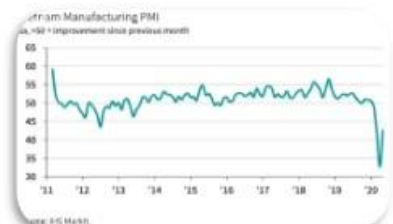
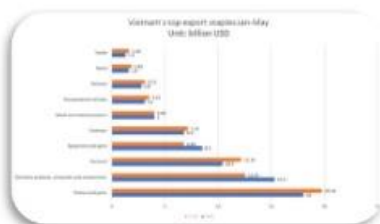




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## EU to assist tourism sector post COVID-19



*Cambodia News | 2 June, 2020*

Cambodia has requested the European Union assist the Kingdom's hard-hit tourism sector once the COVID-19 pandemic has been resolved and international travel begins again. The request came after Tourism Minister Thong Khon and EU Ambassador to Cambodia Carmen Moreno held a bilateral talk last week, discussing Cambodia's tourism sector, which is considered one of the country's four economic pillars. Thong Khon formally asked for the ambassador's support and cooperation, requesting the union share advice on how to restore the sector while also seeking to promote the Kingdom's tourism destinations in the EU market. In addition to destination promotion, investment in the sectors' human development was also requested. "The tourism sector has been adversely affected by the COVID-19 which has resulted in a lot of job losses for the sector. However, recently we have seen a good move, with about 400,000 domestic tourists travelling to tourism sites nationwide in the last three weeks of the month," he said. He added that the Ministry is planning to organise additional training skills for those who are unemployed in anticipation for when foreign tourists do return. EU Ambassador Carmen Moreno said that the EU will help support the Kingdom's tourism development, hoping the collaboration will further improve relations between the Cambodian

government and the EU, committing to help promote the Kingdom's tourism destinations to the EU market. In 2019 Cambodia recorded 793,937 arrivals from the EU, down 3 percent year-on-year. Arrivals also dropped 24 percent in the first quarter of 2020 attracting only 221,066 visits. Last year, the Kingdom welcomed roughly 6.6 million tourists, generating almost \$5 billion and funding around 630,000 jobs, with the sector contributing around 12 percent to the country's gross domestic product last year.

Source: <https://www.khmertimeskh.com/50728834/eu-to-assist-tourism-sector-post-covid-19/>

## Report: 1.76m local jobs at risk



*Cambodia News | 1 June, 2020*

Cambodia will register its slowest growth since 1994, contracting by between -1 percent and -2.9 percent, putting at least 1.76 million jobs at risk, according to the latest World Bank's economic report. The report titled, "Economic Update for Cambodia in a time of COVID-19," outlines that poverty in Cambodia could increase among households in key economic sectors of between 3 to 11 percent higher than current levels. With the country's fiscal deficit possibly reaching its highest level in 22 years, public debt is expected to rise to 35 percent of gross domestic product by 2022. "The collapse of growth drivers has hurt economic growth and put at least 1.76 million jobs at risks," the report said. It also warns that capital inflows are tapering off, which in turn is triggering the easing of real estate market prices, likely ending the construction boom. With the

current large outstanding credit to the construction, real estate, and mortgage sector, nonperforming loans could rise. “The global shock triggered by the COVID-19 pandemic has significantly affected Cambodia’s economy,” said Inguna Dobraja, World Bank Country Manager for Cambodia. “The World Bank is committed to helping Cambodia deal effectively with the COVID-19 crisis and strengthen the economy for recovery and future resilience.” In response to the COVID-19 shock, the World Bank recommends policy options that aim at providing urgent economic relief and public health protection in the immediate term, underpinning an economic recovery in the short term, and fostering macro-fiscal and social resilience in the medium term. Effective business continuity plans and use of digital technologies are needed to ensure uninterrupted provision of relief programmes and service. The plans set out contingency measures to minimise disruptions to the organisation’s operations in case of crisis by leveraging emerging digital and information technologies. The effectiveness of government intervention will be essential to facilitate economic recovery. The COVID-19 pandemic will likely have major implications on how regional and global trade and investment will be conducted going forward, with expected major shifts in trade and migrant policies and flow of goods and services. There is a need for the authorities to think on a future where strengthening domestic demand, protecting the local consumer purchasing power amid external shocks of public health and/or natural disasters, and

increasing production for domestic consumption, are the way to move forward. In this regard, intervention measures recently introduced by the authorities include tax relief and improved access by small businesses and household enterprises to cheaper credit using co-financing facilities between the newly established Small and Medium Enterprise Bank of Cambodia (SME Bank) and commercial lenders (banks and microfinance institutions). Similarly, additional capital injection of \$50 million for the Agriculture and Rural Development Bank has been provided to support agri-processing firms and emerging agribusinesses. However, the success of the measures hinges on targeting appropriate small, medium and large firms and enterprises that are efficient and viable but lack cheaper financing sources to create jobs, to run profitably and to export. This should also include family and small firms operating in retail and low-end tourism, where large numbers of informal or semiformal firms might either be affected by the pandemic or not. The final step is to ensure economic and social resiliency in the medium term after the outbreak has been brought under control. Refocusing and re-energising efforts and sources that might have been interrupted or diverted to cope with the COVID-19 outbreak to moving forward with key structural and sectoral reforms is crucial.

Source: <https://www.khmertimeskh.com/50728835/report-1-76m-local-jobs-at-risksreport-1-76-million-local-jobs-at-risk/>

## Last updated! The government has clarified the emergency spending of 30 billion kip spent on counter -19



*Laos News | 1 June, 2020*

Since the outbreak of the disease Clovis -19 in countries around the world until spreads into the Laos government to focus on practical measures to prevent, control and modify the outbreak of the disease until 31 May 2020 the budget snares emergency 30 billion and last date of June 1, 2020 the parties come out to clarify the description payment of aid the society realized transparent. Mr. attacks Ubon wonderful Deputy Minister of Finance reported in regard to the operating budget snares emergency government Basketball 30 billion in opportunity statement reporting the outbreak of disease Clovis -19 in Laos on June 1, 2020 the government approved the provision of emergency 1st 10 billion Kip was used for the procurement of medical equipment, hygiene masks (masks), chemicals, hand sanitizers, packaging and the delivery of 6.64 billion Kip for medical purposes. To pay the Ministry of Health for the urgent and urgent payment of 100 million kip, bringing the first approval amount of 3.25 billion kip, with the government approving the second emergency amount of 20 billion kip, paying the first payment to Vientiane Capital and the provinces of 500 million Kip; Second

Pay to Vientiane Capital and Provinces in the whole country around 6.9 billion Kip, to support Lao students in Wuhan (China) for 154 million Kip, and to pay Chinese Medical Assistant to local work 10 million Kip. The second approval balance is 3.4 billion Kip, plus the total from the first and second budget approvals (10 billion Kip + 20 billion Kip - 23.38 billion Kip) = 6.66 billion Kip.

Source: <https://laoedaily.com.la/2020/06/01/78655/>

## US\$2.5B in loans for public spending, COVID-19 response approved last week



*Myanmar News | 1 June, 2020*

Over the past week, Parliament has approved some US\$2.5 billion in funds to cover public expenses, including money to finance the government's response to COVID-19, said U Maung Maung Win, deputy minister of Planning, Finance and Industry. Funds targeting COVID-19, including \$700 million from the International Monetary Fund (IMF), ¥30 billion from the Japan International Cooperation Agency (JICA) and \$250 million from the World Bank's International Development Association, have been approved. Meanwhile, financing for the longer term growth and development of the Myanmar economy was also approved. These include \$60million from the Asian Development Bank to establish Myanmar's first Credit Guarantee Corporation and €33 million from Austria's Unicredit Bank to create e-IDs for the country's population

registry. The government will also borrow K1.3 trillion from the Central Bank of Myanmar (CBM) to plug the budget deficit for fiscal 2019-20. This is expected to be around 20 percent of total borrowings to fund the deficit. Myanmar now has outstanding foreign debt of \$10.2 billion, which is equivalent to a debt-to-GDP ratio of 13pc. This is still within sustainable means for the country, said U Maung Maung Win. Military MP Major San Win Khaing reminded Parliament that foreign loans should be utilised for implementing projects which are beneficial “not only to the current government but also to future administrations. The loans should be taken with the aim of developing the country’s economy over the long term,” he said. MP U Than Soe pointed out a lack of agriculture data that could be used as a benchmark for how productively the funds allocated to the sector would be put to use. “There is no damage data on unemployment, decline in production or the number migrant workers involved. It will be hard to understand how much to spend on the sector without any specific data. After the loan is secured, the sector that should be quickly acted on is agriculture,” he said.

Source: <https://www.mmtimes.com/news/us25b-loans-public-spending-covid-19-response-approved-last-week.html>

## Health & Sports Ministry spends Ks46 bn on purchase of medicines, medical equipment in current FY



*Myanmar News | 1 June, 2020*

Government has spent Ks40 billion on purchasing medicines and medical equipment and Ks6 billion on machinery for public healthcare in the current fiscal year, according to the Ministry of Health and Sports. The State allotted over Ks1,000 billion to the ministry for the 2019-2020 fiscal year. The Union Minister for Health and Sports, during a briefing on the ministry’s activities in the fourth year of the government’s term, said the improvement of the public health sector would help improve health standards of the people. He stressed the need to improve public healthcare services in order to reduce disease outbreaks and numbers of patients coming to hospital. With the decreasing number of patients coming to hospital, better healthcare can be provided and surplus budgets can be spent on purchasing quality medicines and modern medical equipment, he added. In the previous financial year, the ministry took measures such as conducting campaigns to improve public health knowledge, ensuring patient safety, promoting health news and information, improving e-government system, distributing quality medicines and medical equipment and sending more trainees abroad to meetings and training courses.

Source:<https://elevenmyanmar.com/news/health-sports-ministry-spends-ks46-bn-on-purchase-of-medicines-medical-equipment-in-current-fy>

## Vietnam trade surplus narrows to US\$1.9 billion in Jan-May



*Vietnam News | 1 June, 2020*

Vietnam's trade turnover is likely to have reached US\$196.84 billion in the first five months, down 2.8% year-on-year. Vietnam reported an estimated trade deficit of US\$900 million in May, causing its the trade surplus to narrow to US\$1.9 billion in the January – May period, the General Statistics Office (GSO) has said in a monthly report. On breaking down, the domestic sector is estimated to post a trade deficit of US\$8.6 billion in the five-month period while foreign-invested firms recorded a trade surplus of US\$10.5 billion. Domestic companies' exports are estimated to have expanded 10.4% year-on-year to US\$33.3 billion during the period, accounting for 33.5% of the country's exports. Meanwhile, FDI firms reaped US\$66.06 billion from overseas shipments, down 6.9% and accounting for 66.5% of the total. In May, Vietnam exported goods worth an estimated US\$18.5 billion, up 5.2% inter-monthly, while imports are estimated to have increased by 4.7% to US\$19.4 billion. The complicated progression of the Covid-19 pandemic in Vietnam's major markets continued to exert negative impacts on the country's trading activities, noted the GSO. Overall, Vietnam's trade turnover is likely to have slipped 2.8% year-on-year to reach US\$196.84 billion in the January – May

period, of which its export value could amount to US\$99.36 billion, down 1.7% year-on-year, and imports are estimated at US\$97.48 billion, down 3.8%. Among Vietnam's key export staples, phones and parts are predicted to earn the largest export turnover during the January-May period at US\$18 billion, down 8.8% year-on-year and accounting for 18.11% of Vietnam's total exports. In addition, electronic products, computers and components earned an estimated US\$15.3 billion, up 22.1% year-on-year; garments (US\$10.4 billion and -14.5%); equipment and parts (US\$8.5 billion and +25%); footwear (US\$6.8 billion and -4.8%); wood and wooden products (US\$4 billion, unchanged from the value recorded in the same period last year); transportation vehicles (US\$3.1 billion and -12.2%); fishery (US\$2.8 billion and -10.3%), among others. In the January – May period, the US remained Vietnam's biggest export market, spending US\$24.6 billion on Vietnamese goods, up 8.2% year-on-year, followed by China (US\$16.3 billion, up 20.1%), and the EU (US\$12.9 billion, down 12%). Meanwhile, China continued to be Vietnam's largest supplier, selling US\$28.9 billion worth of goods to Vietnam, down 3% year-on-year. South Korea claimed the second place by exporting US\$17.3 billion worth of goods to Vietnam, down 9.5% year-on-year, followed by ASEAN countries with US\$11.8 billion, down 14.1%

Source: <https://vnexplorer.net/vietnam-trade-surplus-narrows-to-us1-9-billion-in-jan-may-a202045252.html>



## Vietnam's manufacturing activity signals improvement in May



*Vietnam News | 1 June, 2019*

The sector saw a softer contraction than in April as the Covid-19 pandemic was brought under control in Vietnam. The Vietnam Manufacturing Purchasing Managers' Index™ (PMI) rose ten index points in May, posting 42.7 up from April's record low of 32.7, signaling a much softer decline in business conditions than in the previous month, according to a joint report by Nikkei and IHS Markit. The 50 neutral mark indicates no change from the previous month, while a reading below 50 indicates contractions and above 50 points to an expansion. The latest data, however, indicated that the health of the sector continued to deteriorate at a rapid rate. Disruption from the Covid-19 pandemic led to a sixth successive monthly decline in manufacturing production, and one that was substantial. That said, the fall was much softer than seen in April as some firms resumed operations. Similar trends were seen with regards to new orders, with the rate of contraction remaining rapid but easing from the record seen in April. Some respondents highlighted particular weakness in demand for new export orders, which fell more quickly than total new business. A further sharp reduction in new orders meant that spare capacity remained evident in the sector. As a result, manufacturers maintained a cautious approach to hiring, often opting not to replace workers who had resigned. Staffing levels

decreased for the fourth month running. Manufacturers also continued to scale back their purchasing activity and inventories of both purchases and finished goods, albeit in each case to lesser extents than in April. Supply-chain disruption due to Covid-19 remained a key feature of the survey in May, with vendor delivery times lengthening markedly again. Panelists reported particular difficulty in securing imported items. The scarcity of some materials placed some upwards pressure on input costs during the month. Input prices decreased for the second month running, but only marginally. Where a fall in input costs was recorded, respondents often linked this to lower oil prices. Manufacturers reduced their own selling prices, as has been the case in each month since February. Although easing from that seen in April, the rate of decline in charges was marked. According to respondents, discounts were offered to try to attract new business. With Covid-19 brought under control in Vietnam, there was tentative optimism among manufacturers that production would increase over the coming year. This followed a negative outlook in the previous month. That said, sentiment was still the second-lowest since the question was added to the survey in April 2012 amid concerns that the impacts of the pandemic will linger. "The success Vietnam has had in bringing the Covid-19 outbreak in the country under control means that the economy can begin along the road to recovery. That said, the PMI data for May suggest that the road will be a long one, with the

manufacturing sector remaining in contraction mode midway through the second quarter of the year, albeit the decline was much softer than the record seen in April," said Andrew Harker, associate director at IHS Markit, which compiles the survey. "The return to growth will likely be gradual, with little support coming from export markets in the near-term at least as the pandemic continues to affect large parts of the world," he added.

Source: <https://vnexplorer.net/vietnams-manufacturing-activity-signals-improvement-in-may-a202045256.html>

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