

March 25, 2020

Emergency Survey on the Impact of the Coronavirus Disease (COVID-19)

Japanese Chamber of Commerce, Bangkok (JCCB)

Japan External Trade Organization (JETRO) Bangkok

- Targeted companies: 1,764 JCCB member companies
- Number of companies responded: 552 companies (Response rate: 31.3%)
(285 manufacturing companies and 267 non-manufacturing companies)
- Survey period: March 9-13, 2020

• Survey results

Question 1 Concerning the current coronavirus disease outbreak, how would you evaluate the outbreak's potential impact on your company's business performance as of now?

	Total		Manufacturing		Non-manufacturing	
1 Significant negative impact on sales (at least 5%)	175	32%	91	32%	84	31%
2 Some negative impact	265	48%	136	48%	129	48%
3 No impact	44	8%	25	9%	19	7%
4 Some positive impact	12	2%	7	2%	5	2%
5 Significant positive impact on sales (at least 5%)	2	0%	1	0%	1	0%
6 Unable to predict at the moment	54	10%	25	9%	29	11%
Number of respondents	552	100%	285	100%	267	100%

(Ref.) From the survey participated by 40 JCCB board member companies dated February 14

1. 10% 2. 50% 3. 15% 4. 3% 5. 0% 6. 23%

Question 2 What are the impacts of the coronavirus disease outbreak on your company's business (production, sales, etc.)? (multiple answers)

	Total		Manufacturing		Non-manufacturing	
Sales decrease due to a slowdown in Thailand's domestic consumption	346	63%	174	61%	172	64%
Loss of opportunity to attend business meetings due to cancellation of appointments and business trips within Thailand and abroad	290	53%	135	47%	155	58%
Obstruction to business activities from some measures such as self-quarantine recommendation for returnees/visitors from Japan (and other areas where many infected cases were found) (as of March 9)	287	52%	152	53%	135	51%
Sales decrease due to a slowdown in global consumption (outside of Thailand)	256	46%	165	58%	91	34%
Difficulty and delay in procuring parts, raw materials, intermediate materials, and finished products from other countries such as China (except Japan)	229	41%	143	50%	86	32%
A slowdown in consumption due to the declining number of tourists visiting Thailand	99	18%	38	13%	61	23%
Difficulty and delay in delivering parts, raw materials, intermediate materials, and finished products to other countries such as China (except Japan)	47	9%	31	11%	16	6%
Difficulty and delay in procuring parts, raw materials, intermediate materials, and finished products from Japan	36	7%	19	7%	17	6%
Difficulty and delay in delivering parts, raw materials, intermediate materials, and finished products to Japan	17	3%	11	4%	6	2%
Others	55	10%	27	9%	28	10%
Number of respondents	552	100%	285	100%	267	100%

Answers categorized as 'Others'

(Examples)

- Impact on logistics (such as the delay in delivering goods due to the reduction of international flights, the delay of cargo ships, etc.)
- Countermeasures to the outbreak (such as infection prevention) are obstructing the company's main business operation
- Thai employees are very worried about the outbreak
- While the baht depreciation positively affects the export business, the strong yen negatively affects the imports of parts and materials
- The number of Thais visiting Japan decreases
- Financial impacts such as the delay in debt repayment

Question 3 When has your company's business (production, sales, etc.) been affected or when do you expect your company's business to be affected by the outbreak of the coronavirus disease?

	Total		Manufacturing		Non-manufacturing	
The company has already been affected and the impact has a tendency to be prolonged or intensify	271	49%	137	48%	134	50%
The company has already been affected but is recovering since there are also positive factors such as manufacturing bases in China starting their operation	56	10%	40	14%	16	6%
The company is expected to be affected in March	81	15%	38	13%	43	16%
The company is expected to be affected in April	67	12%	35	12%	32	12%
The company is expected to be affected from May onwards	41	7%	16	6%	25	9%
No impact in particular	36	7%	16	6%	20	7%
Number of respondents	552	100%	285	100%	267	100%

Question 4 Please write down specific examples of the impacts or mitigation measures to cope with such impacts in details as much as possible. (please also comment on whether the situation has a tendency to get better or worse, if possible)

(Examples)

- Sales decrease due to a slowdown in Thailand's domestic consumption
 - Declining demand due to a gloomy sentiment towards consumption and a slowdown in the real economy
 - A declining trend in the number of customers, especially for businesses related to restaurants and dining, due to people refraining from going out of their living premises
 - Considering a postponement of capital investment and a large-scale cost cutting measures in order to mitigate the negative impacts to the company's profit and loss balance
- Loss of opportunity to attend business meetings due to cancellation of appointments and business trips within Thailand and abroad
 - Voluntarily refraining from going on business trips within the country and abroad or receiving many requests from the counterparts to postpone meetings
 - Reconsidering organizing exhibitions and facing an increase in expenditures to fund infection prevention measures in case an exhibition is to be held
- Impacts on business activities since some measures such as self-quarantine recommendation for returnees/visitors from Japan
 - The delay in launching new products since technical experts from Japan are cancelling their business trips to Thailand
 - Personnel from abroad are unable to travel to Thailand to install new machines or carry out machinery maintenance
 - Having obstacles in transferring new Japanese employees assigned to station in Thailand office and receiving employees on the business trips from abroad
 - The delay in internal approval process and business activities due to the self-quarantine measure

- Difficulty and delay in procuring parts, finished products, etc. from other countries such as China (except Japan)
 - Necessity to revise the original production plan arises because of the delay in procurement from China
 - Although factories in China which are supplying some parts to the company have started operating, their manufacturing rates remain low; therefore, the company cannot secure enough quantity of those components
 - Some of the production are transferred from factories in China to those in Thailand in order to make up for the reduced capacity
- Sales decrease due to a slowdown in global consumption (except in Thailand)
 - Due to a slump in exports to China, the company will start considering the suspension of further capital investment and, possibly, a layoff
 - As the demand of automobile-related components dwindles, the benefits of the production transfer from China to ASEAN countries is not apparent at this moment
 - A decrease in investment appetite from foreign investors and customers, but there is no drastic measure to address the issue
- Others
 - People are more nervous about Japanese, for example, Japanese are denied access to their business counterparts' premises merely because they are Japanese
 - Consultation cases are on the rise, especially concerning operation shutdowns and cost-cutting methods, from companies with insufficient capital flows to operate their businesses
 - Concerns about requests from the government and related agencies to undertake excessive mitigation measures in case that an infection is found within the company

[Requests] Concerning the current coronavirus disease outbreak, what are your company's requests to the Thai government or other relevant agencies? (multiple answers)

	Total		Manufacturing		Non-manufacturing	
Provision of timely and accurate information concerning the outbreak situation and measures that should be adopted	383	73%	185	65%	198	84%
Adequate distribution of essential products such as face masks and liquid disinfectants in the market	329	63%	182	64%	147	62%
Macroeconomic measures in response to the slowing economy such as increasing the government's expenditures	219	42%	107	38%	112	47%
Tax measures and financial assistance to each company	95	18%	41	14%	54	23%
Number of respondents	522	100%	285	100%	237	100%

Please write down the specific details of your above requests and any requests you may have.

(Examples)

- Relaxation of the 14-day self-quarantine rule
- Providing clear, accurate, and timely information from the government's source, drawing up guidelines based on sound information and the government's measures, as well as allowing sufficient preparation time between the announcement and the implementation of the policy direction
- Providing information on the testing scale, capacity, and venues offering the PCR testing service in Thailand
- Public announcement concerning the areas where infections were found
- Subsidy for the COVID-19 testing expense
- Securing and providing equipment necessary for infection prevention measures such as masks, liquid disinfectants, and thermometer, at an appropriate cost
- A continuation of economic stimulus measures
- Corporate income tax reduction/exemption measures, as well as an appropriate implementation of tax-related procedures and an extension of submission deadline for tax declaration where necessary
- Securing export-import routes, including marine shipping and air cargo services