

EXIM Thailand Opens Third Representative Office in Phnom Penh and Launches New Buyer Credit Facility to Drive Thai Export to CLMV

Mr. Apisak Tantivorawong, Thailand's Minister of Finance, and Ms. Neav Chanthana, Deputy Governor of the National Bank of Cambodia, presided over the opening ceremony of Export-Import Bank of Thailand (EXIM Thailand)'s representative office in Phnom Penh, Cambodia. The event was witnessed and attended by EXIM Thailand's directors and executives, together with representatives from Thai and Cambodian public and private sectors, as well as Thai exporters and investors at Sofitel Phnom Penh Phokeethra Hotel in Phnom Penh City of Cambodia on March 7, 2019.

Mr. Apisak said that EXIM Thailand has played a significant role in Thailand's international trade and investment in CLMV (Cambodia, Lao PDR, Myanmar and Vietnam) worth more than 2 billion US dollars or 64 billion baht since its inception up to present when it is entering its 26th year of operation. The opening of EXIM Thailand representative office in Phnom Penh has come from Cambodian government's support through National Bank of Cambodia and Cambodian Ministry of Finance and aimed to enhance EXIM Thailand's role at the regional level as an economic and financial partner to work closely with both public and private enterprises of Cambodia, which is Thailand's neighbor and long-standing major trade partner.

Thai Finance Minister indicated that, with close economic relationship, Thai-Cambodian trade has expanded at an annual average rate of 15% for the past five consecutive years and reached 8.4 billion US dollars in 2018, a year-on-year growth of 36.6%, which is expected to almost double to reach 15 billion US dollars in 2020. Meanwhile, Thai investment for the previous five years has reached 7 billion US dollars in value, making Thailand the 4th largest foreign direct investor in Cambodia. Thailand has recently declared the official theme for its chairmanship of ASEAN this year: "Advancing Partnership for Sustainability," fully recognizing the importance of enhancing close partnership towards sustainability to build ASEAN as one people-centered community to move forward together. Thailand will foster cooperation with fellow ASEAN members, including Cambodia, to achieve greater infrastructure, regulatory and people connectivity toward the "Seamless ASEAN".

The Finance Minister further said that the opening of EXIM Thailand's representative office in Phnom Penh will benefit Thai entrepreneurs, particularly SMEs, leveraging on ample business opportunities in Cambodia. The Bank will provide trade and investment information and advice aiming to serve as a key financial mechanism to explore and create new business opportunities for Thai entrepreneurs in parallel to driving social and economic growth of CLMV.

Mr. Pisit Serewiwattana, EXIM Thailand President, revealed that the official opening of the Bank's representative office in Phnom Penh after having been awarded a business license by the National Bank of Cambodia in January 2019 is in line with the Bank's strategy to connect Thailand to the world through trade and investment. The Bank, under Thailand Team, will collaborate with both public and private entities to facilitate entrepreneurs' access to news and information needed for their business planning and operations in target countries with high potential, especially new frontier markets including CLMV. It will also develop financial products to specifically and efficiently serve each entrepreneur group's needs, as well as connect SMEs with large companies in the value chain. The Phnom Penh representative office is EXIM Thailand's third representative office following the first and second ones in Yangon City of Myanmar and Vientiane City of Lao PDR in 2017 and 2018, respectively.

EXIM Thailand President further said that Cambodia's strength lies in its good economic growth prospects, expected at an average of 6.5% per year over the next five years. The Cambodian government has implemented a policy to accelerate infrastructural development to accommodate the country's economic growth, hosting of the 2023 SEA Games, ongoing urbanization, and foreign direct investment in conjunction with financial system and regulatory liberalization to ease international business operations. Moreover, in provinces along the Thai-Cambodian border, Thai baht is widely accepted for doing business transactions. Thai franchise businesses are today among the most promising businesses in Cambodia, such as restaurants, coffee outlets, bakeries, spas, etc., to serve demand of new generation consumers, Phnom Penh residents with increased purchasing power, foreign expatriates, and foreign tourists looking for familiar brands of service standard. The Bank has for the past years approved credit lines for investment projects in Cambodia worth more than 4 billion baht mostly involving tourism, hotel and public utility construction sectors.

EXIM Thailand has concurrently launched **EXIM Loan for CLMV Buyer** to cater to entrepreneurs in CLMV for their purchase of goods and services from Thailand. It is a credit facility with a tenor of up to 5 years and a maximum credit line of 4 million US dollars per entrepreneur and up to 85% of the purchase value at a minimum interest rate of LIBOR +4.0% per annum. The credit facility is aimed to help drive Thai export to CLMV in 2019 following an export growth of as high as 17% in 2018, which outperformed such major export markets of Thailand as the USA, the EU and Japan. EXIM Thailand will make direct payment for goods and services to Thai exporters. This will help boost exporters' confidence in expanding their trade with trade partners in CLMV.

“CLMV is a target destination for trade and investment for Thai entrepreneurs. Cambodia, in particular, is a modern trade market with high potential as a result of the country's thriving economy and increasing purchasing power of new generation consumers in the capital city and principal tourist towns. The country also offers plenty of opportunities for Thai SMEs. EXIM Thailand is thus ready to work closely and actively with the public and private enterprises to boost Thai-Cambodian trade and investment which will in turn drive social and economic development of Thailand and neighboring countries,” added Mr. Pisit.

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Corporate Communication Division

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