

Highlight News / April 08/2020



- NBC director-general explains economics of riels and dollars during the COVID-19 crisis
- CSX-listed microfinance institutions record a very strong yearly growth
- CKPower Group donates 1 million baht to support the fight against COVID-19
- Four factories to start producing masks in Myanmar
- Some flights, trains to be suspended during Thingyan
- State-owned enterprises face 3.7-trillion-VND loss in Q1 due to COVID-19
- Trade ministry proposes resuming rice exports



NBC director-general explains economics of riels and dollars during the COVID-19 crisis



Cambodia News | 7 April, 2020

The National Bank of Cambodia (NBC) has called on the public to increase their use of riels, to assist the central bank to utilise the national currency as an instrument to effectively stabilise pricing and interest rates in the market during the COVID-19 crisis, according to the NBC's director-general Chea Serey. Writing on her official Facebook page, she explained that in most countries their central bank can intervene in an economic crisis through lowering interest rates for commercial banks and financial institutions. However, because Cambodia is a dollarised economy, these levers are not as effective because the National Bank of Cambodia only has access to riels. "Typically when there is an economic crisis, a central bank will lower interest rates to encourage lending institutions to continue lending, allowing the continuation of public lending with low-interest rates," Chea wrote, "While the NBC has implemented these measures, its efficiency and effectiveness are limited. This is because the NBC only has access to lower interest rates effective on riels and, of course, cannot have influence over US-issued dollars," she added. This is why the central bank has been offering loans in riels at a low-interest rate, in an effort to encourage Cambodians to take out loans in their local currency. However, even with these policies, loans in riels have decreased from 25

percent in 2016 to 10 percent this year. "We have no control over the interest rate of US dollars. Whether the Cambodian economy is good or bad is not their [the US Federal Reserve] business. They take care of their people and their economy," Chea wrote.

Source : <https://www.khmertimeskh.com/50710320/nbc-director-general-explains-economics-of-riels-and-dollars-during-the-covid-19-crisis/>

CSX-listed microfinance institutions record a very strong yearly growth



Cambodia News | 7 April, 2020

Both Cambodia Securities Exchange-listed microfinance institutions Hattha Kaksekar Ltd and LOLC Cambodia Plc announced strong performance growth last year, according to their respective annual reports shared on the local bourse. LOLC Cambodia posted a 61 percent growth for its loan portfolio and 95 percent growth in its deposit balances, including a 25 percent increase in borrowers and 86 percent rise in depositors. In addition, the company said it experienced a 10.6 percent market share gain. LOLC said it is looking to grow through a strategy of improving client retention rates, expanding the number of borrowers and improving loan quality by focusing on client repayment ability. Sok Voeun, chief executive officer of LOLC Cambodia, said that, "The fast growth of our loan portfolio and deposit balance has reflected that LOLC Cambodia is a trustworthy microfinance institution in the market, both in terms of guaranteeing client protection and providing

competitive and innovative deposit and loan products.” “In order to support the business and our new product development, LOLC Cambodia has been investing in digital banking projects that will improve customer services and increase efficiencies such as ATMs, mobile banking applications and third-party connections,” he added. Hout leng Tong, president and chief executive officer of Hattha Kaksekar Ltd (HKL) said, his company is planning to introduce new products this year, while announcing a plan to transform the company from a microfinance deposit-taking institutions into a commercial bank. In October last year, the National Bank of Cambodia approved the company’s request for increasing its share capital from \$75 million to \$115 million. “This additional amount enables us to strengthen our capital and it will allow us to prepare for the transformation to become a commercial bank in the Cambodian financial market,” Hout said. According to its annual report, HKL’s loan portfolio reached more than \$1 billion and deposit balance recorded \$599 million, the soon-to-be commercial bank currently has 177 branches and 137 ATMs nationwide. In 2018 HKL was the first microfinance institution in Cambodia to issue corporate bonds on the local bourse, issuing 1.2 million bonds worth 120 billion riel (\$30 million), with an interest rate of 8.5 percent per annum. In 2019, LOLC Cambodia officially issued corporate bonds on the Cambodia Securities Exchange, issuing two types of bonds a foreign exchange-indexed bond and fixed-coupon bond, successfully raising 80 billion riel (\$20 million).

Both institutions stated that the bonds were issued to assist in the expansion of their business operations.

Source : <https://www.khmertimeskh.com/50710321/csx-listed-microfinance-institutions-record-a-very-strong-yearly-growth/>

CKPower Group donates 1 million baht to support the fight against COVID-19



Laos News | 8 April, 2020

The Minister of Public Health, Associate Professor Dr Bounkong Sihavong (seventh from the right) , recently received donation from the Ambassador of Thailand to Lao PDR Mr Damrong Kraikruan (sixth from the left) who was the honorable representative of CK Power Public Company Limited (CKPower) or CKP in SET and its subsidiaries. CKPower and its subsidiaries, Nam Ngum 2 Power Company Limited and Xayaburi Power Company Limited, in collaboration with CH. Karnchang (Lao) Company Limited, donated 1,000,000 baht to the Lao Ministry of Public Health through the Royal Embassy of Thailand in Vientiane to show goodwill and concern to the Lao government and to help stop the spread of the Corona Virus (COVID- 19) infection. The Managing Director of CKPower, Mr Thanawat Trivisvavet said that “CKPower and its subsidiaries do realize the necessity to help support the government and the public sector to stop the spread of the Covid-19 virus as soon as possible. CKPower would like to convey our highest regard and appreciation to all Thai and Lao public health

officers, doctors and nurses. CKPower is ready to fully cooperate with the government in order to overcome this crisis together."

Source : http://www.vientianetimes.org.la/freeContent/FreeConten_CKPower73.php

Four factories to start producing masks in Myanmar



Myanmar News | 7 April, 2020

Four factories in Yangon and Bago regions will begin producing face masks after the Thingyan holidays amid soaring local demand for masks due to the outbreak of coronavirus, officials say. At present there are no factories primarily focused on producing the masks in Myanmar, so two factories in Yangon Region and two in Bago Region are being prepared to produce masks following instructions from the Ministry of Health and Sports and Yangon Region government. U Soe Htet, secretary of the Industrial Supervisory Committee of Bago Region said the effort was discussed with Cobes Industries Myanmar Bago Co, the local subsidiary of Hong Kong-based Cobes Industries, a producer of personal protective equipment (PPE). The government had signed a deal to purchase 100,000 pieces of PPE from Cobes and South Korea's KM Healthcare Factory in Bago Region, last week. "We've already instructed the factories to make masks and I think they should be able to start after the Thingyan holiday. The aim is to fill local demand for masks, which are important items to counteract

the COVID-19 outbreak in Myanmar," U Soe Htet said. Meanwhile, talks are being conducted with one Japanese and one South Korean factory in the Shwe Lin Pan Industrial Zone near Yangon about also contributing to the effort, said U Aye Thuang, chair of the Shwe Lin Pan Industrial Zone. "The Japanese-owned factory produces car cleaning fabrics in Myanmar and has machinery capable of producing masks. The South Korean garment factory also has similar machinery. However, disruptions in the supply chain for raw materials from China are hampering their ability to make them. We are speaking with them to see what can be done to overcome this," said U Aye Thuang. Currently, the price of face masks have skyrocketed to between K800 and K1000 per piece compared with K100 to K150, before the first cases of COVID-19 were found in Myanmar on March 23.

Source : <https://www.mmmtimes.com/news/four-factories-start-producing-masks-myanmar.html>

Some flights, trains to be suspended during Thingyan



Myanmar News | 7 April, 2020

Air KBZ said on April 7 that it will temporarily stop all its domestic flights during the Thingyan holiday from April 11 to 18 due to the decline of air passengers amid fears over the COVID-19 pandemic. The airline said it will refund passengers who have booked flights for the above dates. U Ne Win, director of Air

Transport office of the Department of Civil Aviation, said airlines are allowed to cancel their flights if there is low passenger traffic. "Airlines can stop flights temporarily depending on the number of passengers they have," he said. "Currently, only Air Thanlwin airline has informed us that it will be stopping officially." Last week, Air Than Lwin announced that flights to and from Myitkyina, Kyaing Tong, Lashio will be suspended from April 1 to 16. Refunds will be provided. While Myanmar National Airways will not cancel all its flights, it will reduce its flight schedule, said reservations and ticketing manager U Moe Kyaw Thu. Daw Wai Mar Oo, tour assistant manager of Air Tour Myanmar Ticketing and Travel Center, said airlines have difficulties attracting air passengers as community quarantines have been imposed in some regions and states as part of efforts to contain the COVID-19 disease. All major beaches in the country, including the Ngapali Beach in Rakhine State, have also been closed to visitors to prevent spread of the disease that has already infected 22 people in Myanmar as of April 7, including one death. A senior official of another local airline, Mann Yadanarpon Airlines, said ticket bookings have been suspended but detailed plans for suspended flights have not been announced. Less trains There will also be less train routes in operation over the Thingyan period and passengers are advised to check with Myanmar Railways on the

various routes available As of April 7, rains on the Mandalay-Myitkyina route will stop running to reduce traffic and there are plans to stop Yangon-Mandalay and Yangon-Myitkyina routes, said U San Tha Aung, general manager of Myanmar Railways. The Mandalay- Yangon and Mandalay- Myitkyina routes will be suspended from April 10 to April 19. The Mandalay- Lashio train that runs every other day will stop on April 9. Trains that depart from Mandalay railway station to Pyinmana, Bagan, Monywa and Kawlin have also been suspended since March 31, he said. There are also plans to suspend all trains on the Myitkyina route. "This might be confirmed by tomorrow as we are now waiting for the official's telegram," he said.

Source : <https://www.mmtimes.com/news/flights-trains-suspend-routes-during-thingyan.html>

State-owned enterprises face 3.7-trillion-VND loss in Q1 due to COVID-19



Vietnam News | 7 April, 2020

Hanoi (VNS/VNA) - Nineteen State-owned groups and corporations under the Commission for the Management of State Capital at Enterprises (CMSC) incurred losses worth more than 3.7 trillion VND (160 million USD) in the first quarter of this year due to the impacts of the COVID-19 pandemic. According to a recent CMSC report sent to Prime Minister Nguyen Xuan Phuc, the total revenue of the 19 State groups

and corporations fell an estimated 27.3 trillion VND in Q1 compared to the same period last year. If the pandemic continued and oil prices did not recover, their total revenue in 2020 would be 270 trillion VND lower than plans for the full year, the report said. In addition, eight of them would suffer losses worth more than 26.3 trillion VND and the sum contributed to the State budget would be 32.8 trillion VND lower than planned. The CMSC pointed out that Vietnam Airlines Corporation was among those suffering the most from the pandemic, reporting a drop of 6.7 trillion VND in revenue in Q1 and a loss of 2.3 trillion VND. If the COVID-19 pandemic continued to the last quarter of this year, the corporation's revenue was estimated to lose 72.4 trillion VND and its losses would amount to nearly 20 trillion VND. The corporation has suspended all international routes and is only operating domestic routes at a minimum level while increasing operation of cargo flights to facilitate trade and increase revenue. The corporation was also thirsty for cash and must increase short-term loans which were estimated to amount to 3.5 trillion VND. It has asked for Government support in terms of a loan package worth 12 trillion VND to help ensure the corporation's solvency. The Airports Corporation of (ACV) also saw a drop of 800 billion VND in revenue and VND580 billion in profit in Q1 over the same period last year. It forecast revenue of 11.3 trillion VND for the full year and a profit of 1.46 trillion VND, 10.2 trillion VND and 9.3 trillion VND lower than its targets, respectively. Revenue at the Vietnam Expressway Corporation

was estimated to fall by 15 billion VND in Q1 due to less travel. The corporation forecast a loss of 140 billion VND if COVID-19 did not end until the fourth quarter. The Vietnam Railway Corporation also suffered a loss of 100 billion VND in the first quarter. The loss could increase to nearly 900 billion VND for the full year. The Vietnam Oil and Gas Group (PVN) has also suffered heavily from COVID-19 and the tumbling oil prices. In the first three months of this year, PVN's revenue fell by 27.3 trillion VND. If the COVID-19 pandemic continues and oil prices do not recover, PVN's revenue would see a decline of 279.76 trillion VND compared to its target. The CMSC has asked the State Bank of Vietnam to provide instructions for State groups and corporations to access a credit package worth 250 trillion VND. It also urged the Ministry of Finance to allow postponements for tax and land use fee payments to support businesses. State groups and corporations must come up with solutions to diversify sources for production input as well as export markets, the CSMC said. In addition, it urged its groups and corporations to ensure adequate supplies of power, fuel and food as well as smooth transportation services./.

Source : <https://en.vietnamplus.vn/state-owned-enterprises-face-37trillionvnd-loss-in-q1-due-to-covid19/171311.vnp>

Trade ministry proposes resuming rice exports



Hanoi (VNA) - The Ministry of Industry and Trade (MoIT) has asked the Government to resume rice exports. However, the export volume would be limited at 800,000 tonnes for April and May. Minister of Industry and Trade Tran Tuan Anh on April 6 sent an urgent official dispatch to Prime Minister Nguyen Xuan Phuc after collecting opinions from relevant ministries and agencies relating to rice export management. Accordingly, the MoIT proposed to allow rice exports but strictly control monthly quota after careful consideration to ensure food security amid the COVID-19 pandemic. The plan takes into account suitable solutions to maintain rice production to ensure economic growth while ensuring food security. Especially, the plan was also based on the official announcement from the Ministry of Agriculture and Rural Development on the rice volume of 3.2 million tonnes which could be exported in the winter-spring crop. This is the remaining quantity after ensuring normal domestic consumption and reserves. The ministry said the country shipped around 1.7 million tonnes of rice under signed export contracts as of March 31. Therefore, the rice export volume in the future would be 1.5 million tonnes. Meanwhile, the total rice reserves in the next two months before the summer-autumn crop would be 700,000 tonnes. Notably, the rice exports would be only allowed through international border gates including road, railway,

seaway and airway which were connected to the General Department of Customs for observation. In addition, the ministry required the 20 biggest rice exporters to sign agreements with at least a supermarket system to ensure food reserves for circulation. The MoIT could revoke the licences for rice exports if exporters do not meet the requirement. Earlier, the Government announced on March 25 to ban signing new rice export contracts to ensure sufficient domestic supplies to cope with the COVID-19 pandemic./.

Source : <https://en.vietnamplus.vn/trade-ministry-proposes-resuming-rice-exports/171350.vnp>
