

## **The Economic Front in Fighting COVID-19**

The outbreak of COVID-19 reaffirms the saying that “good health is incomparable wealth.” But the consequences of the measures to curb its spread have taken a heavy toll on the wealth of many and the wage of millions.

Thailand has performed well in containing the outbreak and mitigating its impact. Since 27 April 2020, the number of new COVID-19 cases has increased only slightly, while some days saw no new cases at all. About 96 per cent of those infected have fully recovered, and fatality rate is less than 2 per cent.

In tandem with public health measures, the government is addressing economic risks by injecting loans and financial assistance to the people. Some observers rightly noted that if the economy is an ailing patient in dire need of oxygen, the cash flow pumped in by the government is comparable to the breath of fresh air in a stale room.

To date, Thailand has approved economic relief measures in three phases that cater to entrepreneurs, blue collars and households so that sources of revenue, whether in the form of income, aid or loan is accessible by every vulnerable sector of society. The overarching principle is to maintain liquidity and allow cash to remain in the hands of the people. These measures could be roughly categorised into three objectives, namely, to ease public expense burden, to add revenue and to keep the economic engine lubricated and running.

On easing expense burden, water and electricity bills in all households were waived or discounted for three months. Personal and corporate income tax filing and payment deadlines have been extended. Withholding tax rate is reduced from 3 to 1.5 per cent for six months. State properties rental fee that are used for residential and agricultural purposes will be exempted for one year. Furthermore, financial institutions are to postpone clients’ payment of loans for cars, motorcycles and housing.

Adding revenue is more challenging since all the engines of economic growth are nearly paralysed. Since the government is the last standing ‘big spender’ in the market, it is employing every possible channel and mechanism to ensure that the relief is inclusive. For instance, laid-off informal workers have been receiving 5,000 baht to compensate wages for three months while those registered with the Social Security Fund will receive 70 per cent of their wages up to 200 days. A 40-billion baht loan programme will enable those eligible to obtain a 10,000 baht emergency loan with a monthly interest rate of 0.1 per cent. At the same time, SMEs can apply for a low interest loan from the Government Savings Bank and SMEs Bank. The government has also approved a 150 billion baht budget for the distribution of 15,000 baht to ten million registered farmers.

Measures to sustain the economic sectors include the initiative for the Bank of Thailand to provide 500 billion baht of soft loans to financial institutions so that they can offer loans to certain SMEs. Another one trillion baht has been allocated to resuscitate sectors from agriculture to tourism. Moreover, Thailand is investing in human resources by providing training in necessary skills such as language training for tour guides and business management for entrepreneurs.

Most importantly, the government has gradually relaxed certain restrictions in phases since 3 May 2020, to let businesses revive. The decision was made based on the satisfying outcome in controlling COVID-19. The first group of establishments to be back in service included restaurants, food stalls, street vendors, markets, hair salons, healthcare facilities and golf courses. Consequently, the government permitted shopping malls and larger businesses to re-open. This, however, does not mean that our fight against the pandemic is over. We still have a long way to go.

### Future Direction

While the prospect for Thailand in overcoming COVID-19 may appear promising, all the roads to economic recovery hint rocky hurdles. Gurus have already forecast a bleak annual growth for Thailand and around the world. Nonetheless, all sectors are taking advantage from this “time out” to make necessary preparations for the post-COVID-19 landscape.

COVID-19 has become an accidental accelerator for Thailand in redesigning its future towards a more innovative and sustainable economy, a plan that Thailand has been pursuing for some years. In the absence of tourists, Thailand is improving the quality of tourism services by developing technology-based solutions and expanding e-commerce applications. Thailand’s nature and national parks entered a “spa phase,” and have been restored to a pristine condition. Don Mueang International Airport in Bangkok is undergoing renovation. With social distancing in mind, the Tourism Authority of Thailand is targeting smaller tourist groups, focusing on quality over quantity, and enhancing health tourism.

Economic activities in Thailand need to go more online, just like other countries. ‘Business as usual’ is being redefined in the spectrum of “New Normal.” Dealers are hopping on the e-commerce train, wishing that their products will go viral to survive this virus outbreak. Meetings, business activities and even trade exhibitions are being carried out in the virtual world. Even farmers and entrepreneurs are being trained to improve their online literacy and skills to access the expanding e-commerce market.

Furthermore, Thailand is putting more efforts in research and technology, particularly in innovative medical treatment and solutions. We now have assistant robots and telemedicine to help doctors and nurses take care of patients from a distance.

All these efforts will bolster Thailand’s economy just as when the Asian economic crisis hit us back in 1997. Back then, the Sufficiency Economy Philosophy was introduced by His Majesty King Bhumibol Adulyadej The Great to encourage a more balanced approach to development based on reasonableness and moderateness. It is time to re-explore this philosophy as an immunity against any future external shocks.

It will be a long road to recovery before we resume normalcy and our economy regains momentum. But as long as we remain committed to our aspirations, the world will rebound and emerge with a stronger sense of resilience and solidarity.

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