



Ministry of Economy and Finance

Phnom Penh, 17 May 2022

**Press Release on
The Dissemination Ceremony on the Implementation of the Tourism Recovery
Co-Financing Scheme - TRCS**

On May 17, 2022 at 03:30 PM, with the high permission of **SAMDECH AKKA MOHA SENA PADEI TECHO HUN SEN**, Prime Minister of the Kingdom of Cambodia, the Committee on Economic and Financial Policy held the dissemination ceremony on **"The Implementation of the Tourism Recovery Co-Financing Scheme - TRCS"**, presided over by **His Excellency AKKA PUNDIT SOPHEACHA AUN PORNMONIROTH**, Deputy Prime Minister, Minister of Economy and Finance and Chairman of the Committee on Economic and Financial Policy, with the participation of leaders and representatives of relevant ministries-institutions, development partners, business associations, microfinance associations and the private sector.

The Royal Government of Cambodia (RGC) has adopted and launched the **"Strategic Framework and Programs for Economic Recovery in the Context of Living with COVID-19 in a New Normal 2021-2023"** on December 16, 2021, to restore and promote Cambodia's economic growth in the short and medium terms to return to the path of potential growth, and strengthen resilience for sustainable and inclusive socio-economic development in the long term. In fact, before the advent of the COVID-19 crisis, tourism sector in 2019 provided a gross revenue from international tourism of approximately 4.919 million US Dollars contributed to about 4.4% of the Cambodia's GDP. However, unfortunately, during 2020 and 2021, tourism sector declined sharply due to the impacts of COVID-19, causing many enterprises in this sector to reduce, suspend or close their businesses completely, as a result, tens of thousands of people lost their jobs and incomes. Therefore, in order to promote and restore the tourism sector, the RGC has introduced a number of intervention measures, such as: (1) Payment allowance to workers in the tourism sector who have been suspended due to the COVID-19 crisis, with each receiving a monthly stipend of 40 US Dollar from the RGC, (2) Free of charge for license and permit application services related to reopening businesses, such as hotel and restaurant patents, (3) Development of infrastructure in existing or newly established tourist areas, (4) Providing new skills training to workers who have lost their jobs, (5) Implementation of co-financing scheme and (6) Promoting the tourism market through outreach campaigns, increasing confidence in Cambodia as a safe destination and developing new tourism products and physical infrastructure. At the same time, the RGC has also implemented the **Master Plan for Siem Reap Tourism Development 2021-2035**, **Master Plan for Mondulkiri Tourism Development 2021-2035**, and plans to officially implement the **Master Plan for Kep Tourism Development 2022-2035** in the near future as well.

So far, during 2020, the RGC has implemented the first phase of co-financing scheme through the Small and Medium Enterprise Bank of Cambodia (SME Bank) in collaboration with participating financial

institutions (PFIs) in the amount of 100 million US Dollars, including 50 million US Dollars contribution from the RGC and 50 million US Dollars from private financial institutions. With positive results from the implementation of the first phase, in August 2021, the RGC decided to implement the second phase of SME co-financing scheme with a total amount of 240 million US Dollars, from the contribution of the RGC of 120 million US Dollars and contribution from the private financial institutions of 120 million US Dollars.

With the approval and permission from **Samdech Techo Prime Minister**, this co-financing scheme has a total amount of 150 million US dollars, which comes from the RGC's contribution of 75 million US Dollars through SME Bank and PFIs contribution of 75 million US Dollars. Through this scheme, enterprises in the tourism sector affected by COVID-19 crisis can apply for loans from participating financial institutions that are partners of SME Bank at a concessional interest rate. **The implementation of the tourism recovery co-financing scheme** focuses on tourism sector only, in order to promote: (A) Resumption of business operations (B) Improvement and modernization (C) Expansion and diversification of tourism services to prepare for national and international tourists as the COVID-19 crisis eases. Through this tourism co-financing scheme, enterprises in the tourism sector will be able to restore, recover and strengthen their competitiveness, as well as promote and transform tourism sector to be more attractive.

The recovery of Cambodia's socio-economic activities, especially tourism, to return to stability and toward the path of potential economic growth in a new normal after COVID-19 crisis, requires close cooperation, active participation and high responsibility from all stakeholders, especially the SME Bank and the private financial institutions, in this co-financing scheme.

