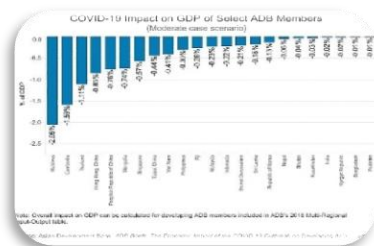
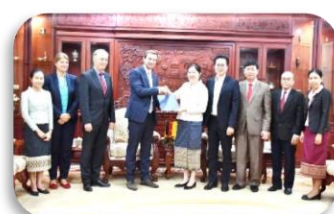




- PM announces new National Road 10
- Tourism sector to lose over \$850 million, warns the ADB
- Germany backs access to finance for MSMEs
- Market conditions tighten for Indian pharmaceuticals
- ADB: Vietnam to lose 0.41 percent of GDP due to COVID-19
- VN-Index hits rock bottom in past 18 years



PM announces new National Road 10



Cambodia News | 10 March, 2020

Prime Minister Hun Sen has revealed plans for the construction of a new highway, National Road 10, from Battambang to Koh Kong province. He was speaking at the opening ceremony for National Road 55, the recently completed highway in Pursat province, which reaches the Thai border. When combined together, the strategic routes will create an important economic corridor between Cambodia and Thailand, the premier believes. “One of the purposes of these two national roads is to connect with neighbouring countries in the region and then the world. It will help to facilitate an investment climate and improve trade, tourism and cross-border cooperation, while also creating jobs and promoting social welfare and education for people,” Mr Hun Sen expanded. He also added that the routes will also help to reduce poverty in the Kingdom as the trade route will boost the economy overall. According to the Ministry of Commerce, trade between Cambodia-Thailand grew by 12 percent in 2019 to \$9.4 billion, increasing from \$5 billion in 2015. In that year, the leaders of the two countries agreed to aim to triple bilateral trade to \$15 billion by 2020. Last year, Cambodia’s exports to Thailand were valued at \$2.27 billion, a 195 percent year-on-year increase, while imports from Thailand were valued at \$7.14 billion, a 6 percent decrease. The Premier also called for his officials to work with their

Thai counterparts with the aim of opening four further international border gates between the countries, to boost bilateral trade and tourism. Currently, there are seven in operation. The Prime Minister said that the opening of more international border gates along the Thai/Cambodia border will also help with tourist transit, an important economic sector for the country. “With more international border checkpoints, not only will trade between the two nations increase, it will also boost the numbers of tourists (both medical and recreational) crossing between our two countries, so it is to the mutual benefit of Thailand and Cambodia,” Mr Hun Sen said. With this in mind, the Premier asked his three deputy prime ministers, Sar Kheng, minister of interior, Tea Banh, minister for national defence, and Prak Sokhonn, minister of foreign affairs to take note and raise pertinent issues with their counterparts at a future meeting in Thailand. Cambodia’s Ambassador to Thailand, Ouk Sorphorn, told *Khmer Times* that they will fully support the initiative. “We will continue working with all relevant stakeholder from both public and private sector to promote the Thai Plus-One project at the new border checkpoint to create job opportunities for the locals, help diversify Cambodia’s industrial sector and accelerate growth,” he said. According to the Ministry of Public Works and Transport, the National Road 55 is 182 kilometres long and connects Pursat’s Veal Veng to Thmor Da (at the Cambodia-Thailand border). The nine-metre-wide highway was built in alignment with high-level-III techniques used in China and features a double

bituminous treatment for longevity. The construction cost \$132.8million and was funded by the Government of the People's Republic of China, together with the Royal Government of Cambodia's Compensation Fund for tackling the impact of Unexploded ordnance (UXO) clearance and construction. Concluding his announcement, Mr Hun Sen said the government will also continue to prioritise the rehabilitation and construction of transport infrastructure, including roads, railways, waterways, airways, bridges and ports, to promote rural connectivity closer to cities, towns, nature and history.

Source: <https://www.khmertimeskh.com/50699905/pm-announces-new-national-road-10>

Tourism sector to lose over \$850 million, warns the ADB



Cambodia News | 10 March, 2020

The Asian Development Bank (ADB) said the ongoing outbreak of the virus known as COVID-19 will have a significant impact on Asia's developing economies. In its latest analysis, the ADB said there will be sharp declines in domestic demand, tourism and business travel and trade, plus serious disruption to production links and supply chains. In a worst-case scenario for Cambodia, the ABD estimates that the Kingdom's decline in tourism revenues could be \$856.5 million, which translates to about 3.5 percent of the county's GDP. Last year, the Kingdom welcomed 6.6 million tourists, a 7 percent increase from the year before. The sector generated

approximately \$5 billion and accounted for 12 percent of the country's GDP. This year, however, the Ministry of Tourism has already predicted that Cambodia will experience a reduction of one million tourists, resulting in a 10 percent loss of revenue for the tourism sector. Tourism is an important source of revenue for many developing economies in Asia, with the report highlighting that international tourism receipts account for more than 40 percent of the gross domestic product (GDP) in economies like Palau and the Maldives. One of the biggest contributors to the fall in tourist numbers in developing Asian countries will be the blanket ban on Chinese nationals leaving their country in the wake of the virus. From less than 11 million outbound tourists in 2003, close to 87 million were recorded by 2018. Cambodia's garment industry is also currently badly affected due to the shortage of raw materials coming from China as some factories temporarily suspend operation. The sector relies on 60 percent of its raw material imports from China. However, there is positive news as the Chinese Embassy this week confirmed that 60 containers of raw materials are due to arrive at the Sihanoukville Autonomous Port on Monday. The cargo includes textiles, buttons and zips, all bound for garment factories. This should alleviate fears within the industry of job losses. Last month, Labour Ministry spokesman Heng Sour forecasted that approximately 90,000 workers from more than 200 factories in the Kingdom could be suspended if the necessary supplies did not arrive from China. In the bigger picture, the ADB said the

magnitude of global economic losses will depend on how the outbreak evolves, which remains highly uncertain. The analysis suggests that between \$77 billion to \$347 billion could be haemorrhaged, or 0.1 to 0.4 percent of the global gross domestic product (GDP). In a moderate scenario and factoring in the precautionary behaviours and restrictions, such as travel bans, imposed three months after the outbreak, global losses could reach \$156 billion, or 0.2 percent of global GDP. The People's Republic of China would account for \$103 billion of those losses – or 0.8per cent of its GDP. The rest of developing Asia would lose \$22 billion, or 0.2per cent of its GDP. In response to the ongoing crisis, Asian economies are already responding to the COVID-19 outbreak in various ways, with governments mobilising inter-agency task forces and other coordinating mechanisms to ensure a harmonised response. Cambodia's own government says it has accumulated approximately \$400 million in savings to be used for COVID-19 emergency cases in the Kingdom. Meanwhile, the Finance Ministry has already disbursed \$30 million to the Health Ministry to aid the fight against the virus in the country.

Source : <https://www.khmertimeskh.com/50699917/tourism-sector-to-lose-over-850-million-warns-the-adb>

Germany backs access to finance for MSMEs



Laos News | 10 March, 2020

Germany has approved an additional US \$ 7.7 million for the Lao Access to Finance Fund (LAFF) to

facilitate access to long-term finance for households and micro, small and medium enterprises (MSMEs) in rural areas. The grant of EUR 6.8 million will be provided to the Bank of the Lao PDR through the KfW Development Bank. This fund will also continue to strengthen capacity building for the Bank of the Lao PDR and partner financial institutions. The contribution of Germany also continues to support the sustainable growth of the Lao economy by enhancing the business environment for MSMEs. A handover ceremony for phase II of the Financing Agreements took place on Friday at the Bank of the Lao PDR. The event was attended by Deputy Governor of the Bank of the Lao PDR, Mrs Vattthana Dalalay; German Ambassador to the Lao PDR, Mr Jens Lütkenherm; and Country Director of the KfW Office in Vientiane, Mr Jan Wiegelmann. Representatives of LAFF committees and finance ministry officials were also present. The Bank of the Lao PDR will act as the Project-Executing Agency for the Lao Access to Finance Fund. With the additional grant of EUR 6 million provided by Germany, the Fund will be able to extend the number of qualified partner financial institutions substantially, with banks and microfinance institutions able to allocate loans of up to LAK 500 million each to eligible MSMEs in rural areas . Germany has provided an additional EUR 0.8 million for capacity building to strengthen the systems of the Bank of the Lao PDR and partner financial institutions of the Lao Access to Finance Fund. Speaking at the ceremony, Mrs Vattthana said "There is a great need for access to smaller sized

loans for MSMEs, particularly in rural areas of the country." She said the additional funds for the LAFF would be able to accelerate access to funding for a much larger number of MSMEs. "In addition, the Fund will contribute to the institutional strengthening of partner financial institutions of the Fund, which is necessary for the development of the Lao financial system," she added. German Ambassador Mr Jens Lütkenherm said the Fund would fill a significant gap, especially in rural areas, by enabling local entrepreneurs who run MSMEs to access financial services through the formal banking system and microfinance institutions. "We do believe that with the additional funding, the Fund will be able to work with more partner financial institutions and it will be an effective tool to provide entrepreneurs with the necessary funds to develop their businesses, thus supporting the economic development of Laos and the well-being of its people." The primary purpose of the project is to support the commercial financial sector of Laos in providing sustainable and needs-based financial services to MSMEs in rural areas. This will contribute to improving private sector productivity and competitiveness and consequently support the creation of jobs and reduce poverty.

Source : <http://annx.asianews.network/content/germany-backs-access-finance-msmes-115374>

Market conditions tighten for Indian pharmaceuticals



Myanmar News | 10 March, 2020

Some pharmaceutical products imported from India may soon be out of stock in Myanmar say some local importers and sellers. According to the industry insiders, some 75 percent of the medicines sold in the Myanmar market are imported from India and currently Indian pharmaceutical firms are facing shortages of raw materials for their manufacturing. "Some medicines may be out of supply, but we can't say definitely whether prices will go up or not as they vary with respective firms. If some Indian companies don't export those medicines, prices will surely go up. The coronavirus outbreak in China has disrupted the supply chain of critical ingredients and the chemicals used to make pharmaceutical products so Indian manufacturers may have to stop their production," said U Lwin Han, managing director of Yammawaddy International Co Ltd. The government of India has also restricted the export of certain types of medical products to other countries due to high demand at home, said U Lwin Han. However, the strengthening of the kyat against the US dollar is also somewhat counteracting the shortages and keeping prices of medicines steady, said Ko Hla Phy, a supervisor with a pharmaceuticals importer "Our country largely imports medical products from India. There often tends to be issues of raw materials between India and China. Medical products are still coming in the country at present. The drug prices are rather likely to go down with the falling dollar

exchange rate, but for the medical products which were imported when the exchange rate was high, they can't be expected to fall anytime soon," said Ko Hla Phyo. Myanmar imports 80 pc of its drugs from India. Other sources include Pakistan, Bangladesh, China, Vietnam, Philippines, and European countries, according to local drug importers

Source: <https://www.mmtimes.com/news/market-conditions-tighten-indian-pharmaceuticals.html>

ADB: Vietnam to lose 0.41 percent of GDP due to COVID-19



Vietnam News / 10 March, 2020

Hanoi (VNA) – Vietnam is forecast to lose some 0.41 percent of GDP due to the novel coronavirus (COVID-19) outbreak, according to the latest report by the Asian Development Bank (ADB). Under ADB's report titled "The Economic Impact of the COVID-19 Outbreak on Developing Asia" released late last week, Vietnam's damage was much better than that of other Asian economies, ranking ninth after Taipei (0.44 percent), Singapore (0.57 percent), Mongolia (0.74 percent), mainland China (0.76 percent), Hong Kong (0.85 percent), Thailand (1.11 percent), Cambodia (1.59 percent) and the Maldives (2.05 percent). According to ADB, there are several channels through which the COVID-19 outbreak will affect economic activity in developing Asia and the world. These include a sharp but temporary decline in domestic consumption in China and other outbreak-affected economies, and possibly

investment if the outbreak affects views on future business activity; declines in tourism and business travel; spillovers of weaker demand to other sectors and economies through trade and production linkages; supply-side disruptions to production and trade (which are distinct from demand-side shocks spilling over through trade and production linkages); and effects on health such as increased disease and mortality as well as shifts in healthcare spending. Each of these is taken in turn. ADB says developing members that will be significantly affected are those with strong trade and production linkages with mainland China. In addition to tourism-dependent economies, other developing Asian economies such as Hong Kong (China), Mongolia, the Philippines, Singapore, Taipei (China) and Vietnam will be materially affected by the COVID-19 outbreak. Many of these economies see a significant share of tourists from mainland China and are affected through that channel as well. "The magnitude of the economic losses will depend on how the outbreak evolves, which remains highly uncertain. The range of scenarios explored in the analysis suggests a global impact in the range of 77 billion USD to 347 billion USD, or 0.1 percent to 0.4 percent of global gross domestic product (GDP)," ADB said in the report. In a moderate scenario, where precautionary behaviours and restrictions such as travel bans start easing three months after the outbreak intensified and restrictions were imposed in late January, global losses could reach 156 billion USD, or 0.2 percent of global GDP. Mainland China would account for 103

billion USD of those losses – or 0.8 percent of its GDP. The rest of developing Asia would lose 22 billion USD, or 0.2 percent of its GDP./.

Source : <https://en.vietnamplus.vn/adb-vietnam-to-lose-0-41-percent-of-gdp-due-to-covid-19/169850.vnp>

VN-Index hits rock bottom in past 18 years



Vietnam News | 10 March, 2020

The benchmark VN-Index on the Ho Chi Minh City Stock Exchange (HoSE) took a nosedive to close at 835.49 points on March 9, recording the worst slump since 2002. Experts attributed the plunge to the negative impact of the acute respiratory disease caused by the SARS-CoV-2 (COVID-19) in the world and Vietnam. On the HoSE during the course of the day, there were only 34 advancing codes, 386 in decline and 14 other went flat. Notably, all stocks in the VN30, comprising of those with the highest market capitalisation and liquidity on the HoSE, suffered losses on the day. Meanwhile, the HNX-Index on the Hanoi Stock Exchange (HNX) settled at 106.34 points, with 29 increasing and 148 decreasing codes. Foreign investors sold shares worth VND229.61 billion (US\$9.91 million) on the HoSE and VND2 billion on the HNX.

Source : <https://english.vov.vn/economy/vnindex-hits-rock-bottom-in-past-18-years-411121.vov>