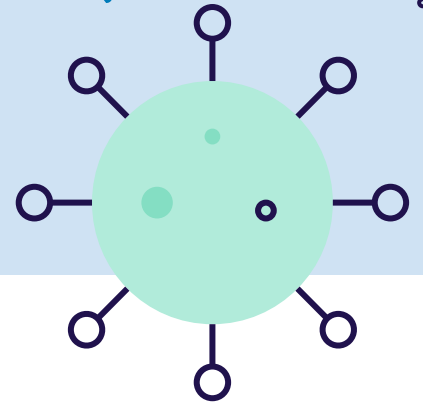


# Vietnam's Cambodia's Economy

## & COVID-19



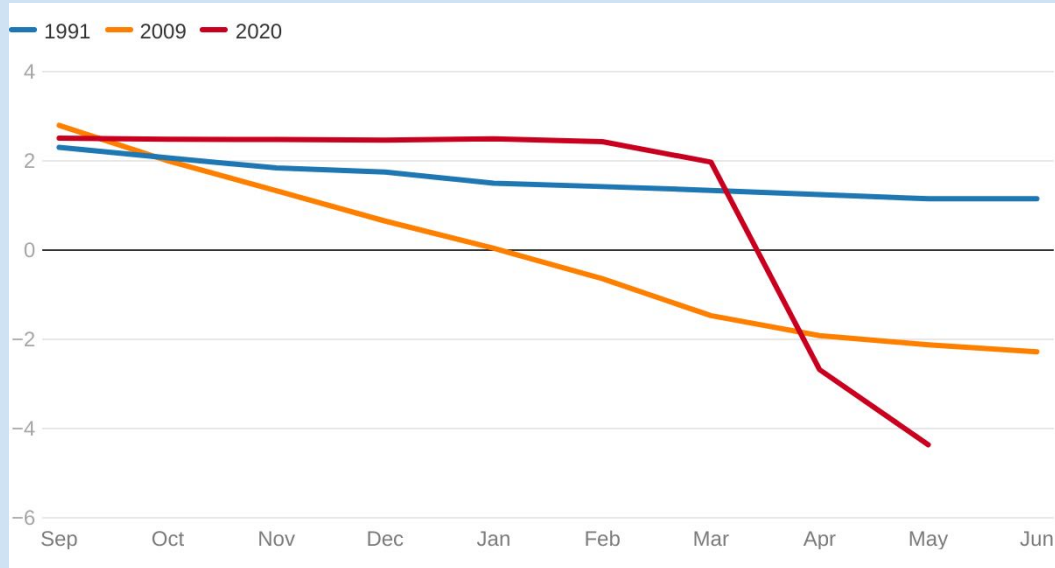
The Simpson:

1) Anan 6004641228  
2) Lalida 6004641137  
3) Lalita 6104641268

4) Piyachat 6104640880  
5) Prima 6104640401  
6) Panachai 6104640732

# COVID-19 and its impacts

Consensus forecasts of global GDP (percent)



September to December shows forecasts made in the previous year, while January to June shows data for the current year. Data for 1991 are for advanced economies only due to data availability.

The COVID-19 recession has seen the fastest downgrades in among all global recessions since 1990

**Resource:** Consensus Economics, World Bank

# Hypothesis

Vietnam's economy was less impacted by Covid-19 compare to Cambodia's economy

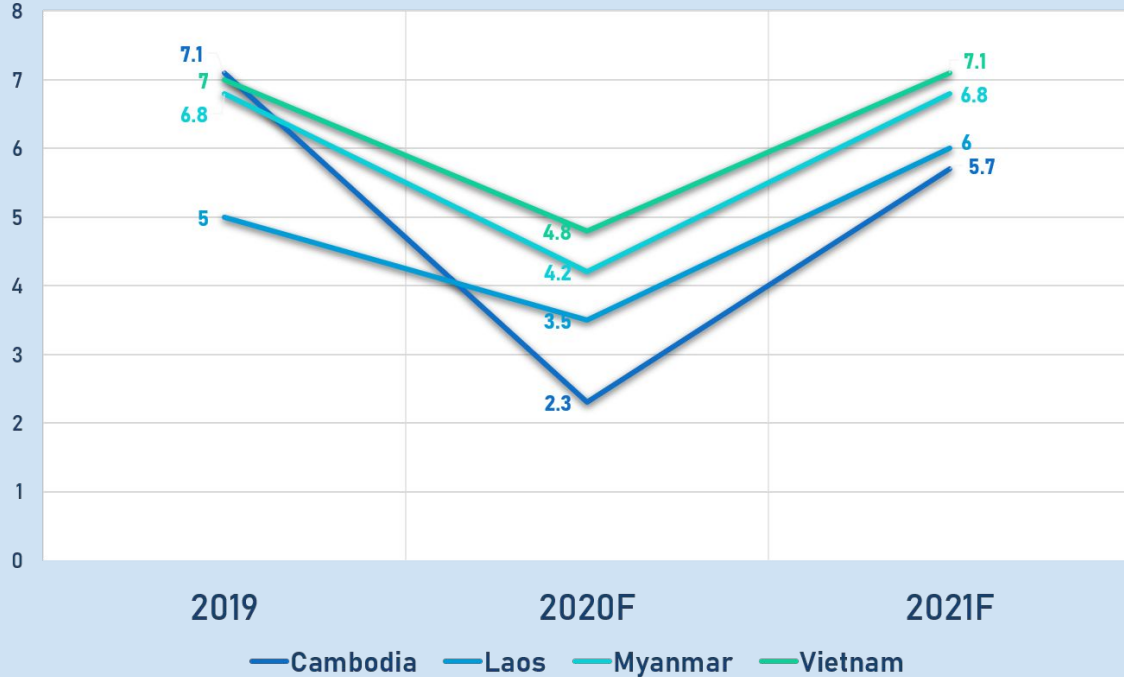


**Resource:** Thailand migration report 2019 and Team analysis

# Rationale

## Expected GDP growth rate of CLMV

EXPECTED GDP GROWTH RATE OF CLMV



Cambodia's GDP is projected to fall drastically to 2.3 percent in 2020. On the other hand, The growth rate of Vietnam's GDP is expected to maintain the level of 4.8 percent in 2020.

Resource: ADB 2020 outlook, Kbank research center, SCB EIC

# Rationale

## Share of foreign income dependency to GDP 2019

	Income from tourism sector to GDP	Value of exports to GDP
Vietnam	4.2%	100.7%
Cambodia	18.1%	60%

- The country which is highly reliant on both exports and tourism, namely Cambodia, wherein over 50 percent of GDP comes from exports, and income from tourism accounts for more than 10 percent of GDP.
- The country which is reliant on exports but not as reliant on tourism, namely Vietnam, wherein over 50 percent of GDP comes from exports, but income from tourism accounts for less than 10 percent of GDP.

**Resource:** Kbank research center analysis based on data from Statistics Offices and Central Banks of CLMV

Countries

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Hypothesis

**Rationale**

Methodology

Analysis

Conclusion

# Methodology

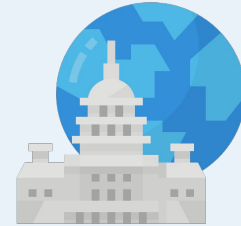
## Limitation



Unable to access  
information



Inadequate data  
for researching



Uncertainty of  
global situation

# Methodology

**Secondary research:** Gathers existing information through available sources online

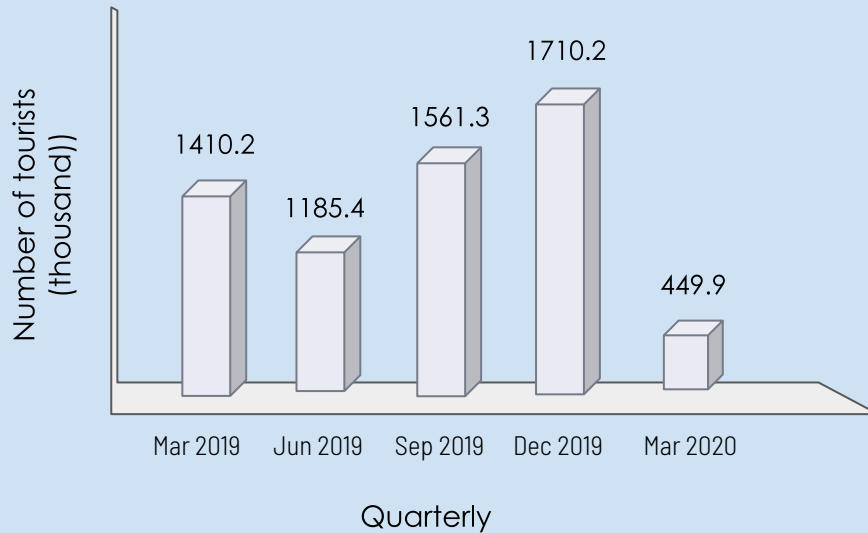
- get an initial understanding of the collected data that related to the economic impacts of covid-19
- analyze the factors that contribute to the economic impacts



# Analysis and result

## External factors

### Vietnam Tourist Arrival



- The different in the number of tourist arrival in Mar 2019 and Mar 2020 is 960.3 thousand.
- Average daily spending is \$39 per day.
- Average length of stay is 9 days.

**Decrease in income =  $960.3 \times 39 \times 9$**

**≈ 337 million dollars.**

Resource: Trading Economics, Budget Your Trip

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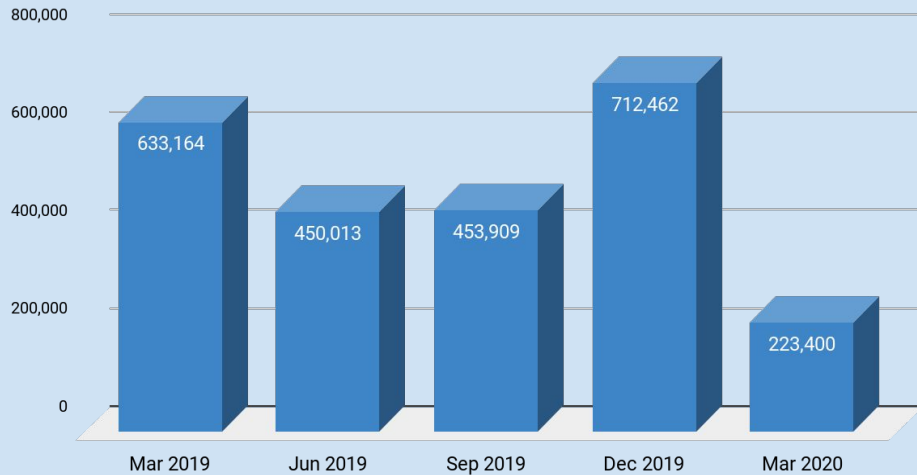
Analysis

Conclusion

# Analysis and result

## External factors

### Cambodia tourists arrival



- The different in the number of tourist arrival in Mar 2019 and Mar 2020 is 409,764.
- Average daily spending \$35 per day.
- Average length of stay 6 days.

**Decrease in income =  $409,764 \times 35 \times 6$   
 $\approx 86$  million dollars.**

**Resource:** Budget Your Trip, Tourism statics report

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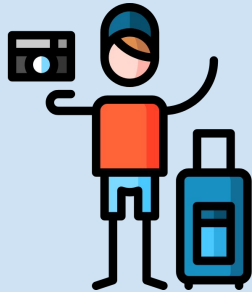
Analysis

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# Analysis and result

## External factors

	Income from tourism to GDP
Cambodia	18.1%
Vietnam	4.2%



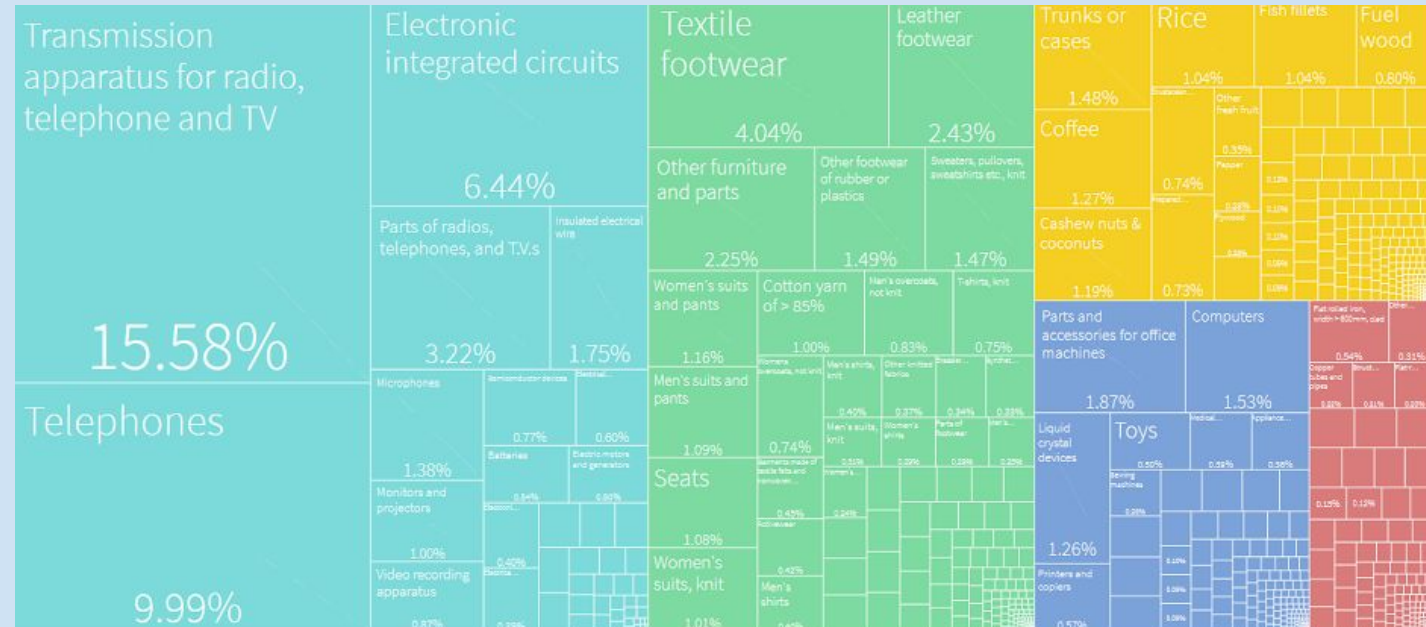
As we compared between Mar 2019 and Mar 2020 from both countries, the decrease in income from Vietnam is more than Cambodia but **income from tourism to GDP Cambodia is more than Vietnam almost 5 times.**

**Resource:** Kbank research center analysis based on data from Statistics Offices and Central Banks of CLMV Countries

# Analysis and result

## Vietnam's export

### Top 5 major Export product in Vietnam

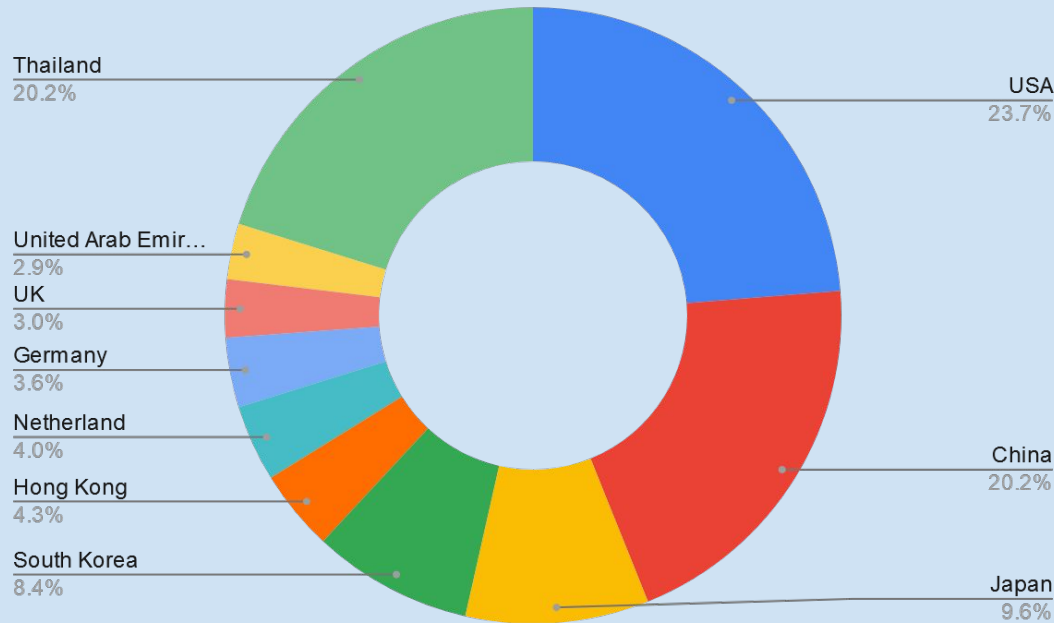


1. Electronic
2. Textile
3. Agricultural
4. Machinery
5. Metals

# Analysis and result

## Vietnam's export

### Top Vietnam Export Partners



- Main export destination are EU, USA, China, and ASEAN

# Analysis and result

## Vietnam's export



- GDP have always slightly increase yearly
- Vietnam GDP in 2020 has forecasted to be around 238 billion US dollar.

Resource: <https://tradingeconomics.com/vietnam/gdp>

# Analysis and result

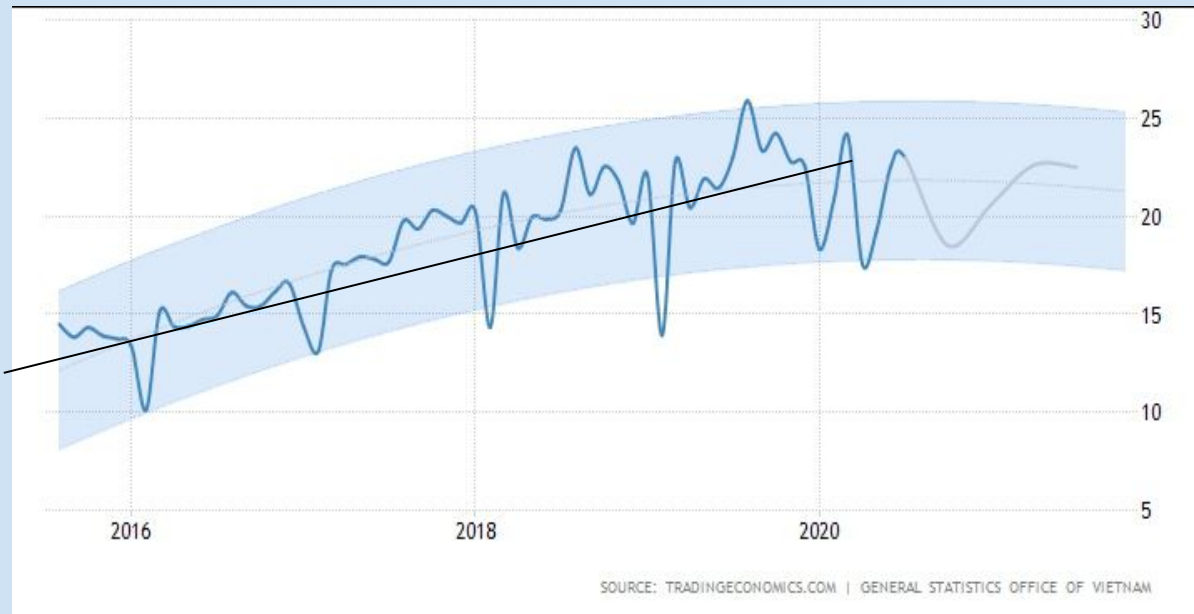
## Vietnam's export



- Export are forecasted to contract more than 4 percent

# Analysis and result

## Vietnam's export



■ : Actual   ■ : Forecasted   ■ : Trend

Vietnam main export products is electronic product which it is match people demand during covid-19 situation

Vietnam has a lot of different partners. It mainly destined for EU, USA, China, and ASEAN so it can well diversify the risk in export market.

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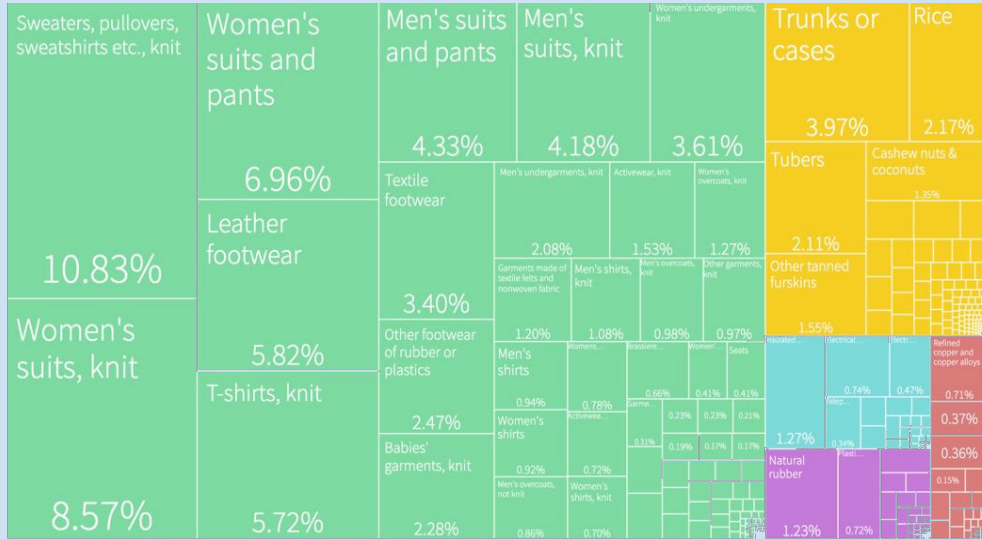
Analysis

Conclusion

# Analysis and result

## Cambodia's export

### Top 5 major Export product in Cambodia



textiles



Agriculture



Metals

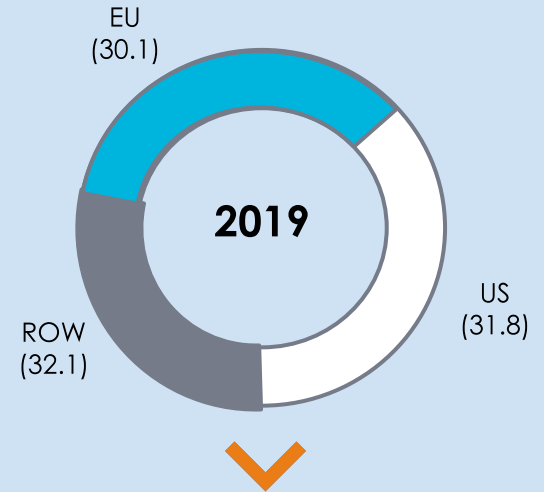


Chemicals



Electronics

### Major destination on Cambodia's export



- US and European Union plays a significant role in Cambodia's export as its export to these two destination already accounted about 61.9% of total export

Resource: Atlas of economic complexity, PWC, krungrsri research

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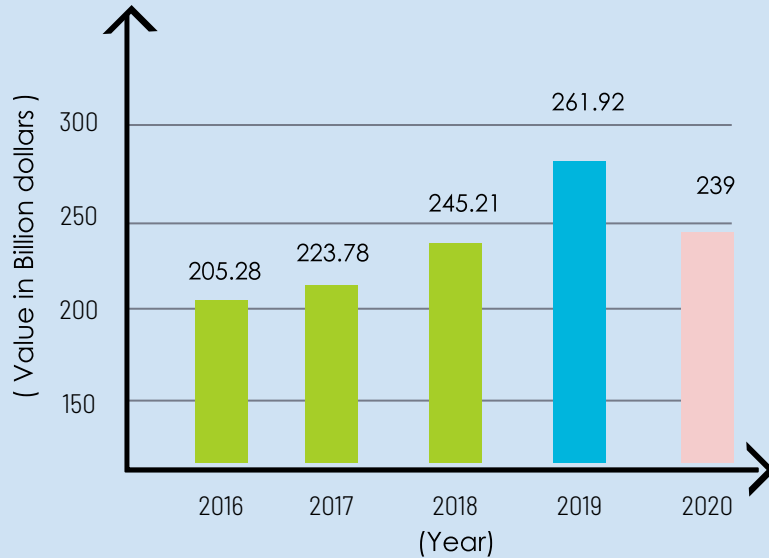
Analysis

Conclusion

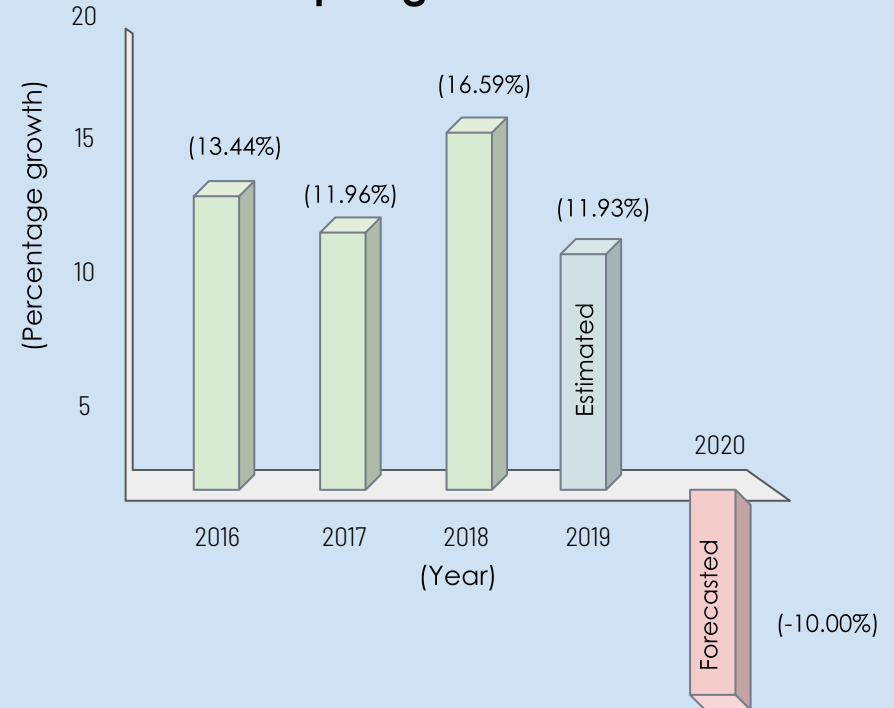
# Analysis and result

## Cambodia's export

### Cambodia's GDP



### Export growth rate



Resource: Efinancethai, trendingeconomics, OEC, ADB.

Introduction

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Rationale

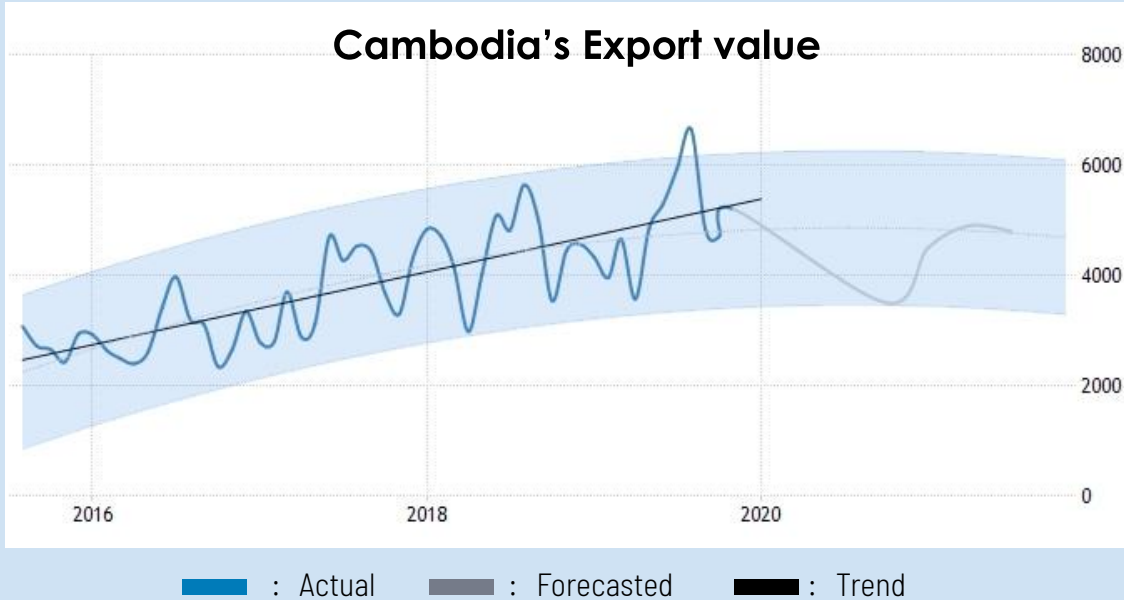
Methodology

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# Analysis and result

## Cambodia's export



Upward trend  
from  
2016 to 2019

It is forecasted to fall  
below 4000 billion khr  
by 2021

This is due to  
declining in export  
order from US&EU.

Resource: Efinancethai, trendingeconomics, national bank of Cambodia.

# Analysis and result

## Vietnam's Policy



### DEFERRAL OF RENT PAYMENT

Tax reduction measures to delay payment  
Tax for 5 months and rental fee reduction for  
the affected person



### LOWER INTEREST RATE

reducing refinancing rate to 5%  
(from 6 %) and adjusted  
discount rate reduced to 3.5% (from 4%)



### VAT, CIT, PIT TAX CUT

reducing VAT, corporate income  
tax, and personal income tax to help  
both the business and household sector



### SUPPORT PACKAGE

for those affected by the pandemic targets  
six categories of individuals and businesses  
for 77\$ per month



### SUSPEND TRANSACTION FEE

Reduce money transaction fee to 0 via internet  
banking and transferring money between banks



### CUTTING ELECTRICITY PRICES

Temporarily cutting electricity prices by a  
maximum of 10 percent for 3 months to  
support firms and households.

Resource: Vietnambriefing.com, BOT CLMV desk talk

# Analysis and result

## Cambodia's Policy



### LOW INTEREST RATE

Government pass the legislation that allow entrepreneurs who are affected from COVID-19 be able to take on loan at the low interest rate



### POSTPONE PAYMENT

Postpone the interest payment for those who get affected from COVID-19, especially in tourism sector



### EXEMPTION OF TAX

Exemption of tax for hotel and tourism business from February to May of 2020



### COMPENSATION

The minister of labor announced to pay the compensation to lay off workers for 40 dollars per month



### CONTROL PRICE

The Ministry of Commerce issued a notification to warn all fuel station and depot owners who sell fuel for unreasonably high prices.

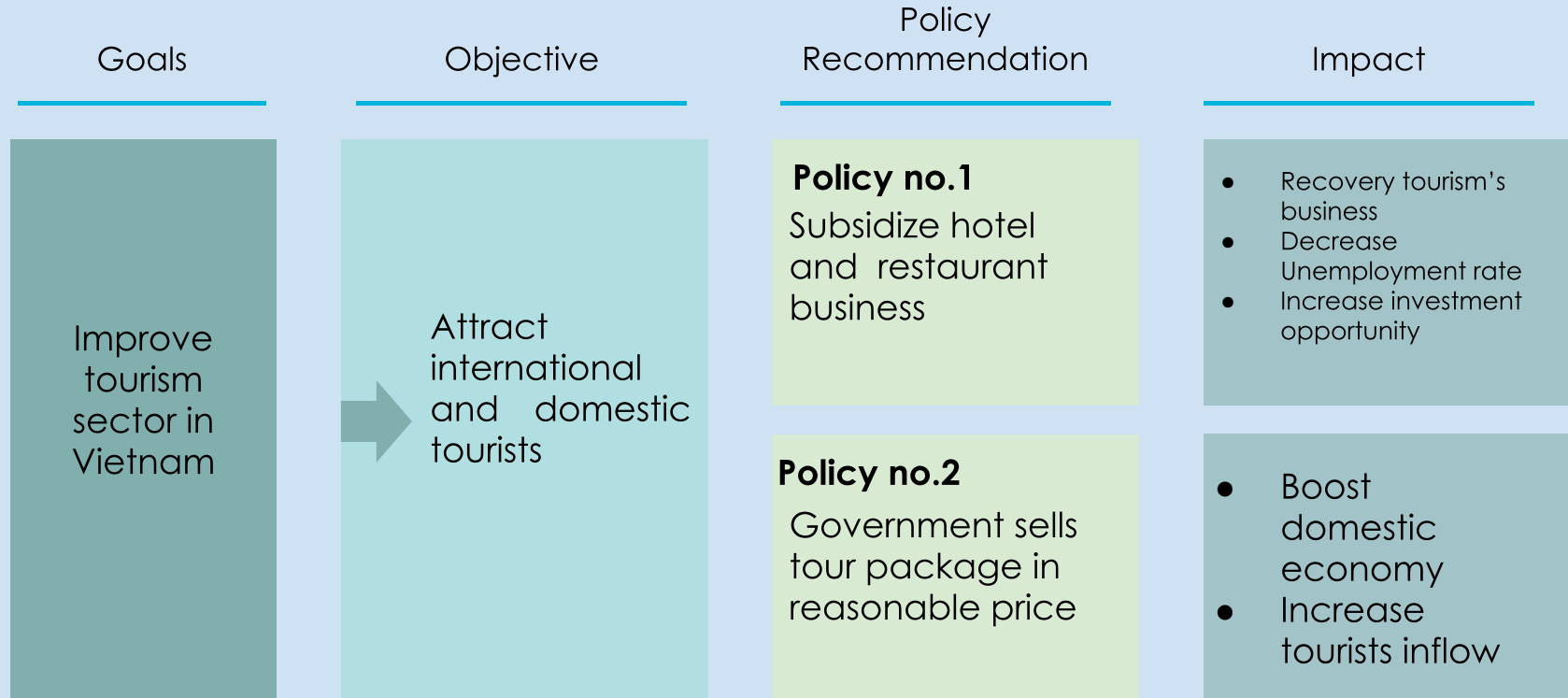


### DOMESTIC SUPPLY

Exports of fish, rice and paddy rice are suspended to ensure the domestic supply.

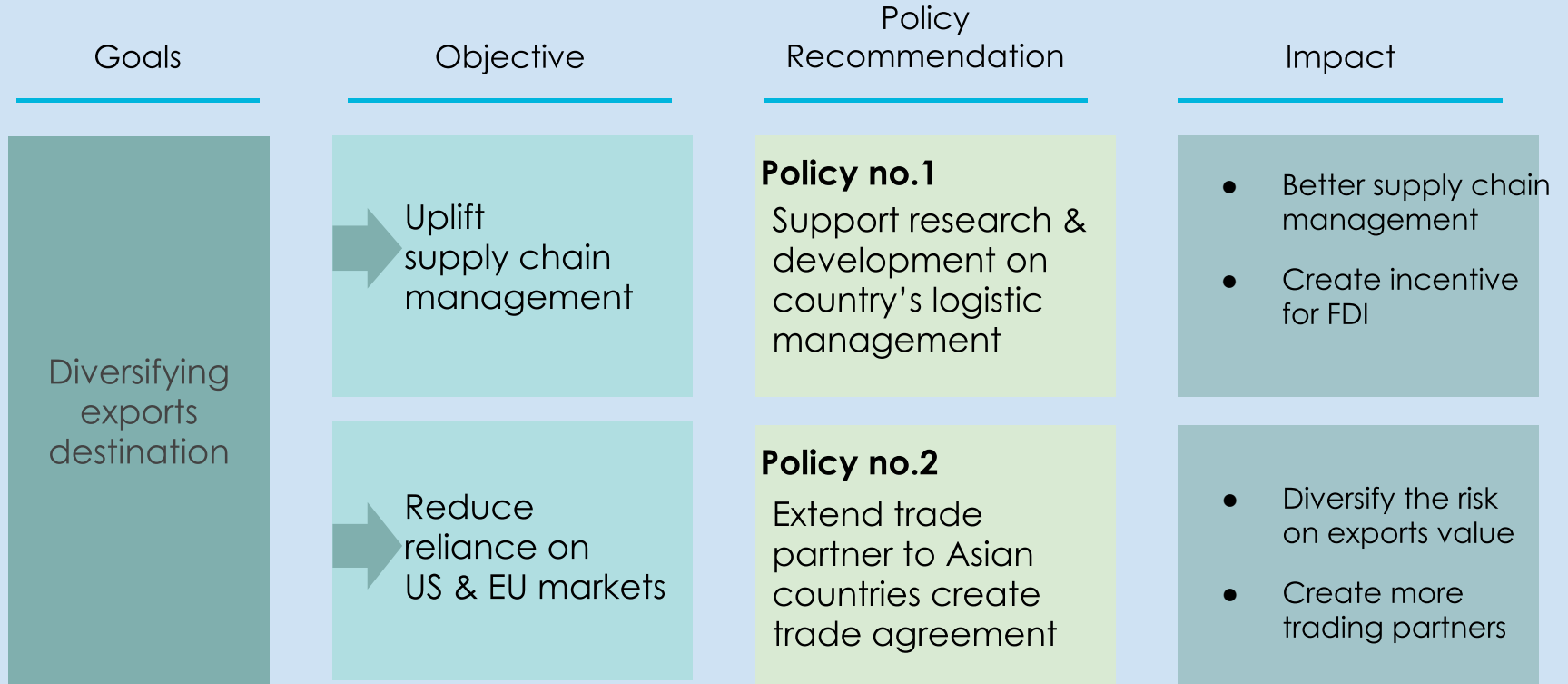
Resource: Efinancethai, trendingeconomics, OEC, ADB.

## Vietnam's Policy Recommendation



Resource: Team analysis

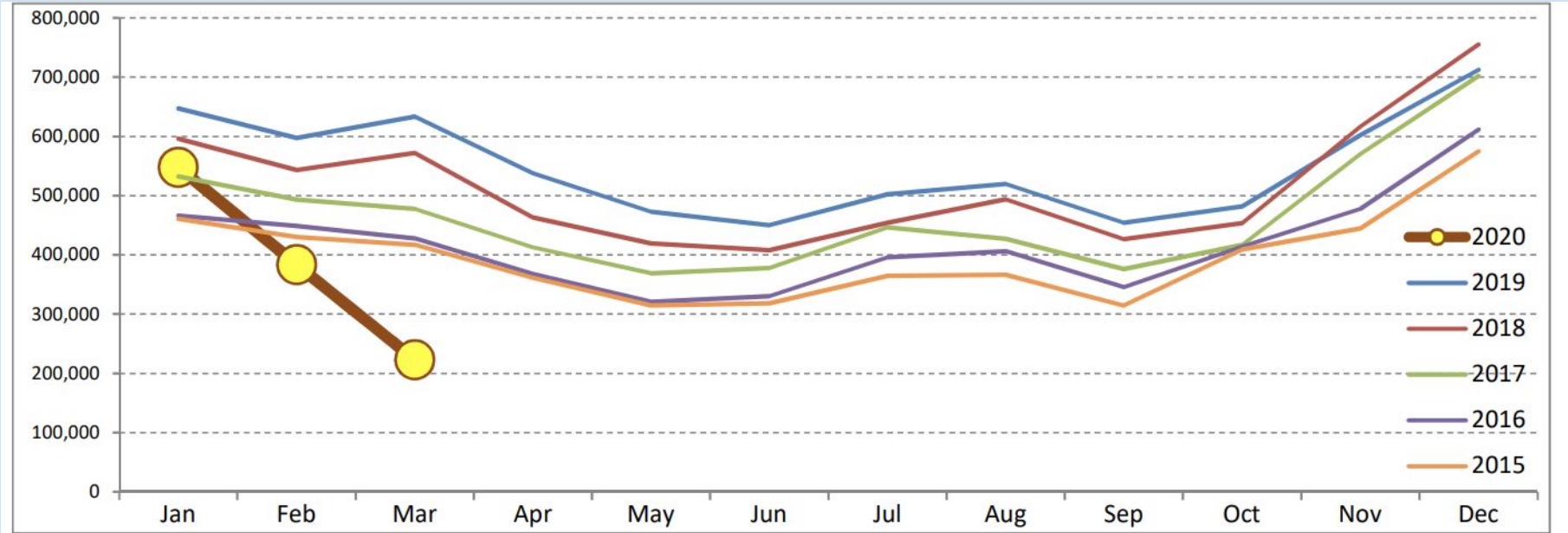
## Cambodia's Policy Recommendation



Resource: Team analysis

**Q & A**

# Appendix



Source: Tourism Statistics Department, MOT

# Appendix

## International Tourist Arrivals to Cambodia

Months	2015	2016	2017	2018	2019	2020	Change (%)				
							16/15	17/16	18/17	19/18	2020*/19
<b>Q1</b>	<b>1,307,836</b>	<b>1,342,477</b>	<b>1,502,896</b>	<b>1,711,253</b>	<b>1,877,853</b>	<b>1,155,226</b>	<b>2.6</b>	<b>11.9</b>	<b>13.9</b>	<b>9.7</b>	<b>-38.5</b>
Jan	460,577	466,086	532,206	596,241	647,206	547,963	1.2	14.2	12.0	8.5	-15.3
Feb	430,207	448,468	493,316	542,937	597,483	383,863	4.2	10.0	10.1	10.0	-35.8
Mar	417,052	427,923	477,374	572,075	633,164	223,400	2.6	11.6	19.8	10.7	-64.7
<b>Q2</b>	<b>994,154</b>	<b>1,018,455</b>	<b>1,159,783</b>	<b>1,290,407</b>	<b>1,460,621</b>	<b>0</b>	<b>2.4</b>	<b>13.9</b>	<b>11.3</b>	<b>13.2</b>	
Apr	361,139	367,684	412,925	463,423	537,656		1.8	12.3	12.2	16.0	
May	314,748	320,601	368,809	419,171	472,952		1.9	15.0	13.7	12.8	
Jun	318,267	330,170	378,049	407,813	450,013		3.7	14.5	7.9	10.3	
<b>Q3</b>	<b>1,044,880</b>	<b>1,147,483</b>	<b>1,250,082</b>	<b>1,374,373</b>	<b>1,475,832</b>	<b>0</b>	<b>9.8</b>	<b>8.9</b>	<b>9.9</b>	<b>7.4</b>	
Jul	364,325	395,761	446,627	454,056	502,421		8.6	12.9	1.7	10.7	
Aug	366,096	406,214	427,224	494,043	519,502		11.0	5.2	15.6	5.2	
Sep	314,459	345,508	376,231	426,274	453,909		9.9	8.9	13.3	6.5	
<b>Q4</b>	<b>1,428,361</b>	<b>1,503,297</b>	<b>1,689,396</b>	<b>1,825,044</b>	<b>1,796,286</b>	<b>0</b>	<b>5.2</b>	<b>12.4</b>	<b>8.0</b>	<b>-1.6</b>	
Oct	408,922	414,077	417,039	453,370	481,782		1.3	0.7	8.7	6.3	
Nov	444,640	477,686	570,471	616,549	602,042		7.4	19.4	8.1	-2.4	
Dec	574,799	611,534	701,886	755,125	712,462		6.4	14.8	7.6	-5.6	
<b>Total</b>	<b>4,775,231</b>	<b>5,011,712</b>	<b>5,602,157</b>	<b>6,201,077</b>	<b>6,610,592</b>	<b>1,155,226</b>	<b>5.0</b>	<b>11.8</b>	<b>10.7</b>	<b>6.6</b>	<b>-38.5</b>

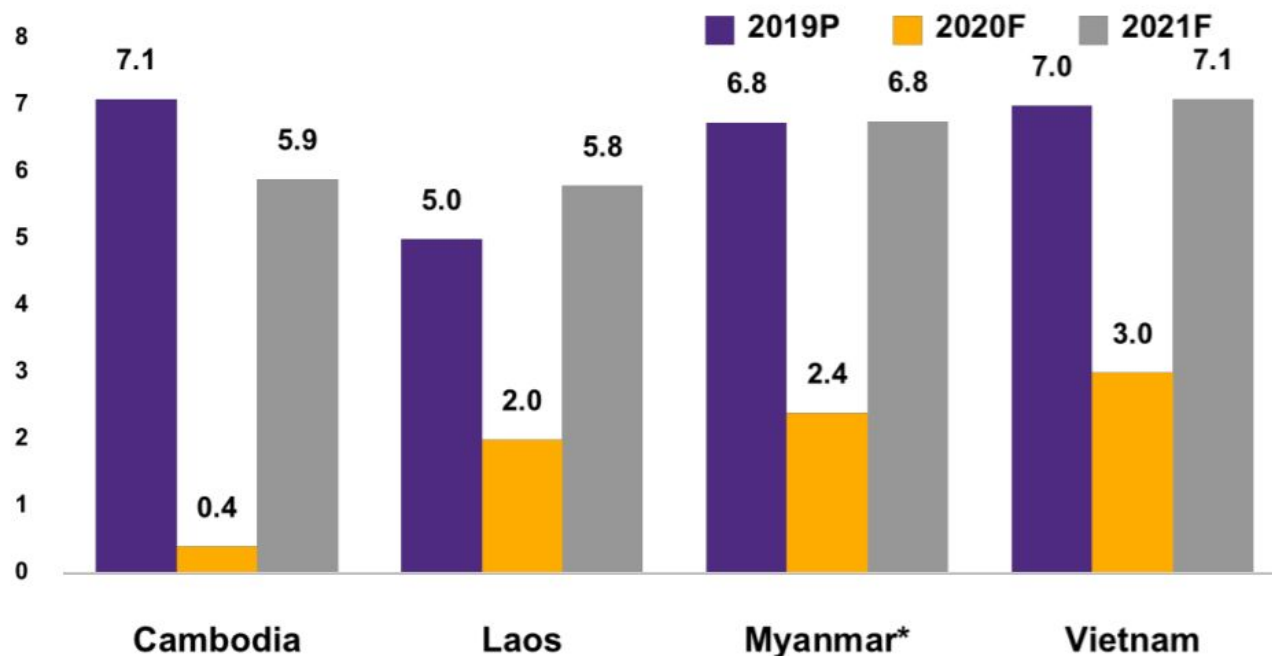
## GDP Growth Rate projections from 2019 to 2022

	GDP Growth Rate in 2019	GDP Growth Rate in 2020	GDP Growth Rate in 2021	GDP Growth Rate in 2022
Cambodia	6.8%	-0.9%	5.5%	5.9%
Lao PDR	6.2%	3.9%	6.1%	6.0%
Myanmar	6.5%	4.3%	6.2%	6.1%
Vietnam	7.0%	3.6%	6.5%	6.8%
<b>CLMV</b>	<b>6.9%</b>	<b>3.4%</b>	<b>6.4%</b>	<b>6.5%</b>

Figure 5: EIC revises growth of CLMV countries downward substantially and expects a U-shaped recovery

## CLMV's Economic Growth 2019-2021F

Unit: %



# Appendix

past data on percentage share of export by product				
		2016	2017	2018
Garments and textiles		59.78%	70.25%	66.84%
Foot ware		11.58%	12.34%	11.53%
Precioud Metals		10.65%	2.25%	3.34%
vegetables product		3.45%	1.08%	0.29%
others		14.54%	14.08%	18.00%
		100.00%	100.00%	100.00%

# Appendix

	2016	2017	2018	2019	2020
export growth	13.44%	11.96%	16.59%	11.93%	-10%
GDP	205.28	223.78	245.21	261.92	239

<https://www.latimes.com/world-nation/story/2020-04-15/coronavirus-cambodia-garment-industry>

<http://textilefocus.com/cambodia-textile-rmg-sector-profile/#:~:text=Cambodia's%20exports%20are%20dominated%20by,merchandise%20term%20change%20in%202019.>

<https://www.fibre2fashion.com/industry-article/8663/covid-19-plays-havoc-with-cambodian-textile-clothing-business>

[https://www.fibre2fashion.com/industry-article/8400/an-emerging-cloth-industry?utm\\_source=f2f&utm\\_medium=content&utm\\_campaign=interlinking](https://www.fibre2fashion.com/industry-article/8400/an-emerging-cloth-industry?utm_source=f2f&utm_medium=content&utm_campaign=interlinking)

<https://shapesea.com/op-ed/the-impact-of-covid-19-on-cambodias-gtf-workers/>