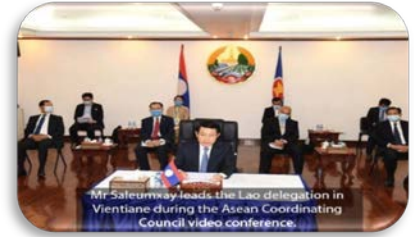


Highlight News April, 10/2020



- \$918 million cut from gov't budget to use for pandemic
- Tourism 'to take longer to recover from pandemic than other sectors'
- PM: Aid to fight COVID-19 'for the people, not for sale'
- Laos to join special Asean summits on virus response
- EU provides €5 million emergency cash for Myanmar garment workers
- MIC halves application fees for investors as coronavirus bites
- Wood export turnover grows 16 percent in Q1
- Commercial banks cut profit target amid COVID-19 pandemic



ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

\$918 million cut from gov't budget to use for pandemic



Cambodia News | 09 April, 2020

Prime Minister Hun Sen has announced that \$918 million will be cut from Cambodia's capital expenditure this year to inject into the health sector as the fight against COVID-19 infection continues. The funds were previously reserved for financial outgoings of intergovernmental departments including local funding for provinces and communes. But the serious ongoing health crisis means that the money will be funnelled into the aid plan. Alongside the priority purchase of essential medical supplies, the premier said that a portion of the \$918 million will be used to ensure the safe stockpiling of food "for those made vulnerable by the unexpected containment measures" put in place to try to stem the spread of the virus. Garment workers whose jobs have been temporarily suspended or have been made redundant following factory closures lines will also be benefactors. The money will be taken from the \$8.23 billion the government approved for overall expenditure in 2020, representing a 22.7 percent increase on 2019. The \$918 million represents the first tranche of aid the government promised to release last month as the effects of COVID-19 started to manifest in every sector. Up to \$2 billion is in reserve if the pandemic continues beyond six months. A spokesman for the

Ministry of Economy and Finance could not be reached for comment yesterday.

Source: <https://www.khmertimeskh.com/50711042/918-million-cut-from-govt-budget-to-use-for-pandemic/>

Tourism 'to take longer to recover from pandemic than other sectors'



Cambodia News | 09 April, 2020

The tourism sector, which is the most vulnerable industry from the spread of Coronavirus, will see a slower recovery than other sectors after the pandemic ends, according to industry insiders. Chhay Sivlin, president of the Cambodia Association of Travel Agents, told Khmer Times yesterday that tourism is different from other sectors which will make a faster recovery after the virus is beaten. "Tourism activity will not return to normal soon because it is a global crisis and it's related to people's feelings. People will need time to save money they lost during the crisis," she said. Chhay said it will take at least half to one year for people to start taking holidays while long-haul tourism could take longer. However, she said Cambodia must be ready to welcome more foreign visitors after the situation returns to normal. "We need to prepare in advance an attractive package with good promotions, good prices and diversify our eco-tourism destinations," she said, adding that for Cambodia the tourism sector will still have room to grow. "After Covid-19, I think Cambodia will be more attractive. Because of our kindness, tourists will remember our country and they will come to visit it.

They will talk about Cambodia to others,” Chay said referring to Cambodia allowing the Westerdam cruise ship to dock in Sihanoukville in February. Covid-19 has affected a total of 630,000 people in the tourism sector and some 30,000 of them are now unemployed, according to Chhay, of which 10,000 were tour operators, 10,000 worked at hotels, about 6,000 were tour guides and others worked in restaurants, according to Chhay. Ministry of Tourism data shows that Cambodia welcomed 6,610,592 foreign visitors last year, a 6.61 percent increase from 2018. Chinese tourists topped the list, with 2.36 million visitors, an increase 16.7 percent, Vietnamese ranked second with 908,803, up 13.6 per cent. The Ministry’s data shows that the country welcomed 931,826 foreign visitors during the last two months of this year, a decline of 50 percent compared with the same period last year. Ministry spokesman Top Sopheak said the ministry still promotes the tourism sector both locally and abroad although it cannot hold any special events or expos because of the need for self-distancing. “It does not mean that we encourage people to travel during the crisis time but we just tell them about Cambodia and show images so they will have a choice to visit after the pandemic,” he said. Top agreed with Chhay saying that the sector will eventually recover after the panic. “Now the situation cannot be predicted and we are just waiting to see because it is a global issue. When Covid-19 ends, we will gradually see a small flow and not a big influx of visitors,” he said. Hong Vannak, a business researcher at the Royal

Academy of Cambodia, told Khmer Times this week that in addition to the garment sector, tourism has the most potential to boost growth. “We have the infrastructure and what we need to do after Covid-19 is to reduce prices in the sector to attract more visitors to Cambodia,” he said.

Source : <https://www.khmertimeskh.com/50711043/tourism-to-take-longer-to-recover-from-pandemic-than-other-sectors/>

PM: Aid to fight COVID-19

‘for the people, not for sale’



Laos News | 09 April, 2020

Prime Minister Thongloun Sisoulith has told authorities to take action to ensure that aid supplied by various parties is distributed to the people and officials tasked with fighting the coronavirus – not put on sale. Addressing a recent meeting with the National Taskforce Committee for COVID-19 Prevention and Control, the PM said, “Aid and donated items must be distributed to the people. Don’t sell it. Don’t let it go to (medical) clinics for sale.” He told the committee to do whatever necessary to distribute the provided aid supplies quickly to instil public confidence in the struggle against the coronavirus. Many countries, international organisations, businesses and individuals have provided assistance including facemasks, protective clothing and other essential medical equipment to the Lao government for use in the fight against COVID-19. Providing aid supplies to

medical staff tasked with treating and caring for virus patients was a priority, the PM advised. “We must provide sufficient protective clothing and equipment to medical staff,” he told the meeting. Authorities admitted that sourcing sufficient medical equipment and medications, facemasks and hand gel was a challenge amid limited exports of such items from other countries due to their domestic demand as they fought to control the outbreak. In light of the issue, PM Thongloun asked the taskforce committee to report to him regularly and promptly on the needed equipment such as thermal scanners, ventilators and facemasks so he could give guidance on the matter. “I will give instructions on allocating a budget to purchase the equipment.” the premier said upon learning of requirements. Noting that some provincial hospitals had limited numbers of ventilators, the premier asked authorities in charge to purchase them where needed. “I know the price is not beyond our (financial) ability to buy,” Prime Minister Thongloun said. He warned the authorities not to take advantage for personal gain when it comes to the procurement of the needed equipment amid this difficult time, saying the purchasing process must be “transparent and verifiable”. In addition, Laos would also request assistance from friendly countries and international organisations based on the necessary support. The PM told the taskforce committee to form a dedicated team to

oversee equipment and aid supply affairs and distribution. The PM also praised the contribution of many local businesses and individuals who have assisted with facemasks for the public, food for officials tasked with fighting the virus and even discount rentals on apartments for workers during this difficult time.

Source : http://www.vientianetimes.org.la/freeContent/FreeConten_PM_aid_74.php

Laos to join special Asean summits on virus response



Laos News | 09 April, 2020

Lao Minister of Foreign Affairs, Mr Saleumxay Kommasith on Thursday joined a regional video conference, which discussed preparations for the special Asean and Asean plus 3 summits on COVID-19 response. According to a media release from the Lao Ministry of Foreign Affairs, the 25th Meeting of the Asean Coordinating Council, which was chaired by Vietnam, agreed to host the two special summits in the near future. The key agenda of the summits would be the regional collective response to the COVID-19 pandemic, which is now posing a major challenge for the international community to maintain health, economic and social security. During the long-distance video conference, the international participants highly valued Asean efforts and cooperation to cope with the COVID-19 pandemic. As evidence, the regional delegation cited the successful hosting of the special Asean

Coordinating Council in Laos in February as well as the first video conference of the Asean Coordinating Council Working Group on health emergencies in March. Other Asean video conferences covering health minister meetings and health working groups also suggest the regional bloc has been strengthening efforts in the fight against COVID-19, which has infected more than 1.4 million people and killed 81,000 around the world. During the video conference, the Asean delegation reaffirmed the need for the regional community to continue their close cooperation as well as strengthen collaboration with dialogue and development partners, in particular, the WHO, through existing Asean mechanisms. On top of that, the meeting participants reaffirmed close Asean cooperation to maintain regional economic stability, notably the maintenance of regional supply chains for goods, medicines and essential medical supplies. According to the media release, during the video conference, Mr Saleumxay and his delegation detailed the Lao government's efforts and measures to deal with the COVID-19 outbreak. Over the past several weeks, the Lao government has established central, provincial and district taskforce committees to prevent and control the COVID-19 outbreak. Additionally, authorities are implementing the national lockdown policy, including closing down local and international border checkpoints and restricting travel within the country. Under the lockdown policy, members of the public have been ordered to stay at home, public officials have been

told to work from home, and gatherings of 10 people or more are banned. Schools, entertainment venues and major shopping centres have also been ordered to shut down. To encourage public participation in the fight against COVID-19, Mr Saleumxay said the government paid great attention to raising awareness on the dangers of the virus as well as protection methods. Lao authorities have designated public hospitals to treat COVID-19 infected people. Hospital beds, medical personnel and equipment have been prepared to cope with the growing number of cases. Authorities had also introduced measures to minimise the economic impact of the coronavirus on the livelihoods of Lao people, Mr Saleumxay added.

Source : http://www.vientianetimes.org.la/freeContent/FreeContent_Laos_to_join_74.php

EU provides €5 million emergency cash for Myanmar garment workers



Myanmar News 09 April, 2020

The European Union (EU) said it will provide €5 million (K7.9 billion) in cash to support garment workers in Myanmar who have been affected by COVID-19. The Myan Ku (Quick Assistance) emergency cash fund will go directly to cut, make, pack (CMP) workers who have lost their jobs as a result of COVID-19. As of end March, over 25,000 workers from more than 40 factories have been laid off, while 350,000 are at great risk of either being suspended without pay or losing their jobs

permanently, according to the EU. The industry hires up to 700,000 predominantly female workers across 600 factories. According to the Centre for Economic and Social Development (CESD), Yangon-based think tank, as much as 40 percent of Myanmar's factories have been severely disrupted by COVID-19, and that one-third of the factories are dependent on the EU market. Daw Khine Khine Nwe, Secretary General of the Myanmar Garment Manufacturers Association, said "the Myan Ku emergency cash fund will be a critical lifeline to these vulnerable workers and their families," she said, adding that more lay-offs are expected to take place this month. EU Ambassador Kristian Schmidt said "this could be the worst economic crisis since the second world war." He added that there is a risk that thousands of workers will have no income over the next three months. Factories in the country, especially those that manufacture garments and textiles, had already been facing unprecedented challenges since February as supply of raw materials from China stalled and importers from the West began slashing orders. "Around 70pc of the Myanmar CMP sector is exporting to the EU and this creates 450,000 job opportunities for women around the country. We need immediate actions to support these women and their families," said the ambassador. Cash relief is available to all affected garment workers, regardless of whether the factories are local or

foreign-owned. The Myan Ku fund was mobilised through the EU's Humanitarian Development Peace Nexus Response Mechanism. SMART Textile & Garments, an EU-funded project on promoting labour and environmental standards in the industry, will implement the fund and cash transfers will be made via Wave Money. Around 80pc of the funds will be used to support at least 30,000 to 80,000 workers laid off and driven out of their residences. They will receive K 75,000 per month for April, May and June. Of the remaining funds, 10 pc of the funds will be used to support 3,000 to 8,000 people who were illegally terminated. These will K 12,500 per month. The remaining 10 pc will be given directly to SME workers via Wave Money. Those who qualify for the cash relief will be selected via meetings with labor unions and civil organisations. The fund comes after the Myanmar government announced a K100 billion (US\$72 million) COVID-19 fund targeting domestic CMP industry as well as the tourism sector and SMEs. However, foreign businesses are excluded from applying for loans from the fund. Foreign stakeholders like Chinese and Korean investors which make up the majority of garment factories in Myanmar have called on the government to consider extending the stimulus package to foreign factories. However, European companies should not be expecting government subsidies or support, said ambassador Schmidt, adding that Myanmar is one

of the least developed countries and it needs solidarity and support from its partners instead. At the same time, the Myanmar government's stimulus package to domestic business seems "modest compared to potential needs," Mr Schmidt added. "By setting up the Myan Ku Fund, we are doing everything to ensure the crisis is temporary," said Mr Schmidt. "We must make sure this doesn't hurt or jeopardise the chances Myanmar's garment industry to continue on its very successful path." Although the crisis is temporary and it could last at least three months, it is important for the garment industry to be prepared to start production when things return to normal by this year's peak season in August and September, said Mr Schmidt.

Source: <https://www.mmtimes.com/news/eu-provides-eu5-million-emergency-cash-myanmar-garment-workers.html>.

MIC halves application fees for investors as coronavirus bites



Myanmar News | 09 April, 2020

Investors who wish to apply for permission to invest in the country will enjoy a 50 percent discount on application fees, the Myanmar Investment Commission (MIC) announced on April 9. This includes both Myanmar and foreign investors, the MIC said. The new fee structure will take effect from April 20 onwards and remain effective until the authorities review and revise the fees. "The main

objective is to encourage investments and help businesses save costs in this difficult time," said MIC director U Myo Min. The move comes after the Ministry of Investment and Foreign Economic Relations last week called off four regional forums in Yangon, Bago, Monywa of Sagaing and Mandalay due to the COVID-19 outbreak. The investment forums serve as a platform for investors to explore opportunities to work with local businesses. As a result of the cancellations, investments could decline by as much as 40 pc, said U Aung Naing Oo, permanent secretary of the ministry. MIC approved more than US\$500 million worth of foreign direct investments from 11 businesses and K50 billion in local investments on April 3, a day after the total number of COVID-19 positive cases in the country climbed to 20. This includes investments into sectors such as industry, construction and services, in addition to the expansion of 13 existing businesses.

Source: <https://www.mmtimes.com/news/mic-halves-application-fees-investors-coronavirus-bites.html>

Wood export turnover grows 16 percent in Q1



Vietnam News | 09 April, 2020

Hanoi (VNA) – Vietnam's export value of wood and wooden products reached 2.7 billion USD in the first quarter of 2020, representing a year-on-year increase of over 16 percent, according to the Ministry of Agriculture and Rural Development. The

industry is forecast to be seriously affected by the COVID-19 pandemic, which is spreading around the world and having severe impacts on the global economy. A survey of 124 wood processing enterprises on the impacts of the disease found that the sector's export turnover and growth are likely to drop sharply in the near future. Up to 76 percent of enterprises said that the sector is likely to suffer total initial losses of 3 trillion VND (127.2 million USD), while the remaining said they have not yet determined the level of loss. Only 7 percent of the respondents said they are maintaining operations as normal. Meanwhile, 51 percent reported that they had scaled down production, and 35 percent said they will have to suspend operations in the coming time. According to the Vietnam Timber and Forest Product Association (VTFPA), since March, 80 percent of exporters to the US and EU markets have received cancellations or delays until the situation improves. Orders from Japan, the Republic of Korea and China have also dropped 60-80 percent. Do Xuan Lap, chairman of the VTFPA, said the wood processing industry, one of the country's three main export industries, is facing the reality that most enterprises will have to stop production this month and lay off workers unless they receive support from the Government. In order to minimise losses, the VTFPA has asked the Government to include the wood processing industry on the list of products it says can extend tax payments and land rents. The VTFPA also said the Government should consider

value added tax refunds for eligible exporters, and the exemption of export taxes./.

Source : <https://en.vietnamplus.vn/wood-export-turnover-grows-16-percent-in-q1/171448.vnp>

Commercial banks cut profit target amid COVID-19 pandemic



Vietnam News | 09 April, 2020

Besides, the State Bank of Vietnam (SBV) issued instructions on March 31 to banks to cut costs and bonus payments and not pay dividends in cash. Nam A Bank has reviewed its 2019 performance and 2020 plans, and said it now targets pre-tax profit of only VND800 billion (US\$34 million) in 2020, 13.5% down from last year. But it plans to keep some other targets unchanged. The bank said it would seek to achieve the credit target it set based on the State Bank of Vietnam's credit growth quota. It is set to lower lending interest rates by 2 percentage points, with businesses in agriculture, hospitality and import-export benefiting the most from this. It has also unveiled a VND1 trillion (US\$42.5 million) loan package for individual customers at an interest rate of 9.9%. Hoang Viet Cuong, deputy general director of the lender, said it is meant to enable borrowers to revive production and get their lives back to normalcy. Bad debts this year would not exceed 3%, the bank said. Sai Gon – Hanoi Commercial Joint Stock Bank (SHB) also plans to cut its 2020 profit target, adding that it would be by at least VND1 trillion. It also plans to reduce operation costs. Its executives have volunteered a 50% wage cut until

the pandemic ends, while department heads are amenable to 10-30% cuts. The bank has earmarked VND25 trillion for loans with many preferential offers including a 2 percentage point interest rate cut. It also plans to restructure customers' loans. It is expected that more banks will announce changes to strategies and interest rate cuts to support clients in the coming days. A report from the National Statistics Office said the credit growth this year has been only 0.68%, 1.22 percentage points down year-on-year. Deposit growth has fallen to 0.51% from 1.72%, it added.

Source : <https://english.vov.vn/economy/commercial-banks-cut-profit-target-amid-covid19-pandemic-412360.vov>.
