

May 27th, 2021

To: His Excellency General Prayuth Chan-o-cha
Prime Minister of the Kingdom of Thailand
Government House
1 Pitsanuloke Road, Dusit, Bangkok 10300

Dear General Prayuth,

Subject: COVID-19 Pandemic — Request for Strong Support for Hospitality Sector in Face of COVID-19 Pandemic

Amid the third wave of the pandemic, which recorded over 2,000 infections a day and daily deaths climbing to double digits, I understand that the government is facing the monumental task of pulling the country out of its COVID-induced economic crisis. In the meantime, Thailand has no international travelers and the hospitality industry is struggling to survive on the domestic market alone.

Minor International operates in the tourism sector, so I can offer some specific thoughts and speak on behalf of this critical industry that accounts for up to 20% of Thailand's economy. I would like to make the following specific comments and suggestions:

- **Accelerate vaccine rollout for both Thai and foreign nationals:** The mass immunization program must be accelerated at full speed. Not only is it essential for most Thais to be vaccinated by the end of this year, but foreign nationals in the country must also be vaccinated without delay. The Chinese government has already sent vaccine doses to Thailand to inoculate Chinese citizens living here. The government should encourage other foreign embassies (e.g. the United States, Australia and other European nations) to assist their citizens urgently, especially those nations with excess COVID-19 vaccine supplies. Once their home populations have been inoculated, foreign countries should also provide vaccines for their citizens abroad. The Thai government's urging through the foreign ministry can help achieve earlier herd immunity in Thailand.

The recent news citing a potential delay of the second dose appointment for AstraZeneca is already causing concern about slippage in vaccination timeline. The government should ensure that the country has procured sufficient vaccines from multiple sources, to vaccinate accommodate the population as scheduled. Different varieties of vaccine brands should be considered as the outbreak situation in the country is still evolving.

- **Allow vaccinated tourists to enter the country without quarantine:** Nationwide quarantine-free entry will be crucial to the success of Thailand's re-opening to tourism. Merely shortening the length of mandatory quarantine will not be sufficient to revive tourism. Moreover, quarantine-free entry should not be limited to specific areas (e.g. the top-six tourist zones) but should be applied throughout the country. Fully vaccinated travelers from safe countries have much lower risk to transmit the virus and should be allowed to travel freely, as long as they have negative test results, remain masked and are tracked. Any quarantine requirement for such travelers will make Thailand uncompetitive against other tourism destinations that allow convenient entry.

The re-tightening of quarantine rules back to 14 days was unwarranted, considering the lack of evidence or reports that the third wave of COVID-19 was a result of the recent easing of quarantine rules to 7-10 days. Most new infections are comprised of local transmission (e.g. from entertainment clusters, prisons and high-density communities).

I also hope that the government will still adhere to the Phuket Tourism Sandbox scheme, which is scheduled to welcome fully-vaccinated, COVID-19-free travelers to Phuket without quarantine on July 1st. With the vaccination drive well under way, the initiative should be able to launch on schedule. The success of this pilot scheme will be the turning point for our country's reopening.

The Ministry of Foreign Affairs should initiate reciprocal travel agreement with low- to moderate-risk countries for quarantine-free entry by vaccinated travelers. Such reciprocal agreements are a necessary stepping stone to eventual full-scale re-opening.

- **Speed up vaccine passports' approved list and ease visa measures:** The government should immediately establish a clear system on acknowledgement of vaccine passports from international visitors. As a global travel destination, Thailand should accept proof of vaccination from as many internationally endorsed COVID-19 vaccines as possible. Process of entry should be simplified and streamlined, with the Ministry of Foreign Affairs collaborating with international airlines and other related parties. Process of entry for foreigners from countries that were allowed to enter Thailand without visa requirement since pre-COVID-19 period should now return to the same condition as long as they possess vaccine passport and negative COVID-19 test result. Certificate of Entry (COE) and other documentation for entry application may no longer be necessary.
- **Provide free or low-cost COVID-19 testing for the public:** Knowledge is key to fighting COVID-19. The cost of testing should not be an impediment to safeguarding the health of individuals and communities. Knowing who, when, and where someone is infected is essential to stemming the spread of the disease. Testing international travelers will also act as a first line of defense.
- **Promote public confidence in the effectiveness and safety of the vaccines:** The success of mass vaccination depends largely on public trust in COVID-19 vaccines. The government should work with partners and support community organizations to enhance public knowledge on the importance, urgency and safety of vaccination. Vaccine information should be released timely and with full transparency to enhance trust and confidence.
- **Rollout co-payment scheme for hospitality staff with monthly salary:** The government should use the Social Security Fund (SSF) to assist employees in the hospitality sector. Although technically employed, many hotel staff are struggling with significant losses of income caused by COVID-19 and considerable numbers resort to increasingly unsustainable personal debt.

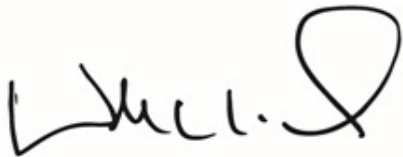
Hotel operators are doing their best to stay afloat and not laying off staff. They want to retain skilled workers who will be in high demand when the sector recovers. However, under current rules, the only way for hotels employees to receive financial aid from the SSF is to resign or be laid off. During this ongoing third wave, the heavily hit tourism sector has yet to receive any social security compensations which was previously given during last year's lockdown.

- **Allow corporate losses to be carried forward for ten accounting periods:** On top of the current five-year tax loss carry forward, the government should consider allowing an additional five years to carry losses forward for businesses devastated by COVID-19. This pandemic has triggered the most serious economic crisis since World War II. It will take many years to recover and resume normalcy. Allowing losses to be carried forward for ten years would hasten recoveries. Some countries in Europe such as the Netherlands and the Czech Republic have already allowed business to carry over their losses for an unlimited number of years.

Moreover, other measures that the government may consider implementing include reduction of utility charges for medium to large businesses, especially those in the tourism sector as well as extension of tax cut on land and buildings by 90% for two additional years. Value-Added Tax for hospitality sector should also be waived or reduced in order to boost domestic tourism. Adjusting VAT is ideal for its convenience and immediacy. Last year, the United Kingdom cut its VAT on hospitality services from 20% to 5%. Similar measures were applied in Germany and Austria. The impact of the pandemic is still ongoing, and many countries are further extending the period of relief measures to ensure that the sector does not collapse. Such policies will give tourism businesses the much-needed helping hand in surviving COVID-19. The National Economic and Social Development Council recently predicted that it could take up to five years before Thai tourism will fully recover, indicating that all help and support must gear toward this fragile but critical sector.

Once again, thank you for your consideration of my comments. My suggestions are offered in good faith and with the best interest of Thailand at heart. I pledge my full support as Thailand makes the critical next steps of reopening the country and re-starting the economy. I look forward to doing what I can to support your government's efforts to tackle this unprecedented crisis.

Yours Sincerely,



William E. Heinecke
Chairman
Minor International PCL.

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