

**Kingdom of Cambodia
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Ministry of Economy and Finance

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Press Release

Meeting of Working Group on Law, Tax and Governance (Working Group D) of the Government-Private Sector Forum to Continue Addressing Issues Raised by Private Sector

Meeting of Working Group on Law, Tax and Governance (Working Group D) under the framework of Government-Private Sector Forum, was organized on 04 March 2020 to continue addressing issues raised by Private Sector. This meeting was chaired by H.E Aun Pornmoniroth, DPM, Minister of Economy and Finance and Co-Chair of Working Group D and Mr. Bretton G. Scaironi, Co-Chair of Working Group D (Private Sector) with participation from representatives of the Royal Government and Private Sector as well as Cambodia Chamber of Commerce. Generally, meeting of Working Group on Law, Tax and Governance always addresses many issues being Private Sector's concerns and received noticeable solutions.

4 issues were tabled at the meeting for the Royal Government to respond and address as follows: 1. Investigation on Illegal Tobacco Trading; 2. Alcohol Industry's Concern over Draft Law on Alcohol Control; 3. Impact of Covid-19; and 4. Impact of Suspension of EBA's Trade Privileges on Certain Goods towards Cambodia's Economy.

Result of the Meeting of Working Group D:

1. Investigation on Illegal Cigarette Trading

After founding out that illegal cigarette trading impacts fair competition and legitimate business operation in the country, Cambodian Tobacco Industry Association has requested to investigate illegal cigarette trading and continue to strengthen the implementation of tax stamps, especially take strict action in accordance with applicable laws and regulations.

Following the discussion, such request will be continued to discuss for solution at technical level by a joint working group composed of members from the General Department of Taxation and General Department of Customs and Excise whereby technical working group of relevant General Departments shall work directly with Private Sector and submit request for review and decision, if necessary.

2. Alcohol Industry's Concern over Draft Law on Alcohol Control

Representative of Alcohol Industry and International Wine Producer has expressed his concern after reviewing the Draft Law on Alcohol Control over a number of issues such as issue related to the determination of minimum legal drinking age, advertisement, sale market, distribution and tax on alcohol products.

In response, technical working group of the Ministry of Health will review this Draft Law based on advice of the Council of Ministers and welcome comments on the Draft Law from Private Sector.

3. Impact of Covid-19

The spread of Covid-19 in the world and in the region has impacted Cambodia's economy. Private Sector requested for information related to actions taken by the Royal Government in response to

this issue such as the preparation of laws and regulations as well as policy for fighting against Covid-19 if the virus spreads in Cambodia and impacts Cambodia's economy.

In response, the Ministry of Health has taken action to prevent the spread of Covid-19 and worked with relevant ministries-institutions to identify a systematic measure to prevent the spread through the development of strategic plan, urgent response mechanism, development of guideline, on-site publicizing and education to people to proactively address and prevent potential issue in a timely manner as well as to strengthen and provide additional resources such as doctors, medical equipment, temperature checking device, management system and standby agents for receiving information related to the virus via emergency number 115 as well as strengthen the cooperation with the World Health Organization.

At the same time, the Ministry of Economy and Finance has been cooperating with the Ministry of Health and relevant stakeholders to develop a joint framework consisting of measures and mechanisms as a package to prevent and protect Covid-19 and other epidemic virus for 6 months by planning to spend around USD30million through the creation of health care system and monitoring device, arrange place for resolving issue as well as search for potential infected person to prevent the spread aimed at preventing, protecting and curing in case of virus transmission. The development of framework will address both hard and soft cases in order to prevent and combine with resolving measures on all aspects which lead to the establishment of public health care system for prevention of epidemic disease in the future.

4. Impact of Suspension of EBA's Trade Privileges on Certain Goods towards Cambodia's Economy

Partial suspension of EBA's Trade Privileges has also impacted Cambodia's economy directly. In order to address these two issues, Samdech Decho Prime Minister has declared actions taken by the Royal Government to manage the impact from Covid-19 and suspension of EBA's Trade Privilege by putting in place the first round of sharp and sector-tailored measures and focusing on most impacted areas aimed at relieving impact and supporting most-impacted sectors such as tourism sector, garment sector, real estate sector and those who lost jobs as well as supporting growth. The Ministry of Economy and Finance is issued guidelines for putting into implementation in the near future. At the same time, the Royal Government will declare a package of policies and sharp and specific reforms during the 19th meeting of Government-Private Sector Forum to be held on 01 April 2020 in order to continue to promote competition and effectiveness of economy, especially the improvement of investment and business environment in Cambodia as well as the promotion of tourism sector, agricultural sector, industrial sector and SMEs sector which help the Private Sector and Cambodian people to receive interest stemming from the growth fairly and inclusively.

It should be noted that through Working Group D Mechanism, GDT-Private Sector Working Group has discussed and completely addressed 16 issues raised by Private Sector in the spirit of improving business environment and operation of enterprises. In addition, Working Group D will continue to pay close attention in accordance policies of the Royal Government with sharp commitment on its efforts to address Private Sector's issues in order to strengthen the competition of Cambodia, create good environment for doing business and investment through fair and just competition aimed at promoting growth of national economy of Cambodia.