

NIA, Depa to back struggling startups

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Tech-focused government agencies are scrambling to provide financial support for local startups as the Covid-19 outbreak takes a heavy toll on their business.

The National Innovation Agency (NIA) said it's in discussion with banks to provide loans with zero or low interest for tech startups and stands ready to support the interest payments for them over the course of 36 months.

Many startups catering to travel and event services are severely hampered by the outbreak, as customers cannot travel and have frozen investment, said NIA executive director Pun-Arj Chairatana.

"The affected startups are forced to lay off workers or reduce salary," Mr Pun-Arj said. "Some local startups may disappear as they face capital constraints."

The NIA supports local startups that offer public services, particularly in healthtech, which can minimise the spread of the coronavirus and reduce visits to hospitals. Examples include providing platforms where patients can pick up medicines at drug stores near their locations, as well as teleconsulting.

Mr Pun-Arj said the NIA allocated 50 million baht to support innovative entrepreneurs and small and medium-sized enterprises (SMEs) that are focusing on coping with the outbreak.

The agency also supports the production of Covid-19 test kits, which can deliver results within 15 minutes.

The NIA is gearing up efforts to usher in a supply chain management system for medical equipment and other protective items, fostering links between manufacturers, warehouses and orders from hospitals and members of the public.

Mr Pun-Arj said the system would facilitate 5 million users who will be able to receive items they need directly without middlemen. The system is expected to be rolled out before Songkran.

Meanwhile, the Digital Economy Promotion Agency (Depa) said it will draw 90 million baht from its digital startup fund to support 47 digital startups.

These startups are linked with six fields, covering agriculture, education, tourism and healthcare, finance, government-related services and technologies for smart cities, said Depa president and chief executive Nuttapon Nimmanphatcharin.

The agency also plans to provide aid and relief measures for SMEs, such as restaurants, food stalls, community businesses, farmers and digital manpower, during this difficult time.

Patai Padungtin, former president of the Thailand Tech Startup Association, said local startups need to adjust their business and become more agile in order to survive.

The outbreak is likely to lead to a major change in the startup ecosystem in Thailand, he said.

Several startups are crippled from the outbreak, including those in travel, event planning, property, personal assistance, accounting, human resources and sales.

"The shutdown of these local platforms will have a great impact on other related parties, such as freelancers, partners and customers," Mr Patai said.

If the crisis drags on, the startups who refrain from closing down may sell their platforms to foreign operators, he said, and the local startup scene could be dominated by foreign entities, much like what happened after the 1997 financial crisis.



Keywords startups local startups capital constraints chief executive

MOST RECENT

WORLD Bronx zoo tiger tests positive for coronavirus

NEW YORK: A tiger at New York's Bronx Zoo has tested positive for Covid-19, the institution said Sunday, and is believed to have contracted the virus from a caretaker who was asymptomatic at the time.



THAILAND AHS outbreak kills 154 horses

African horse sickness (AHS), which was recently reported for the first time in Thailand, has caused the deaths of at least 154 horses in Nakhon Ratchasima, Prachuap Khiri Khan, Chon Buri and Phetchaburi, according to the Department of Livestock Development (DLD).



BUSINESS Banks deal with multi whammy

The Covid-19 outbreak and travel restrictions imposed by many countries have kneecapped Thailand's tourism industry and the whole supply chain of the services sector.



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