

Impact of Covid-19 on Minerals Investment in Thailand

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The 8th Private Sector Forum on Cooperation in Minerals in ASEAN

“ Impact of Covid-19 on Minerals Investment in ASEAN ”



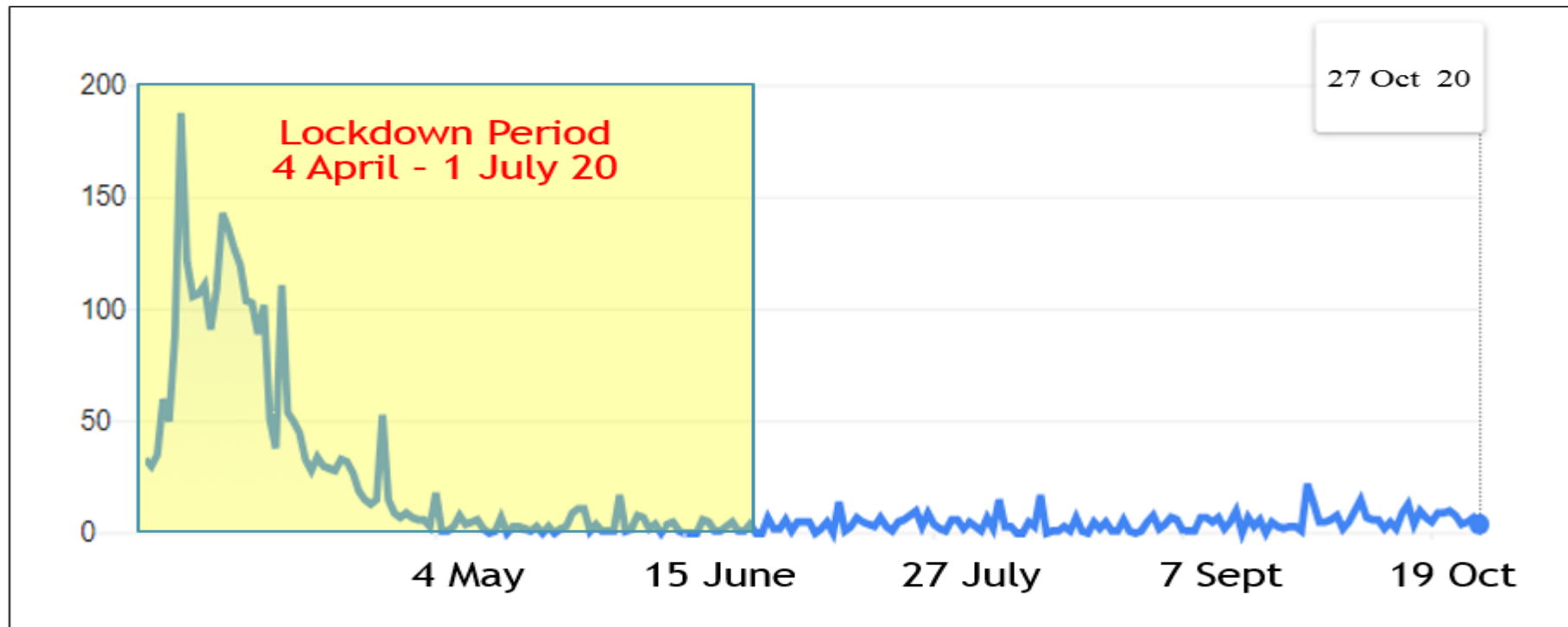
Covid-19 Pandemic in Thailand

- ▶ Thailand noted its first case of Covid-19 on 13 January 2020
- ▶ On 26 March 2020, a state of emergency was declared.
- ▶ On 3 April 2020, a curfew went into effect.
- ▶ On 4 April 2020, lockdown measures on business and activity were implemented in varying degrees throughout the country.

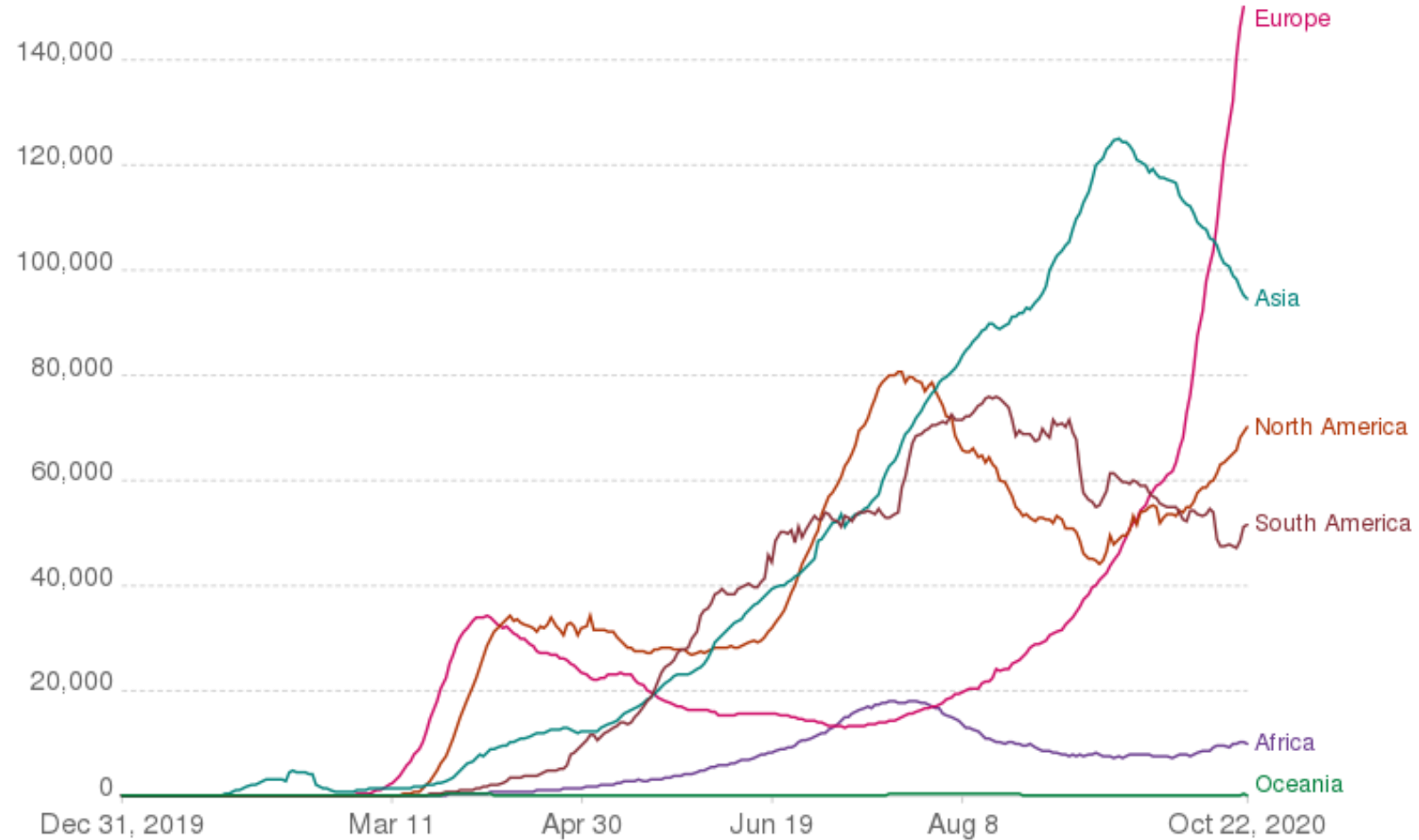


Covid-19 Pandemic in Thailand

- ▶ The rate of new cases gradually dropped throughout April, and by mid-May, locally transmitted infection rates had fallen to near-zero.
- ▶ On 1 July 2020, lockdowns measures were lifted.



Covid-19 Pandemic in the World

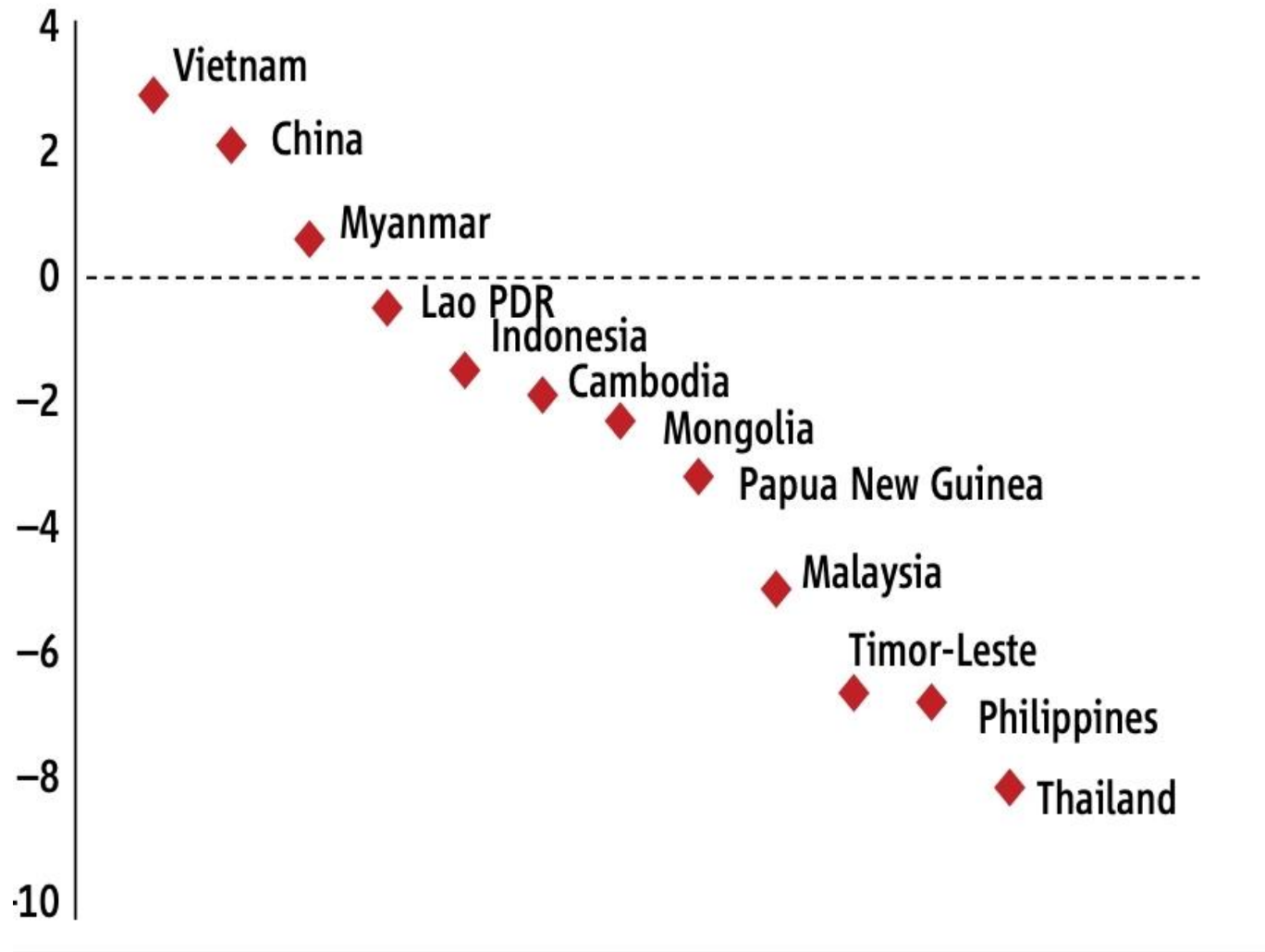


Source: European CDC – Situation Update Worldwide – Last updated 22 October, 10:34 (London time)

Impact of Covid-19 Pandemic in Thailand

- ▶ The Covid-19 pandemic has heavily disrupted the country's economy, of which tourism is a significant sector.
- ▶ The related impact on the economy through :-
 - **Direct (generated by domestic lockdown) and,**
 - **Indirect (supply and demand shocks in supply chains).**
- ▶ Signals of the impacts in Thailand were shown in the first quarter 2020 and were deeper and broader over in the second quarter.
- ▶ The World Bank predicts that Thai Economy will contract by 8.3 %

Impact of Covid-19 on GDP of Asian Countries



Source: World Bank staff estimates.

Note: Myanmar growth rate refers to fiscal year from October to September.

Covid-19 Impact on Real Gross Domestic Products on Production Side

	2019	2019		2020			% GDP 2019
		H1	H2	Q1	Q2	H1	
RGDP	2.4%	2.7%	2.0%	-2.0%	-12.0%	-6.9%	100.0%
Agriculture	1.7%	0.2%	-0.6%	-9.8%	-3.2%	-6.7%	6.1%
Industrial	0.0%	1.0%	-1.0%	-1.9%	-1.4%	-7.8%	31.7%
Mining	1.7%	1.4%	1.9%	2.2%	-14.0%	-5.9%	2.1%
Manufacturing	-0.7%	0.2%	-1.5%	-2.6%	-14.4%	-8.3%	26.4%
Services	4.0%	3.9%	4.0%	-0.9%	-12.3%	-6.5%	63.2%
Construction	1.9%	3.2%	0.5%	-9.9%	7.4%	-1.3%	2.7%
Wholesale & Retails	5.7%	6.1%	5.3%	4.8%	-9.8%	-1.9%	15.6%
Transport & Storage	3.4%	3.4%	3.5%	-6.0%	-38.9%	-21.7%	6.8%
Hotel & Resturant	5.5%	4.3%	6.7%	-23.3%	-50.2%	-36.2%	6.2%
Info & Communication	8.8%	8.0%	9.5%	3.2%	1.7%	2.4%	5.3%
Finance	2.0%	1.9%	3.6%	4.5%	1.7%	3.1%	7.2%
Entertainment	11.4%	10.7%	12.1%	8.6%	-46.0%	-17.8%	1.0%

Source : National Accounting Division, Office of the National Economic and Social Development Council

Covid-19 Impact on Real Gross Domestic Product on Expenditure Side

	2019	2019		2020			% GDP 2019
		H1	H2	Q1	Q2	H1	
RGDP	2.4%	2.7%	2.0%	-1.9%	-12.2%	-6.9%	100.0%
Private Final Consumption	4.5%	4.7%	4.2%	2.7%	-0.6%	-2.1%	52.1%
General Government Final Consumption	1.4%	2.5%	0.4%	-2.8%	1.4%	-0.7%	14.6%
Total Investment	2.1%	2.5%	1.8%	-6.5%	-8.0%	-7.2%	23.9%
Export of Good & Service	-2.6%	-3.7%	-1.5%	-7.3%	-28.3%	-17.6%	71.4%
- Export Goods	-3.6%	-4.5%	-2.6%	2.0%	-15.9%	-7.0%	54.3%
- Export Services	0.5%	-1.3%	2.4%	-32.2%	-70.4%	-49.0%	17.2%
Import of Good & Service	-4.4%	-1.7%	-6.9%	-3.1%	-23.3%	-13.2%	64.6%
- Import Goods	-5.5%	-3.3%	-7.7%	-0.3%	-19.3%	-9.9%	52.3%
- Import Services	0.5%	5.0%	-3.8%	-13.0%	-37.9%	-25.3%	12.3%

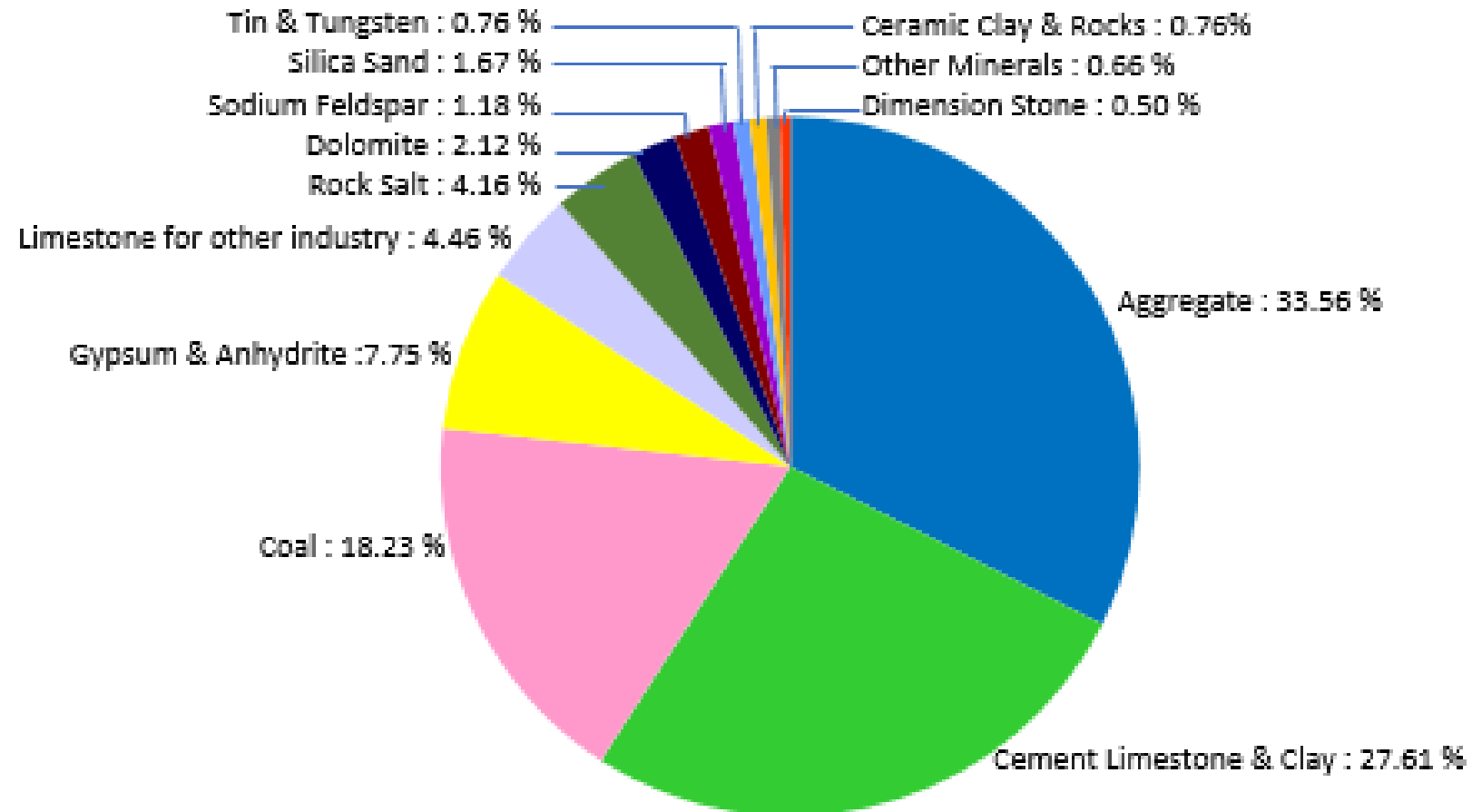
Source : National Accounting Division, Office of the National Economic and Social Development Council

Thai Mining Industry

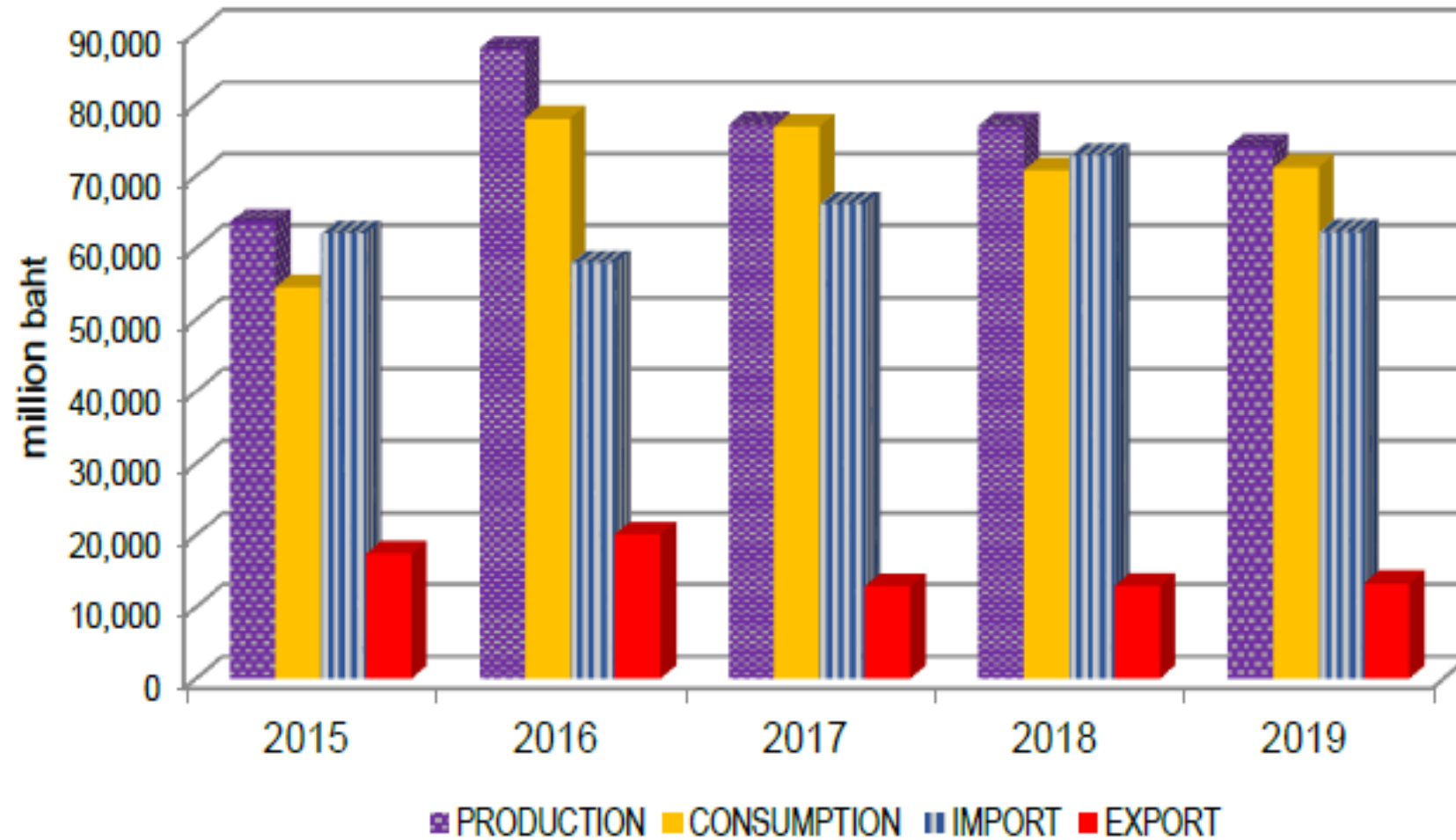
- ▶ Thailand does not produce enough minerals to meet the needs of the country.
- ▶ Recently, the productions are only on industrial minerals. No metal mining except a few small scale tin and tungsten mines.
- ▶ Annual production is worth around 70 billion Baht.
- ▶ At least 70 billion baht worth needed to be imported per year. The main imported minerals are coal with more than 20 million tonnes per year.
- ▶ The main exported minerals are gypsum, anhydrite, dolomite, sodium feldspar, limestone and cement. Total export value are about 13 billion Baht
- ▶ **Note : The export value reached 20 billion Baht in 2016 when gold mines and zinc mine were still under operating.**

Minerals Production in Value of Thailand in 2019

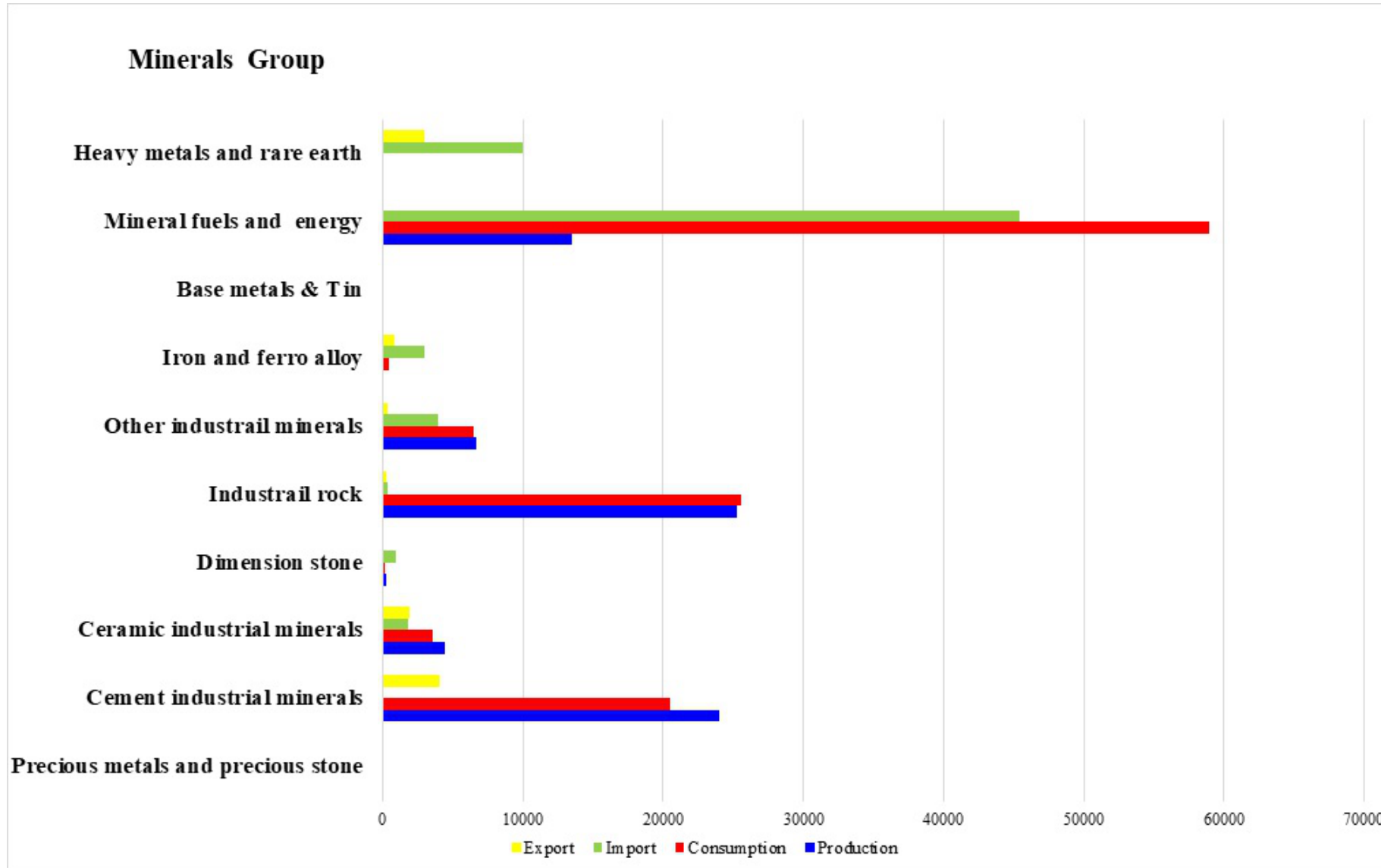
Total : 74,084 M.Baht



Minerals Production in Value of Thailand in 2015-2019



Minerals Production-Import-Consumption-Export of Thailand in 2019 (M.Baht)



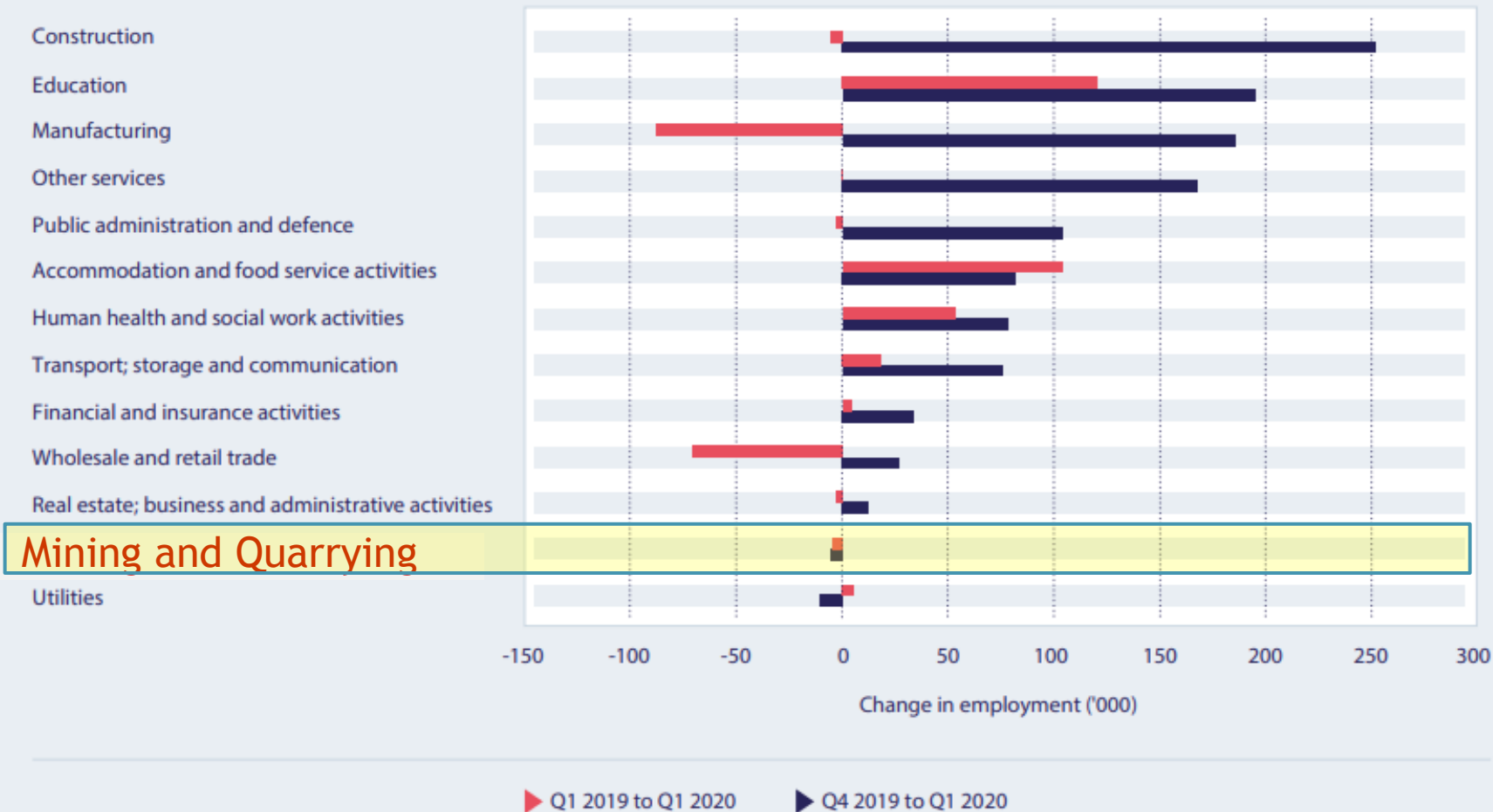
Impact of Covid-19 on Thai Mining Industrial Sector

- ▶ The impacts are in the form of reduction in local consumption and export.
- ▶ All Thai mining firms, except EGAT, are SMEs.
- ▶ Small-size and low-tech firms have suffered the most from the crisis.
- ▶ Demand reduction has posed the biggest impact to firms. Reduced orders have led to lessened revenue flows.
- ▶ Most expect extreme revenue loss because of reliance on global value chains (GVC) and for small-size firms.
- ▶ Difficulties in obtaining loans have exacerbated the situation.
- ▶ Operational costs are cut.
- ▶ Fixed costs on employee payments and social security as well as repayment of loans to commercial banks are concerned.

Covid-19 Impact on Thai Employment by Sector

Q1 2019 – Q1 2020 and Q4 2019 – Q1 2020

Change in employment by sector (1-digit), Q4 2019 to Q1 2020 and Q1 2019 to Q1 2020

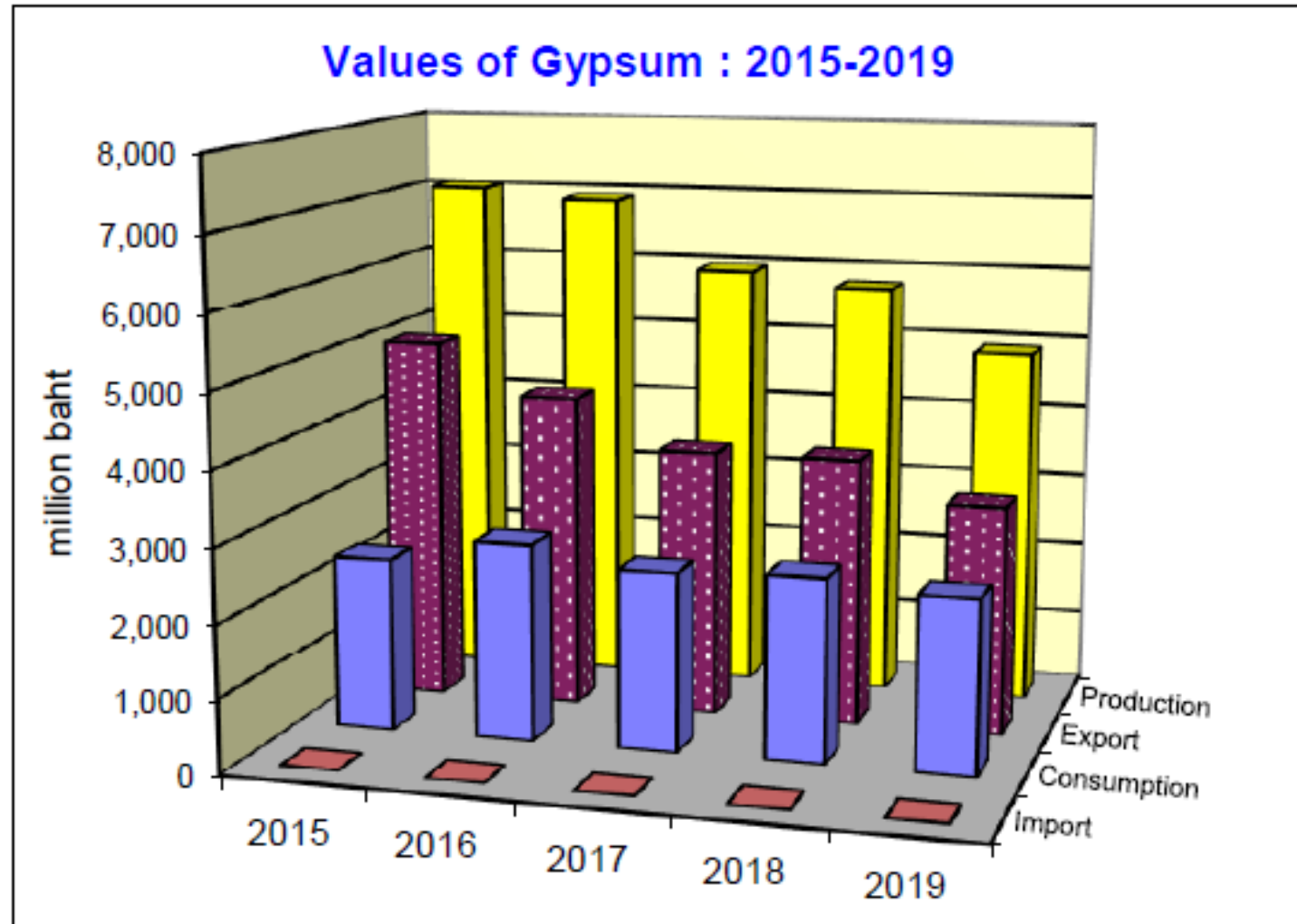


Covid-19 Impact on

Gypsum
Export

of Thailand

Gypsum Production-Export-Consumption-Import of Thailand



Covid-19 Impact on Gypsum Export of Thailand

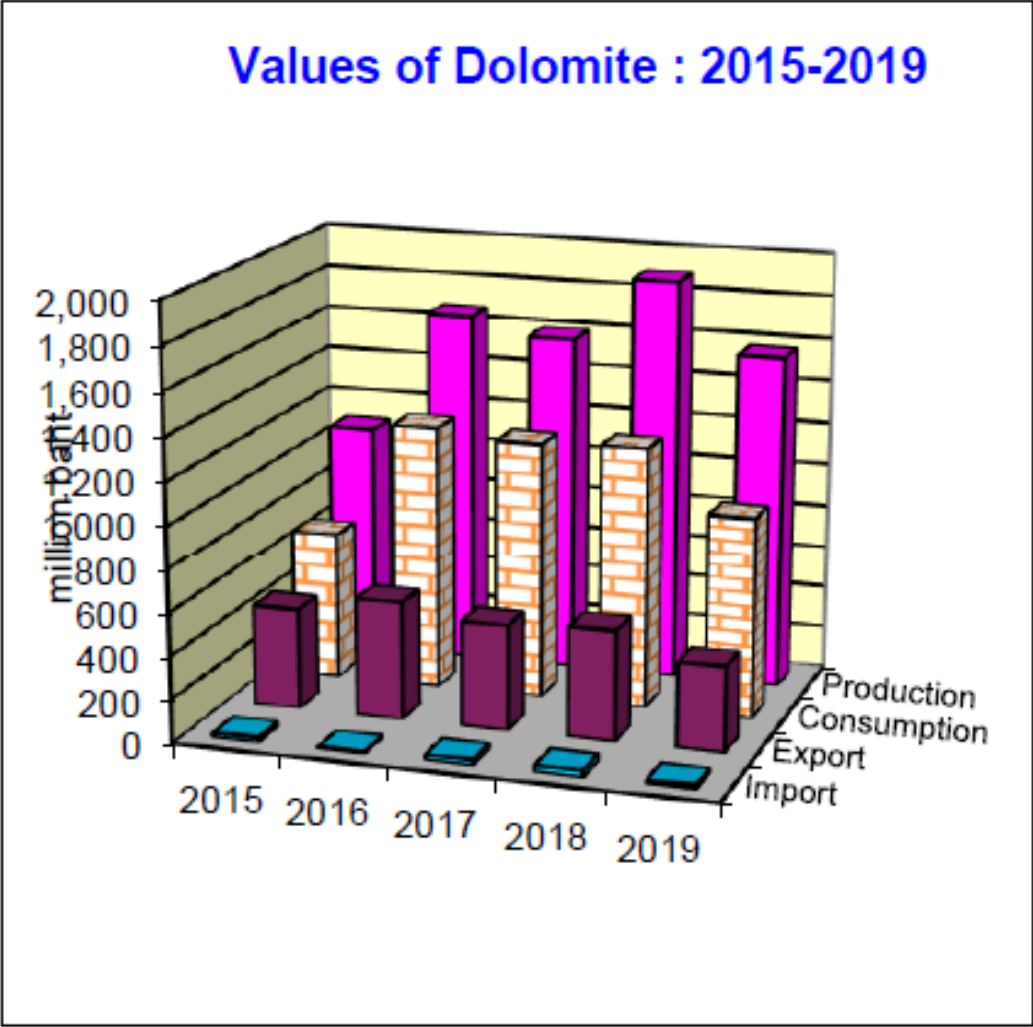
Country	2019	2019 (Jan-Sept)	2020 (Jan-Sept)	% Change
	M.Bath	M.Bath	M.Bath	
Japan	956	724	704	-2.70
Malaysia	1,033	777	637	-18.10
Indonesia	788	549	566	3.17
Vietnam	720	505	445	-11.91
China	417	298	283	-5.10
Cambodia	344	261	239	-8.52
India	239	216	151	-30.24
South Korea	172	142	137	-3.26
Tanzania	143	111	105	-5.20
Philippines	249	176	92	-47.73
Bangladesh	155	122	75	-38.39
Others	325	261	221	-18.08
Total	5,542	4,142	3,658	-11.70

Covid-19 Impact on

Dolomite
Export

of Thailand

Dolomite Production-Export-Consumption-Import of Thailand



Covid-19 Impact on Dolomite Export of Thailand

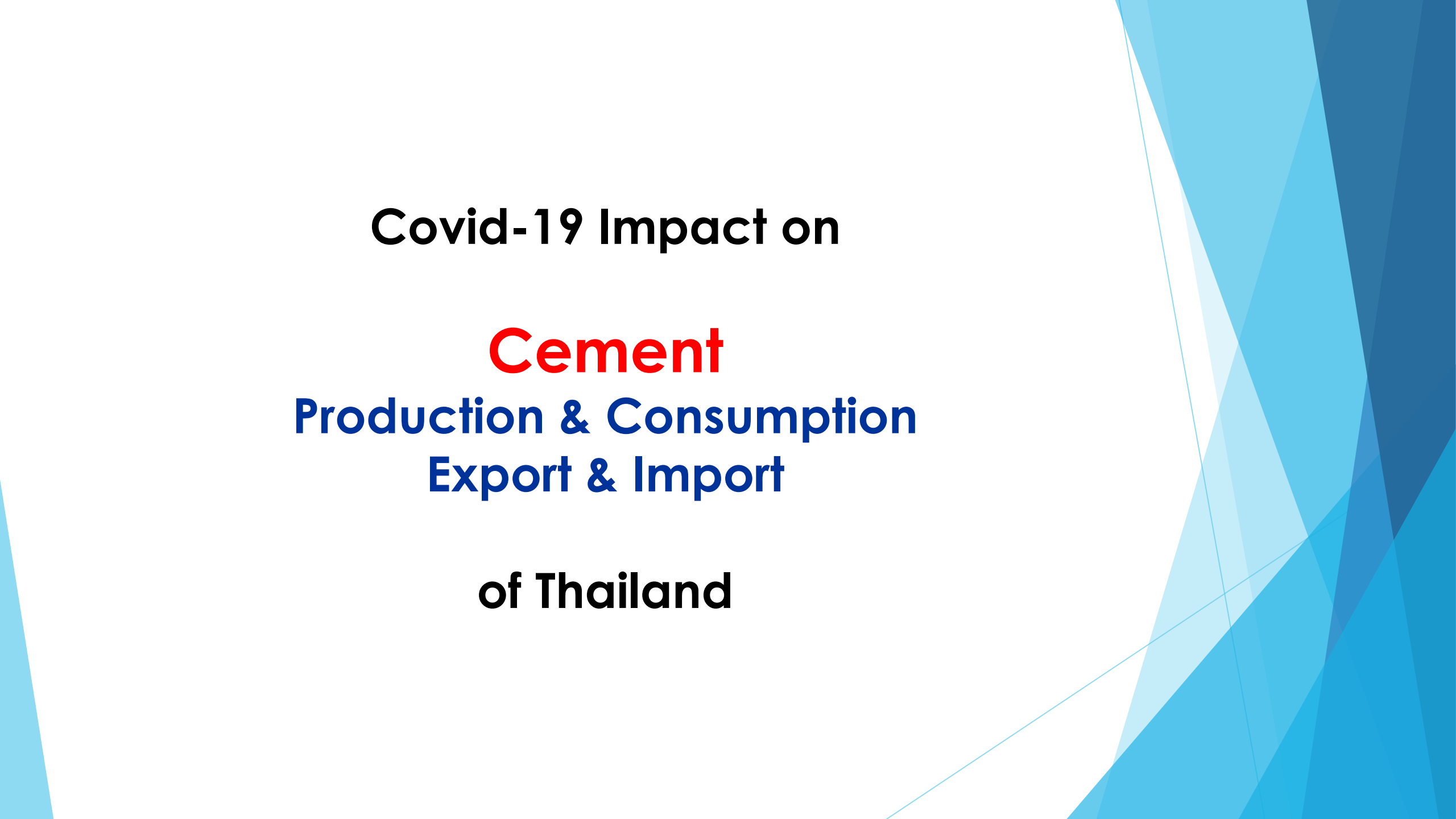
Country	2019	2019 (Jan-Sept)	2020 (Jan-Sept)	% Change
	M.Bath	M.Bath	M.Bath	
Malaysia	122.5	107.5	125.7	14.48
Japan	109.1	92.5	85.1	-8.64
India	96.0	65.8	66.5	0.99
Taiwan	44.7	44.7	30.0	-49.00
Chile	16.8	16.8	0.0	-100.00
Lao PDR	2.0	1.0	1.9	46.84
Hong kong	0.6	0.3	1.3	76.15
Phillipines	0.5	0.2	0.4	60.00
Bangladesh	0.4	0.2	4.6	95.87
Total		329.0	315.5	-4.27

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue, creating a modern, dynamic feel.

Covid-19 Impact on
Sodium Feldspar
Export
of Thailand

Impact of Covid-19 on Sodium Feldspar Export

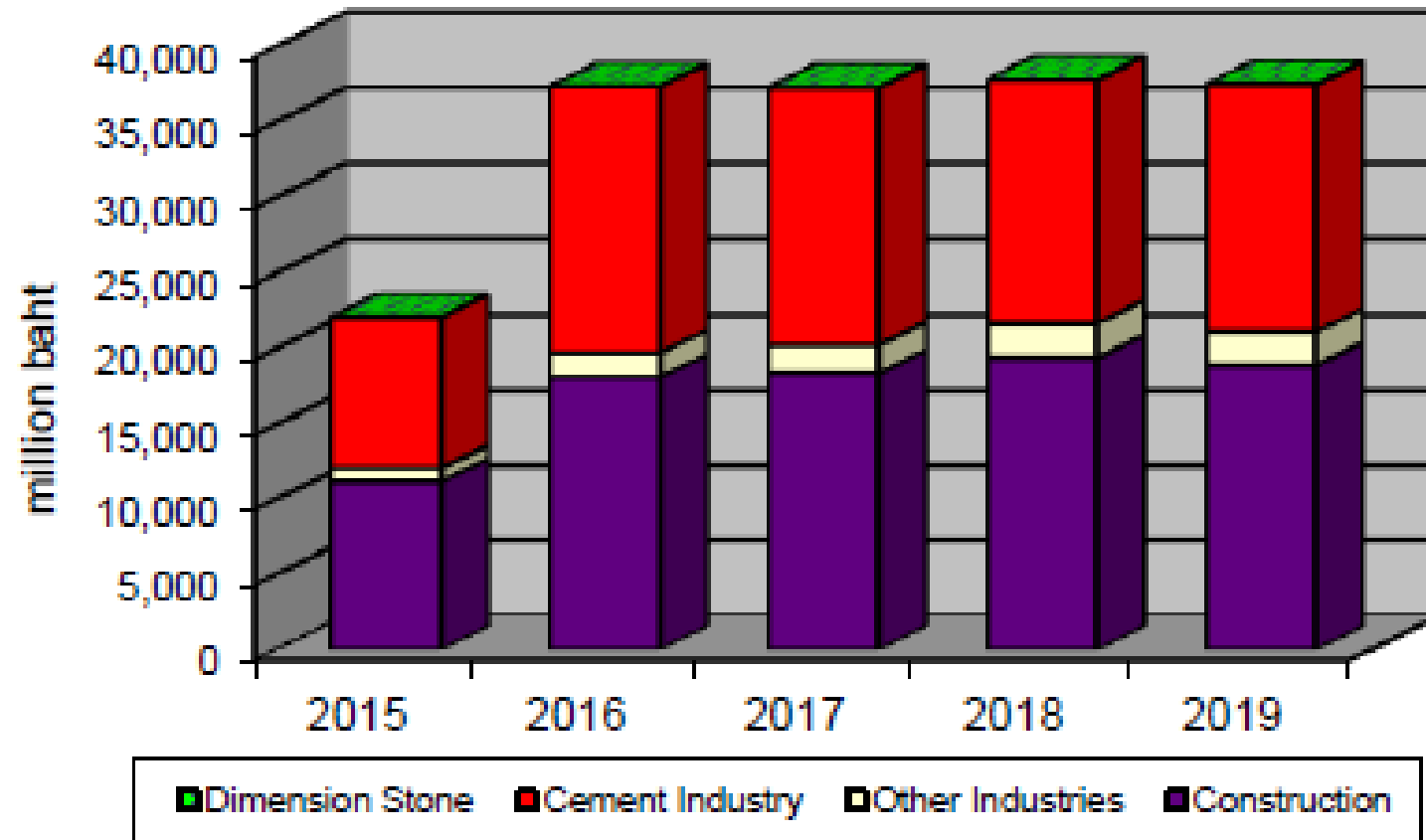
Country	2019	2019 (Jan-Sept)	2020 (Jan-Sept)	% Change
	M.Bath	M.Bath	M.Bath	
Bangladesh	378	269	250	-7.09
India	160	127	142	12.12
United Arab Emirate	115	106	89	-13.16
Indonesia	112	79	45	-42.65
Philippines	8	7	9	31.65
Malaysia	8	7	9	18.75
Vietnam	11	6	8	50.08
Total	801	605	553	-8.69

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to dark navy blue, creating a modern, dynamic feel.

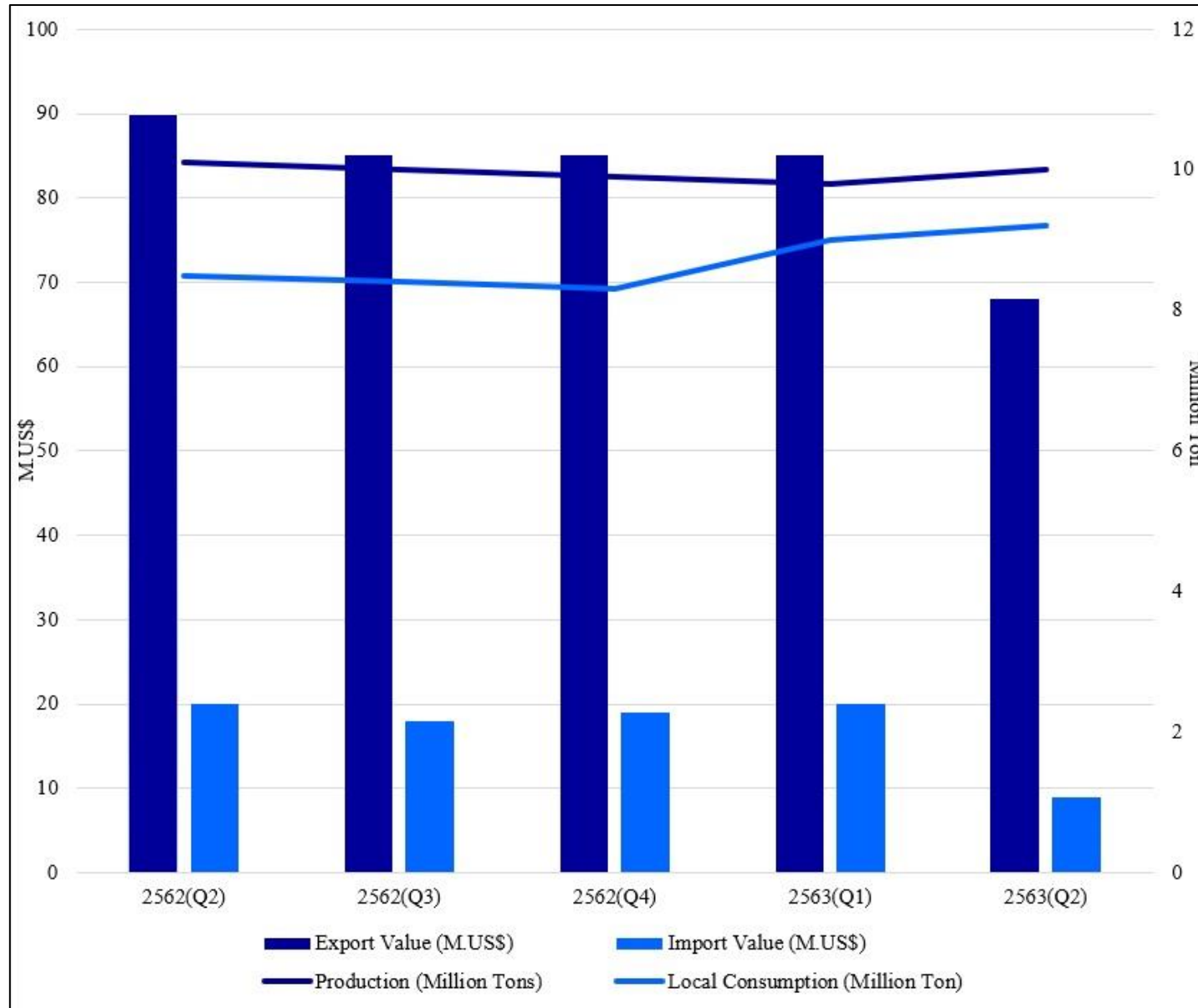
Covid-19 Impact on
Cement
Production & Consumption
Export & Import
of Thailand

Limestone Production of Thailand

Values of Production of Limestone 2015-2019



Impact of Covid-19 on Cement Production / Consumption / Export / Import



The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue, creating a modern, layered effect.

Covid-19 Impact on
Coal
Production & Consumption
of Thailand

Covid-19 Impact on Electricity Demand in Thailand

Sector	Electricity Consumption (GWh)				2020 (Jan-Jun)	
	2017	2018	2019	2020 (Jan-Jun)	Growth (%) YoY	Share (%)
Household	44,374	45,205	49,202	27,503	8.3	29
Business	45,100	46,764	49,128	22,049	-11.6	23
Industry	87,772	87,829	86,104	40,484	-6.7	43
Others	7,878	8,034	8,526	4,162	-2.3	5
Total	185,124	187,832	192,960	94,198	-3.9	100

Covid-19 Impact on Coal Production & Consumption

Mineral	2018	2019	2018	2019	2020	% Change
	M.Bath	M.Bath	(Jan-Jun) M.Bath	(Jan-Jun) M.Bath	(Jan-Jun) M.Bath	
Production	14,258	13,509	7,075	7,015	6,565	-6.41
Consumption	13,841	13,415	6,611	6,969	6,507	-6.63



Thai Government's Relief Measures on Impact of Covid-19

Financial measures

- Soft Loan to business.
- Suspending loan principal, reducing the interest rate
- Reducing contributions to the Social Security Fund by employers and employees.

Thai Government's Relief Measures on Impact of Covid-19

Tax measures

- Reduction in withholding tax rates
- Deduction of 1.5 times interest expenses
- Deduction of 3 times wage expenses
- Early VAT refunds for goods exporters