

Highlight News / April 15/2020



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- \$23.5 million in new investment projects licensed
- On April 10, 2020, the Laos government issued tax relief measures to mitigate the economic impact of the COVID-19 outbreak.
- Myanmar stops entry-exit of people in Bangladesh border gates
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CSX companies report good 2019, but brace for 2020



Cambodia News | 14 April, 2020

The Advanced Bank of Asia Limited (ABA Bank), which issued its corporate bonds on the Cambodia Stock Exchange (CSX) for the first time in 2019, has recorded a total comprehensive income of \$130 million. It marks a 77.45 percent increase on 2018 “It was another solid year filled with milestones and significant achievements that positively changed the Cambodian financial sector. ABA has demonstrated strong growth in all main parameters, including total assets, deposits and loans, as well as the customer base,” ABA Chief Executive Officer Askhat Azhikhanov said in a message filed to the stock exchange. The bank was not the only success story, with CSX-listed-Taiwan-based firm Grand Twins International (Cambodia) (GTI) posting a 42.06 percent increase in revenue to more than \$169 million last year on the same period in 2018, according to its own annual report filed to the country’s stock exchange. But the company, which supplies clothing to major companies such as Adidas, saw a 4.22 percent drop in their total comprehensive income to \$1.37million. GTI are now bracing for a devastating drop in revenues in the coming year, with the virtual dearth of demand from their two major export markets, the US and EU, caused by the economic downturn triggered by COVID-19 and the sanctioning of the EBA (Everything But Arms) deal which has further

crippled Cambodia’s garment sector. And despite recording a 49 percent increase – from \$77 million to \$116 million – through 2019, along with a \$35 million net profit, microfinance institution LOLC (Cambodia) Plc., is also preparing for losses. “While loan repayments are still on schedule, following the NBC’s directive for loan repayment restructure, we expect that to change as customers begin to request payment delays or interest-only repayment for the short term,” said Sok Voeun, chief executive officer of LOLC (Cambodia) Plc.

Source : <https://www.khmertimeskh.com/50712847/csx-companies-report-good-2019-but-brace-for-2020/>

\$23.5 million in new investment projects licensed



Cambodia News | 14 April, 2020

The Council for Development of Cambodia (CDC) has given the green light to six new investment projects with a total investment capital of \$23.5 million. According to two separate CDC’s press releases, the new projects approved are expected to create more than 4,000 jobs for the locals. The six approved projects cover the production of cotton, clothing, cardboard boxes and all kinds of packaging materials, and bags. These projects belong to six different companies located in the capital of Phnom Penh and the provinces of Thbong Khmum, Kampong Speu and Takeo. Phal Sophanith/AKP

Source : <https://www.khmertimeskh.com/50712885/23-5-million-in-new-investment-projects-licensed/>

On April 10, 2020, the Laos government issued tax relief measures to mitigate the economic impact of the COVID-19 outbreak.



Laos News | 14 April, 2020

These measures specifically relate to income tax exemptions for certain businesses and employees with the Lao economy expected to slow to 6.1 percent, compared to the 6.5 percent predicted for this year. Despite the country recording only 19 infections as of April 14, the economy has experienced negative spillovers from the impact of the virus on the region. The tourism, construction, and manufacturing sectors have been hit hardest. These measures are designed to assist the cashflow of businesses, in particular, micro-enterprises, in addition to encouraging businesses to retain employees. Investors should seek the assistance of registered tax advisors to better understand how they can benefit from these relief measures. Micro enterprises are exempted from paying income tax for three months from April, May, and June 2020. Micro enterprises are classified as businesses with one to three employees with micro and small businesses (MSMEs) playing an important role in Laos' economy. MSMEs account for more than 90 percent of registered firms in the country, with the agriculture sector encompassing the largest portion (more than 70 percent). In recent years, the government has enacted policies to enable access to finance and

boost production. Businesses that have already made prepayments of income tax for those stated months can carry the payments forward to be used as deductions for the following months. Employees, whether in the public or private sector, earning 5 million kip (US\$559) or below will also be exempt from paying personal income tax (PIT) for three months (April, May, June). Employees earning this threshold will have the first 5 million kip (US\$559) exempted and will be taxed at the progressive rates of 10-15 percent. Investors should note that businesses that pay PIT in lump sums will not be eligible for this tax exemption. All payments should be done through the TaxRIS online portal.

Source : <https://www.aseanbriefing.com/news/laos-issues-tax-relief-measures-mitigate-covid-19-impact/>

Myanmar stops entry-exit of people in Bangladesh border gates



Myanmar News | 14 April, 2020

Myanmar has stopped the entry and exit of people in its border gates with Bangladesh starting on April 13, as part of the Southeast Asian country's measures to mitigate the COVID-19 epidemic, a government spokesperson said. U Zaw Htay, spokesperson of the President Office, said State Counsellor Daw Aung San Suu Kyi and U Kyaw Tin, the minister for international cooperation, spoke with Bangladesh envoy Manjurul Karim Khan Chowdhury, on April 12, to inform him about the closure of the gates to people. U Kyaw Tin said Myanmar has stopped the

entry of exit and entry of people from border gates with neighbouring China, India, Thailand and Laos and has only opened the gate for the flow of goods. He added that entry of goods between Myanmar and Bangladesh would also continue. The Bangladesh ambassador said he will report to his headquarter and that his nation has imposed a nationwide lockdown including in Dhaka and Cox's Bazar, where hundreds of thousands of refugees from northern Rakhine are staying. Myanmar experienced two-day surge in virus patients on April 13 and 14, pushing up the cases to 62, with four deaths and two recoveries.

Source : <https://www.mmtimes.com/news/myanmar-stops-entry-exit-people-bangladesh-border-gates.html>

Sagaing imposes 10pm-4am curfew



Myanmar News | 14 April, 2020

Residents of Sagaing Region will not be permitted to leave their homes between 10 pm and 4am daily and will only be allowed to leave to for essential matters such as procuring food or seeking medical attention as part of efforts to prevent an outbreak of COVID-19, according to an April 13 announcement by the Sagaing regional government. Those who are caught flouting these regulations will be subject to government action. The Sagaing authorities also warned residents not to celebrate Thingyan and to avoid assembling without reason. Residents were urged to stay at home as much as possible and to

adhere to instruction issued by the Ministry of Health and Sports. Residents are also instructed to inform the authorities if they are aware of anyone feeling unwell, displaying symptoms of COVID-19 or involved in crime. The current regulations will remain effective until further notice by the regional government. Sagaing Region has one of the highest populations of migrant workers in Myanmar while many others survive on daily wages. According to the health ministry's COVID-19 Situation Report, between January 31 and April 11, more than 17,000 people have been quarantined in 6,889 facilities in Sagaing. It is unclear if these numbers include those who are being quarantined at home.

Source : <https://www.mmtimes.com/news/sagaing-imposes-10pm-4am-curfew.html>

Mask, protective clothing exporters must meet EU standards: Authority



Vietnam News | 14 April, 2020

Hanoi (VNA) - Enterprises shipping face masks and protective clothing to members of the EU need to pay due attention to the standards imposed by the EU or its respective members, the Vietnam Trade Office in Belgium has said. Products must obtain a CE marking that indicates standards for products sold within the EU have been met, or meet the system set by the EU and each member found at <https://standards.cen.eu/dyn/www/f?p=CENWEB:5:::NO:::>. In the face of the COVID-19 pandemic, a rising number of face mask and protective clothing

producers in Vietnam have sought business partners to export these items to the EU, the office explained. Products failing to meet the standards may not be able to enter the EU, causing waste and economic losses if alternative markets are not readily available, it added. Enterprises are advised to study the standards for face masks and medical protective suits found at https://ec.europa.eu/commission/presscorner/detail/en/IP_20_502 or https://www.centexbel.be/en?utm_source=zalo&utm_medium=zalo&utm_campaign=zalo&zarsrc=30/.

Source : <https://en.vietnamplus.vn/mask-protective-clothing-exporters-must-meet-eu-standards-authority/171699.vnp>

Investment in HCM City's export processing, industrial zones up 86 percent



Vietnam News | 14 April, 2019

HCM City (VNA) - Export processing and industrial zones in Ho Chi Minh City saw 117 million USD of investment poured into the zones in the first quarter, a 86 percent increase compared to the same period last year, according to the HCM City Export Processing and Industrial Zones Authority (HEPZA). FDI in the zones was nearly 66 million USD, a 2.58 percent increase year-on-year. Eleven FDI projects registered more capital of over 60 million USD. There were six new projects with total capital

of 5.48 million USD, a 74 percent decrease from last year. The zones received 1.1 trillion VND (47 million USD) worth of domestic investment, up by 37 percent year-on-year. There were 13 new projects, while 12 projects increased their capital. The increase in investment in the zones was mainly from domestic sources and foreign projects that already had plans to register more capital, according to the authority, which said that investment attraction in the second quarter may face challenges due to the COVID-19 pandemic. HCM City, as of March 20, had attracted over 1 billion USD worth of FDI, a 33 percent drop year-on-year, according to the HCM City Statistics Office./.

Source : <https://en.vietnamplus.vn/investment-in-hcm-citys-export-processing-industrial-zones-up-86-percent/171709.vnp>
