

Highlight News March, 18/2020



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

Travel goods exports from Cambodia exceeded \$1.2 billion in 2019



Cambodia News | 17 March, 2020

The Garment Manufacturers Association in Cambodia (GMAC) said that Cambodia's export of Travel Goods to the world exceeded USD 1.2 billion in 2019, starting from a very low base of about USD50 million in 2016. "The United States is our biggest export market for the product accounting for about 80 percent of the total exports." "This phenomenal growth in exports is due to the joint lobby efforts of the Ministry of Commerce (MOC) and GMAC to the US Congress that resulted in the review of the US GSP in 2016 and included travel goods items in the GSP's eligibility list," the statement added. Cambodia had a combined export of garment products, footwear and travel goods valued at \$9,325 billion in 2019, a year-on-year increase of 11 percent.

Source: <https://www.khmertimeskh.com/50702636/travel-goods-exports-from-cambodia-exceeded-1-2-billion-in-2019/>

\$50 million emergency fund for small and medium enterprises



Cambodia News | 17 March, 2020

The government yesterday launched a \$50million special fund for small and medium Enterprise (SMEs) to boost competitiveness, productivity and daily business operations amid the impact of the pandemic Covid-19 and a 20 percent withdrawal of zero tariffs under the EU's Everything but Arms (EBA)

trade deal. The government's special fund to SMEs will focus on agro-processing, food processing, agri-business, crops, vegetable, livestock and aquatic business and any enterprise that uses raw materials from agriculture. The loss of a fifth of the EBA aid will cost Cambodia just over \$1 billion but the government has been working to offset it with various measures. SMEs can borrow up to \$300,000 with an interest rate of 6 percent per year for working capital (for up to two years), and 6.5 percent per year for investment funds over a five-year payment period). The government will give a one year grace period payment because the SMEs can currently pay only the interest rate for the first year. Eligible SMEs for the special fund are those SMEs working on processing agricultural products, are able to expand operations, can create jobs from five to 30 places and are registered SMEs regarding the taxation department, and relevant ministries, according to Kao Thach, director-general of Rural Development and Agriculture Bank (RDAB). He said that this is a special package fund, so the bank will also provide training to them regarding business plans, financial statements, good governance, marketing plans, financial management and training on technical support. Kao added that the bank will have to ask for collateral, but the bank can offer up to 80 percent of the asset. The bank will also receive the account receivable statement, machinery and equipment in the factory as collateral, he added. This measurement is to absorb all the impact from the two crises and take action to stimulate the economy to

work smoothly and stabilise business activities while expanding the business in the near future,” said Ros Seilava, undersecretary of state at the Ministry of Economy and Finance, and chairman of the Rural Development and Agriculture Bank (RDAB). “We are in the critical situation so, with this measure, we hope that there will not be more challenges in the future, but it is an opportunity to start on cooperation between the government and private sector,” Ros said. “We focus on enterprise companies that create from five to 30 jobs. We focus on existing businesses that can expand their production and operations and we want to see a positive result on the economy,” he said. Kao, however, said that government has always considered the private sector as the engine for economic growth. Therefore, the government concentrates on the private sector. He said that each enterprise can borrow up to \$300,000. He hopes that if each enterprise borrows around \$50,000, this loan can be delivered to up to 1,000 SMEs across the country. “We want to deliver to all SMEs in the Kingdom,” Kao said. “It is the proper interest rate. The government is absorbing a loss of 2.5 to 3 percent per year on it. “We will give a one-year grace period for SMEs to pay only the interest rate and the payback can be flexible. “From now on, all SMEs that are working on the agro-processing, food processing and agricultural sectors can apply for the special fund.” Thyda Thaug, founder of Thaug Enterprise, a salt supplier in Kampot, told Khmer Times that the special fund will help her to scale up her salt

business. “This is a good loan from the government which is giving an opportunity to SMEs who really need funds to scale up. Plus we hope the RDB would consider and make life more convenient for us as SMEs, especially regarding the collateral part,” Thyda said. “The interest rate is quite good compared with other banks but we are happy if they could consider lowering it more,” she added. Thyda added that she found it a bit hard at the moment during COVID-19 because everyone is facing the crisis while our farmers and staff are really needing more help during this time. “To have funds to help for this moment is much appreciated by us. During this pandemic, everyone is so panicky,” she added. “Our exports are fine. It’s just maybe the client might be put off a bit.”

Source : <https://www.khmertimeskh.com/50702354/50-million-emergency-fund-for-small-and-medium-enterprises/>

Huayxai airport expansion is over 50 percent complete



Laos News | 18 March, 2020

The work on the Huayxai airport expansion project in Bokeo province is now over half complete, with the project scheduled to be completed this year. Director of Public Works and Transport Department of Bokeo province, Mr Chom Xaysongkham, told Vientiane Times the contractor is erecting a fencing around the airport and is focussing on the road excavation, embankment and drainage system. The runway at Huayxai Airport in Bokeo province is being

extended to serve the needs of regional transport and to absorb the growing tourist inflow. The project began on September 24, 2018 and is expected to be completed by November 2020. It consists of the expansion of the runway and better layout for aircraft parking, passenger terminal and the parking lot. The project costs of over 149 billion kip and is fully funded by the government. The runway is being expanded from 19 to 36 meters in width and 1,450 to 1,660 meters in length. When the runway is finished, ATR aircraft will be able to land here and the number of tourists traveling to the province is likely to increase, according to the project manager. In the past, only small planes with 50 seats could land at the airport. When it reopens, the airport will be able to accommodate more flights - from one to two a day and this will increase the flow of tourists and businesspeople. Huayxai Airport is a little more specialized than other airports in the county because the runway is designed to allow aircraft to land and take off from two directions. The airport is being expanded to meet the increasing needs of air travelers in the region. Huayxai district is the capital of Bokeo province and is located next to the Mekong River which shares its border with Thailand. Most visitors treat Huayxai as a stopover en route to other destinations. This is unfortunate as the small town has a lot to offer in terms of local life and it's definitely worth spending a few days by its picturesque riverbank and exploring its landscapes. Due to the province's strategic location, the government has set its eyes on the development of infrastructure,

particularly roads and air connectivity to attract more foreign investment. Laos' main airports are Wattay Airport International in Vientiane and airports in Bokeo, Luang Prabang, Oudomxay, Savannakhet and Champassak provinces.

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

11 insurance firms running with investment of over \$127m, over Ks67bn



Myanmar News | 17 March, 2020

Eleven insurance companies are running in Myanmar by investing US\$127.044 million and Ks67.317 billion. The issuance of licences to foreign insurance firms started in Nay Pyi Taw on November 28, 2019. Under the independent insurance programme, the Ministry of Planning, Finance and Industry issued insurance licences to five companies fully owned by foreigners. Mawn Maung Win, chairman of Insurance Supervisory Committee and Deputy Minister for Planning, Finance and Industry, also issued operation licences to six joint-venture companies permitted to provide life and general insurance services. If insurance companies want to sell new types of insurance and amend their insurance rules and regulations, they need to seek approval from the Insurance Supervisory Committee through the Financial Regulatory Department.

Source: <https://elevenmyanmar.com/news/11-insurance-firms-running-with-investment-of-over-127m-over-ks67bn>

Myanmar embassy urges its migrant workers in Thai not to return during Thingyan



Myanmar News | 17 March, 2020

Myanmar embassy in Bangkok made an announcement urging its migrant workers in Thailand not to return to Myanmar during Thingyan holiday period. Migrant workers arrived back from Thailand in Thingyan period and planned to return to Thailand will be quarantined for 14 days in Thailand. Healthcare groups in Thailand will monitor the situation in factories for COVID-19 outbreak and the migrant workers, who visited COVID-19 affected countries or their native countries, need to inform to their factory owners. The Thai government said they will charge Baht1,000 (around over Ks40,000) for re-entry visa fees for migrant workers who returned to their countries in Thingyan period. According to the Ministry of Labour of Thailand, more than 100,000 Myanmar migrant workers returned to Myanmar in Thingyan period annually. Immigration officials will keep personal details of Myanmar citizens, who pay a visit to Thailand, for 14 days, according to Myanmar Consulate in Chiang Mai. Foreigners including Myanmar citizens, who planned to visit Thailand, need to install AOT airport app in their

handsets before doing entry issues. The applicants need to fill in name, passport number, mobile phone number, email address and address to stay and submitted to immigration officers in the airports. The officials will keep the documents for 14 days starting from the day the applicant arrived in Thailand.

Source: <https://elevenmyanmar.com/news/myanmar-embassy-urges-its-migrant-workers-in-thai-not-to-return-during-thingyan>

Central bank cuts interest rates to buffer COVID-19 impact



Vietnam News | 17 March, 2020

Hanoi (VNA) – The State Bank of Vietnam (SBV) will cut its policy rates starting from March 17 in an attempt to support the economy which has been hurt by the COVID-19 outbreak. The central bank reduced the benchmark refinance rate to 5 percent from 6 percent and the discount rate to 3.4 percent from 4 percent, it said in a statement released on March 16. The overnight lending rate in the inter-bank market was lowered to 6 percent from 7 percent and the open-market-operation (OMO) rate, to 3.5 percent from 4 percent. The bank also reduced the caps on the interest rate of Vietnamese Dong-denominated deposits and loans by 0.25 – 0.5 percentage points, depending on the maturities. The COVID-19 pandemic is evolving complicatedly, leaving negative impact on the global economy, it said, citing the fact that to prevent recession, many foreign governments have adopted economic

stimulus policies, one of which is policy rate cuts made by central banks. For example, the US Federal Reserve has slashed its interest rates to 0 – 0.25 percent to improve the market's liquidity. In a meeting last week, SBV Deputy Governor Dao Minh Tu said the reduction of the benchmark interest rate is a solution to help credit institutions with abundant liquidity, thus putting them in a better position to support affected businesses. The central bank made the last interest rate cut by 0.25 percentage point in September last year./.

Source : <https://en.vietnamplus.vn/central-bank-cuts-interest-rates-to-buffer-covid19-impact/170195.vnp>

Further fee reductions to promote cashless payments amid COVID-19



Vietnam News | 17 March, 2020

Hanoi (VNA) – The fees for fast interbank fund transfers will be cut for the second time this year to promote cashless payments amid the rapid spread of the COVID-19 outbreak, the National Payment Corporation of Vietnam (NAPAS) announced on March 16. Specifically, NAPAS will reduce interbank fund transfer fees by half, from currently 1,800 VND to 900 VND, for transactions of sums worth from 500,001 VND (about 21 USD) to 2 million VND each, starting from March 25 to the end of December 31. This move will enable local banks to cut the fees for interbank fund transfer for customers, NAPAS said. The State Bank of Vietnam has asked commercial banks and branches of foreign banks to reduce the

fees for interbank fund transfers by at least 900 VND per transaction and encouraged to offer bigger reductions. The central bank has also allowed the National Credit Information Centre of Vietnam (CIC) to reduce the fees on local banks for using credit information, from March 1 to the end of this year. On February 25, NAPAS cut the fee for electronic switching from 1,800 VND to 500 VND per transaction for sums worth 500,000 VND or less. To date, 39 out of 45 member banks of NAPAS cut fees for customers by 90 percent and even some offered zero charges for fast interbank fund transfers, following the NAPAS's move in February. Promoting cashless payment was highlighted as one of important measures to remove difficulties for business and production amid the outbreak of the COVID-19. A survey by IDG Vietnam, a member of the International Data Group, in 2019 revealed that cash payments still account for 79 percent in Vietnam. Under the cashless payment development project for 2016-20, Vietnam targeted that cash would account for 10 percent of the total money in circulation by the end of 2020. Recently, Prime Minister Nguyen Xuan Phuc asked the central bank to submit a pilot project about mobile money./.

Source : <https://en.vietnamplus.vn/further-fee-reductions-to-promote-cashless-payments-amid-covid19/170196.vnp>