German Ball
Working Group Meeting • October 29, 2019
German-Thai Chamber of Commerce, Bangkok

GTCC’s COVID-19 Survey
Deutsch-Thailändische Handelskammer
Bangkok, Thailand
The results show that almost 90% of the total 53 respondents are affected by the COVID-19 outbreak and the subsequent prevention-and-control measures. Most of them believe their revenue will decrease remarkably during the first half of 2020 and they will lower their performance targets. Most of them expect the situation of the outbreak in Thailand will return to normal from September 2020.
Key Findings (1)

- 50% of the respondents report a high impact, while 31.25% of them mention a medium impact.

- 31.75% of the respondents experience a decreased demand for their products/services, while 19% have cash flow challenges and feel uncertainty/inability to make business and investment decisions. 9.52% encounter manufacturing delays due to shortage of supplies.

- For the first half of 2020, 38.3% of the respondents expect a decline in revenue for more than 20%, while 17.02% expect a decrease in revenue about 10%-20%.

- 56% will lower their business performance targets, whereas 22% will keep their targets.

- Work-from-home is the top strategy that 35.51%, of the respondents have implemented or plan to implement to minimize the risk from the COVID-19. It is followed by stop of investment (20.56%), temporary closure of operation (14.56%), diversification of products/services (10.28%), leave without pay (8.41%), staff layoffs (7.48%). 3.74% specify other practices such as renting more office space and split, additional safety equipment mandatory (e.g. mask and sanitizer gel), cancellation of all meetings with a replacement of online conference, keeping minimum distance between each employee during work, applying Section 75, 75% salary payment for a certain period, adapting to situations day by day and rotation of operation staff.
Key Findings (2)

- 74% of the respondents report that measures by local authorities slow down/hinder their resumption of production. They cite such measures as closure of facilities, restriction to travel and closure of spa and restaurants.

- Financial support and corporate tax reductions are the major relief measures the surveyed companies would like the Thai government to implement as rated by 26% of the respondents. They also require the following measures: transparent communication from authorities (17.81%), provision of health protection equipment (15.07%), unified regulations to resume business (6.85%) and release of transportation and commuting restrictions (5.48%).

- Most of the surveyed companies actively provide support to the Thai government in its effort to contain the COVID-19 outbreak. The support includes business advice (29.17%), financial donations (25%), medical equipment support (20.83%), and logistic support (12.5%).

- 31% of the respondents think the situation in Thailand will return to normal in September 2020.
Demographics

Regional location
- Bangkok 82.35%
- Rayong 7.84%
- Chonburi 1.96%
- Samut Prakan 1.96%
- Other 5.88%

Company size
- Large 31.37%
- Medium 17.65%
- Small 50.98%

Industry
- Machinery/Industrial Equipment: 21,28
- Automotive: 12,77
- Consumer Products/Services: 12,77
- Logistics: 10,64
- Business Services: 8,51
- Chemicals: 8,51
- Manufacturing: 6,38
- Tourism: 6,38
- Real estate/Construction: 4,26
- Education: 2,13
- Electronics: 2,13
- Healthcare: 2,13
- Other: 2,13
Are the COVID-19 outbreak and the subsequent prevention-and-control measures having any impacts on your business?

- High impact 50.00%
- Medium impact 31.25%
- Low impact 8.33%
- Too early to judge 8.33%
- No impact 2.08%
Please specify how your business in Thailand has been affected by the COVID-19 outbreak so far:

- Decreased demand for your products/services: 31.75%
- Cash flow challenges: 19.05%
- Uncertainty and inability to make business and investment decisions: 19.05%
- Manufacturing delays due to shortage of supplies: 9.52%
- Inability to meet contractual delivery deadlines due to disruptions to logistics: 7.94%
- Costs of HR compliance: 5.56%
- Increased demand for your products/services: 3.17%
- Staff shortage: 3.17%
- Staff shortage: 0.79%
- Other: 0%
To what extent will the COVID-19 outbreak and the subsequent prevention-and-control measures impact your company’s revenue in the first half of 2020?

- **Decrease of > 20%**: 38.3%
- **Too early to judge**: 25.53%
- **Decrease of 10-20%**: 17.02%
- **No impact**: 6.38%
- **Decrease < 10%**: 6.38%
- **I don’t know**: 4.26%
- **Increase**: 2.13%
Do you plan to adjust your company’s 2020 business performance target?

- Yes, lower the target: 56%
- No, maintain the target: 22%
- Too early to judge: 22%
What strategies has your company implemented/plans to implement in order to minimize the risk from the COVID-19?

- Work from home: 35.51%
- Stop of investment: 20.56%
- Temporary closure of operation: 14.02%
- Diversification of products/services: 10.28%
- Leave without pay: 8.41%
- Staff layoffs: 7.48%
- Other: 3.74%

Others:
- “Rent more office space and split“
- “Cancellation of all meetings replaced by online conference“
Did your company face measures (e.g. additional permits) by local authorities that slow down or hinder a resumption of production?

- **No**: 74%
- **Yes**: 20%
- **I don’t know**: 6%
What kind of measures would you like the Thai Government to implement for your business?

<table>
<thead>
<tr>
<th>Measure</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial support to reduce operational costs</td>
<td>26,03</td>
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<tr>
<td>Corporate tax reductions</td>
<td>26,03</td>
</tr>
<tr>
<td>Transparent communication from authorities</td>
<td>17,81</td>
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<tr>
<td>Provision of health protection equipment</td>
<td>15,07</td>
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<tr>
<td>Unified regulations to resume business</td>
<td>6,85</td>
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<tr>
<td>Release of transportation and commuting restrictions</td>
<td>5,48</td>
</tr>
<tr>
<td>Other</td>
<td>2,74</td>
</tr>
</tbody>
</table>
Is your company providing any of the following to support the Thai government in its efforts to contain the COVID-19 outbreak?

- Business advice: 29.17
- Financial donations: 25
- Medical equipment donations/support: 20.83
- Logistic support: 12.5
- Other: 12.5
History shows that it will take several years to return to a pre-crisis economy. However, with the number of new infections slowly decreasing, things will start to go back to "normal" within this year. This global crisis is good for the environment. Constant growth at all costs is not only unsustainable but also unrealistic.

“We do not expect the situation to fully return. September 2020 is realistic, but life after this will be different”