

Kingdom of Cambodia

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Royal Government of Cambodia

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Press Release

On

Instruction of the Royal Government of Cambodia

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 the COVID-19 crisis.

(Round 9, 29 June 2021)

The COVID-19 situation continues to evolve alarmingly with the recent mutation of the virus, which has added socio-economic pressures to many countries around the world. In the spirit of unremitting efforts and responsibility, the Royal Government has decided to issue a series of necessary measures in order to control the spread of COVID-19 and continue to stabilise the business environment in the worst-affected sectors. In fact, some countries have been rolling out their COVID-19 vaccination campaigns for people with the aim of preparing for the reopening of the country as well as economic recovery. Cambodia has also been receiving vaccines through support and direct purchases from various manufacturers. At the same time, the Royal Government has been actively implementing the National COVID-19 Vaccination Campaign and has achieved remarkable positive progress in accordance with the Blossom Approach (អភិក្រិម ផ្ការីក), started in Phnom Penh and Kandal Province, and expanded step by step to other regions aiming at creating socio-economic immunity by 2021. In fact, the "20 February 2021 community event" continues its duration and expands its scope of the outbreak of this deadly disease, which urges the Royal Government to continue paying close attention and issue strict measures. However, key sectors such as garments-textiles, aviation, tourism (hotels and restaurants, etc.) continue to be the hardest hit sector by COVID-19 crisis. In addition, people from all walks of life, especially poor and vulnerable families, continue to face various difficulties in their daily lives.

After examining and considering all aspects to complete the necessary requirements on the socio-economic, global trade and investment situation, regional and national frameworks, the Royal Government decided to introduce the 9th round of additional measures in order to: (1) Reduce the impact on the socio-economic situation and the risk of transmission of COVID-19 into the community on a large scale, (2) Continue the validity of the measures rolled out in the past, which will expire in the near future (3) Continue to introduce and implement measures to support and recover businesses in order to contribute to economic growth to create socio-economic benefits in the context of COVID-19, and (4) Continue to support the daily lives of poor and vulnerable families through cash support programs. The 9th round measure was developed in consultation with the private sector, the Cambodian business community, research institutions and development partners, includes the following:

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 suspension 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 of the garment/textile, footwear, travel accessory, bag and tourism industries for three more months starting from July to September 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 of the tourism industry, such as hotels, guesthouses, restaurants, and travel agents for three more months starting from July to September 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 July to September 2021. These businesses are still obligated to submit the tax declaration letter and use the E-VAT system during this exemption period.
- Continue to exempt the payments for social security fund on occupational risk and healthcare of the National Social Security Fund during the period of business suspension.
- Continue to delay the implementation of social security fund on pension for another 6 months, until the end of December 2021. The delay will be based on a continuous assessment of the actual socio-economic situation.

2. Measures to support the aviation sector

- Continue to exempt minimum tax for three more months starting from July to September 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 July to September 2021 while permitting those airlines companies to pay the owed amount in installments after this delayed period.

3. Measures to support the transport and logistics sector

- Exemption of customs broker license fees for 2021 and 2022. The delay will be based on a continuous assessment of the actual socio-economic situation.

4. Cash Relief Programs for poor and vulnerable families

- Continue the implementation of cash relief programs for poor and vulnerable families during the COVID-19 period for three more months starting from July to September 2021.

All relevant ministries/institutions shall effectively implement this instruction following their respective competency.

The Royal Government will continue to monitor the situation of COVID-19, socio-economic and financial situation in the global, regional and national framework to evaluate the impacts on the key sectors of the Cambodian economy in order to update and prepare new necessary measures to restore and promote economic growth, especially to ensure the sustainability of socio-economic immunity under the framework of the strategic plan for economic recovery during and after COVID-19 crisis.

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