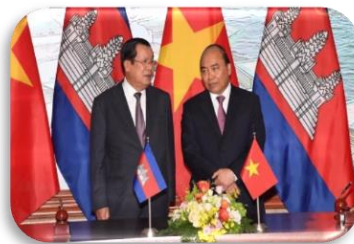


*Highlight News / April 02/2020*



- Kingdom's growth 'to drop to 2.5 percent'
- Vietnam invests \$9.5 million in Cambodia
- WB approves 60 mln USD to strengthen Laos' financial safety net
- All markets in Mingala Taungnyunt to close except for food and medicine
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## Kingdom's growth 'to drop to 2.5 percent'



*Cambodia News | 01 April, 2020*

The World Bank has predicted the Kingdom's real economic growth will slow to around 2.5 percent this year mainly because of the COVID-19 pandemic. The country consistently achieved economic growth of around 7 percent for several years. In its just-released publication titled April 2020 Economic Update for East Asia and the Pacific in the time of COVID-19, the World Bank said the coronavirus outbreak caused sharp decelerations in most of Cambodia's main growth drivers in the first quarter of 2020. "Real growth is projected to slow sharply to 2.5 percent in 2020, but the growth rate will recover to 5.9 percent in 2021 under the baseline scenario," the bank's report stated. It added that the unprecedented global shock triggered by the pandemic has significantly affected the country's economy in all its major sectors: agriculture, tourism, garments, textiles and construction. The situation was not helped when the European Union said it will withdraw 20 percent of its free trade status with the country, hitting the country's coffers by about \$1.1 billion from Aug 12. The free tariff scheme is known as the Everything but Arms (EBA) deal and was cut because the EU decided Cambodia had not done enough work to rectify human rights abuses. "In the worst case scenario, real growth is projected to diminish to 1 percent in 2020 and 3.9 percent in 2021," according to the report. "Spillovers to the

construction and real estate sector – one of Cambodia's growth drivers and heavily invested in by Chinese investors – amid financial market turmoil could potentially be detrimental to growth," it said. The report said rebounds in economic activity in China and major markets in 2021 will improve Cambodia's growth outlook next year. In the first two months of this year, foreign arrivals in Cambodia dropped by 15 percent. For the whole year of 2019, the country welcomed 6.6 million tourists, a 6.6 percent increase from the year before. The sector generated approximately \$5 billion and accounted for 12 percent of the country's gross domestic product (GDP). Border restrictions and fear of infection have led many people globally to spend more time and even work from home. A report by the Asian Development Bank (ABD), outlining the economic impact of COVID-19, backs this concern. It states: "Tourism arrivals in many developing Asian economies are expected to decline sharply as a result of numerous travel bans as well as precautionary behaviour." 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. Anthony Galliano, group chief executive officer of Cambodian Investment Management, a financial services company, said the partial withdrawal of tariff preferences under the EBA deal, the outbreak's damaging impact on tourism and also supply chain disruptions added to the gloom. The exodus of Chinese workers and businesses because of the

online gambling ban, the anticipated oversupply of condominiums, office space, and retail malls coming to the market in 2020 and, finally, an overall global economic slowdown, show there is a perfect economic storm brewing, he said. “Cambodia only dealt with a mild recession phase of a real estate cycle in 2009, during the financial crisis. There are already signs that property speculation has severely declined and prices are moving downwards,” he added. Chan Sophal, director of the Centre for Policy Studies (CPS), says both the EBA effect and the epidemic and other risks are threatening Cambodia’s financial well-being. He forecast the country’s economic growth will be below 6 percent this year. “Unlike EBA, the virus could have a serious impact on the economy. It disrupts the supply chain of raw materials for factories in Cambodia, which could lead to the suspension of production and workers,” he said, adding that tourism is also suffering. The number of Chinese tourists, who make up a majority of those who visit Cambodia, has seriously declined. Consequently, hotels and guesthouses, restaurants and transportation service providers are losing money.

Source : <https://www.khmertimeskh.com/50708030/kingdoms-growth-to-drop-to-2-5-percent/>

## Vietnam invests \$9.5 million in Cambodia



*Cambodia News | 01 April, 2020*

Cambodia was recorded as the third largest recipient of Vietnamese investment during the first

quarter of this year, according to a report released by the Foreign Investment Agency under the Ministry of Planning and Investment in Vietnam. From January to March, Vietnam invested roughly \$49 million abroad. Of which, the US was the largest recipient of Vietnam capital, receiving \$20.1 million or about 41 percent of the total. Singapore came in second, receiving Vietnamese investment to the tune of \$12.8 million (26 percent), while Cambodia was listed in third place, with investment totalling \$9.5 million or 19.3 percent. Vietnam’s investments outside its territory are mostly made in accommodation, food, technological activities, processing and manufacturing. But according to Cambodia’s Chamber of Commerce, Vietnamese investment here is focused on agriculture, forestry, insurance and banking. The news comes as the two governments pledged to increase bilateral trade volume. This follows Prime Minister Hun Sen’s recent statement that volume had already reached \$5 billion by the end of 2019 and the figure is expected to rise further this year. State-run Vietnam Rubber Group has already declared it is planning to increase its rubber plantation operation from 47,000 to 65,000 hectares this year. In addition, the Vietnamese Rubber Plantation Association recently announced that two Vietnam rubber firms will be looking to employ 105,000 workers from this year until 2021 in the Kingdom. Vietnamese conglomerate Hong Anh Gia Lai Agrico has already invested \$400 million to produce various fruit crops in Cambodia’s Ratanakiri

province, including bananas to export to China. Recent border restrictions to halt the spread of COVID-19 have caused concern that trade flow between the two countries might be adversely affected, but a Vietnamese custom official was recently quoted as saying that trade across the Cambodia-Vietnam border remains stable, with the transportation of commodities through the Khanh Binh – Chrey Thom border gates still continuing as normal, with about 40 trucks a day being recorded.

Source : <https://www.khmertimeskh.com/50708029/vietnam-invests-9-5-million-in-cambodia/>

## WB approves 60 mln USD to strengthen Laos' financial safety net



*Laos News | 02 April, 2020*

VIENTIANE, April 1 (Xinhua) -- The World Bank's Board of Executive Directors has approved 60 million U.S. dollars in financing for Laos to strengthen the country's financial safety net and civil registration system. Some 35 million U.S. dollars will help Laos strengthen its financial safety net, and 25 million U.S. dollars will support an upgrade of the national civil registration system, local daily Vientiane Times reported on Wednesday. The Financial Sector Safety Net Strengthening Project will build the capacity of the Deposit Protection Office, a public legal entity, so that it can fulfill its deposit insurance mandate while benefiting households and small and medium enterprises with deposits in the banking system by protecting them in case of a bank failure. "A strengthened deposit insurance system will make

the banking system more resilient to possible shocks," said Mariam Sherman, the World Bank country director for Myanmar, Cambodia and Laos. Meanwhile, the 25 million U.S. dollars Civil Registration and Vital Statistics (CRVS) Project will support the establishment of a comprehensive national civil registration system equipped to record key life events. The CRVS will provide vital data that can inform the formulation and implementation of public policies and help the monitoring and evaluation of national and sub-national development plans. "The systematic collection and analysis of key life events provide evidence-based information for policymakers to target specific segments of the population, including the poor, with tailored policies and services," said Nicola Pontara, the World Bank country manager for Laos. This project will help expedite implementation of the Lao government's 2016-25 CRVS Strategic Plan and the 2018 Family Registration Law, and meet the commitments of the Asia and Pacific 2015-24 Regional Action Framework on CRVS, according to the report.

Source : [http://www.xinhuanet.com/english/2020-04/01/c\\_138938016.htm](http://www.xinhuanet.com/english/2020-04/01/c_138938016.htm)

## All markets in Mingala Taungnyunt to close except for food and medicine



*Myanmar News | 01 April, 2020*

All shops at markets, including New Mingalar Market, in Mingalar Taungnyunt Township, are ordered to close temporarily except for shops selling

food and medicines, said Hla Htay, MP of No.1 Mingalar Taungnyunt Constituency. "All shops are closed except for shops selling consumer products, food and medicines. All markets in the township are closed including New Mingala, Shwe Mingalar and Mingalar Mon markets," said Hla Htay. Moreover Yuzana Plaza is also closed temporarily and no goods will be sold, he added. The government is accelerating the works for prevention and control of COVID-19 virus. The township level committee held a meeting on March 30 and decided to restrict the entry of people in shopping centers in the township and to control the pandemic in related with the instructions of Ministry of Health and Sports and respective ministries by the approval from the national-level central committee of COVID-19 prevention, control and treatment and the laws in related with the danger of epidemics. According to announcements released by Ministry of Health and Sports in related with COVID-19 cases on March 26 and 29, the authorities found two confirmed cases in the township and the authorities decided to close all shops temporarily except for shops selling rice, edible oil, salt, onion, garlic, dried goods and medicines from March 31 to April 4 and it will be extended if needed. Yuzana Plaza will be closed

from March 31 to April 18 and it will be extended if needed, announced the plaza management committee.

Source : <https://elevenmyanmar.com/news/all-markets-in-mingala-taungnyunt-to-close-except-for-food-and-medicine>

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## Worker unions in Myanmar to campaign for factory closures, full wages in April



*Myanmar News | 01 April, 2020*

Worker unions are planning to lobby for the closing of factories for full wages in April, said Ma Moe Sandar Myint, acting head of the Federation of Garment Workers Myanmar (FGWM). About 30 worker unions under the FGWM will participate in a slew of campaigns for this purpose. As there are only two weeks' worth of working days in April after taking Thingyan into account, closing the factories will reduce the number of people gathered within the same space and this will help prevent workers from contracting COVID-19. "FGWM will demand the closure of factories and for full wages to be paid for April. We have planned three campaigns. We made this decision after meeting with 16 worker unions. We will make prior negotiations at all factories, make demands online and shout slogans on ferries.

Around 30 factories will participate in this campaign,” she said. “People around the country are trying to prevent this pandemic. What if the virus spreads in a factory? There are more than 1000 workers per factory,” said Ma Myo Aye from Solidarity Trade Union of Myanmar. Currently, some companies have decided to close with full wages for April and some have arranged work from home or alternate day procedures. Others are paying half the wage for April. On March 31, workers at the Yoma Central project gathered at the entrance of the construction site in downtown Yangon to demand paid leave during the Thingyan holiday. The company will now give a day off with pay during the Thingyan holiday. Those working from April 1 to 9, before the Thingyan holiday, will be paid at double the rate and those who do not want to work during these days will be given leave along with half the salary. After the Thingyan holiday, those who will work from April 20 to 30 will be paid double and those who will take leave will be given half salary.

Source : <https://www.mmtimes.com/news/worker-unions-myanmar-campaign-factory-closures-full-wages-april.html>

## Vietnam’s car imports plummet over 40 percent in first two months

 *Vietnam News | 01 April, 2020*

Hanoi (VNA) - Vietnam imported 14,523 cars in the first two months of 2020, representing a year-on-year

plunge of 43.7 percent, according to the Ministry of Industry and Trade (MoIT). Of the number, 10,768 were under-nine-seat cars, contracting 39.6 percent, and 3,425 passenger cars, down 53.3 percent. In February, assembled cars purchased from the two main markets of Thailand (6,271 cars) and Indonesia (3,416) accounted for a lion’s share of 94 percent of total car imports in the month. The decline was attributed to the huge inventory left over from 2019. Importers are also waiting for a Government decision to reduce or exempt import tariffs on auto parts in the face of the COVID-19 pandemic. According to a recent report by the MoIT’s Department of Industry, Vietnam imported auto parts worth nearly 4 billion USD in the first two months of this year, the main volume of which came from the Republic of Korea with 1.14 billion USD (28.5 percent), Japan 720 million USD (18.04 percent) and China 700 million USD (18 percent)./.

Source : <https://en.vietnamplus.vn/vietnams-car-imports-plummet-over-40-percent-in-first-two-months/171048.vnp>

## Honda Vietnam suspends production due to COVID-19

 *Vietnam News | 01 April, 2019*

Hanoi (VNA) - Honda Vietnam (HVN) has become the fourth automaker in Vietnam to suspend production and assembly of cars and motorbikes over the concerns of the COVID-19 pandemic. The suspension will take place for two weeks from April 1

until April 15. Nguyen Huy Trung, head of Foreign Affairs of Honda Vietnam, said that in accordance with Prime Minister Nguyen Xuan Phuc's directive on the prevention of the COVID-19 pandemic as well as the firm's top priority on ensuring the health of all staff, Honda Vietnam has decided to halt production of automobiles and motorbikes. The resumption will depend on the general pandemic situation and the Government's direction, Trung said. Earlier, Ford Vietnam, Toyota Motor Vietnam and TC MOTOR suspended production activities to cope with the COVID-19 outbreak./

Source : <https://en.vietnamplus.vn/honda-vietnam-suspends-production-due-to-covid19/171052.vnp>

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