THAILAND APPROVES A NEW 10 BILLION EURO AID PACKAGE

The Thai government approved financial measures worth 350 billion baht (9.5 billion euros) to help businesses cope with the impact of health restrictions taken against the coronavirus epidemic.

Thailand's GDP contracted by 6.1% last year, the most since the Asian financial crisis in the late 1990s, with tourism being by far the most affected sector. The coronavirus outbreak domestically and abroad has had a "widespread and longer than expected impact", cutting off the flow of cash and capital for many businesses, Finance Minister Arkhom Termpittayapaisith lamented at a briefing.

With just under 28,000 coronavirus infections and 92 deaths in 14 months out of a population of nearly 70 million, **Thailand is among the many countries in the world with a very low or near-zero mortality rate due to Covid-19**, well below the global average of 0.03%, according to data compiled by the Worldometer website.

Covid-19 has particularly affected the Americas and Europe, including the United States, Mexico, Brazil, the United Kingdom, France, Spain, Italy and Germany, eight countries that together account for more than 50% of global mortality from the disease.

The latest measures approved by the Thai government include a 250 billion baht ($8 billion) aid package in soft loans and 100 billion baht for the so-called "asset warehousing" scheme to support businesses, mainly in tourism, that are in debt and unable to repay their loans. This system is Thailand's latest innovation in financial policy is a rather unique initiative.

The assistance in question must allow the debtors to use their work tool (hotel, business, etc.) to settle outstanding loan obligations while leaving them the possibility of continuing to operate it by renting it, or buying it back within five years at a price agreed in advance, while the bank can operate it in the meantime.

The program is "very unique and works a bit like a pawn shop where you place valuables in exchange for immediate cash," said Khoon Goh, head of Asia research at Australia & New Zealand Banking Group Ltd.

For his part, central bank governor Sethaput Suthiwartnarueput said at a meeting that the economy would likely return to pre-Covid-19 levels around the third quarter of 2022, saying it would take four to five years for tourism to return to its 2019 attendance of nearly 40 million foreign visitors.

"But the recovery of GDP does not mean that everything will return to normal. It won't necessarily be the case for people's employment and income," he stressed.

The current aid package is insufficient and more is needed, said Sethaput Suthiwartnarueput, who predicted a few days ago that economic growth this year could be "above 2%".

To help recover the tourism industry, the government also approved that foreign tourists who have been vaccinated against Covid-19 will be allowed to visit six tourist provinces in Thailand from April 1 - Phuket, Krabi, Phangnga, Surat Thani (Koh Samui), Chon Buri (Pattaya) and Chiang Mai. They will be quarantined; however, the period of compulsory isolation has been reduced from 14 to seven days for them. In July, Phuket will be the first province to waive the quarantine requirement for foreign visitors who have been vaccinated, as a part of the government's plan to reopen the country.

The cabinet, which includes top government ministers, also agreed to launch a new 5 billion baht co-payment program and expand the ongoing program to support domestic tourism in the absence of foreign visitors.

Date: 2021-03-29

Article link:
https://www.tourism-review.com/thailand-introduced-a-new-aid-package-including-tourism-news11956