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Committee on Subsidies and Countervailing Measures

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SUBSIDIES

NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVI:I OF THE GATT 1994 AND ARTICLE 25 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES

Cambodia

The following submission, dated 7 May 2021 and received on 10 May 2021 is being circulated at the request of the delegation of Cambodia.

1 SMEs CO-FINANCING SCHEME

1. Title of the program

SME Co-financing Scheme.

2. Period covered by the notification

1 January 2018 – 31 August 2020

3. Policy objectives and/or purpose of the subsidy

This scheme aims at providing loans with low interest rates to bolster and develop the Small and Medium Sized Enterprises in the priority sector to boost the local production and fulfil domestic consumption.

4. Background and authority for the subsidy

The capital of the SME Co-financing Scheme, amounts to USD 100 million and is jointly funded by the SME Bank of Cambodia which is a state-owned bank (USD 50 million) and participating commercial banks and microfinance institutions (USD 50 million).

5. Form of the subsidy

Loans with low interest rates.

6. To whom and how the subsidy is provided

- Loans are provided to registered SMEs in the priority sectors as follows.

1. Agricultural or agro-agricultural products;
2. Food manufacturing and processing;
3. Manufacturing of local consumable goods, waste recycling and production of goods for the tourism sector;
4. Manufacturing of finished products, spare parts or assembling parts to supply other manufacturers;
5. R&D associated with IT or the supply of IT-based services;
6. Enterprises located in SME Cluster Zones and Enterprises developing the Cluster Zone.

- SMEs can borrow up to USD 200,000 for working capital and up to USD 300,000 for investment capital. The maximum interest rate is 7% per year, and the repayment period is four years.

7. Amount of the subsidy

USD 50 million

8. Duration of the subsidy and and/or anytime attached to it

Upon the operation period, starting from 3 April 2020.

9. Statistical data permitting an assessment of the trade effect of the subsidy

Not applicable.

2 AGRICULTURAL AND RURAL DEVELOPMENT BANK

1. Title of the program

Agricultural and Rural Development Bank

2. Period covered by the notification

1 January 2018 – 31 August 2020

3. Policy objectives and/or purpose of the subsidy

The fund aims to increase access to credit for SMEs in the local agriculture sector as to help them in boosting their productivity and improve their competitiveness.

4. Background and authority for the subsidy

The government has provided an additional fund of USD 50 million to a state-owned bank, "Rural Development Bank" to evolve itself to become a commercial bank named "Rural Development Bank (ARDB)". This fund enables ARDB to expand their works toward the promotion of SMEs and local farmers in the agricultural sectors through the increase of their access to finance.

5. Form of the subsidy

Loans with low interest rates.

6. To whom and how the subsidy is provided

SMEs and local farmers in the agricultural sectors can request loans from the Rural Development Bank. The loan size ranges from USD 10,000 to USD 300,000 with the interest rate of 5% per year for working capital and 5.5% for investment loan.

7. Amount of the subsidy

USD 50 million

8. Duration of the subsidy and and/or anytime attached to it

Upon the operation period, starting from 9 December 2019.

9. Statistical data permitting an assessment of the trade effect of the subsidy

Not applicable.
