

**Kingdom of Cambodia
Nation Religion King**

Royal Government of Cambodia

No: 02 BrKP

Press Release

On

**Instruction of the Royal Government of Cambodia on Further Measures to Continue to Control the Effects on Major Economic Sectors in the Context of Crisis and to Restore and Promote Cambodian Economic Growth during and after the Crisis of Covid-19
(Round 10, 28 October 2021)**

The crisis of Covid-19 still continues to affect the general economy and society with subsequent new cases of Covid-19 variant which lead to uncertainty and high risk to the world. Obviously, the continued active vaccination campaigns for citizens as well as the efforts to speed up medicine production and ways for Covid-19 treatment in many countries such as in Europe and the US have resulted in the economies of these countries to start to recover gradually and remarkably. Like other countries, the Royal Government of Cambodia with proactive spirit has taken subsequent measures, in which the Royal Government set vaccination as key measures and finally has decided to provide Covid-19 vaccination for youths and children and booster dose for prioritized groups, aimed at creating community immunity and resilient economy and society.

Meanwhile, through the good progress of the national vaccination campaign and introduction of health measures, sharp administrative and legal measures so far, the situation of Covid-19 crisis is better which is a positive implication for the reopening of socio-economic activities of Cambodia. However, the uncertainty resulting from the new Covid-19 Delta variant and the world's gradual economic recovery which is slower than expected is still a concern for the national economy although the socio-economic activities have been reopened gradually under new normal.

In this context, while strategic plans and other measures to control Covid-19 are prepared and to continue to promote the stability of businesses in the seriously affected sectors such as garment, textile, civil aviation sector and tourist sector etc, the Royal Government has decided to take further measures of round 10, aimed at (1) reducing effects of Covid-19 on social and economic status as well as introducing and implementing measures to sustain and restore business in the context of gradual reopening of socio-economic activities under new normal; and (2) continuing the validity of measures taken so far. The measures of round 10 has been taken with in-depth consultation with the private sector, development partners and relevant players as follows:

1. Measures to continue to help the garment-textile, footwear, travel goods, bag and tourism sectors

After the factories, enterprises and businesses in the garment-textile, footwear, travel goods, bag and tourism sectors obtain a permit for suspension of employment contracts and/or a permit for extension of the suspension of employment contracts from the Ministry of Labour and Vocational Training after meeting the criteria and requirements for employment contract suspension, the Royal Government of Cambodia will:

- Continue to provide an allowance of \$US40 per month for each worker/employee working in the garment-textile, footwear, travel goods and bag sector for 03 more months from October

to December 2021. Owners of factories, enterprises in this sector must add \$US30 for each worker/employee (in total each worker/employee receives \$US70 per month).

- Continue to provide an allowance of \$US40 per month for each worker/employee working in the tourism sector such as hotels, guesthouses, restaurants and travel agents for 03 more months from October to December 2021. Enterprises and businesses in the tourism sector must contribute on a voluntary basis and according to their ability to add more in addition to the amount provided by the Royal Government.
- Continue to grant an exemption from paying all types of monthly taxes for hotels, guesthouses, restaurants and travel companies that have been registered with the General Department of Taxation to carry out business activities in Phnom Penh, Siem Reap, Preah Sihanouk, Kep, Kampot, Bavet town and Poipet town for 03 more months from October to December 2021. These businesses still have an obligation to submit their tax returns and use E-VAT every month during this exemption period.
- Continue to grant an exemption from paying NSSF contributions for occupational risk and health care schemes during the business suspension.

2. Measures to continue to help airline sector

- Continue to grant an exemption from paying minimum tax for 03 more months from October to December 2021 for airline companies that have been registered in Cambodia.
- Continue to delay the payment of owed civil aviation fee for 03 more months from October to December 2021.

All relevant ministries and institutions must implement this instruction according to their authorities in the most effective manner.

The Royal Government will continue to regularly monitor the situation of Covid-19, social, economic and financial situation in the world, in the region and in the country in order to review and assess the effects of Covid-19 on Cambodia's major economic sectors to update and prepare further necessary measures, aimed at restoring and promoting economic growth, especially ensure sustainability of socio-economic immunity and change of behavior to adapt to new normal under the strategic plan framework of living under new normal in the context of Covid-19 and economic restoration plan during and after the Covid-19 crisis.

