



BUSINESS REPORT

Monthly

S. ASEAN INTERNATIONAL ADVOCACY & CONSULTANCY (SAIAC) | Indonesia | Singapore | Laos | Philippines | Malaysia

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NEW NORMAL edition



| THE “JOB LOSSES” OF 2020.

Special Report from “The Desk of the President & CEO”

Was it worthed? This is the question many grappled with as citizens took to street to protest for economic damages of the lockdown. The divide between saving lives and earning an income is fifty-fifty, health over livelihood sustainability. Mid to lower income earners are most impacted, that was our initial impression, and it stands true to this date, but equally impacted are those who are in the middle to upper class as well. Business owners, including factories, restaurants and large organizations have seen their sales declining and must make the tough call on downsizing. Into the fifth month, the job losses numbers continue to soar. Will the governments stimulus be enough to flatten the downturns? That is another question we will have to seek answers to.



Global cooperation is vital to deal with both this crisis and the more structural challenges that will remain with us in the medium to long term. The crisis has emphatically illustrated how necessary and beneficial our global linkages are. The virus knows no borders, and the only way to conquer it is to work together. For Asia, which is highly integrated in the global value chain, external demand is especially important. The strength of its recovery will likely depend on the openness and innovation capability of Asia and other parts of the world, as well as on forging stronger links within the region and enhancing regional / sub-regional cooperation and integration, including the development of the Greater Bay Area.

The IMF will continue to do all it can to ensure adequate international liquidity, provide emergency financing, support the G20 Debt Service Suspension Initiative, and furnish advice and support to countries during this unprecedented crisis. Globally, the IMF have provided substantial lending support to our member countries. In the Asia-Pacific region, they are constantly engaging with the members. In terms of lending, so far for the Asia Pacific region the IMF agreed on four emergency funding programs and one IMF debt-relief arrangement. In terms of capacity development, despite connectivity challenges, the work has continued virtually on topics like cash management, supervisory responses to the crisis, and actions to safeguard tax compliance after the crisis.

Moving forward, our attitude as a collective needs to be focused towards attaining a livelihood by following the digital trends and linking borders, we need to focus on “Follow the Cheese” rather than dancing around the question on “Who Moved My Cheese”. In a nutshell, 2020 has shown us that some of the attuned ways of doing business in the past will no longer prevail in the decade/s to come and that a new economic mindset is called forth.

In this report, we cover the statistics and data’s on the future employment declines, the stock markets post Covid19, the investments in the region and a special focus on geopolitical sentiments, ASEAN performance, and China’s deepening claws in Asia.

| WHO MOVED MY CHEESE? Covid19 did!

By now, we are all aware that this is the worst downturn since the Great Depression since 1930s, though effected by the pandemic, several countries have started to reopen their economies, still struggling to avoid a minus GDP. In the absence of a medical solution, the magnitude of recovery remains highly uncertain. It will likely take a couple of years till a medical solution is found, in the meantime, most economies have stopped chasing the moved cheese and have created a new economic foundation, built on digitization and eCommerce.

Since the outbreak of the COVID-19 pandemic, the IMF has issued its *World Economic Outlook* (WEO) and its *Global Financial Stability Report* (GFSR) twice, in April and again in June. In the April WEO report, our projection of global output in 2020 was brought down substantially to -3.0 percent from 3.3 percent. In our June report, the projection was further revised downward by 1.9 percent to -4.9 percent. In other words, the impact of the pandemic on world output is much bigger than two or three months ago.

Almost all countries are seeing their growth forecasts this year revised downward, and most into negative territory. A synchronized deep downturn in 2020 is taking place, in both advanced economies (-8 percent) and emerging market and developing economies (-3 percent; -5 percent if we exclude China). Over 95 percent of countries are projected to have negative per capita income growth in 2020, with export-dependent economies particularly affected.

With the exception of China, most Asian economies have had many revisions on their growth, Asia's output is expected to contract by 1.6 percent—a further downgrade from our April projection of zero growth. Asia's economic growth in the first quarter of 2020 was, in fact, better than projected in April—partly owing to early stabilization of the virus in some countries.

Only a small number of economies in Asia and the Pacific are projected to grow this year, including China by 1.0 percent. Most economies in the region are expected to contract in 2020, and some quite sharply—Korea by around 2 percent, India by 4.5 percent, Japan by 5.8 percent, and some other economies by even more, given their dependence on remittances, tourism, and/or commodities.

It is also important to note that across Asia, on the demand side the only spending that is growing in 2020 is government consumption and investment, in emerging as well as advanced economies. In other words, economies are relying heavily on government stimulus which will not be enough in the longterm and a new economic approach needs to be applied if we were to revamp the economy.

Longer Global and Asian Economies Recovery.

We believe that the recovery will start in 2021, and the projection of global output in 2021 is 5.4 percent. This may sound good, but it is 0.4 percent lower than the April forecast of 5.8 percent, and combined with the sharp contraction in 2020, it implies a cumulative loss to the global economy over two years (2020–21) of over USD 12 trillion from this crisis. Hotels, tourism, the travel industry, among others, will be particularly impacted.

As for Asia, in 2021, IMF project a pick-up of 6.6 percent, with China growing at 8.2 percent. This too has been revised downward from our April forecast (by 1 percent), leaving the level of Asia's real GDP 5 percent lower in 2021 compared to pre-crisis projections. In other words, the expected output losses in Asia from the pandemic to be persistent. And, unfortunately, some of this will be permanent. Again, the recovery of the private sector in 2021 is expected at a slower pace. The reasons of a slow and partial recovery are as follows:

1. First, the scope and duration of lockdown have been more substantial than expected, and we are already seeing some permanent negative effects, despite policy stimulus. A recent study, which was conducted by IMF staff and covers 57 economies, shows that lockdowns have led to a contraction in industrial production of about 12 percent a month. Even when lockdown measures are fully relaxed, economic activity is not likely to return to full capacity, on account of social distancing and other containment measures. There may be a negative impact on productivity, as surviving businesses enhance workplace safety and hygiene standards. Also, many Asian economies depend on tourism, remittances, and in-person contact services, which will take a lot longer to recover.
2. Second, trade growth has slowed down. Global trade contracted by 3.5 percent in the first quarter relative to the same period last year. For Asian economies, the overall picture that they heavily depend on global supply chains has not changed, so that they cannot grow by themselves while the whole world is suffering.
3. Third, domestic inequality was already rising fast in Asia and our recent research shows that past pandemics added to this inequality, especially hurting the employment prospects of those with limited education. Not only is inequality widening, but the adverse impacts of the COVID-19 shock are made even worse in Asia, which has a high proportion of informal workers. This can leave deeper economic scars, make the recovery more protracted, and pose greater challenges to social protection and health care systems.
4. Fourth, high debt levels will be a common problem in the global economy and Asia. The weakened household and corporate balance sheets in many Asian countries can weigh on investor sentiment and affect the pace of the recovery, amplifying the scarring effects.

And finally, should the private-sector-led recovery not occur as we are currently forecasting, policymakers in Asia will not have the space to provide much economic and financial policy support as they have been able to do in 2020 so far.

| THE ROLE OF GOVERNMENT POLICY IN 2021.

For policymakers across the globe, the severe downturn and slow recovery mean that we are not out of the woods yet. There is a need for careful attention and great prudence as policymakers prepare their policy response.

Let us first look at short-term policies for the pandemic and the recovery from it.

On the positive side, the recovery is benefitting from tremendous policy support—particularly in advanced economies—and to a lesser extent in emerging market and developing economies. Global fiscal support now stands at over \$10 trillion. In addition, major central banks have provided substantial additional stimulus via interest rate cuts, liquidity injections, and asset purchases, which has eased financial conditions. In many countries, these measures have succeeded in supporting people and preventing large-scale bankruptcies, thus helping to reduce lasting scars and aiding the recovery.

Although the real economic outlook is still not positive in many countries, the exceptional policy support, particularly by major central banks, has driven a strong recovery in financial conditions. Equity prices have rebounded, and credit spreads have narrowed. Portfolio flows to emerging market and developing economies have stabilized. And currencies that sharply depreciated have strengthened. By preventing a financial crisis, policy support has helped us avoid even worse

outcomes. Yet at the same time, the disconnect between real and financial markets raises concerns of excessive risk taking and is a significant vulnerability.

Currently, some countries have begun to reopen their economy and resume work and production. The focus of their policy support will need to move toward encouraging people to return to work, as well as to helping reallocate workers to sectors with growing demand and away from shrinking sectors. Support for a recovery should also include actions to repair balance sheets and address debt overhangs. This will require strong insolvency frameworks and mechanisms for restructuring and disposing of distressed debt.

As for Asia, fiscal and monetary policy support has been substantial—on an unprecedented level—and especially so in Japan, Australia, Singapore, and New Zealand. Support in Asian emerging markets has been mainly in the form of guarantees, loans, and quasifiscal activities, on account of a lack of fiscal space in government budgets. These helped to provide support to firms facing liquidity constraints.

Do we see the need for more support in Asian countries in the future? It depends on whether there are second waves of infection. In some cases, where government support is temporary, the authorities will need to look at whether they renew or revise measures to avoid creating serious fiscal pressures.

The international community has a responsibility to ensure that developing economies can finance critical spending by providing concessional financing, debt relief, and grants. At the same time, emerging market and developing economies must also have access to international liquidity. As there are large number of emerging economies in Asia, ensuring financial market stability, making available central bank swap lines, and deployment of a global financial safety net, will all be imperative.

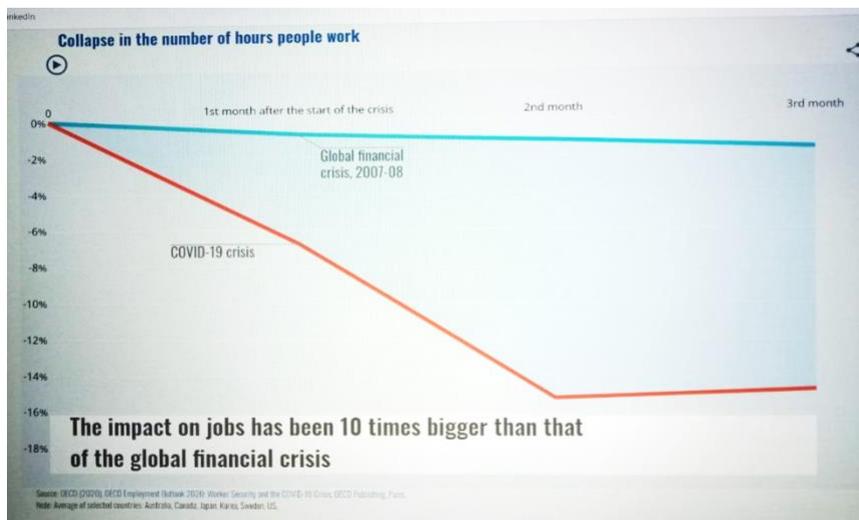
As for the medium and longer term, besides fighting the pandemic and promoting recovery, policymakers in Asia will also have to focus on the structural challenges in the region. In fact, these challenges have already been in existence before COVID-19, and the pandemic has highlighted the importance of addressing them. The challenges are:

1. The Aging Population - One important finding is that demographic trends could subtract ½ to 1 percentage point from annual GDP growth over the next three decades in countries like Japan where the aging problem is quite severe. Therefore, policies should incentivize greater labor-force participation by women and others to offset the impact of population aging.
2. Slowing productivity growth - Policies should foster greater corporate dynamism by promoting the healthy entry and exit of firms, helping firms to address their debt overhang, and encouraging business innovation, to promote productivity growth. In some Asian countries for example, 5-10 percent of the total corporate capital stock is tied up in so-called “zombie” firms. If this problem can be solved, resources can be redirected to more competitive, innovative, and productive uses.
3. Trade Openness - For decades, Asian economies used to benefit from rapid trade growth. But in recent years, they have also felt the impact from slowing trade on their economy. We noticed that countries are making strong efforts to resolve trade and technology disputes, and that they are still promoting regional integration and improving the multilateral rules-based trading system. Our modeling suggests that further trade liberalization and regional integration could, over time, lead to a new equilibrium in which Asia’s GDP would be higher by more than 10 percent.

4. New Technologies - Digitalization and automation offer huge opportunities to Asia and to the world. Two-thirds of the world's industrial robots are used in the region, and the share of retail sales taking place online is 1½ times larger in Asia than in Western Europe or the United States. In the current COVID19 crisis, the digital economy has played a key role, in terms of enabling working from home, improving business flexibility, and enhancing the efficiency of resource allocation. But these new technologies also bring challenges, such as the need to combat growing inequality (including the digital divide) and to support those displaced by new technologies.

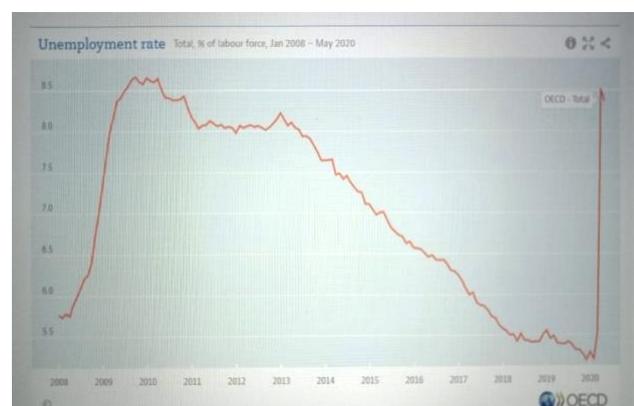
And finally, policies should promote both mitigation and adaptation to climate change, and this will require global cooperation. Where conditions permit, countries should undertake green public investment to accelerate the recovery and support longer-term climate goals. We will need to work together and make concerted efforts to develop mechanisms for carbon pricing and to promote investment in resilient infrastructure.

| STATISTICS & DATA – JOB LOSSES & PROSPECTS (OECD)



As the effects of the pandemic and containment measures hit OECD economies, millions of people have been unable to go to work, resulting in an exceptionally stark drop-in activity and unprecedented job losses. Up to 10 times fewer hours were worked in some countries, compared with the first few first months of the 2008 financial crisis.

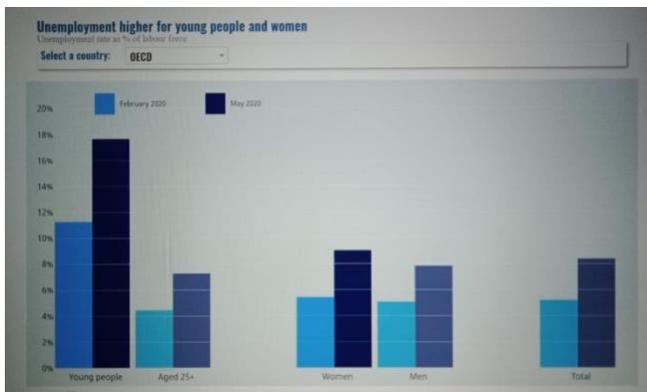
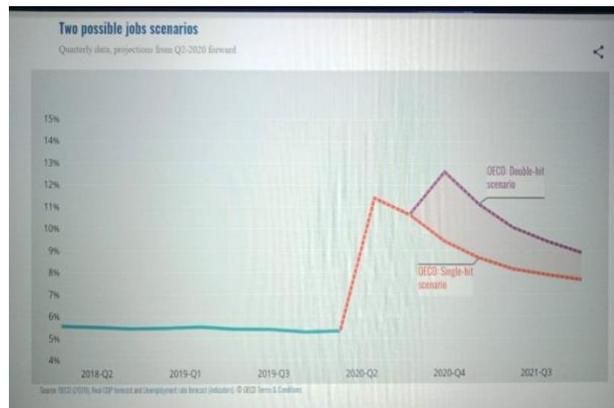
Unemployment is projected to reach nearly 10% in OECD countries by the end of 2020, up from 5.3% at year-end of 2019. And to go as high as 12%, should a second pandemic wave hit. A jobs recovery is not expected until after 2021. Some countries, employers used job retention programmes to cut hours while allowing workers to keep their pay and jobs; there, it is likely that the full impact of the pandemic is yet to be felt. In others, there have been unprecedented leaps in unemployment, but many workers will return to their jobs (or to new ones) as economies re-open and activity picks up.



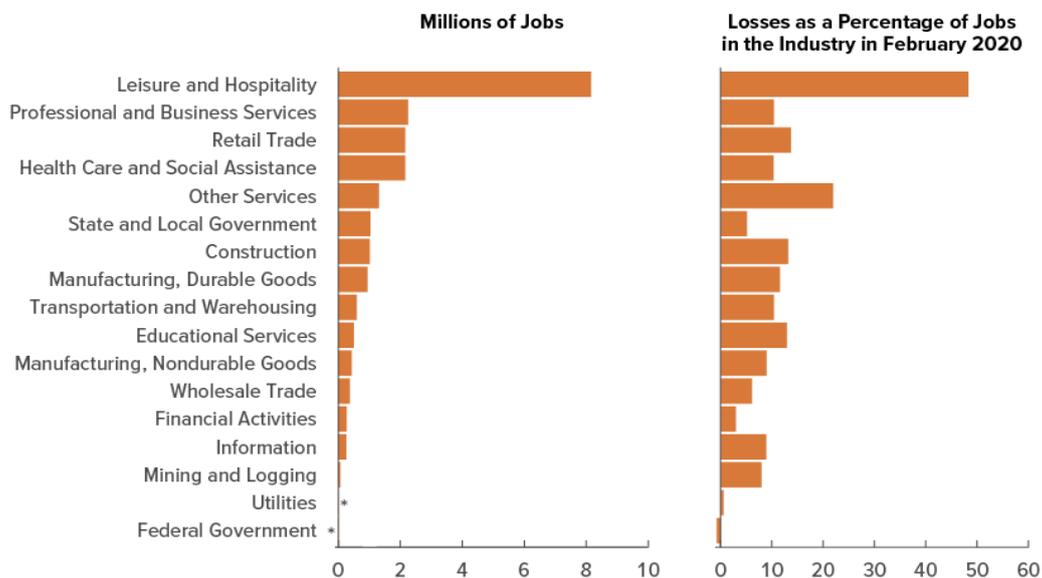
The Covid19 crisis is having a greater impact on some workers than others. The young people and women are among those at greatest risk of joblessness and poverty. They generally have less secure,

unskilled jobs and are highly represented among workers in industries most affected by the crisis, such as tourism and restaurants.

Over the 2020-2021 period, economic activity is projected to fall by the greatest amount in the second quarter of 2020, because of the pandemic and the social distancing measures. Real GDP—or real output—is projected to pick up during the second half of the year, and labor market conditions are expected to materially improve after the third quarter as concerns about the pandemic diminish and as state and local governments ease stay-at-home orders, bans on public gatherings, and other measures. The recently enacted laws will contribute to the moderate rebound in economic activity by boosting consumer spending and by preserving some connections between workers and employers so that firms can ramp up operations more quickly as the degree of social distancing subsides. Nonetheless, challenges in the economy and in the labor market are expected to persist.



Below a chart on job losses by Industry (Feb 2020 data)



| CHINA SAYS, CHINA DOES.

> Singapore & China – Opening of Green Lane.

The opening of the Singapore-China green lane and the restarting of transit flights helped to increase passenger numbers at Changi Airport in June, but only by a small margin. Data released by Changi

Airport Group (CAG) on 20 July showed that the number of passengers at 48,200 was still 99.2% lower than what it was in the same period in 2019.

In addition to that, officials from China and Singapore have pledged to maintain a smooth supply chain and trade amid the COVID-19 pandemic. During a minister-level video conference held between China's National Development and Reform Commission and Singapore's Ministry of Trade and Industry on 28 July, both sides emphasised cooperation under the Belt and Road Initiative. The two sides expressed confidence that their third-party market cooperation has been running smoothly and provided a list of the first batch of major projects under such cooperation. They also discussed strengthening bilateral cooperation in infrastructure and finance.

› **Philippines & China – 27% of Philippines Exports to China.**

China remains the Philippines' top export market with almost 27% of the Philippines' total exports being shipped to the world's second-largest economy, according to the Philippines' Department of Trade and Industry (DTI). China is also the Philippines' top import supplier, accounting for 23% of the Philippines' total imports, as well as the Philippines' top trading partner. Philippine Trade and Investment Center (PTIC) Shanghai's Commercial Vice Consul Mario Tani expects this trend to continue. According to Tani, Philippine exports to China grew by almost 9% annually from US\$8.02 billion in 2017 to US\$8.70 billion in 2018, while imports from China grew at an average of almost 3% annually from US\$17.46 billion in 2017 to US\$21.39 billion in 2018.

› **Laos & China – Strategic Docking Project.**

The task of beam setting on two bridges that cross the Mekong River in northern Luang Prabang province has been completed by China Railway No. 8 Engineering Group (CREC-8). The two bridges form part of the Laos-China Railway construction project. The Laos-China Railway crosses the Mekong River twice with passenger trains that will travel at around 160 km per hour with freight making its way past at 120 km per hour. Construction of the bridges is currently ongoing. The Laos-China Railway is a strategic docking project between the China-proposed Belt and Road Initiative and Laos' strategy to convert from a landlocked country to a land-linked hub. The railway is scheduled for completion at the end of 2021 and will be the first rail route linking Laos to China's network.

› **Cambodia & China – Conclusion of FTA.**

Cambodia and China officially concluded negotiations on the establishment of a free trade agreement (FTA), after half a year, on 20 July 2020. Cambodian Minister of Commerce, Pan Sorasak and his Chinese counterpart, Zhong Shan made the official announcement on the conclusion of the FTA negotiations via video conference. The FTA is expected to bring many economic and social benefits to the people of the two countries through the liberalisation of trade in goods and services, the promotion of comprehensive investment, as well as cooperation in a number of areas. For the next step, both sides will implement their respective internal procedures leading to the signing of the bilateral FTA this year.

| ASEAN.

As ASEAN gradually opens its economies, full-scale reopening of borders and economic activities remain a moving target. With the risk of an increase in the level of infection remains, it is therefore critical for businesses to protect their workforce while operations recommence. From the production side, the same applies to the consumer side where a safe environment for transactions can take place so trust and confidence are restored to get economies going again in as safe an environment as possible whilst minimizing the impact on economic activity while restoring consumer confidence.

The private sector has identified gaps and proposed recommendations in the following areas requiring urgent attention in the near term:

1. Exponential increase in mass testing capacity.
2. Contact tracing.
3. Ensuring uninterrupted supply chain for essential goods and services during the pandemic.
4. Preparing groundwork for affordable access and equitable distribution of vaccines.
5. Creating economic safety nets for MSMEs and employees.
6. Creation of the ASEAN Pandemic Recovery Fund.
7. Expedite finalisation and ratification of RCEP in 2020 (with or without India).

The recommendations are aimed at strengthening ASEAN competitiveness, accelerating economic recovery across the region, and placing ASEAN in a better and stronger position to recover from and weather any future pandemic or natural disaster events that could severely impact on the economy of the region.

The private sector has identified critical areas where support is required by the businesses sectors and provided recommendations for action:

1. Dealing with the current pandemic crisis.
2. Future epidemic and pandemic preparedness.
3. Removal and minimising non-tariff-barriers to show genuine political will and leadership.
4. Customs automation and streamlining.
5. Private sector consultation.
6. Economic reopening.
7. Sectoral support.
8. Embracing Industry 4.0.

› **ASEAN eCommerce Online SALE DAY.**

The ASEAN Online Sale Day (AOSD) is set to take place on e-commerce platforms across ASEAN on 8 August, the Vietnam e-Commerce and Digital Economy Agency (IDEA) under the Ministry of Industry and Trade have announced. An initiative of Vietnam within ASEAN's cooperative framework, the AOSD will be the first online shopping event conducted simultaneously throughout the entire ASEAN region. A website dedicated to AOSD featuring businesses participating in the programme has been launched. More than 100 e-commerce businesses from ASEAN member nations are expected to join the online retail gala. The event is expected to support and facilitate the development of commerce and e-commerce in the region, while promoting digital integration and building trust and credibility for ASEAN businesses, especially small and medium-sized enterprises trying to overcome the difficulties caused by the COVID-19 pandemic.

| INDONESIA.

• **PGN Develops LNG Export Market, Which Countries Are the Target?**

PT. Perusahaan Gas Negara Tbk (PGN) is adopting ways to implement efficiencies on all lines, this come about under the pressure of the Covid19 pandemic. Starting from revamping the human capital effectiveness to using new technology related to osupply chain of natural gas from Liquefied Natural Gas (LNG), to Compressed Natural Gas (CNG) to Pipeline Gas. This is in aticipation to grow domestic market as well as to develop markets outside of Indonesia.

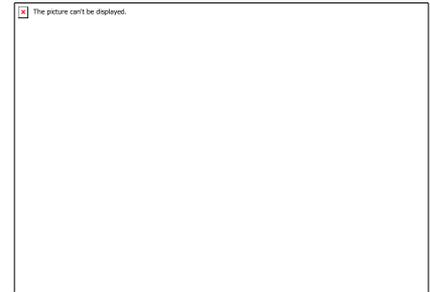
- **32 Investors Eye for Shell Stakes in Masela Block**

Shell Upstream Overseas Ltd intends to withdraw from the Masela Block by releasing participating interest (PI) as it plans to leave the operations behind. Nonetheless, Shell remains committed to overseeing the divestment process of a 35% stake in the Masela Block until completion and a full transfer to the new owner.

| REGIONAL UPDATES

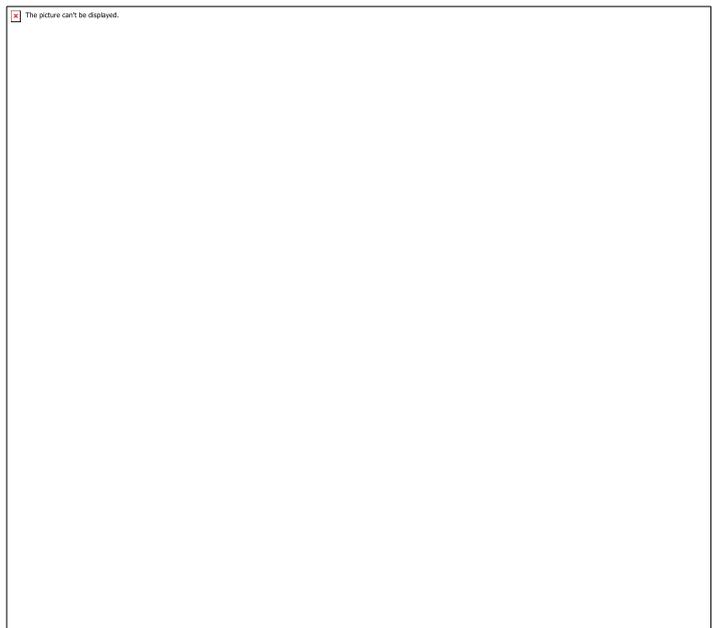
› **Thailand – Limit US Currency Manipulation.**

The Bank of Thailand (BOT) plans to sever the link between gold trading and the baht as a way to limit the currency's gains without being labelled by the US as a currency manipulator. The BOT is in negotiations with market participants to convert local gold trading to US dollars, including the sale of gold futures, to reduce the baht's strength. The recent surge in gold prices has encouraged Thais to reduce their holdings, forcing local shops to sell in the international market and therefore pushing up the value of the baht. The baht has been one of Asia's best performing currencies over the past four years, appreciating around 10% against the dollar over the period. Whether the gold-trading proposal is implemented will depend on the approval of the incoming governor of the Bank of Thailand. The kingdom is in the process of selecting a new central bank chief for the term starting 1 October 2020.



› **Vietnam – Winning on Skills.**

Data from Courseras Global Skills Index 2020, report rated Vietnamese technology skills second in Asia Pacific, 22nd globally and first in ASEAN. In the report published last week, the higher education online learning platform benchmarked 60 countries and 10 industries for business, technology, and data science skills, which are deemed critical to compete in an increasingly digital world. The report gave Vietnam's technology skills a "competitive" rating, the second-highest proficiency level behind "cutting-edge" and above "emerging" and "lagging." The country's strongest skill in the technology domain is operating systems (Android and iOS software development) at "competitive" level. The rest of the ASEAN countries assessed in the report received an overall technology skills rating of "emerging" except for Malaysia which obtained "lagging." According to Coursera data, every skill proficiency percent gained in a country's average proficiency (across domains) is associated with a US\$600 increase in per capita GDP.



› **Vietnam – Japanese Firms Received Support to Move to Vietnam.**

Fifteen out of more than 80 Japanese enterprises have received support from the government to move factories to Vietnam, according to the Japan External Trade Organisation (JETRO). The initiative was implemented to improve the gap in the Japanese supply chain since the supply chain disruptions caused by the COVID-19 pandemic. An international business news outlet reported that the Japanese government would start paying some companies to move factories out of China back to their home

country or to Southeast Asia to improve supply chains and reduce dependence on manufacturing in China. According to a regional news outlet, the Japanese government would pay a total of US\$653 million (70 billion Japanese yen) for 87 companies or groups to move production lines. Thirty of these will receive money for investments in Southeast Asia including Vietnam, Myanmar, Thailand, and others, while the remaining 57 projects will move to Japan.

› **Philippines – Targeted Lockdowns.**

The second phase of the Philippine government's National Action Plan (NAP) to fight the COVID-19 pandemic will focus on balancing Filipinos' health and the gradual reboot of the economy. According NAP, Phase II will be based on the "hammer and dance" theory whereby the government shall continue to contain the spread of the virus through its targeted lockdowns, while slowly rebuilding the economy. If required, local government units (LGUs) will be tasked to impose "granular targeted lockdowns," to further contain the transmission of the virus within their areas.

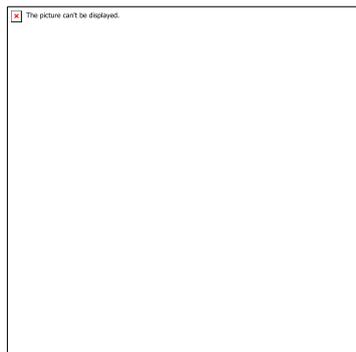
› **Singapore – Opening Up for Conferences & Tourism.**

A risk management framework for business events with up to 50 attendees has been developed by the Singapore Tourism Board (STB), as it prepares for the safe resumption of business-to-business (B2B) events in the coming months. STB will conduct a trial of the new framework with two pilot "hybrid" events before gradually scaling up to other events and event organisers. Hybrid formats will have a combination of face-to-face and virtual interactions. STB said event organisers and event venues must demonstrate readiness and capabilities which will meet five outcomes needed for the resumption of B2B events in a safe and controlled manner.

› **Thailand – Travel Bubble Plan.**

A Thai top medical professor has suggested that the government's proposed "travel bubble plan," should be shelved for at least another six months due to the high-risk of COVID-19 infections and second wave spikes in many parts of the world. The Thai government's proposed "travel bubble plan" will allow small groups of foreign tourists to visit the country.

› **Thailand – Cabinet Line Up.**



Prime Minister Prayut Chan-o-cha has completed his new cabinet line-up and all that remains is for the qualifications of the new ministers to be checked. The energy portfolio, which has garnered attention, is expected to be given to someone outside of the ruling Palang Pracharath Party (PPRP). The reshuffle comes after the resignations of Deputy Prime Minister Somkid Jatusripitak, Finance Minister Uttama Savanayana, Energy Minister Sontirat Sontijirawong and Higher Education, Science, and Innovations Minister Suwit Maesincee last week. This was followed by the resignations of Chart Pattana Party's Tewan Liptapanlop from the position of PM's office minister, and Chatu Mongol Sonakul from the position of labour minister.

› **Indonesia – Covid19 Vaccine Ready to Launch.**

Indonesia's state-run pharmaceutical company Bio Farma plans to produce 100 million doses of COVID-19 vaccine once the final stage of clinical tests has been completed, President Joko Widodo announced on 22 July. The vaccine is being developed by China's Sinovac Biotech which is currently conducting Phase 3 clinical trials in Brazil. According to Jokowi, Indonesia will join in the Phase 3 trials involving 1,620 volunteers and the process will be overseen by the BPOM (Drug and Food Control Agency).

At the initial stage, the company will produce 40 million doses of the vaccine before expanding it to 100 million. Sinovac was appointed as Bio Farma's partner due to the similarity in the two companies' vaccine production platform. Before human trials begin, the Sinovac vaccine must undergo laboratory tests at Bio Farma. According to the company, human trials are expected to take place at Padjadjaran University's Medical Faculty in Bandung, West Java.

› **Indonesia – Slow Trickle of Stimulus.**

The Indonesian government has disbursed US\$809.1 million (Rp 11.84 trillion) from the COVID-19 stimulus package to small businesses and cooperatives as of 21 July but conceded that it had been slow in disbursing the funds. The disbursement is part of the government's national economic recovery (PEN) programme, which will allocate US\$8.5 billion (Rp 123.46 trillion) to aid small businesses and cooperatives amid the ongoing COVID-19 pandemic. The amount disbursed made up only 9.59% of the total budget. According to ministry data, most of the stimulus was disbursed through state-owned banks in the form of debt restructuring funds, US\$26.2 million (Rp 381.4 billion) went to investment funds for 34 cooperatives, while the remaining was used for interest subsidies for MSMEs. The government aims to disburse all the funds by September 2020 by accelerating spending with the issuance of the Finance Ministry's budget execution lists (DIPA).

› **Brunei – Phasing Out Social Distancing.**

Brunei will loosen the limit on public and social gatherings from 50 to 100 people as it enters the fourth and final phase of its de-escalation plan on 27 July, following no reports of new COVID-19 cases for over two months. The revised mass gathering guidelines will apply to workplace events, weddings, religious activities, family get-togethers and charity events. Members of the public will still be required to comply with physical distancing guidelines even when businesses and public services return to full operations.

› **Myanmar – General Election.**

Myanmar's State Counsellor Aung San Suu Kyi and President U Win Myint are slated to take part in an upcoming general election by representing two constituencies of Yangon region, Zaw Myint Maung, vice chairman of the ruling National League for Democracy (NLD) party told media on 23 July. Suu Kyi, in her capacity as the party's chairperson, will run for the election in Kawhmu township while U Win Myint will represent Tamwe township constituency of Yangon region. Over 1,100 representatives from the ruling NLD party will take part in the general election scheduled to be held on 8 November 2020, he said. It is estimated that around 37 million people are eligible to vote in the election while 97 political parties are registered to take part in the vote. The five-year term of the incumbent NLD government will end in March 2021.

› **Cambodia – Rubber Exports.**

Cambodia exported 123,151 tonnes of dry rubber in the first half of 2020, up 18% compared to the same period in 2019, according to a General Directorate of Rubber report released on 20 July. The country made a gross revenue of US\$160.7 million from exports of the commodity during the January-June period in 2020, up 15% over the same period last year. The report noted that a tonne of dry rubber had an average cost of US\$1,305 in the first semester of 2020, around 33 dollars lower than that of the first semester of 2019. Cambodia exports the commodity to mainly Malaysia, Vietnam, Singapore, and China. The country has so far planted rubber trees on a total area of 404,701 hectares, and the trees in 62% of the total area have grown big enough to be tapped.

› **Myanmar – Domestic Investments totalled to US\$ 1.01 billion.**

Domestic investment in Myanmar totalled US\$1.01 billion (K1.4 trillion) in the current fiscal year 2019/2020, an increase of over US\$144 million (K200 billion) compared to the corresponding period in the previous fiscal year, according to data released by the Directorate of Investment and Company Administration (DICA). Between 1 October 2019 and 10 July 2020 in the current fiscal year, 104 local enterprises were allowed to invest in the country by the Myanmar Investment Commission, and the state and region investment committees. Domestic investors poured US\$910 million (K1.3 trillion) into 138 projects in the corresponding period of the 2018/2019 fiscal year. During the ten months, the manufacturing sector brought in the largest domestic investments, followed by real estate development and other services sectors.

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www.aiaconsultancy.com
e-mail: info@aiaconsultancy.com

| S. ASEAN International Advocacy & Consultancy (SAIAC) Team Profile:
Lead Analyst: Shaanti Shamdasani

Researches & Affiliates:
Singapore • India • Malaysia • Philippines • Vietnam • Laos • Thailand • Indonesia • Myanmar –

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