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Tackling COVID-19 in Thailand

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How can the country balance the need to restart the economy and keeping another wave of infections at bay?

Before Thailand suffered its second wave of COVID-19 infections towards the end of 2020 and the first few weeks of 2021, the country had kept the cases impressively low. From June to the end of November, there were only a handful of days where 20 or more new cases were reported, and there were only three deaths.

Southeast Asia's economy, however, has been especially hard hit. The tourism sector, which accounts for nearly 15 percent of GDP, has been decimated by the collapse of international travel. Economic activity is further curbed by inevitable lockdowns and a nationwide state of emergency that has been extended 10 times since it was imposed in March 2020.

With work-from-home (WFH) arrangements causing further stress, Thailand had to review its COVID-19 crisis response and its reopening strategy. How can the economy be reopened safely and sustainably? How can the Thai people work, live, and play well at home when so many are telecommuting? What data or evidence should be highlighted in recommendations to the government?

LOCKDOWN = ECONOMY DOWN

Thailand saw its first case of COVID-19 infection on January 13, 2020. The patient, a female tourist who flew in from Wuhan, marked the first non-China Covid-19 case worldwide. In about a fortnight, the first local transmission was reported.

The early wave of infection reached its peak when the number of confirmed cases hit 789 cases in the week of March 23, 2020. On advice from the country's special taskforce for the pandemic response, Centre for COVID-19 Situation Administration (CCSA), the government declared that the country would enter a state of emergency the next day. Apart from flights that were bringing overseas Thai citizens home, all international inbound flights were halted in April 2020.

The lockdown was gradually eased beginning with Phase 1 on May 3, 2020 when street food stalls, restaurants, and barber shops were allowed to reopen albeit with protective measures such as the setting up of transparent screens separating diners in eateries. By August 1, 2020, the kingdom went into Phase 6 of reopening, which expanded the list of foreigners allowed in following Phase 5 a month earlier which limited entry to medical tourists, technical experts on business, and those with existing family or professional ties.

The Thai economy contracted 12 percent in the second quarter of 2020 compared to the same quarter in the previous year. While the decline was better than expected, it still marked the steepest fall since the country rose from the ashes of the 1997 Asian Financial Crisis.

The Thai government had put forward a slew of economic stimulus measures, constituting a hefty 15 percent of its GDP, in response to the economic crisis. By July 2020, the government had approved three fiscal stimulus packages, with the third one alone worth close to US\$60 billion

TOURISM: NO VISITORS, NO REVENUE, NO END IN SIGHT

Analysts expect the country's recovery would depend heavily upon the state of the global economy. Travel restrictions across regions had to be eased or even lifted for Thailand's economy to improve.

Foreign arrivals into Thailand had plummeted by two-thirds in the first half of the year to about 6.7 million. This was a stark contrast to 2019 when the country saw close to 40 million tourists, of which 28 percent or 11 million came from China and spent about 543 billion baht (US\$17 billion) during their stay.

Merely months into the crisis, the coronavirus had already claimed two notable 'victims' in Thailand's tourism sector. Asia World Enterprise and CBS Travel Asia, two of the country's best-known inbound travel agencies, were shuttered after two decades in business. In addition, the outbreak had also robbed the country of what was promised to be a banner year celebrating its 60th anniversary of promoting tourism. The projected 42 million foreign arrivals spending US\$77 billion would never be realised in 2020. The most optimistic projection shrunk to eight million visitors.

Despite the need for foreign tourists as a lifeline and that the country had entered the sixth phase of its post-lockdown relaxation, the government was still guarded about relaxing border restrictions. The Thai public remained concerned that foreign arrivals might trigger fresh surges of infections, reducing their 'whole-of-society' efforts and accomplishments to naught.

Various ideas and proposals were been raised to kickstart the sector. Phuket, one of Thailand's top tourist resort destinations, had proposed receiving direct flights from Japan, Hong Kong and South Korea. To reduce the likelihood of local spread, tourists and business executives visiting from these countries would have to perform two-week quarantines in their hotels before heading out. Hotel occupancy rate could jump to about 40 to 50 percent, a level which might be able to sustain hotel operations and keep jobs intact.

NOW WHAT?

There were other issues that came to the fore, including a doubling in domestic violence cases during the six-week lockdown that ended in May. Meanwhile, European expatriates holding one-year retirement visas could not return to Thailand as they were considered to be tourists in the eyes of the Thai authorities.

Despite these troubles, Thailand has escaped relatively unscathed compared to many countries, including developed economies and those with better public health systems. Unfortunately, its tentative success could not save it quick enough from the other ongoing crises which continued to wreak havoc on its social and economic fronts.

On a grander scale, what were the key tensions that Thailand had to negotiate? For the country to open up further to international visitors, it needed to put in place clear and effective measures to identify, quarantine, and trace new cases, particularly new infections imported from overseas. It would have to formulate a set of mutually agreed standards on testing results with other governments for 'travel bubbles' to be viable.

What else could the Thai government do? What should the country watch out and prepare for in the months ahead so that its reopening could continue safely and sustainably?

This is an adapted version of the SMU Case, "The Covid-19 Crisis in Thailand: Charting a Safe and Sustainable Path to Recovery". To see the full case, please click on the following link: <https://cmp.smu.edu.sg/case/4706>.

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