

KINGDOM OF CAMBODIA

Nation Religion King

Royal Government of Cambodia

No.....

PRESS RELEASE

On

Royal Government of Cambodia's Guidance on Additional Measures to Further Manage the Impacts on Key Economic Sectors in the Calamity Context, and Restore and Promote Cambodia's Economy During and After COVID 19 Pandemic

(Round 8, 25 March 2020)

As the spread of COVID-19 continues to negatively impact society and the economy, in the spirit of proactiveness and high responsibility, the Royal Government has taken the necessary measures to prevent the spread of this disease and to continue to help maintaining stability in business sectors which have been seriously impacted. At this time, some countries have been developing COVID-19 vaccines and have started vaccinating their citizens. Similar to some other countries, Cambodia has been exploring and ordering vaccines from all available sources following actual demand and has organised vaccination campaigns for its own people. Even though these campaigns have been proceeding smoothly, it does not mean that we can all prevent the spread of COVID-19 by 100 percent and that the socio-economic situation can return to normal in a short period. In fact, the **"20 February 2021 Community Event"** has caused a dramatic and alarming increase in infection cases and has claimed the lives of some Cambodian citizens. In addition, many poor and vulnerable families continue to face difficulties in their daily lives.

After reviewing and considering the social-economic situation, the healthcare burdens, global, regional and national trade and investment situation, the Royal Government has decided to roll out additional measures in a Round 8 in order to (1) mitigate the impacts on the social-economic situation from the "20 February 2021 Community Event", (2) renew the previously announced measures which will come to an end shortly, (3) further support and restore businesses to ensure their recovery to contribute to the economic growth in the post COVID-19 context, and (4) further support the poor and vulnerable families through a cash relief programme. The Round 8 measures developed in consultation with all relevant stakeholders are as follows:

1. Measures to support garment/textile, footwear, travel accessory, bag, and tourism industries

After the factories, enterprises and businesses in the garment/textile, footwear, travel accessory, bag and tourism industries have obtained authorisations for the suspension of employment contracts and/or authorisation for the extension of employment contracts from the Ministry of Labour and Vocational Training and after completing the criteria and requirements for the suspension of employment contracts, the Royal Government of Cambodia will:

- Continue to provide financial support in an amount of 40 US dollars per month for each worker who works in the garment/textile, footwear, travel accessory, bag and tourism industries for three more

months starting from April to June 2021. The factory/enterprise owners in these sectors are required to add additional 30 US dollars for each worker (In total, each worker will receive 70 US dollars per month).

- Continue to provide financial support in an amount of 40 US dollars per month for each worker who works in the tourism industry, such as hotels, guesthouses, restaurants, and travel agents for three more months starting from April to June 2021. The factory/enterprise owners in the tourism industry shall provide additional support in addition to the Royal Government's contribution in a voluntary basis based on their affordability.
- Continue to exempt monthly taxes of all kinds for hotels, guesthouses, restaurants, and travel agencies registered with the General Department of Taxation and carrying out their businesses in Phnom Penh, Siem Reap, Preah Sihanouk, Kep, Kampot, Bavet and Poi Pet for three more months starting from April to June 2021. These businesses are still obligated to submit a tax declaration letter and use the E-VAT system during this exemption period.
- Continue to delay the payments for the social security fund, occupational risk, and healthcare of the National Social Security Fund during the period of business suspension.

2. Measures to support the Aviation Sector

- Continue to exempt minimum tax for three more months starting from April to June 2021 for the airline companies registered in Cambodia.
- Continue to delay the payment of the owed amount of the civil aviation fees for three more months starting from April to June 2021 while permitting those airlines companies to pay the owed amount in installments after this delayed period.

3. Cash Relief Programme for Poor and Vulnerable Families

- Continue to roll out the cash relief programme for poor and vulnerable families during the COVID-19 period for three more months starting from April to June 2021.

The Royal Government continues to advise ministries-state institutions and call on owners of buildings, business locations and factories to ease the tenant's situation by avoiding contract termination or eviction in the event that the tenants are unable to pay the rental fee on time. The Royal Government also encourages the owners of buildings, business locations and factories to negotiate with the tenants on the delay in payment of rental fees and eventual changes in rental fees. In addition, the Royal Government would like to call on all real estate developers to implement the spirit of the joint proclamation of the Ministry of Economy and Finance and the National Bank of Cambodia on the outcome of the meeting on real estate issues in Cambodia dated 22 March 2021.

All relevant ministries/institutions shall effectively implement this guidance in their respective competency.

The Royal Government will continuously observe the COVID-19 situation, and the social, economic and financial situation in the global, regional and national framework to review and evaluate the impacts of COVID-19 on the key industries of the Cambodian economy, with the aim to update the rolled out measures and prepare new additional measures under the strategic framework of economic restoration during and after the COVID-19 crisis.