

# THAILAND: THE LACK OF FOREIGN VISITORS WILL IMPACT DOMESTIC TOURISM



According to Phiphat Ratchakitprakarn, Thailand's Tourism and Sports Minister, the local tourism figures are 40% of what they were in 2019 and are expected to fall further once the domestic tourism recovery plan ends at the end of the year. Foreign visitors are needed to boost the recovery of the economy.

The program to support domestic tourism has been extended several times since its introduction in July, with recent requests for extensions to December 2021.

According to the minister, **a difficult year ahead and Thailand's recovery will be more complicated than after the 1997 Asian financial crisis due to the broader economic impact of the Covid-19 pandemic.**

He added that the return of foreign visitors is essential to economic recovery and said that while the Special Tourist Visa (STV) is a start, it is not enough.

"We have a precarious year for domestic tourism ahead of us in 2021, with the number of trips and receipts possibly dropping to 15% compared to 2019. We shouldn't expect great things from the special tourist visa, but it can prepare local communities for a return of international arrivals and pave the way for a further easing of restrictions in the next phase".

The minister said that while traveling to 5 or 6 provinces, local business operators told him they feared for their survival if the current situation continued. According to the Ministry of Finance, the Thai economy will decrease by 7.7% in 2020. The Federation of Thai Industries estimated at the end of September that job losses would amount to between 2.5 and 3 million this year, including more than a million in the tourism sector alone.

The Ministry of Tourism has agreed on a recovery fund of 50 to 100 billion baht to help them, a plan that has been submitted to the Ministry of Finance for approval.

"At least 50% of Thailand's tourism-related businesses will close down permanently if they cannot receive any effective measures from the government before the middle of next year.

But we can't let them disappear, because Thailand will run out of businesses that can accommodate foreign visitors when things hopefully pick up again."

The government considered reducing the quarantine from 14 to 10 days for arrivals from "low risk" countries, but this proposal has now been put on hold.

Last week, it was reported that officials were planning discussions with China regarding the creation of travel bubbles without quarantine between the two countries.

Phiphat said he hopes the system can be in place in time for the Chinese New Year in February.

"Now we need every segment of the tourism industry to contribute to the recovery.

But that will depend on how each country allows its citizens to easily travel back and forth.

It is understood that discussions are also planned with officials in Japan, Vietnam, Australia and New Zealand, although the latter two countries currently impose strict restrictions on overseas travel.

**The South Korean embassy said golfers will be allowed to travel to Thailand for training, provided they are quarantined.** The Thai government is considering a proposal to use golf courses with hotel accommodation as an alternative to the quarantine facilities of the local government. Thailand has so far been relatively spared from coronavirus, only deploring 3,847 cases of infection and 60 deaths.

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