

Highlight News / May 12, 2020



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)



New port 'will boost' tourism



Cambodia News | 11 May, 2020

The construction of the new tourism port in Kampot province is more than 30 percent complete and is expected to be finished by the middle of the year, according to the Kampot provincial tourism department. The project is supported by the Asian Development Bank (ADB). ADB approved an \$8 million loan for the port project saying that it will open up new opportunities for tourism beyond current popular destinations like the Angkor Archaeological Park. The port would play a vital role attracting tourists to the province, and would provide many financial benefits to the people of Kampot, said Soy Sinol director of tourism department of Kampot province. "The new tourism port has completed some parts of the passenger terminal and road access to the port and expect to complete in April. However, because there is the outbreak of COVID-19, the project has been delayed," said Sinol. "The port would also facilitate travel along the Cambodian coast and enhance the flow of tourists from neighbouring Vietnam and Thailand," Sinol added. "From the study, the tourism port will be potential to welcoming more than 4,000 tourist passing Kampot province daily for the first opening. The port is serving only the tourists not cargo or light freight transport," according to Sinol. "We are not only developing the tourism seaport, but we are trying our best to create attractive tourism products, and promoting our tourism product to the world," Sinol

said, adding that Kampot has many tourist attractions such as Borkor Mountain as well as architecture left over from the French colonial era. Last year, Kampot welcomed about 1.6 million local and international tourists. Of those, 10 percent were international tourists and most of them were from Vietnam, the European Union and Asia-Pacific. At present, Kampot has 17 tourism sites, four tourism communities and four tourism destination (pepper farms, salt fields, heritage building and river views). The provincial authority has been developing the new beach in the new Kep area which is located to the West of Kampot to attract the tourists to visit Kampot province. Moreover, it is also developing Koh Seh (Horse Island) to be an attractive tourism site because this island has clear water, sea flowers and is good for diving and will take one hour by boat from Kampot town. Kampot provincial tourism department and Kampot provincial administration have also set up a five-year plan (2019-2023) to develop tourism. They are continuing strengthening the quality of the existing tourism products, expanding the development of the new beach and new islands, pushing and strengthening the quality of service, tourism standards and human resource development, as well as promoting the sites using the internet. "With this full potential tourism in the province, Kampot is now lacking medium and high class accommodation and restaurant and other entertainment services, therefore, it is demanding more investment into this segment," said Sinol. "We are pushing the investment on the accommodation

to have 2,500 to 6,000 rooms in response to demand from the number of tourists in Kampot,” he added. “We are calling for investment on the medium and high class restaurants and hotels and other entertainment centres. “From January to mid-March of 2020, the flow of the international tourists to Kampot remained stable then, by end of March, it became quiet until now. However local tourism started to recover with people visiting Kampot after Khmer New Year, with about 25,000 people visiting Kampot every day.”

Source: <https://www.khmertimeskh.com/50721748/new-port-will-boost-tourism/>

Regular air travel not lifting off



Cambodia News | 11 May, 2020

The Kingdom’s airline operator said that local travelling by air will take at least one year to recover after the pandemic ends, according to the chairman of Cambodia Angkor Air. Tek Reth Samrach, chairman of Cambodia Angkor Air, told Khmer Times that it was affected by the COVID-19 pandemic. Angkor Air provided just one flight within two days between Phnom Penh and Siem Reap. The National Flag Carrier, Cambodia Angkor Air (K6) has said that it has well prepared its resources to immediately resume operations once the pandemic is under control. However, Tek Reth Samrach said that the company estimates local air travelling would take at least 12 to 15 months to recover. “Travelling by air depends on tourists and businessmen but now the tourism sector has collapsed we just have a small

amount of travelling mainly by businessmen,” he said, adding that people will take time to build their economy after COVID-19. “Even though we lose money, we cannot close the flights because we need to keep our flights ongoing. We have no choice because we are the national flag carrier,” he said. The airline launched a direct flight to the coastal Vietnamese city of Danang last November, aiming to attract more tourists from Vietnam to Cambodia. Cambodia Angkor Airline is a joint venture with Vietnam Airlines. However, the airline is set to see new investors in the form of private equity investors after 49 percent of its shares, owned by Vietnam Airlines, changed hands for \$49 million. According to Tek Reth Samrach, Vietnam Airlines had reached a purchasing agreement with the airline with an unnamed Chinese company. He said that there were three companies that had shown interest in negotiating for purchasing a stake in Angkor Air but now only one Chinese company has reached an agreement. The tourism sector, which is the most vulnerable industry from the Coronavirus spread, will see a slower recovery than other sectors after the pandemic ended, according to industry insiders. Chhay Sivlin, president of Cambodia Association of Travel Agents said that that tourism is different from other sectors, which will recover faster after the pandemic. “Tourism activity will not return to normal soon because this 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. More regional airlines have begun to slowly reinstate

flights to Cambodia's international airports this month – under strict biosecurity guidelines – as the industry attempts to desperately revive itself from its worst period in aviation history. According to a ministry report there were 1.4 million domestic tourists in the first quarter of this year, a 34 percent decrease compared with the same period last year, while the arrival of foreign tourists also dropped by 38 percent to 1.15 million.

Source: <https://www.khmertimeskh.com/50721798/regulation-air-travel-not-lifting-off/>

Govt permits businesses to reopen



Laos News | 12 May, 2020

The government has given the green light for development projects to resume in order to reduce the impact on the economy, but project and business managers must comply with measures to curb the spread of Covid-19. Deputy Minister of Planning and Investment Dr Kikeo Chanthaboury, who is a standing member of the taskforce committee in charge of addressing the economic impacts of Covid-19, revealed the move on Friday at the daily media briefing given by the national taskforce committee on prevention and control of the virus. Dr Kikeo said 20 mining projects, 13 electricity projects, railway and expressway projects, 20 factories in the Xaysettha Comprehensive Development Area, nine factories in the Savan-Seno Special Economic Zone, and four factories in the Champassak Special Economic Zone could resume

operations. Their work was put on hold for one month during a lockdown period when many activities throughout the country were suspended to prevent the spread of Covid-19. “We, the taskforce committee in charge of addressing the economic impact of the virus, have signed memorandums of understanding with these businesses requiring them to comply with the measures laid down by the committee during the course of their operations,” Dr Kikeo said. Referring to a forecast by the National Economic Research Institute and National Statistics Centre, Dr Kikeo said economic growth was predicted at 3.3-3.6 percent this year. This would severely cut the average annual growth rate of 7.2 percent targeted in the current five-year economic development plan, which would now be revised downwards to 5.9 percent. Tourism, which is the second largest generator of revenue, would be the worst affected sector, he added. The pandemic will lead to a shortfall in revenue earned by the state through the implementation of policies such as cuts in the taxes and fees paid by people on low incomes. Employers have been instructed to comply with the Law on Social Insurance regarding the payment of employees who are members of the social insurance fund and have been temporarily laid off. The government is also looking at how to deal with workers who are not members of the scheme, as specified in the decree on welfare. During this period

of international lockdown, the government is considering the employment of Lao workers returning home from other countries. Following the requisite period of self-isolation, it is possible they could be employed by companies in special economic zones in Laos if they have the appropriate skills.

Source: http://www.vientianetimes.org.la/freeContent/FreeContent_Govt89.php

Tourism operators expect recovery in two years at best



Myanmar News | 11 May, 2020

Myanmar's tourism industry is expected to remain closed for the rest of the year due to COVID-19 restrictions, operators said. The recovery of the sector depends on the country's ability to control and contain the spread of COVID-19. Meanwhile, far fewer foreign tourists are expected over the next two years. "It may be possible for local people to start making trips in October if the pandemic is controlled but rather than in groups, most people will only travel with their families. It would be hard to restart both inbound and outbound tours," said U Thet Lwin Toe, an industry insider based in Yangon. Because of COVID-19, tour packages offered in the past will need to change and the industry will have to be more innovative with their services to generate revenue, he said. Daw Aye Thida Moe, vice chair of the Myanmar Tourism Entrepreneurs Association, said: "It is impossible for Myanmar tourism to return to normal

this year as there will be less foreign clients. Even if the tourism sector starts operating again after the COVID-10 crisis, only the people from neighbouring countries will come. We expect the situations to return to normal in two years at best and are cooperating with the Ministry of Hotel and Tourism for the recovery plans." Daw Hla Darli Khin of Toedi Tourism believes tourists from the region might return by the end of the year, but for operators of outbound tours, recovery can be expected by Thingyan next year. "As all outbound tours have completely stopped due to travel restrictions around the world, we need to think of another business to offset the losses. We expect to only be able to sell airplane tickets for business purposes during this time," she said. The tourism sector experienced a high level of outbound booking cancellations this Thingyan as airlines around the world were grounded and international tour operators called off their plans.

Source: <https://www.mmtimes.com/news/tourism-operators-expect-recovery-two-years-best.html>

Honda Vietnam's sales plummet in April



Vietnam News | 11 May, 2020

Honda Vietnam's motorbike and automobile sales in April plunged 72% and 52% year-on-year, respectively, due to the COVID-19 pandemic, Head of its External Relations Division Nguyen Huy Trung said. The pandemic forced the manufacturer to suspend production from the start of the month until

April 22. In addition to the suspension, dealerships were also closed because of social distancing measures. A total of 61,752 motorbikes and 843 cars were sold during the month. Honda Vietnam shipped 4,512 wholly-assembled motorbikes to different markets, with revenues remaining undisclosed. It submitted a report in late April to the Ministry of Planning and Investment on its operations and recommendations to offset automakers' difficulties brought about by COVID-19.

Source: <https://english.vov.vn/economy/honda-vietnams-sales-plummet-in-april-413580.vov>

easing, the country's relatively strong macroeconomic fundamentals, and a gradual recovery in external demand.

Source: <https://english.vov.vn/economy/vietnams-gdp-to-grow-by-7-in-2020-imf-forecasts-413573.vov>

Vietnam's GDP to grow by 7% in 2020, IMF forecasts



Vietnam News | 11 May, 2019

VOV.VN - Vietnam's economic growth is projected to slow down to 2.7% this year due to the novel coronavirus pandemic this year, but may pick up to 7% next year, the International Monetary Fund (IMF) said on May 11. In an emailed statement to Reuters, Francois Painchaud, the IMF representative in Vietnam, said the country's strict measures to contain the virus, the global recession and weak domestic demand are expected to slow its economic growth this year from an average of about 7% in 2018 and 2019. "Some sectors are expected to be severely impacted, especially the tourism, transportation, and accommodation industries," he told Reuters. The IMF expert said the growth is forecast to recover as containment measures are lifted, reaching 7% in 2021. It will be supported by monetary and fiscal