

Cambodia	
Policy responses	
Containment	<ul style="list-style-type: none"> • April 10. State of emergency • Aug 28 . Number of cases at 165. 133 recovered patients. 32 remain hospitalized. No deaths as of yet. • New Year celebrations were cancelled. • Returning migrant workers are to self-isolate for 14 days, as also those workers who travelled during the Khmer New Year in April. • Schools, casinos, and entertainment venues are closed and the government has banned public events with more than 50 participants. Select schools with the capacity to ensure safety standards can reopen in August. Casinos now can reopen if they meet certain requirements on COVID-19 measures. • Domestic travel restrictions were lifted on 16 April. • From March 14 onwards, travel ban on foreigners from Italy, Germany, Spain, France and the United States. In late May, in late May travel ban was ended on flights from six countries, namely France, Iran, Italy, Spain, the United Kingdom and the United States. • Foreigners coming to Cambodia need to obtain a visa at a Cambodian diplomatic mission abroad, a health certificate before departure, and sufficient travel insurance. • Cinemas and art facilities opened on August 6. • The Ministry of Education on August 26 announced that kindergartens and primary schools could reopen in September. • Mar 16, 21. Cambodia reported a daily record 105 new coronavirus cases, as a rare outbreak spread further. The health ministry has been urging people not to travel between provinces and cities and a law has been passed that carries long jail terms for serious violations of health measures. The law, which came into effect on 11 March 20, lists punishments of three years in jail for breaking self-quarantine and 10 years in prison for leaving treatment facilities while infected, or intentionally spreading Covid-19. • Mar 23, 21. Cambodia has administered 170,000 doses of vaccine. So far, Cambodia has received two vaccines: Sinopharm’s initial batch of 600,000 doses, and Astra Zeneca, 320,000 doses through the Covax initiative
Fiscal	<ul style="list-style-type: none"> • The Government has put aside between \$800 million to \$2 billion to help the economy weather the crisis. The latter figure applies if the global COVID-19 outbreak lasts until the end of the year. Much of this \$2 billion stimulus package is not actual expenditure but expected reductions of state revenue because of tax breaks, delayed tax payments and other such measures that the government will now offer businesses. • Additional fiscal resources to the health sector of around \$60 million (around 0.2 percent of 2019 GDP) are expected. • Social assistance is being strengthened, including grants to households and subsidies for wages and health and employment insurance. • Cambodia on July 31 extended its tax holiday for locally registered

	airlines and tourism-related businesses through September.
Monetary	<ul style="list-style-type: none"> • The National Bank of Cambodia (NBC) has delayed additional increases in the Capital Conservation Buffer, cut the interest rate in its Liquidity Providing Collateralized Operations, decreasing banks' funding costs in domestic currency; cut the interest rate on Negotiable Certificates of Deposit (the collateral for LPCOs), to encourage banks to disburse loans; and lowered required reserves that banking and financial institutions must maintain at the NBC both for local and foreign currencies. • The NBC moved in March to ease restrictions on borrowing, which means banks and other financial institutions can borrow at lower rates, giving them enough liquidity to accept suspended payments from customers. • The NBC also issued guidelines to financial institutions on loan restructuring for borrowers experiencing financial difficulties in priority sectors (tourism, garments, construction, transportation and logistics).
Financial	<ul style="list-style-type: none"> • \$50 million set aside for low-interest loans for struggling SMEs. • On March 27, 2020, the NBC issued a directive to all banks and financial institutions to restructure loan repayments in order to maintain financial stability, support economic activity and ease the burden of debtors facing major revenue declines caused by the COVID-19 outbreak. • As of July 31, the government had approved \$22 million in loans under its SME Co-Financing Scheme. • 25 Dec 20. The Cambodian government announced that factory workers in the garment, footwear and travel-good sector who lost their jobs due to the COVID-19 pandemic will continue to receive monthly support until the end of March 2021.
SME measures (last update 22 January 2021)	<p>Subsidy:</p> <ul style="list-style-type: none"> • In August 2020, the government extended for two more months allowance subsidy for garment and tourism sectors. <p>Tax exemption:</p> <ul style="list-style-type: none"> • The authorities announced a tax exemption period for affected factories.¹ • The government announced that hotels, guesthouses, restaurants and travel agencies in Phnom Penh, Siem Reap, Preah Sihanouk, Kep, Kampot, Bavet city and Poipet city will be tax-free for three months from March 2020 to May 2020.² • In August 2020, the government extended for two more months tax exemption for tourism and aviation sector. <p>Loan support:</p> <ul style="list-style-type: none"> • Memorandums of understanding (MoUs) has been signed by the state-owned Agriculture and Rural Development Bank (ARDB) and the

¹ <https://asia.nikkei.com/Business/Industry-in-focus/Coronavirus-pandemic-tears-holes-in-Asia-s-garment-industry>

² <https://www.khmertimeskh.com/50715189/three-month-tax-exemption-for-hotels-guesthouses/>

	<p>Cambodia Food Manufacture Association (CFMA). The MoUs will help the Cambodian government issue a USD 50 million loan to SMEs to expand their business and productivity during the outbreak. SMEs can acquire low-interest loans from the ARDB. The fund is expected to support 500 SMEs. Each company can borrow up to USD 300,000. The annual interest rates for working capital loans and investment loans are 6 per cent and 6.5 per cent, respectively.³</p> <ul style="list-style-type: none"> • Co-Financing Scheme for Small and Medium Sized Enterprises: The Ministry of Economy and Finance has officially launched and implemented a USD 100 million Fund for SMEs jointly funded by the SME Bank of Cambodia and participating commercial banks and microfinance institutions. The maximum tenure of the loans are extended from four years to seven years, and payment of principal and interest can occur either monthly, quarterly or semi-annual repayments with intervals of not more than twelve months.⁴ • The government will disburse special low-interest loans through specialized SME and agriculture banks, in addition to packages issued to SMEs and rice producers. • The Central Bank has issued guidelines to financial institutions on loan restructuring for borrowers experiencing financial difficulties in priority sectors: tourism, garments, construction, transportation and logistics. • On July 8, the Cambodian government has allocated USD 600 million for economic support through special low-lending to SMEs (USD 200 million in Credit Guarantee Fund, USD 300 million in Additional Financing Facility, USD 100 million in packages issued for SMEs in manufacturing and agriculture).⁵ <p>Employment support:</p> <ul style="list-style-type: none"> • A 60 per cent wage support scheme for furloughed workers is provided, of which 20 per cent is paid by the authorities and 40 per cent is paid by factories.⁶
Other policy measures	<ul style="list-style-type: none"> • A 4 percent stamp duty tax on property purchases has been suspended, while hotels and guesthouses in major tourist areas have been exempted from paying tax until at least May. • Cambodian import garment factories can also enjoy tax holidays until the end of the year. Precisely, many of these measures stemmed not from the COVID-19 crisis, but from Cambodia’s partial removal from a European Union preferential trade scheme last month. • The clearest element to the relief package is state-contributions for garment workers who are made to take enforced leave if factories close because of the COVID-19 outbreak. The Government will provide 60 percent of minimum wage, which rose to \$190 per month in 2020. A third will be paid by employers, and two-thirds by the state. In August 6 this allowance was extended until October. • Only “legally registered and formally verified” SMEs will receive

³ <https://www.phnompenhpost.com/business/mous-boost-finance-access-smes>

⁴ <https://www.khmertimeskh.com/709443/government-officially-launches-a-100million-fund-for-smes/>

⁵ http://www.xinhuanet.com/english/2020-07/08/c_139197388.htm

⁶ <https://asia.nikkei.com/Business/Industry-in-focus/Coronavirus-pandemic-tears-holes-in-Asia-s-garment-industry>

	<p>benefits. However, 95 percent of Cambodian SMEs are informal businesses that are not officially registered.</p> <ul style="list-style-type: none">• A subsidy of 20 per cent of Cambodia’s minimum wage will be paid monthly to laid-off workers in the hospitality industry.• Cambodia’s National Committee for Counter Trafficking on August 12 launched a \$1 million initiative to support migrant workers who were forced to return to the country due to Covid-19 border closures.
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