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Highlight News / May 25, 2020

- Moody's sees 'Solid Growth Prospects' for Cambodia
- SECC, CCC sign MoU on promoting securities sector
- Laos, China to partner in training of tourism personnel
- Magwe govt allows more than 1000 factories to reopen
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Moody's sees 'Solid Growth Prospects' for Cambodia

Cambodia News I 24 May, 2020

Moody's Investors Service says Cambodia has strong fiscal buffers to counter disruptions to trade and growth arising from the COVID-19 pandemic. In a statement released in Singapore last Friday, the U.S. credit rating agency said slowdowns in China, the EU and the U.S. would deter Cambodia's growth prospects this year, with GDP forecast to contract 0.3 percent. But GDP is projected to rebound by almost 6.0 percent next year, it said. Moody's said Cambodia's latest credit profile reflected the country's "solid growth prospects" as well as its "moderate and highly affordable debt burden." Despite limited infections, the rating agency said the virus outbreak would affect investment and tourism in Cambodia, especially given its close links with China. "Cambodia is particularly exposed to a slowdown in China given their extensive economic linkages," said Moody's Vice President and Senior Analyst Anushka Shah. Shah noted that China represented 43 percent of Cambodia's foreign direct investment while Chinese tourists accounted for 36 percent of arrivals in 2019. The statement said economic slumps in the EU and the U.S. "will hurt demand for Cambodian goods" and that any sharp decline in asset prices "could pose economic and financial stability risks." But the overall outlook for the country is "stable," the rating agency said. The outlook "balances vulnerability to shocks stemming from a temporary disruption in growth, high dollarisation and rapid credit growth, against mitigating factors such as strong growth potential, robust government revenue generation and the concessional and long-term nature of government debt. "Implementation of reforms that improve institutional weaknesses and policy effectiveness would point towards a rating upgrade. "On the other hand, a downturn in bank credit resulting in economy-wide contagion effects would lead to downward pressure on the country's rating. A sustained drop in foreign direct investment would also weigh on growth and present credit pressures," Moody's said. Sao Da/AKP

Source:https://www.khmertimeskh.com/50726331/moodys-sees-solid-growth-prospects-for-cambodia/

SECC, CCC sign MoU on promoting securities sector

Cambodia News I 23 May, 2020

The Securities and Exchange Commission of Cambodia (SECC) and Cambodia Chamber of Commerce (CCC) have reached a memorandum of understanding (MoU) on cooperation on Raising Awareness and Promoting the Participation of Company in Cambodia Securities Sector. The MoU was signed on May 22 by Sou Socheat, SECC's Director General and CCC's President Neak Okhna Kith Meng. The MoU is aimed to create collaboration in promoting and raising awareness of securities market for commercial enterprises to get access to capital market financing as well as to attract investments from local private sector. "Through signing the MoU, it is a reflection of having more commercial enterprises in Cambodia are interested in Cambodia Securities Exchange (CSX) by preparing themselves to list in the market for collecting capital from stock market and trade in stock market, as well as to show confident of CCC's members on Cambodia Securities Exchange," a press release from SECC read. The CSX currently has 11 companies, five equity firms and six corporate bond firms with a total capital recorded at US$223 million. Chea Vannak/AKP

Source:https://www.khmertimeskh.com/50726211/secc-ccc-sign-mou-on-promoting-securities-sector/

Laos, China to partner in training of tourism personnel

Laos News I 25 May, 2020

The Institute of Mass Media, Culture and Tourism under the Ministry of Information, Culture and Tourism will partner with China's Shenzhen Wanxiang Tourism Media Co., Ltd. to train Lao tourism personnel and develop human resources in the tourism sector. A training cooperation agreement was signed in Vientiane on Friday by Institute Director Mr Vilaythong Sisanonh and the CEO of Shenzhen Wanxiang Tourism Media Co., Ltd., Mr Zhang Ye. The Deputy Minister of Information, Culture and Tourism, Mr Ounethouang Khaophanh, witnessed the signing of the agreement along with other representatives of the two sides. Laos and China will jointly organise training courses for tourism personnel in the short, medium and long term. Training programmes will focus on teaching Lao tour guides basic Chinese so they are able to lead Chinese tour groups. The two parties will organise exchange programmes for tourism sector development and generally build capacity in tourism-related human resources, so that the needs of Chinese tourists in Laos can be met. The number of Chinese visiting Laos has been increasing every year. Laos and China also agreed to bolster two-way tourism exchanges and help each other to rebuild tourism in the wake of the slump suffered by the industry during the Covid-19 outbreak.

Source:http://www.vientianetimes.org.la/freeContent/FreeConten_Laos_China_98.php

Magwe govt allows more than 1000 factories to reopen

Myanmar News I 24 May, 2020

Magwe regional government has allowed more than 1000 factories to reopen after inspections were carried out on May 22. The officials allowed reopening of about 1000 factories out of 4000 which have been shut down due to COVID-19 outbreak in Magwe Region, according to Daw Myint Myint Thein, region head for Directorate of Industrial Supervision and Inspection. "We have allowed the reopening of more than 1000 businesses including factories, industries, hotels and supermarkets in Magwe Region after we carried out inspections. This means that around 20,000 workers will get back their jobs," she said. Magwe has a total of two confirmed COVID-19 cases out of the country's 201 total cases.

Source: https://www.mmtimes.com/news/magwe-govt-allows-more-1000-factories-reopen.html

Banks cut interest rates for borrowers affected by COVID-19

Vietnam News I 24 May, 2020

Hanoi (VNS/VNA) - Banks cut interest rates for loans worth more than 1.12 quadrillion VND (49 billion USD) of nearly 322,190 borrowers affected by the COVID-19 pandemic as of May 11, a State Bank of Vietnam (SBV) report showed.The banks also extended debt payment deadlines for another 215,136 borrowers with total loans of nearly 137.94 trillion VND.New outstanding loans totalling nearly 600 trillion VND with interest rate reductions of 0.5-2.5 percentage points per year were also offered to nearly 190,000 borrowers.Of the total, the Vietnam Bank for Social Policies extended the debt payment deadline for 3.65 trillion VND in loans of 141,909 borrowers and offered new preferential interest rate loans of 21.2 trillion VND to 519,342 borrowers.The SBV has also transferred 16 trillion VND to the Vietnam Bank for Social Policies, so employers can borrow non-collateral loans with a zero percent interest rate to pay salaries to their employees who have been furloughed due to COVID-19. To apply for non-collateral and zero percent interest rate loans, employers must seek confirmation from local authorities.According to SBV Deputy Governor Dao Minh Tu, it could take years to handle the aftermath of the coronavirus pandemic. He noted that many sectors, especially transport, tourism, imports and exports, will encounter both direct and indirect effects of the pandemic.From the outset of the pandemic, the country's banking sector has actively taken steps to evaluate it, predicted its impact and rolled out urgent measures to support affected enterprises and local residents.The SBV in early March issued Circular No 1 and Directive No 2, guiding credit institutions to reschedule debts, waive or reduce lending rates and fees for loans and offer new loans to projects and enterprises that need further capital to maintain or resume their operations amid the social distancing period to stem the spread of the virus.In addition, online payment services and cashless transactions have been promoted to assist people during the social-distancing time. The SBV and credit institutions have also waived and reduced payment fees to support people and businesses, up to a total value of some 1 trillion VND./.

Source: https://en.vietnamplus.vn/banks-cut-interest-rates-for-borrowers-affected-by-covid19/173801.vnp

Credit growth forecast to slow to 9-10 percent in 2020

Vietnam News I 24 May, 2019

Hanoi (VNS/VNA) - Property firms are gearing up to tap opportunities from the post-pandemic recovery of the real estate market, which was predicted to soon get back on its feet.The real estate market has been frozen since the beginning of this year due to the COVID-19 pandemic.The Ministry of Construction's statistics showed that about 80 percent of real estate sale agents were closed or temporarily halted operations in the first quarter of this year while the others maintained operations at a modest level. The number of new real estate firms founded in the quarter also dropped by 12 percent while of those who temporarily halted operation increased by 94 percent.Transactions also slumped in the quarter, equivalent to 40 percent of the same period of 2019. Only 14 percent of property products available in the market in the quarter were sold, the lowest level in the past four years.However, industry insiders believed that the impacts would only be short term and the market would be robust in the next two years.According to Nguyen Quoc Bao, deputy director of real estate firm Danh Khoi Group, the real estate market was undergoing a purification process, pushed by the COVID-19 pandemic, to prepare for a new growth cycle. This would be a difficult time for companies of weak capacity, but for those with strong financial capacity and professional operation, obstacles like the COVID-19 pandemic would only be short term. The pandemic even created opportunities, he said.Tran Le Thanh Hien, chairman of Danh Viet Group, said the difficulties of the real estate market were just temporary, adding that in the long term, the market had significant potential for development.It was time for real estate companies to expand land banks, especially those with strong financial capacity.According to Pham Lam, chairman of real estate services firm DKRA Vietnam, the market would see increasing competition in the post-pandemic period with the participation of diversified developers, from giants to start-ups, which would create a robust picture in 2020-2021.Nguyen Van Hau, general director of Asian Holding, said that real estate firms must improve resilience and flexibility to cope with market shocks.Although there were difficulties, the market saw positive signs, Hau said. The State Bank of Vietnam's move to cut rates would support the property market, he said.According to Su Ngoc Khuong, Director of Savills Vietnam, the COVID-19 pandemic had negative impacts not only on the real estate market but also on more than 50 relevant industries, including construction, building materials, labour and financial markets.However, the real estate market of Vietnam still had a number of advantages and was attractive to investors, given the population of nearly 100 million people, 55 percent aged between 25 and 40 who had high housing demand and strong purchasing power, together with the country's stable economic growth, improved transport infrastructure and rapid urbanisation.The Government's efforts in hastening administrative reforms and speeding up disbursement of public investment were expected to create impetus for economic growth which would benefit the real estate market, Khuong said./.

Source: https://en.vietnamplus.vn/real-estate-firms-gear-up-for-race-after-pandemic/173808.vnp