

Thailand	
Policy responses	
Containment	<ul style="list-style-type: none"> • 4 Feb <ul style="list-style-type: none"> – (price) control on 4 medical supplies – denial of entry of foreign passengers on cruise ships – Covid screening on foreign visitors from high risk regions • 12 Mar <ul style="list-style-type: none"> – social distancing & wearing face masks advised • 22 Mar <ul style="list-style-type: none"> – ban on international travel from/to high risk regions – shutdown in Bangkok: closure of all non-essential businesses/work places • 26 Mar <ul style="list-style-type: none"> – state of emergency declared (extended to 30 June) • 4 Apr <ul style="list-style-type: none"> – ban on all international passenger flights – national curfew (army to support enforcement) • 3 May <ul style="list-style-type: none"> – gradual easing on Covid restrictions: reopening of some businesses • 17 May <ul style="list-style-type: none"> – 2nd round of easing on Covid restrictions <ol style="list-style-type: none"> 1) national curfew shortened 2) initial easing on cross-border travel to selected countries, but ban on inbound flights was extended to 30 June • June <ul style="list-style-type: none"> – 3rd round of easing <ol style="list-style-type: none"> 1) national curfew shortened 2) continued easing & experiments throughout June 3) planned complete reopening and lifting of curfew on 1 July 4) ban on incoming international travel partially lifted on 1 July • 1 Jul <ul style="list-style-type: none"> – Thailand completely reopens – ban on incoming flights lifted – reopened 37 checkpoints along its borders with Myanmar, Laos, Cambodia, and Malaysia – however, state of emergency was extended to end of Aug – • Aug-Oct <ul style="list-style-type: none"> – all schools reopen (13 Aug) – gradual reopening to foreign visitors & tourism

	<ul style="list-style-type: none"> - quarantine-free travel corridor with China by Jan 2021 in discussion - state of emergency extended to end of Nov • Dec 2020 – Mar 2021 <ul style="list-style-type: none"> - Ease travel restrictions to foreign tourists on the condition of following mandatory quarantine protocols (Dec 2020) - Lockdown reintroduced in Samut Sakhon provinc (19 Dec 2020) - Partial lockdown, new set of restrictions, & school closure in 28 “red zone” provinces (Jan 2021) - Relaxed restrictions from early Feb 2021 - Emergency use of COVID vaccines (Feb-Mar 2021)
Fiscal	<ul style="list-style-type: none"> • 4-Mar, 2.4% GDP (US\$ 12.8 bn, THB400 bn) <ol style="list-style-type: none"> 1) Thb 150 bn, low insterest loan (1%) by Government Savings Bank (GSB) to financial institutions, which should in turn provide low-interest loans (2%) to enterprises 2) THB 30 bn, soft loans to Social Security Office (SSO)-registered entrepreneurs for employment 3) reduction of withholding tax rate: 3% down to 1.5% for Apr-Sep 2020, down to 2% for Oct 2020-Dec 2021 4) increased expense deduction for SMEs on salaries (500%) and interest (300%) payments for Apr-Jul 2020 (salaries) & Apr-Dec 2020 (interest) 5) reduction/deferral on rental, fee, service charge payment to gov & SOEs 6) Deferral of payment and interest reduction for the Special Financial Institutions’ clients affected by Covid-19 7) Accelerated VAT refund 8) unemployment benefit of 50% wage by Social Security Fund for 6 months 9) reduction of Social Security Fund contribution from 5% to 4% 10) reduced/delayed water/electricity bills (THB17 bn) 11) additional tax desuction on purchase of investment unit of Super Saving Fund 12) THB30 bn, low interest loans to individuals • 24-Mar, 0.7% GDP (US\$3.6 bn, THB117 bn) <ol style="list-style-type: none"> 1) low-interest loans (3%) for SMEs 2) delayed filing of CIT, excise tax & other taxes for varing months 3) exemption of import duty on Covid related equipment/supplies 4) exemption of taxes & fee cuts for debt restructuring with non-financial institution creditors 5) cash handout for 3 months to 3 million workers not covered by social security 6) low-interest emergency & special loan allowance for all citizens 7) PIT filling extended to Aug 2020, with increased deduction on health insurance expenses & examption on risk payments for medical workers 8) Training for income earners

	<ul style="list-style-type: none"> • 7-Apr, 5.9% GDP (US\$58 bn, THB1 tn) <ul style="list-style-type: none"> 1) THB600 bn, cash handouts for 6 months to temporary workers, contract workers, and self-employed persons (20m applications) 2) THB400 bn, investments in infrastructure and creating jobs • 15-Jul, tourism subsidy package, “We Travel Together,” covering up to 40 percent of certain travel costs for up to 5 million domestic tourists who must register • Sep-Oct, 0.3% GDP (US\$1.6 bn, THB51 bn) <ul style="list-style-type: none"> 1) new shopping subsidy package for welfare cardholders (22 Sep) 2) Temporary income tax deductions (Oct-Dec) • 1-Oct, FY2021 budget <ul style="list-style-type: none"> 1) total spending to increase slightly from THB 3,200 bn to THB 3,285 Bn 2) deficit increase from 6.7% to 7.0% • 12 Jan 2021, 2.8% of GDP (US\$7 bn, THB210 bn) <ul style="list-style-type: none"> 1) Cash handout to 30, especially for informal sector workers & farmers (3,500 baht per month for two months of Feb-Mar)
Monetary/ Financial	<ul style="list-style-type: none"> • Policy rate cuts <ul style="list-style-type: none"> 1) 5 Feb, 25bps to 1% 2) 23 Mar, 25bps to 0.75% 3) 20 May, 25bps to 0.5% • contribution from financial institutions to the FIDF was reduced from 0.46 to 0.23 percent of the deposit base to provide space for future decreases in lending rates • ThB500 bn, funding for commercial banks to provide low-interest loans to SMEs (funded by BoT) • THB 400 bn, setting up Corporate Bond Liquidity Stabilization Fund to invest in corporate bond market • relaxation of repayment conditions for businesses (accompanied by temporary relaxation in financial sector liquidity-related regulations) including a loan payment holiday of 6 months for SMEs; and suspension of principal and reduction of interest on the debts to SFIs (Specialized Financial Institutions) • THB 50 bn soft loan program, to provide low-interest rate loans for up to 3 years to informal workers and SMEs linked to the tourism sector (mid-Feb 2021)
Trade measures ¹	<p>Restrictive:</p> <ul style="list-style-type: none"> • Thailand bans the exports of masks. <p>Liberalizing:</p> <ul style="list-style-type: none"> • Import VAT exemption for materials donated to hospitals, government agencies, or charities used to combat COVID-19 between March 1, 2020, and February 28, 2021. • Equipment imported into Thailand this year for producing medical

¹ <https://www.macmap.org/covid19>

	devices will be exempt from tariffs.
SME measures (last update 22 January 2021)	<p>Tax reduction and tax refund:</p> <ul style="list-style-type: none"> As part of the first stimulus package launched on March 7, the government reduced a withholding tax from 3 per cent to 1.5 per cent, implemented tax deductions for wages, and issued VAT refunds to entrepreneurs.² Eligible SMEs can claim a 150 per cent deduction for interest expenses incurred during the period of 1 April 2020 to 31 December 2020 on loans obtained under a funding initiative.³ <p>Other fiscal support:</p> <ul style="list-style-type: none"> The authorities reduced utility bills and state-owned property rents and reduced social security contributions for employers and employees. The Industry Ministry encouraged SMEs in the apparel industry to change their business to make masks. These masks will be procured by the government and distributed to the public. At present, seven SMEs have joined the project and are preparing to produce about 350,000 masks per month.⁴ The authorities set up a hotline to answer questions from SMEs on the above measures. As part of the fiscal package launched on 4 May, a 300 per cent deduction of eligible salary costs that do not exceed THB 15,000 per month per employee is offered to SMEs employers who meet certain requirements. This measure is available for corporate income tax purposes from April 2020 to July 2020.⁵ Filing and payment deadlines for corporate tax, VAT, SBT and WHT have been extended.⁶ <p>Loan support:⁷</p> <ul style="list-style-type: none"> As part of the first stimulus package launched by the government on March 7, low-interest loans and new credit lines were introduced to SMEs. In April 2020, the Bank of Thailand (BOT) provided a total of THB 500 billion soft loans to financial institutions to be on-lent at an interest rate of 2 per cent for SMEs with outstanding loans (excluding non-performing loans). The BOT covered the interest for the first six months and guaranteed these loans 60 to 70 per cent. The BOT reduced policy rate for the first quarter of 2020 from 1.25 to 0.75 per cent. In June, the BOT (i) allocated THB 500 billion for soft loans to SMEs with an annual interest of 2 per cent and a six-month interest-free period and (ii) introduced a loan payment holiday of six months.⁸

² <https://www.nasdaq.com/articles/thailand-unveils-%2412.7-bln-stimulus-package-to-ease-coronavirus-impact-2020-03-10>

³ <https://home.kpmg/xx/en/home/insights/2020/04/thailand-tax-developments-in-response-to-covid-19.html>

⁴ <https://www.bangkokpost.com/thailand/general/1894305/local-smes-tapped-to-produce-masks>

⁵ <https://www.aseanbriefing.com/news/thailand-issues-incentives-counter-covid-19-impact-phase-one/>

⁶ <https://home.kpmg/xx/en/home/insights/2020/04/thailand-tax-developments-in-response-to-covid-19.html>

⁷ <https://www.bangkokpost.com/thailand/general/1894985/cabinet-gives-green-light-to-b1-9tn-stimulus>

⁸ <http://www.oecd.org/coronavirus/policy-responses/coronavirus-covid-19-sme-policy-responses-04440101/>

	<ul style="list-style-type: none"> Starting from October, Bank of Thailand will end the debt moratorium and will focus instead on debt restructuring to help small businesses cope with the Covid-19.⁹ SME Loan Restructuring: Pre-emptive measures against Non-Performing Loans (NPL) are taken through interest reduction and extensive payment period. Financial institutions are encouraged to maintain unused credit lines, to closely monitor and monthly report the progress of measures taken.¹⁰ <p>Deferral of loan repayment:</p> <ul style="list-style-type: none"> The government instructed financial institutions to provide a six-month suspension of principal and interest debts for SMEs with credit lines below THB 100 million. On July 14, Bank of Thailand (BOT) governor Veerathai Santiprabhob announced that the debt moratorium program will end in October and will not be extended.¹¹ <p>Employment support:</p> <ul style="list-style-type: none"> As part of the second stimulus package launched on March 25, the government (i) provided a THB 5000 monthly handout to workers who are not covered by the social security fund for a three-month period and (ii) allowed SMEs to use workers' salaries to claim deductions from 1 April to 1 July to help save jobs. Since April 2020, THB 5,000 monthly support has been given to self-employed and laid-off people affected by the outbreak. This measure has been extended until September under the third stimulus package (April 7).¹² As part of the third stimulus package launched on April 7, employees are entitled to receive a 90-day compensation during the work cessation period at a rate of 62 per cent of their daily wages contributions to the Social Security Office.¹³
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¹³<http://www.oecd.org/coronavirus/policy-responses/coronavirus-covid-19-sme-policy-responses-04440101/>

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