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# **The Impacts of COVID-19 on Cambodia Economy.**

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# 1.Introduction

- The **first Outbreak of COVID-19** was recognized from *Wuhan, Hubei province, China*.

The growing COVID-19 crisis threatens to disproportionately hit developing countries, not only as a **health crisis** in the short and long terms but as a devastating **social and economic crisis** over the months and years to come.

- Income losses are expected to exceed \$220 billion in developing countries.
- With an estimated 55 per cent of the global population having no access to social protection, these losses will reverberate across societies, impacting education, human rights and, in the most severe cases, basic food security and nutrition (UNDP, 2020).

This means that COVID-19 crisis has effected globally. Whereas, this crisis is extremely increased not only on the **Health System**, but also on the **Social and Economic Development** of those countries too. Especially on the **developing countries** such as Cambodia too.

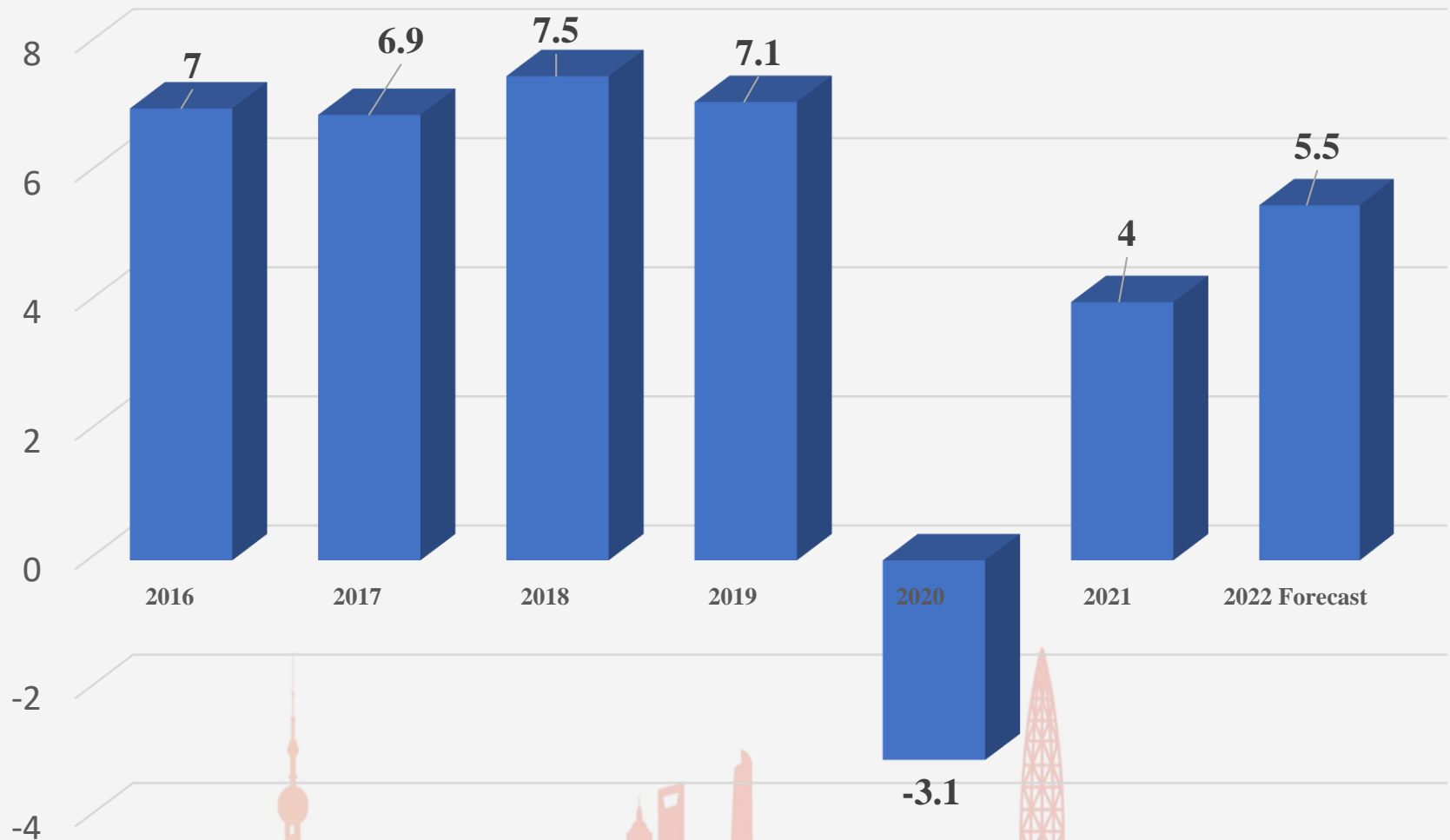
## 2. Cambodia Economy

- Independence from France: 1953
- Population: 16.25 million (2018)
- GDP : 24.54 billion USD (2018)
- GDP Per Capita: \$1,614 (2019)
- **Main economic pillars:**
  1. **Garments Industry**
  2. **Constructions**
  3. **Tourism And**
  4. **Agricultural Sector.**



Due to the outbreak of COVID-19 pandemic to the economy of Cambodia, some main sectors are also stuck and lockdown. Hence, economic growth are declined tremendously to **-3.1%** in 2020 (ADB, 2021).

# Cambodia Economy: GDP Growth Forecast(%)



**Source:** ADB, 2021



# GDP Forecast (%) in Cambodia

<i>Name</i>	<b>Before COVID</b>		<b>After COVID</b>	
	<i>2020</i>	<i>2021*</i>	<i>2020</i>	<i>2021*</i>
Royal Government of Cambodia	<b>6.5%</b>	<b>7%</b>	<b>-1.9%</b>	<b>3.5%</b>
Asian Development Bank	<b>6.8%</b>	<b>N/a</b>	<b>-3.1%</b>	<b>4 %</b>
World Bank	<b>6.9%</b>	<b>6.8%</b>	<b>-2%</b>	<b>4.3%</b>
International Monetary Fund	<b>6.7%</b>	<b>6.7%</b>	<b>-2.8%</b>	<b>6.8%</b>

\* Forecasting Value

**Source:** Author's illustration

### 3. COVID-19 crisis Impacts on Economy

There are the most factors impacts on **Tourist, Products for Exports and Construction Sector**. All these three sectors are proportion of 70% of GDP growth and created the 39.5% of total employments in 2019.

- **433 Garment Factories** and Related Tourist industries are temporarily closed and lost the **13,500** employments and **1,700** workers in tourist sector

- **Construction:** FDIs about 50% of total investments are from China and Taiwan. When COVID-19 outbreak, all these investments are tremendously downturned too.
- By MEF(2020) said that Cambodia investments are dropped to -5.3% due to the FDIs from China.

## *More impacts such as:*

- Poors and employments from informal economy: Street Vendors, workers, migrants and others.
- Income from one Garment worker can support **5 to 6 people** in informal economy in Cambodia.
- Due to ILO(2020): There are **1.6 million employments** from informal economy in Cambodia.



## 4. COVID-19 crisis Impacts on Society

- **Educational system disruption** and especially impacted on the ethnic group or minority in remote areas or Mondulkirir province without internet access. This is **huge gap** between students in city and remote areas.
- **3.2 million students** study in public school and **210,000 students** from private school in 2019.

- **Ethnic group** is hard to accept capacity training via online
- **Disable people** is hard to educational access
- Any public services are slowdown while this outbreak such as health services, services and other sharing information.
- **Discriminations** between normal people and patience from COVID-19.
- **Depression or Stress:** Mental issues

## 5. Government Policy: Subsidy

### Money

- Given to the 2.3 million poors
- 10\$ per poor

### Gov't & NBC

- NBC gives loans with low interest rate to MFIs and Banks
- Recycle loan to people and ..etc
- Gov't gave \$50 million loans to ARDB to support agriculture sector in pandemic. SME bank with \$50million to support SMEs access

### Credit Guarantee Scheme

- \$200 million to guarantee SMEs
- \$300 million to ARDB for agriculture improvements



## Subsidy

- Workers from garments and tourist sector are still getting some money from government.

## Food

- Food sharing in lockdown areas
- Small money per patience



## 6. Current Issues

### Food

- No food access in block area

### Government Policy Response

- Slow policy Response to all color areas: ATM rice, COVID-Passport discount. Some people can get through from one area to other area.

### Vaccination

- Gap between people and people in vaccinating.

# Thank you!