

Responses from APRACA Members	Issues, challenges and responses by APRACA members to COVID-19 Pandemic			
	1. What is the impact of COVID-19 that you are expecting on the agricultural sector in your country (macro level)	2. How the supply of finance to agriculture and allied sectors are being impacted due to COVID-19 (both Macro and micro level)	3. What are the responses by your organization to reach out to your customers engaged in agriculture and allied business?	4. What are the policy measures taken by the national government and central banks to ease the impact of CAOID-19 on agricultural finance?
VIETNAM				
2. Vietnam Bank for Social Policies (VBSP), Vietnam	<p>a) For the first months 2020, the agriculture sector in Vietnam is affected by climate change, drought, saltwater intrusion and diseases on cattle and poultry, especially the outbreak of the Covid-19 pandemic.</p> <p>b) In VBSP's opinion, the Covid-19 pandemic brings crisis and opportunity for the agricultural sector in Vietnam. It brought about challenges in production, consumption, imports and exports of food.</p> <p>c) The prices of agricultural and fishery products have been devalued, the strict control due to pandemic and the clearance ban have prevented some of Vietnam's agricultural and fishery products from exporting, such as durian, lobster and watermelon.</p> <p>d) The COVID-19 disease prevention and control, created an advantage for businesses and smallholder not only in supplying agricultural products for the domestic market but also for the world. Comparing with other sectors, agriculture seems to be least affected by Covid-19 pandemic which gains trade surplus in Q1 despite Covid-19.</p>	<p>a) As per survey conducted by VBSP, the most effected sector is agriculture, retail business, services, health-care, transportation; some farming borrowers met difficulties in due debt repayment, resulting in limiting loan revolving.</p> <p>b) There will be an increase in the loan demand for improving production especially after the outbreak, customers need more capitals to purchase inputs and produce outputs when the traveling restrictions and trade disruption are invalid</p>	<p>VBSP has conducted several various measures such as loan extension, loan period rescheduling and provisioning of new/additional loans.</p> <p>a) Around 80% clients of VBSP are engaging agriculture finance. VBSP conducted loan extension and loan period modification for 125,449 clients with total amount of VND 3,281 billion; new/additional loans for 533,394 clients with total amount of USD140 million.</p> <p>c) VBSP is supporting the small business and their employers by extending loans as they are heavily impacted by COVID-19 and have already paid at least 50 percent of salary for work suspension from April to June 2020. As per the Labor Code of the country they can borrow a loan with zero percent interest, collateral-free from VBSP for a maximum term period of 12 months. D) VBSP being a government policy bank implementing preferential credit policies for the poor and other policy beneficiaries. The bank is non-profit, offering a full range of services to the poor at subsidized rates.</p>	<p>a) The incentives include providing tax breaks, delaying tax payments, and delaying land-use fees for businesses, costing the government US\$1.16 billion.</p> <p>b) The State Bank of Vietnam (SVB) has already cut interest rates from February 2020. This benefit applies to several businesses including agroforestry fishery, food processing, mechanical processing, furniture, construction, transportation, education and training, real estate, labour and employment services, travel agents, tour operators, entertainment activities, movies, supporting industries, small and medium enterprises, and banking among others.</p> <p>c) The Value-Added Tax (VAT) and Corporate Income Tax (CIT) will be extended by five months. For individuals and business households, the VAT and Personal Income Tax (PIT) deadlines are extended to December 31, 2020.</p> <p>d) Land rent fees have also been delayed for five months for those that lease directly from the government.</p>