
“How have Thai corporates adapt to new normal and what are the next move?”

By Mr. Joerg Ayrle, Group Chief Financial Officer, Thai Union Group

Ms. Jareeporn Jarukornsakul, Chairman and Group CEO, WHA Corporation

Mr. Dhanawat Suthumpun, General Manager, Microsoft-Thailand

Mr. Dhanawat (MSFT)

- This time is a **good opportunity to rethink, empower and leverage their company core value by riding on the “tech trend”**. This will be continuing, because consumer already know and get use to hybrid work place, and they even gain more productivity (working anywhere in anytime) by using technology. And somehow, they collect more saving by working at home.
- Retail industry landscape is changing by online shopping activities. **Digital twin is happening in both demand side and supply side** ex. Remote working and hyper-automation. It’s time for re-imagine their work process due to fast digital adoption and acceleration. However, there is a dark side of digital world ex. cyber-attack, malware ransom.
- **Big data provided by the customer is necessary for business revamping by leveraging advance technology**. You will wish that your tech project would be finished since yesterday.
- **From the survey during COVID-19, 1/3 new graduates will be unemployed, especially informal workers got the most impact**. The **occupation opportunities in the future depend on tech skill**, which are only few Thai skilled labors in this field.
- Microsoft class promotes drag and drop tech skill (not hard coding). The great chance for Thai people to using their business knowledge with the technology, this is the good time for upskill and reskill. He thinks that **everyone has capability to learn and leverage technologies in different sector**. However, the executives need to believe in growth mindset.
- **Thai government should use this opportunity to think about technology strategy to leap frog & rebranding Thai economy as a whole** in the future, including equip technology to Thai workforces in private and public sectors.

Mr. Joerg (TU)

- Although, due to strong of head wind, there is strong demand for TU product (food and beverage) from globally stick core operation, cash and liquidity management
- The speed of technology disruption is faster and faster. However, **some employers and employees are not ready to work from home** ex. Paper submission, electronic signature involve with the regulator permission ex. Commercial bank. Therefore, **we need to equip technology devices for new normal and new regulations**.
- **Supply chain transparency**, started for long time ago for sustainability, is the advantage to **help business to easily cope with the dynamic strategy during COVID-19**

- **Training and upskilling are the must** ex. English language, digital media, people who can't change will not be suitable for new normal. He is 50% confident that more than half of Thai employees have enough technology skills.
- COVID-19 drives people go back to basic staples causing the important of innovative ideas or new products are now reducing. **The corporate needs to know their customers behavior to adapt the focus to the right core product.**
- Government should focus more on SMEs ex. Funding and emergency loan to prevent shutdown during COVID crisis.

Ms. Jareeporn (WHA)

- Many key events in 2020, impact not only logistic, but this crisis revamps all the logistic around the world. There are also **many opportunities during the crises** ex. E-commerce, international and regional player (competitors) enter to Thai market. They will need logistic. However, these opportunities **also attract the big players from over-sea.**
- WHA think about disrupt itself by implementing digital transformation and the **COVID is the catalyst that speed up the adaptation of the technology that is disrupting most businesses** so preparing workforce for technology disruption is the key to success. WHA thinks its employers are ready for this challenge.
- WHA believe that the lockdown the country is only the short-term issue. Industry estate faced only small impact; the customers didn't offshore to anywhere yet. However, the government should support the industrial estate to catch up with reallocation opportunity like Japan. **Right now, the government only cured the economy not stimulus. Thai government should establish business bubble or other supports to attract FDI.**

Session 4 Redefine Thailand's medical and wellness industries

1. Mrs. Srisuda Wanapinyosak, Deputy Governor, Tourism Authority of Thailand
2. Mr. Tassapon Bijleveld, Executive Chairman, Asia Aviation
3. Mrs. Artirat Charukitpipat, Chief Executive Officer, Bumrungrad Hospital
4. Ms. Suphajee Suthumpun, Chief Executive Officer, Dusit Thani

Moderator: Dr. Pipat Luengnaruemitchai, Phatra Securities

Q1. What are your baseline assumptions as to when foreign tourists could meaningfully return to Thailand? Any chance of interim arrangement (e.g. travel bubbles) before we have an effective vaccine?

- 1) Mrs. Srisuda (TAT)
 - **Only 6 million tourists came to Thailand, and 65% decreased in tourism revenue YTD and for the best scenario, we can hope the annual tourism revenue will be around 50% of previous year.** The government plans to re-open Phuket first, the biggest problem is that tourists have to quarantine for 14 days, this pilot program will be ready sometime in Oct 2020.
- 2) Mr. Tassapon (AAV)
 - The worse crisis that AAV faced in 14 years, only 25 aircrafts are operating including 10% tourists and 90% government agencies. More importantly, the spending in tourism sector came from foreigners. He still not let any of employees go without the reasons. He said his company is **ready to operate the flight to any cities at this time, the travel bubble has its potential but no one guarantee that there is no 2nd wave.**

3) Mrs. Artirat (BH)

- SARS and MERS were happen before in healthcare sectors, but COVID-19 affect more due to wider spread and no vaccine yet. The medical tourism is highly impact because no one travels aboard and harms BH profit. **Doctors hope to cover the telemedicine to replace in the value chain. The cost of medical equipment was getting more expensive due to lack of supply.**

4) Ms. Suphajee (Dusit)

- Hotel business got impact very badly across the region since late of March 2020. No one wants to travel anymore to keep social distance until lock down was lift up in the end of June. **However the occupancy rate is around 40-50%. The company need to make sure that liquidity level is well controlled.**

Q2. How do you think global tourism landscape would change after Covid? How should Thailand position its tourism strategy in the new normal (until Covid-19 is over and capacity is limited) and post Covid periods? Can we leverage from our success in controlling the outbreak?

1) Mrs. Srisuda (TAT)

- **Pattern about tourism will change. Group travelling will decline, and they will spend less money and also cautious more about hygienic issue.** TAT engage so called "BEST" strategy B=booking in advance, E=environmental, S=safety and T=technology
- TAT hope that "เราเที่ยวด้วยกัน" campaign will attract about 2 million domestic tourists.
- TAT positioning Thailand as Resort of the world in term of medical and wellness. Government focus on telemedicine for oversea Thai, online health market place, global health insurance.

2) Mr. Tassapon (AAV)

- **Our economy depends on foreign tourists**, because they stay longer and spend more money than Thai tourists. It will take about 2 years to get into the normal.
- **After the vaccine is launched, the economy will get back to pre-COVID level in 6 months. The tourism industry will change from quantity to quality.**

3) Mrs. Artirat (BH)

- Patients are afraid to come to the hospital, so the new normal for **healthcare was disrupted by technology ex. Telemedicine, robotic surgery, genetic testing and other IOTs in order to improve efficiency.** Healthcare will move to customers' home, which means the new competitors ex. pharmaceutical in telemedicine.
- **Do not let COVID stop our growth**, especially healthcare management. Although 2nd quarter P&L is not good, but see strong recovery in 3rd quarter. We have good qualify doctors comparing to others. And she believes that the economy will pick up within 3rd quarter next year.

4) Ms. Suphajee (Dusit)

- **New landscape of hospitality businesses;** 1) more consolidation (M&A) to solve for the liquidity issue 2) diversify portfolio e.g. leased, owned, and managed model (rethink about balancing fixed and variable cost) 3) More partnership across industries e.g. airline, hospital 4) New hygiene and safety measure 5) more technology driven (touchless contact) 6) Sustainability 7) Wellness and historic health experience.
- **Success of how we manage the COVID-19 lead to new campaign for tourism in Thailand that we provide safeness traveling** with top notch healthcare system (easy to access, great one-on-one wellness). And we can promote other selling point like food and culture, make them stay longer and spend more.