**FTCC Aerospace Committee**

**Online Meeting on April 15th, 2020**

**At 10 am via ZOOM**

***Present***

1. Pierre Jaffre
2. Ketan Pole CCS Tech
3. HE Sihasak Phuangketkaew EEC
4. Pornthep Navakitkanok  Space Krenovation Park, GISTDA
5. Tatiya Meemeskul Lenso Aerospace
6. Laurent Landié Lim & Partners
7. Remy Maitam Revima
8. Papornrach Passonnopporn Revima
9. Jean-Jacques DURIN Trocadelyo
10. Frederic Favre Vovan & Associés
11. Sukanya Uerhchuchai Franco-Thai Chamber of Commerce
12. Sommawan Lowhaphandu Franco-Thai Chamber of Commerce

**TOPICS OF DISCUSSION:**

* To explain the situation of their cluster in the Covid environment
* To make an update of their subcommittee work

Pierre Jaffre welcomed the Committee by saying that he was happy to meet all and see that everybody was in good health.

**Mr. Tatiya from Lenso Aerospace** shared that his factory was still in operation as usual but the challenges remain on logistics. The shipping cost was 200-300% higher than normal. Moreover, the leadtime was longer than usual.

**Mr. Remy from Revima** shared that the factory was still under construction.

* Imported equipments and machines gradually arrived from abroad but they had to delay the machine installation as the experts from Italy cannot travel to Thailand.
* Training to be delayed: Experts from France cannot come to train local staff and he had no visibility of when they can come.
* EU and US Authorities (EASA) who must fly to validate the factory, cannot come at this stage

In brief, the factory opening has to be delayed due to COVID-19, for 6 months. The challenges is to be able to survive the 18 months without any income as per scheduled.

Moreover, they have faced difficulty in getting the VAT refund (roughly 1 M €) since 2018. They are following up with the Revenue Office in Chonburi but no feedback so far.

Khun Sukanya mentioned the case of VALEO that arrived at getting VAT refund due to the governmental measures that was recently launched. However, Revima was not considered as “Good Exporter” ; however, he is a good investor. Sukanya will therefore raised the issue to Khun Duangjai, Secretary General of BoI, and also to Khun Luxmon, Deputy Secretary General of EEC, to see how they could assist in such a case.

Khun Remy was still optimistic and expected the recovery within 1 year as his segment should ne less effected. However, a review of business plan is a must and expected 50% reduction in volume in 2021. In 2022-2023 all should be ok.

Khun Jeab also added that, as Revima is a 100% foreign owned company, they cannot benefit from Thai government’s measures, except the reduction in the contribution to Social Security Fund which is not much.

**Mr. Laurent from Lim & Partners** shared that in terms of the HR, only in hospitality had an impact. The factory was still ok but the worst is coming. They try to keep blue collars or the management. Most companies have cash problem. According to some market surveys, Thai market is booming in medical or IT sectors.

In terms of the sub-committee, he worked with Arnaud de Nadaillac and Didier from the French Embassy to adjust the curriculum of DG in Thailand, making internship compulsory while adjusting some content.

Sukanya also shared that ECAM Lyon signed an MOU with several universities : CU, KMUTNB, and recently with Thammasat University, Chonburi Campus, to train technical in aerospace, as well as in other sectors.

**Mr. Frederic Favre from Vovan & Associés**, shared that he has got a lot of enquiries from companies concerning the labour law in Thailand. For him, COVID-19 will reveal interesting aspects of laws. For example, Germany has adopted forward thinking by changing bankruptcy laws so that company can pick up in middle or long term.

For Thailand, the COVID-19 situation is not that severe compared to other countries especially in Europe, but the economic restriction was too strong compared to the sanitary impact. In terms of aerospace, it is sure that the low cost airlines will suffer more than the normal one. However, AirAsia has reacted with the advertisement to attract clients to book tickets online with a possibility to change the date without any surcharge. This will help cash-in and ease cash flow.

Mr. Favre also shared 2 documents to all participants:
[Application of Labour Protection Act during the COVID-19 Crisis](https://www.francothaicc.com/typo3/index.php?route=%2Frecord%2Fedit&token=83642763bb1a1344f4038ae574cb24642775c827&edit%5Bsys_file_metadata%5D%5B251894%5D=edit&returnUrl=%2Ftypo3%2Findex.php%3FM%3Dfile_FilelistList%26moduleToken%3Ddbaa570a12c9f82b747b36660899baf9a7ebcf7e%26id%3D1%253A%252Fthailande%252Fdocs%252FAerospace%252F%26target%3D1%25253A%25252Fthailande%25252Fdocs%25252FAerospace%25252F%26imagemode%3D1) by Vovan & Trocadelyo Group

[Address from Tony Fernandes](https://www.francothaicc.com/typo3/index.php?route=%2Frecord%2Fedit&token=83642763bb1a1344f4038ae574cb24642775c827&edit%5Bsys_file_metadata%5D%5B251895%5D=edit&returnUrl=%2Ftypo3%2Findex.php%3FM%3Dfile_FilelistList%26moduleToken%3Ddbaa570a12c9f82b747b36660899baf9a7ebcf7e%26id%3D1%253A%252Fthailande%252Fdocs%252FAerospace%252F%26target%3D1%25253A%25252Fthailande%25252Fdocs%25252FAerospace%25252F%26imagemode%3D1), Founder of AirAsia, from the April 2020 Newsletter.

Mr. Jean-Jacques Durin from Trocadelyo shared that his business as consultant was doing ok. He still received requests from France such as looking for hygienic masks. As a “coach”, the business is going well as people are more at ease with ZOOM.

He also discussed with Dieter Dhont from Thales, who just signed an MOU with CAAT in terms of air trafficking monitoring.

**Khun Pornthep Navakitkanok, from Space Krenovation Park, GISTDA** mentioned that as a space governmental agency, in the COVID-19 pandemic situation, the direction decided to

* + - 1. Postpone the Thailand Space Week and the Space Promotion Activiites to the 2021 fiscal year (starting from 1st October 2020 onward).
			2. THEOS-2 project: in country supply chain development is under schedule with 2 sections:
* Small parts: mechanical parts (10% of local supply chain) and electrical parts (5% of local supply chain)
* Ground support development
	+ - 1. Training: EEC in collaboration with the Human Development Center (HDC) by Burapha University is working on the advanced aerospace standard
			2. GISTDA normally welcomed 5-6 interns / year from EPF Montpellier. It will be postponed to 2021.

**Mr. Ketan Pole from CCS**, shared that as he has 3 companies in charge. The COVID-19 impact was quite low and luckily he has just got a new client on Oil&Gas as his machine is quite flexible and can use to several industries so he was still ok right now.

H.E. Sihasak also mentioned that with the pandemic, the EEC also had to adjust its business strategy and to reconsider its plan for aerospace as well.

Mr. Pierre Jaffre mentioned that in all countries, the challenge resided in the policy implementation. EEC should be able to help and hope that things will be resolved quickly. He, then, thanked the participants and invited them to see with other members of the committee if they have faced difficulties. The FTCC can gather all the requests, needs or concrete cases (VAT Refund, loan) and use the Committee as platform to assist them. Any recommendations from each of the members are welcomed.

**No issues had been raised. The meeting was adjourned at 12:00 pm.**

Minutes prepared by

Sommawan Lowhaphandu