD/THB	32.5	30.2	32.1	31.3
Debt Indicators (% of GDP)				
Government debt ¹	38.4	38.4	45.2	46.1
Domestic	36.3	37.5	44.3	42.8
External	0.9	0.9	0.9	0.9
Total external debt	32.1	31.7	36.9	36.1
in USDbn	162	172	182	193
Short-term (% of total)	59.4	59.2	59.4	59.3
General				
Industrial production (YoY%)	3.7	-3.6	-3.0	4.0
Unemployment (%)	1.1	1.0	2.2	1.5
Financial Markets (eop)	Current	20Q3F	20Q4F	21Q1F
BoT o/n repo rate	0.50	0.25	0.25	0.25
3-month Bibor	0.63	0.40	0.40	0.40
10-year yield (%)	1.18	0.85	0.70	0.80
USD/THB	31.3	32.2	32.1	32.1

Sources: CEIC, Deutsche Bank Research, National Sources
 Note: (1) Excludes extra budgetary items.



Swiss Thai



JULY 2020 | SWISS-THAI CHAMBER OF COMMERCE | E-NEWSLETTER #120

Good food, Good life

ECONOMY SPECIAL REPORT BY DEUTSCHE BANK

NEWS RELEASE



Major Impact from COVID-19 to Thailand's Economy, Vulnerable Households, Firms: Report

BANGKOK, June 30, 2020 – Thailand's economy is expected to be impacted severely by the COVID-19 pandemic, shrinking by at least 5 percent in 2020 and taking more than two years to return to pre-COVID-19 GDP output levels, according to the World Bank's latest **Thailand Economic Monitor**, released today. The COVID-19 pandemic shocked the economy especially in the second quarter of 2020 and has led already to widespread job losses, affecting middle-class households and the poor alike.

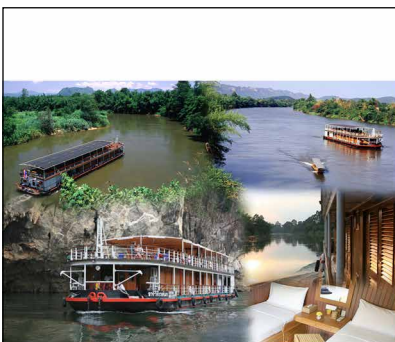
While Thailand has been successful in stemming the tide of COVID-19 infections over the last three months, the economic impact has been severe. The tourism sector, which makes up close to 15 percent of Thailand's GDP, has been hit hard, with a near cessation of international tourist arrivals since March 2020.

Exports are expected to decline by 6.3 percent in 2020, the sharpest quarterly contraction in five

years, as demand for Thai goods abroad remains weakened by the global slowdown. Household consumption is projected to decline by 3.2 percent as movement restrictions and dwindling incomes limit consumer spending, especially in the second quarter of 2020.

As Thailand starts to ease mobility restrictions, domestic consumption, Thailand's traditionally strongest driver of growth, may pick up in the second half of 2020 and in 2021, but economic recovery will be gradual and uncertain. In the baseline, the Thai economy is projected to grow by 4.1 percent in 2021 and by 3.6 percent in 2022, which represents a slow recovery to pre-COVID GDP output levels by mid-2022. The shape of the recovery is subject to considerable downside risks, including weaker global growth, feeble tourism, and continuing trade and supply chain disruptions.

"The strength of the economic recovery will depend in part on an effective policy response, in particular effective support to vulnerable households and firms," said **Birgit Hansl, World Bank Country Manager for Thailand**. "As the recovery phase begins, a key challenge will be how to help people who lost their jobs reconnect with the labor market. Active labor market measures,



RV RIVER KWAI
Discover the River Kwai Valley in Thailand on a unique and relaxing 4-day/3-night or 7-day/6-night cruise aboard the RV River Kwai, a spacious colonial style river cruiser.

Tel: 66-26401400, 66-847614545
res@cruseasia.net
cruseasia@gmail.com
www.cruseasia.net



VIP Jets
VIP Jets are at your service for private jet flights from Bangkok to anywhere in South East Asia.

CONTACT: VIP Jets
+66 81 844 6759, +66 81 823 0660, +66 2 626 2121
Email: vip@vip-jets.net
www.vip-jets.net



ECONOMY SPECIAL REPORT BY DEUTSCHE BANK

such as wage-subsidies targeted to individuals in the most vulnerable sectors, and for on-the-job training to promote reemployment should be explored.”

An estimated 8.3 million workers will lose employment or income by the COVID-19 crisis, which has put many jobs, in particularly those related to tourism and services, at risk. The report finds that the number of economically insecure, or those living below USD 5.5 per day (in purchasing power terms), is projected to double from 4.7 million people in the first quarter to 9.7 million people in the second quarter of 2020. In particular, the share of economically insecure middle-class households with workers in the manufacturing and services sector will rise by three-fold, from 6 percent to 20 percent.

To protect vulnerable households, the report recommends extending social protection coverage to ensure that no gaps remain for the elderly and migrant workers. The report also recommends continuing cash transfers for the most vulnerable groups and, where possible, linking such transfers to training, mentoring, and other types of support that could create income-generating opportunities. Over the medium term, Thailand could consider establishing programs with universal benefits to help cushion against epidemic outbreaks as well as other negative shocks, complemented by more targeted programs for the poor.

“For vulnerable firms, the nature of support will need to shift from emergency relief to more support for productive firms that are still standing,” said **Kiatipong Ariyapruhya, World Bank’s Senior Economist for Thailand.** “This includes redirecting fiscal support from emergency measures to temporary job creation programs by easing firm participation in public procurement and public works.”

Going forward, interventions could revamp firm support programs focused on promoting firms and productivity growth, especially towards promot-

ing investments for worker training, management training, and technology adoption.

Download the full report at www.worldbank.org/tem.

Contacts: Bangkok: Kanitha Kongrukgreatiyos, 02-686-8385, 08-1846-1246, kanitha@worldbank.org

For more information please visit:
www.worldbank.org/thailand

Visit us on Facebook:
www.facebook.com/worldbankthailand

Be updated via Twitter: @WB_AsiaPacific

For our YouTube channel:
www.youtube.com/worldbank



ECONOMY SPECIAL REPORT BY DEUTSCHE BANK

THAILAND ECONOMIC MONITOR JUNE 2020: THAILAND IN THE TIME OF COVID-19



Thailand Economic Monitor June 2020: Thailand in the Time of COVID-19

Key Findings

The economic impact of COVID-19 has been severe, particularly due to Thailand's openness to trade and as a tourism hub.

- The Thai economy is projected to contract by 5% in 2020, which is among the sharpest projected declines in the East Asia and Pacific Region.
- Weaker global demand has led to a contraction in global trade, which, in turn, has hit Thailand's exports and disrupted global value chains, such as automobiles, in which Thailand is an active participant.
- The tourism sector, which accounts close to 15% of GDP, has been severely impacted with a near cessation of international tourist arrivals since March 2020.
- Mobility restrictions imposed in response to the outbreak, while critical to flattening the infection curve, have severely dented private consumption, particularly for retail and recreational services. This is reflected in the sales of durables, which have seen a sharp decline of nearly 12% in the first quarter of 2020.

- Weakening demand and falling energy prices have also led to a sharp fall in inflation.

- The outbreak will likely lead to severe job losses, particularly in tourism, due to transmission control and social distancing measures.

- The impact on household welfare is also likely to be severe. The number of economically insecure, i.e., those living below \$5.5 per day, is projected to double from 4.7 million in Q1 2020 to an estimated 9.7 million in Q2 2020, before recovering slightly to 7.8 million in Q3 2020.

- The shape of the economic recovery will be drawn-out and uncertain. Domestic demand drivers such as consumption may pick up as Thailand starts to ease mobility restrictions, but remaining international travel restrictions, trade and supply chain disruptions, will continue to impact the economy, particularly through reduced tourism.

- Economic growth is projected to pick up in 2021 (4.1%) and 2022 (3.6%), with a projected recovery to pre-COVID output levels in around two years. The strength of the economic recovery will also depend on an effective economic response to support vulnerable households and firms.

Supporting Vulnerable Households and Firms

- Thailand's combined COVID-19 response packages amount to 12.9% of GDP, focused on



ECONOMY SPECIAL REPORT BY DEUTSCHE BANK

providing relief to vulnerable households and affected firms.

- The programs are unprecedented for Thailand in terms of size, coverage and variety of instruments.

- A major component includes cash transfers to households and infrastructure projects in the local economy (5.9% of GDP) which will be partially funded through borrowing. In addition, the Bank of Thailand has set up a corporate bond market stabilization fund to help firms rollover maturing bonds (2.4% of GDP) and fund soft loans to SMEs (2.9% of GDP). Tax relief and debt restructuring for firms and households are also included.

- While Thailand has announced sizeable response packages, challenges include connectivity to register for beneficiaries and building an integrated social registry that can provide timely information to target vulnerable groups and provide information to policymakers on program design and gaps.

- Firm interventions could, going forward, be better tailored to sectors that have been especially hard hit by COVID-19 while maintaining coverage of vulnerable firms.

- Thailand will also need to invest in labor market policies and programs that can meet the changing needs of the economy. Training and employment services programs need to be reformed to reflect shifting demand in the labor market, toward more socioemotional skills as well as higher-order cognitive and technical skills.

- In the longer term, policies to support resiliency will be critical. As fiscal space decreases, the rebuilding of fiscal buffers, particularly through enhanced revenue mobilization, will be critical to allow Thailand to respond to future shocks as well as implement planned public infrastructure investments.



JPT & Associates

1041/44 Soi Nai Lert, Ploenchit Rd. Bangkok 10330 Thailand
Phone : +668-0210-7724 E-mail : jpt@jpt-associates.com



Experts in connected metrology
Solutions for quality control
Optical measuring machines



Showroom in Bangkok
www.sylvac.ch asia@sylvac.ch





LEGAL

THAILAND TO RELAX RULES ON T.M. 30 IMMIGRATION NOTIFICATION REQUIREMENTS

Contribution by Tilleke & Gibbins

The Royal Thai Police has issued a notification which relaxes the requirement for property owners or hotel managers in Thailand to notify an immigration office every time a foreign national stays in their property. Titled "The Royal Thai Police Notification on Residence of Heads of Household, House Owners, Landlords, or Managers of Hotels, Who Accommodate Foreign Nationals on a Temporary Basis," the notification was published in the Government Gazette on June 16, 2020, and will take effect on June 30, 2020.

Under the notification, there will still be a duty for landlords or hotel owners to submit a T.M.30 form to an immigration office within 24 hours of a foreign national staying at their premises. However, they are no longer required to resubmit a T.M.30 form every time a foreign national returns to stay at the same place, which was an onerous requirement under the previous version of notification, issued in 1979.

Under the new notification, when the head of a household,

property owner, landlord, or hotel manager submits a new T.M.30 form to the immigration office, they will also be required to indicate the period that each foreign national will stay at their premises, i.e., the arrival and expected departure dates.

In the event that a foreign national travels and stays in another place on an occasional basis, and then returns to stay at the same premises within the period of stay specified in the T.M.30, then a new T.M.30 will need not be submitted each time they arrive. The new rules are applicable to all foreign nationals who stay in Thailand on any type of visa, including holders of multiple-entry visas and re-entry permits which enable the holders to leave and return to Thailand within their visa validity period.

Where to Submit the T.M.30

The T.M.30 must be submitted at the local immigration office where the residence or hotel is located, or to the Immigration Office Headquarters for residences and hotels in Bangkok. It can be submitted in person, by post, online at [\[tion.go.th\]\(http://www.immigration.go.th\), or via the Section38 Android or iOS application \(subject to the requirements of the immigration office\).](http://www.immigra-</p></div><div data-bbox=)

For more information on immigration and work permit matters in Thailand, please contact Penrurk Phetmani at penrurk.p@tilleke.com or +66 2056 5509.



Swiss Thai



JULY 2020 | SWISS-THAI CHAMBER OF COMMERCE | E-NEWSLETTER #120

Good food, Good life

NEW MEMBERS JULY 2020

CORPORATE MEMBERS

Kistler Instrument (Thailand) Co. Ltd.

43 ThaiCC Tower 10th Floor, South Sathorn Road,
Yannawa, Sathorn
10120 Bangkok

Tel: 02 673 9277+8

E-Mail: sales.th@kistler.com

Web: www.kistler.com

Representative: Mrs Tamonwan Cholpration, Country Manager

Alternate-Rep: Mr. Ronnawas Limtrakulthongchai, Sales Manager Accounts

Activity: Kistler is the global leader in dynamic measurement technology for measuring pressure, force, torque, and acceleration. Cutting-edge technologies provide the basis for Kistler's modular solutions.

Customers in industry and science benefit from Kistler's experience as a development partner, enabling them to optimize their products and processes to secure a sustainable competitive edge. The owner-managed Swiss company's unique sensor technology plays a key role in the

evolution of automobile development and industrial automation, as well as in numerous emerging sectors. With a broad knowledge of applications and an absolute commitment to quality, Kistler is making an important contribution to the further development of current megatrends. This includes topics such as electrified drive technology, automated and connected driving, emission reduction and Industry 4.0.

Some 2,200 employees at more than 60 locations worldwide are dedicated to developing new solutions and offer customized service for individual applications. Since its founding in 1959, the Kistler Group has grown along with its customers, generating sales of CHF 466 million in 2019. Approximately 7% of this went back into research and technology—and thus into achieving better results for all our customers.

Nationality of main shareholders: Swiss



**Bangkok's Best Located Hotel
for Business or Leisure!**

www.arnoma.com

THE STCC NEWSLETTER EDITOR TEAM IS ASKING FOR MEMBER CONTENT.

Contributions of interest are:
General English news and knowledge
related to business in Thailand
Please email your contributions
to Newsletter@swissthai.com

Thank you
The STCC Newsletter Editor Team





STCC INTERNAL

JFCCT – NEW WEBSITE -WORTH TO CHECK IT OUT



Stanley Kang Chairman JFCCT

The Joint Foreign Chambers of Commerce in Thailand is the umbrella body for various Thai- foreign chambers or business associations operating in Thailand. There are 34 chambers and business associations representing more than 9,000 companies in this wide membership. The Swiss Thai Chamber is one of its members and several directors of the board contribute to this organization on a regular basis.

JFCCT’s mission is to promote trade and foreign investment, encourage skills development and transfer with the overall aim of contributing to the economy in which we live and work and to which we have made our commitments. We work with

the Royal Thai government and various government agencies such as the Board of Trade, Board of Investment and the Federation of Thai Industries and many sector-specific agencies, and by way of advice and recommendation to foreign governments – for the benefit of the Thai economy. If the Thai economy benefits and grows, so too will all those who are part of it.

The JFCCT and its member chambers can trace a history going back some decades. As the relationship has become closer, we have come to see ourselves as real partners with Thailand: partners with government and partners with the private sector in this positive story of economic development and growth.

The JFCCT aims to contribute to the economic development of Thailand in a positive way, across all sectors of the economy. Through education, discourse and collaboration, rather than by making demands, the JFCCT aims to build consensus amongst its constituent members and work with all others in the economy on proposing solutions and through collaborating on problem solving.

We thus do and will continue to propose and recommend positive developments and oppose threats which would undermine in the long term Thailand’s economic development. We draw on the experience and expertise of our members in making our contributions. We see ourselves as champions for the best ways to help make Thailand a leader in being attractive for foreign investment, and in attracting the most valuable kinds of foreign investment.

General webpage: www.jfcct.org

Click here for JFCCT Activities and Actions as well as recent recommendations to the Thai Government.

JFCCT Committees

- Digital Economy / ICT Committee
- Education & Skills Committee
- International Trade Committee
- SME Committee
- Tourism Committee



Swiss Thai



JULY 2020 | SWISS-THAI CHAMBER OF COMMERCE | E-NEWSLETTER #120

Good food, Good life

STCC INTERNAL

As countries internationalise and the world globalises, culture can be affected. The JFCCT does not have a social or cultural role. It is also not the JFCCT's aim to seek that its members take the jobs of others, or to insist that things must be done (which might be more appropriate to a foreign country). As our membership base represents the rest of the world, we are in a good position to bring to bear the best and most appropriate ideas and proposed solutions with the aim of growing this economy both qualitatively and quantitatively. The JFCCT has its own organisational arrangements which are designed to ensure that consensus is built, and that the most constructive proposals and the most relevant experiences come to the fore. There are a number of specialist groups (Committees if permanent and Working Groups

if ad hoc). We welcome an even closer consultation and involvement to be able to express our views constructively and to find the best solution in areas where the foreign business community are stakeholders.



 asian trails

Blazing New Paths in Travel

CAMBODIA | CHINA | HONG KONG | INDONESIA | LAOS | MALAYSIA | MYANMAR | SINGAPORE | THAILAND | VIETNAM

MARKETING@ASIANTRAILS.ORG WWW.ASIANTRAILS.TRAVEL



COVID-19

COVID-19 VACCINES & TREATMENTS: WHO OWNS THE RIGHTS?

By **P. Kandiah and Geetha Kandiah**

Moderna Inc., Sanofi, AstraZeneca plc, Roche, Gilead Sciences and Novartis are just some of the many pharmaceutical companies working to fast-track the development of a coronavirus vaccine. Many companies and research institutions from various countries are racing to develop the vaccine for COVID-19.

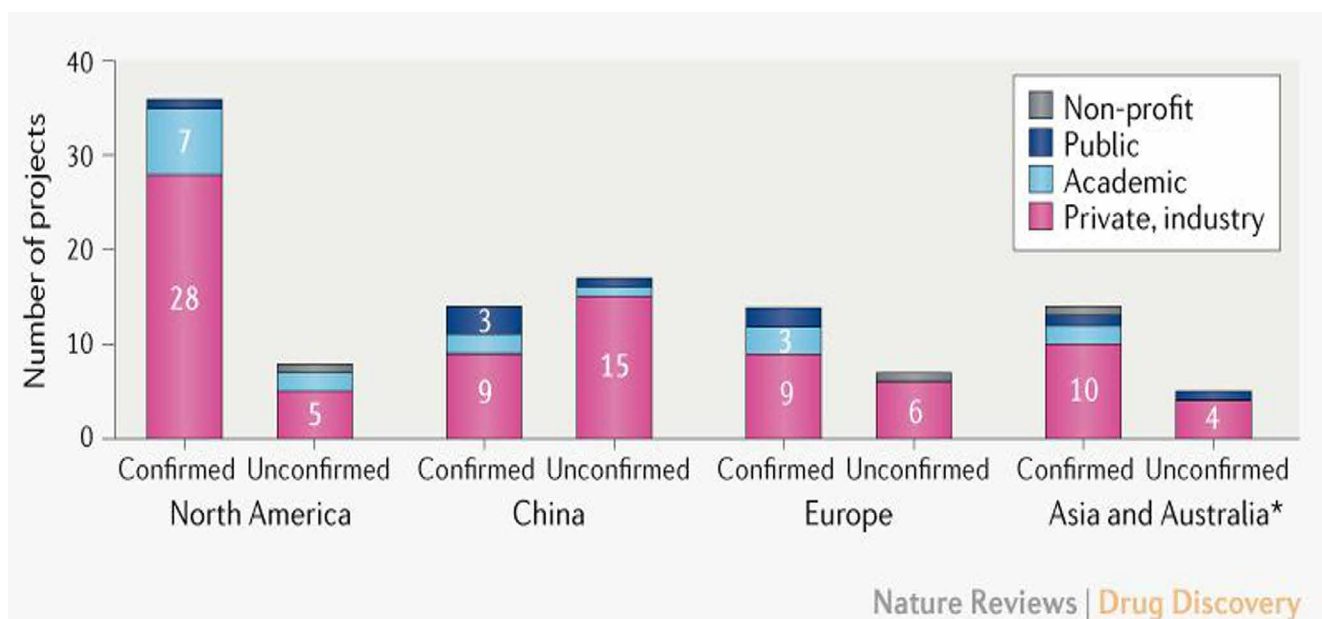
1. Who is leading the race to discover the vaccine and treatment for COVID-19?

At the time of writing, we do not know exactly. There are several companies, as well as universities and research institutions around the world all simultaneously conducting research either individually or in collaboration with each other in obtaining a vaccine, or a therapeutic drug to treat infected COVID-19 patients.

In fact, the World Health Organization (WHO) released a public statement on 13th April 2020 informing the public of their efforts to bring parties together to collaborate on COVID-19 vaccine development. More than 120 parties – scientists, physicians, funders and manufacturers – who are researching and working on the vaccine, “are brought together” as part of an international collaboration, coordinated by WHO, to help speed the availability of a vaccine against COVID-19.

Data from early-April (see below) indicated the countries that were in the race to develop a vaccine for COVID-19, with the US ahead of the pack.

While pharmaceutical companies and research institutes in China were quick to embark on finding a vaccine, their progress seems to have hit a snag as the lack of new and active cases in the country



* excluding China)

[Source: Nature Reviews Drug Discovery, <https://www.nature.com/articles/d41573-020-00073-5>]



COVID-19

means they do not have enough patients to conduct human trials and tests for the potential vaccines, putting them at a disadvantage in advancing their vaccine and treatment research.

On a related note, as of May 4th, the European Commission's Coronavirus Global Response initiative had raised USD 8 billion towards efforts in developing vaccines, diagnostics and treatments against COVID-19 and enabling them "to be made available globally for an affordable price, regardless of where they were developed". Interestingly, while over 30 countries, alongside the UN and research and philanthropic organizations pledged their part, the governments of the US, India and Russia did not participate, alluding perhaps to significant funding going into their own research efforts.

2. Who will own the exclusive right to manufacture the vaccine or the therapeutic drug?

The right will belong to the entity that obtains a patent right. The party that is first to file the patent will own rights to the manufacture and sale of the drugs.

As patent rights are territorial, they must file it in specific countries to gain right in that country. If it is not filed in that country, generic manufacturers can manufacture the vaccine without paying any royalty to the patent owners

3. Can more than one entity own the right?

Yes, if the invention is developed jointly by more than one entity, then all the entities can own the patent right.

However, they may agree among themselves on their separate/individual rights. For example, if a university is a joint patentee, it may not be interested to engage in commercial production and sale of the vaccine and drugs. It could, instead, either assign its rights to a pharma company or enter into a patent license with a pharma licensee.

4. There is a common belief that patented drugs are expensive and many countries, especially developing ones cannot afford the expensive vaccine or drugs. How will poor countries manage?

Patent rights are monopolistic rights. It gives rights to the party that invested into developing the drugs. That is how the pharma companies recoup their investments.

But, there are times – urgent times – wherein a balance must be struck, between making a large profit, and taking care of the health of the public.

Compulsory licenses are public health safeguards, included in international agreements and national laws.

Most countries have a provision in their patent laws that grant the government of the country the right to grant compulsory licenses to a third party to manufacture the drug or export the drug from another country for distribution or sales (at an affordable price) to its citizens without the consent of the patentee. There will still be a royalty paid to the patent holder but at a reasonable, affordable price.

This provision is only invoked for national emergencies.

5. The Government of any country can do that? But isn't that unjust to the inventor of the drug? A lot of expenses would have been spent in developing the drug.

It may be unjust – and for that reason the issuance of compulsory licenses is limited to specific circumstances and conditions. Our government is allowed to seek compulsory licences for the following purposes:

- a. to carry out any undertaking in respect of public utility or which is of vital importance to the national defence;



COVID-19

b. for the preservation or acquisition of natural resources or environment;

c. to prevent or relieve a severe shortage of foods, pharmaceuticals or other consumption goods; and

d. for the sake of other public interests.

6. Has Thailand made use of the provisions on compulsory licenses before?

Yes, Thailand has used the provisions before. On November 2006, Thailand's Ministry of Public Health issued the first compulsory license on a patented HIV drug, i.e., Merck's antiretroviral efavirenz (Stocrin®).

Then, on January 2007, our Government issued compulsory licenses on Abbott Laboratories' anti-retroviral lopinavir/ritonavir (Kaletra®) and Sanofi-Aventis' heart disease drug clopidogrel (Plavix®). With this, the mentioned drugs could be mass produced at affordable rate in Thailand.

7. If a drug has been used before, say for example the malaria drug that is now used to treat patients with COVID-19, can any company obtain patent rights for this new treatment?

Generally, it is possible to obtain new patent rights if a known drug is now known to have a second medical use.

In fact, much of the research being done uses current existing antiviral drugs. Apart from the anti-malarial drug, the other popular one is remdesivir by Gilead. This antiviral drug, was originally developed to treat Ebola and recently US and Japan have rushed to increase production of these drugs.

If the drug can be repurposed or modified to treat COVID-19, then it may be possible to obtain patent rights of the new medical use of the known drug.

8. If so, how long will one granted patent last?

The duration of the patent will be 20 years from the date of filing the patent application.

9. Why is there a rush to obtain patent rights for the vaccine or a therapeutic drug?

A vaccine is needed for every human being on earth. That is a huge market and demand. Even if a profit of THB 10.82 for each dose is made, imagine the total sum of profit. It would be in the billions. It would be a blockbuster sale. That is why.

Only one patent will be granted in a country for the same invention. The first company to file the patent for the successful formulation of the vaccine or therapeutic drug will obtain a patent to the exclusion of all others who have been working on the same formulation.

In the latter case, they may not be able to recoup their R&D costs. And so, the stake to rush to file a patent is very high especially for a vaccine or therapeutic drug for COVID-19.

P. Kandiah and Geetha Kandiah are directors of KASS International, an established intellectual property firm with offices in Malaysia, Singapore, Indonesia, Myanmar, Thailand and Vietnam. For more information, visit www.kass.asia or drop an e-mail to hello@kass.asia.



RIS SWISS SECTION DEUTSCHSPRACHIGE SCHULE BANGKOK

THE 2020 GRADUATES OF RIS SWISS SECTION – DEUTSCHSPRACHIGE SCHULE BANGKOK BID FAREWELL



in Thailand. She praised the students for their success and congratulated them for reaching a very important milestone in their life - the completion of a long learning process.

With bright students, proud parents and prominent guest speakers, RIS Swiss Section – Deutschsprachige Schule Bangkok presented a short but impressive program to their guests on Friday, June 12th, 2020 at the graduation ceremony, which took place at the Swiss Embassy, where the school bid farewell to the nine Matura graduates who successfully completed their school career in 2020.

With enthusiastic and emotional parting words from class teacher Marc Rossier, the nine students from Grade 12 will move on to the next stage of life as they will continue their education in different locations all over the world. In a poignant speech, Julia Ehrlich, Sivitra Hösli, Vanessa Gähwiler and Tom Friedrichs, students from Grade 12, expressed their gratitude to all the teachers and parents who helped them achieve their goals.

The diplomas were handed over by H.E. Mrs. Helene Budliger Artieda, Ambassador of Switzerland

School President Knut Sierotzki and Principal Simon Dörig took the opportunity to thank all participants of the ceremony and



wish the students all the best for their future. Following the ceremony, the guests had the chance to socialise and celebrate this great achievement, enjoying a vin d'honneur, offered by the Embassy of Switzerland.



RIS SWISS SECTION DEUTSCHSPRACHIGE SCHULE BANGKOK

CHEMICAL EXPERIMENTS



Doing chemical experiments via distance learning? No problem - do them at home in the kitchen! And it's fun too because for once the students can also eat or drink their experiments!

Here are some impressions from our students Julia and Mahe-la from Grade 8 conducting their chemistry experiments at home. In one experiment they created refreshing lemonade by

mixing lemon juice with baking soda. The sodium bicarbonate, thereby, reacted with the citric acid from the lemon juice and formed carbon dioxide gas and a fizzy lemonade was the result.



36/9-10 CHAENGWATTANA RD., THUNGSONGHONG, LAKSI, BANGKOK 10210 THAILAND
TEL. 66 2 5735699 FAX. 66 2 5741065, 66 2 9825142, 66 2 5742227
www.novatechpumpsolutions.com E-mail sales@novatech.co.th

We are leading the way in a host of industries and applications.

- General Industrial
- Oil & Gas
- Paint & Coatings
- Chemical Process
- Water & Wastewater
- Ceramic
- Hygienic



Metal
- Aluminum
- SS316
- Ductile
- Alloy



Plastic
- PP
- PVDF



Food FDA
- SS316



Hygienic
- SS316 Polished

Diaphragm pump sizing from 1/4" up to 4"

WILDEN



Internal Gear Pump



Vacuum Pump



Blower & Booster



Dampener Metal & Plastic



Spill-Stop



RIS SWISS SECTION DEUTSCHSPRACHIGE SCHULE BANGKOK

LAST DAY OF SCHOOL/STUDENTS VISIT THE SCHOOL



Looking forward to seeing everyone back on campus on August 10th, 2020, when the new school year begins.

On the last day of school on Friday, June 19th, 2020 teachers, families and friends were invited to join and watch a video presentation, created by Prin Oapirat, student of Grade 10 and our teacher Fabian Studerus.

In the video, teachers, staff and students who are leaving the school were bid farewell to an impressive collection of photos.

In this last week, our students had the opportunity to visit the school in small groups to bring back their textbooks and pick up their material folders. COVID-19 restrictions were in place with temperature checks, brand new hygienic hand sanitizing stations, social distancing measures and wearing of masks. Students enjoyed wishing each other good summer holidays and we all are

RIS Swiss Section - Deutschsprachige Schule Bangkok wants to say thank you to the parents who sold snacks during the breaks, the Library Team, all members of the school administration, the maintenance team, all the teachers, the school leadership team, the school board as well as all members of the school community for their excellent work and dedication throughout the year.



Swiss Thai



JULY 2020 | SWISS-THAI CHAMBER OF COMMERCE | E-NEWSLETTER #120

Good food, Good life

RIS SWISS SECTION DEUTSCHSPRACHIGE SCHULE BANGKOK

Planned events in the first semester of the school year 2020-21:

10.08.2020	First day of school (all grades)
26.09.2020	Open House Info Session (13:00 – 15:00)
20.10.2020	Annual General Meeting of SEA
30.10.2020	Making Krathongs/Loy Krathong – Celebration
03.11.2020	Open House Day (7:30 – 14:40)
13.11.2020	Lantern Parade (KG - Grade 3 - evening)
04.12.2020	St. Nicholas visit (Primary School)
11.12.2020	Flea Market (Primary School)
17.12.2020	Christmas Party (from 13:00)

Please visit our website - www.ris-swiss-section.org - and get more information about our upcoming events.



RIS · SWISS · SECTION
DEUTSCHSPRACHIGE SCHULE BANGKOK



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

SWISS
GOVERNMENT APPROVED
SCHOOL

DAS
Deutsche Auslandsschulen
International



Executive Search and Recruitment

www.ata-servicesplus.com
www.ata-services.com



MY ULTIMATE COFFEE EXPERIENCES

DISCOVER NESPRESSO NOW IN THAILAND

Now available at:
Nespresso Boutique at Siam Paragon | www.nespresso.com |
"Nespresso" mobile application | Toll-free 1800-019090

NESPRESSO[®]
What else?