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Airlines may suffer \$100b loss, Cambodia's airlines hit hard by drop in tourist numbers



Cambodia News | 16 March, 2020

Cambodia's handful of locally incorporated airlines are facing the global impact on travel curbs and the rapid spread of COVID-19. Almost airlines have reported drop in passenger yields and route cutbacks while tourists have been dropping continuously since the outbreak started in late December 2019. In Cambodia, the situation was worsened by the ban on online gaming which drive away tens of thousands of Chinese visitors and impacted incoming travelers to all three of Cambodia's airports. Sihanoukville airport is facing its biggest challenge after it experience record passenger arrivals and departure in 2019 where almost all airlines established here moved their hub to the coastal city to cater for the predominantly Chinese travelers. Khmer Times has been reliably informed that COVID-19, ban on online gaming, massive road repair works and travel curbs in China greatly impacted all three international airports. Overall, the aviation industry is facing increasing turbulence in the wake of the global coronavirus outbreak, with industry experts estimating potential revenue losses of well above \$100 billion amid widespread flight cancellations. "In little over two months, the industry's prospects in much of the world have taken a dramatic turn for the worse," said Alexandre de Juniac, director-general and CEO of

the International Air Transport Association, in a statement issued last week. He described the rapid shift in the industry caused by COVID-19 as "almost without precedent". In its most recent analysis, the association is estimating the global airline passenger business to lose \$63 billion to \$113 billion, depending on how widely the virus spreads. In a report published less than three weeks ago by the IATA, the estimated loss stood at less than \$30 billion, with the association assuming only China-related market impact. Since then, the outbreak has spread to more than 100 countries, with more than 110,000 confirmed cases. South Korea, Italy, Iran and Japan are among the most affected countries outside China, although the growth of new cases in China has seen a continuing decline. Tightened policies Governments around the world are tightening travel policies as both businesses and individuals grow more cautious about flying — two trends that pose a threat to the aviation industry. While the World Health Organization advised against "the application of travel and trade restrictions to countries experiencing COVID-19 outbreaks" and claimed that travel bans are "usually not effective in preventing the importation of cases", the United States, Russia, Japan, India, Australia, Israel, Saudi Arabia, Democratic People's Republic of Korea and Republic of Korea are among countries that have imposed restrictions on travel to and from other countries. Italy decided on Monday to extend its lockdown zone — initially included only the Northern

Lombardy region — to the entire country. Travel restrictions, ban on public events, closure of schools and public spaces are affecting all 60 million residents in the country. Besides governments, major global businesses are encouraging employees not to travel. According to a recent survey by the Global Business Travel Association published on Tuesday, more than 40 percent of its member companies have canceled or suspended all international travel, and 95 percent have canceled or suspended most or all business trips to China. The trend is similar in terms of domestic travel, the association said. China Daily

Source: <https://www.khmertimeskh.com/50702254/airlines-may-suffer-100b-loss-cambodias-airlines-hit-hard-by-drop-in-tourist-numbers/>

Cambodia's construction sector still buoyant



Cambodia News | 17 March, 2020

While many sectors globally are facing a serious downturn in their fortunes due to the knock-on effects of COVID-19, Cambodia's construction industry remains stable, according to the Ministry of Land Management, Urban Planning and Construction. In fact, in a positive piece of news amongst the current gloomy outlook, Seng Lot, spokesperson for the ministry claims construction projects are on the rise in the country. "As far as I've heard from some economic analysts, they are projecting a 50 percent reduction in global economic growth this year. But construction projects here in Cambodia haven't felt

a hit as yet, though," Seng said. "More than 500 construction projects applied for permits with the ministry as of the end of February this year. In comparison, in the same time period in 2019, only 300 applications were pending. So it would suggest the industry isn't being negatively impacted," he added. While Seng failed to disclose the exact amount of financial investment these projects – if approved – will represent, he did say that the top-three investors are China, followed by Korea and Japan. In further good news for the industry, despite reported cases of COVID-19 rising to 12 as of yesterday, there has been no postponement of major construction projects as yet. The sector has enjoyed an impressive growth curve in recent years. According to official figures from MLMUPC, investment ran to around \$11 billion in 2019, an increase of nearly 90 per cent on 2018's amount of \$5.5 billion. Kim Heang, regional operating principal of the US-based real estate firm Keller William Cambodia, said the effects of the COVID-19 outbreak could provide a golden opportunity for savvy construction companies. "The price of construction materials and construction labour is going down, while at the same time, registered developers are also benefitting from a four-percent stamp tax exemption from the government," said Heang, who also owns a housing project, KS Residence, in Kandal province. Kim was referring to the recent decision taken by the government to remove a four percent stamp tax for residential properties worth less than \$70,000 within a year,

from February to January 2021, in a bid to ease the financial effects of COVID-19.

Source: <https://www.khmertimeskh.com/50702356/cambodias-construction-sector-still-buoyant/>

Japan provides US \$ 3.9 m to tackle Mekong floods and droughts



Laos News | 17 March, 2020

The government of Japan will provide a grant of 412 million Japanese Yen (about US \$ 3.9 million) to the Mekong River Commission (MRC) to support the monitoring and forecasting of floods and droughts. An agreement on the funding was signed last week by representatives of the MRC and the Japan government in Vientiane. The funds will be provided over four years during 2020-23. The aid will transform the MRC's Regional Flood and Drought Management Center (RFDMC) in Phnom Penh into a center of excellence in providing faster and more accurate flood and drought forecasting and early warning to the lower Mekong countries - Cambodia, Laos, Thailand and Vietnam. One of the key activities this funding will support is improved public information on floods and droughts with the use of advanced technologies, so that local communities and governments are informed well in time and damage can be reduced during natural disasters. It will also help to facilitate an integration of flood and drought management functions to provide longer lead-time and better accuracy of forecasting. The

MRC Secretariat's Chief Executive Officer, Dr An Pich Hatda, said at the signing ceremony, held at the headquarters of the Secretariat in Vientiane, that the grant will enable the center to further improve its flood and drought forecasting capability with the aim of assisting member countries to effectively tackle flood and drought risks for vulnerable communities. The Japan government has been one of the long-standing development partners of the MRC since 2001, and has provided more than US \$ 18 million to support several projects, including those for flood and drought management, irrigation, climate change and environmental management. In 2004, the Japanese funding helped the MRC to build the Regional Flood Management and Mitigation Center, the predecessor of today's RFDMC. It equipped the center with necessary facilities and technologies to provide daily flood forecasts and river monitoring to the region. Japan believes the current financial support will be used to further strengthen MRC's efforts in flood and drought counter-measures in the lower Mekong River Basin, which faces frequent floods and droughts. The Ambassador of Japan to Laos, Mr Keizo Takewaka, pointed out that the funding represents the trust and confidence Japan has placed in the MRC and its work to mitigate natural disasters and improve the management of water resources in the Mekong River Basin.

Source:http://www.vientianetimes.org.la/freeContent/FreeContent_Japan.php

Lao PDR: New Financing to Improve Access to Health and Nutrition Services



Laos News | 16 March, 2020

(KPL) The World Bank's Board of Executive Directors approved US\$23 million for the Lao PDR under the Health and Nutrition Services Access Project (HANSA) on March 12 in Washington, USA. The project aims to strengthen the country's health system and improve the quality and coverage of service by providing funds to health centers and departments, with support benchmarked against performance. The project enhances the sustainability of public health programmes, including maternal and child health, immunization, tuberculosis (TB) and HIV prevention, with a special focus on reducing malnutrition in the north of the country. Among the performance indicators of HANSA are the availability of essential drugs and supplies and placement of clinical staff at health centers, as well as the number of mothers and children receiving quality care services in public health facilities. "The Lao PDR's maternal and child mortality rates and chronic malnutrition levels remain among the highest in the East Asia and Pacific region. Through this project, the World Bank and its partners will work together to improve primary care

for women and children, which will in turn help raise living standards and break the cycle of poverty," said Nicola Pontara, World Bank Country Manager for the Lao PDR. About 33 per cent of children under five years in the Lao PDR are stunted. This persistence of high levels of childhood undernutrition presents a loss of human and economic potential for the country. The project supports the multisectoral nutrition 'convergence' approach, launched in November 2019 by the Government of the Lao PDR to reduce the prevalence of childhood undernutrition in four northern provinces – Oudomxay, Phongsaly, Huaphan and Xieng Khuang. The new project will also improve detection and treatment for TB as well as increase coverage of HIV testing of key populations and vulnerable groups through a more integrated service delivery. "This financing will not only contribute to the Lao PDR's investments in human capital but will help to save lives, by making treatment and basic healthcare available to some of the most vulnerable communities in the country," said Somil Nagpal, Senior Health Specialist and Team Leader for this project. US\$23 million in financing comes from the World Bank's International Development Association (IDA). This is expected to be complemented, subject to approvals, with co-financing and grants of US\$10 million and US\$3 million, respectively, from the Global Fund and the Integrating Donor-Financed Health Programmes

(IDFHP) Multi-Donor Trust Fund to Advance Universal Health Coverage. The Government of Australia is the largest donor to the IDFHP with other partners being the Bill and Melinda Gates Foundation, and Gavi, the Vaccine Alliance. The World Bank's IDA, established in 1960, helps the world's poorest countries by providing grants and low to zero-interest loans for projects and programmes that boost economic growth, reduce poverty, and improve poor people's lives.

Source: <http://kpl.gov.la/En/Detail.aspx?id=51075>

40,000 tonnes of rice exported via

Muse



Myanmar News | 16 March, 2020

Rice and broken rice totalling around 40,000 tonnes were exported through Muse 105 Mile in a month due to demand from the Chinese market, according to Muse 105 mile trading zone. The prospect of the border trade market becomes positive again, industry sources said. "The Chinese government has allowed official export through the border gate due to their demand. Permits are not needed. We can export by paying 18 yuan duty a bag. Rice export needs a permit [though]. The daily export is about 1700 tonnes of both rice and broken rice," said Muse rice wholesale centre vice chair U Min Thein. Muse border trade almost halted as a result of COVID-19 but trade was active again from February 13 and rice and broken rice are regularly ferried to Muse by 40 or 50 12-wheeled trucks every day. The World Health

Organization declared COVID-19 as a pandemic last Thursday. Agricultural exports to China have been hit by border closures and lower exports due to travel restrictions imposed as part of attempts to limit the outbreak. China buys Thukha, Nga Sein and Chin Thone in particular. A broken rice bag of 50 kilogrammes is priced between 105 and 125 yuan while a 50kg rice bag is priced between 118 and 135 yuan. The number of exported rice and broken rice bags has increased with having around 50 trucks every day until the beginning of February, 2020 if compared with just around 20 trucks in October, November and December last year. Currently, it is a harvest time for Shwe Bo Paw San Bay Kyar rice and so, the price has fallen in local with just K40,000 per a bag of rice (one and half basket or 24 pyi) though it fetched up to K70,000 before, said retail buyers.

Source: <https://www.mmmtimes.com/news/40000-tonnes-rice-exported-muse.html>

Garment export value hits 5.3 billion

USD during Jan-Feb



Vietnam News | 16 March, 2020

Hanoi (VNA) – The export turnover of garment and textile products reached 5.3 billion USD in the first two months of 2020, down 3.5 percent year-on-year. Of the total, 4.2 billion USD came from the shipment of clothes and 512 million USD from yarn, down 2.3 percent and 16 percent, respectively, according to the Vietnam Textile and Apparel Association (VINATEX). At present, the supply of raw materials basically meets production demand in March and

April. However, the sector is facing a lot of difficulties, as the world economy is affected seriously by the coronavirus disease (COVID-19), resulting in a decrease in global demand. Vietnam's garment and textile exports fetched 39 billion USD in 2019, up 7.55 percent over the previous year but 1 billion USD lower than the target. In 2020, the industry aims to achieve an export turnover of about 42 billion USD./.

Source: <https://en.vietnamplus.vn/garment-export-value-hits-5-3-billion-usd-during-jan-feb/170143.vnp>

VN imports of US goods continue to rise



Vietnam News | 16 March, 2019

The US is one of Vietnam's largest sources of goods and its imports are increasing, according to the General Department of Customs. Last year the imports were worth US\$14.36 billion after rising by 18%. They included US\$4.85 billion worth of computers, electronic products and components, a 59.1% rise. Imports of plastic products rose by 84.3% to nearly US\$826.5 million. Other imports set to rise this year are seafood and feed ingredients imported as prices drop due to the US-China trade war and the COVID-19 pandemic. Tran Van Truong, director of the Hoang Gia International Seafood Trading Company Limited, said with the US's lobster exports to China falling, so have prices, and so imports by Vietnam have been increasing sharply. Lobster prices are at their lowest ever. Animals weighing 1.3-3 kg now cost only VND750,000 per

kilogramme to import compared to VND900,000-1 million usually. People are not eating out much because of the COVID-19 scare, and so supply to restaurants has decreased but on the other hand the number of people cooking lobsters at home has increased, Truong said. Pham Duc Binh, general director of Thanh Binh JSC, a cattle feed production company, said the prices of feed ingredients imported from the US have dropped by 20-30% because of the trade war.

Source: <https://english.vov.vn/economy/vn-imports-of-us-goods-continue-to-rise-411376.vov>