

**Highlight News**

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## South Korean President to Pay Three-Day Visit to Cambodia, 14-16 March

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South Korean president Moon Jae-in will pay a three-day visit to Cambodia from 14-16 March 2019. The visit aims to strengthen and expand bilateral cooperation, according to a spokesman for the ministry of foreign affairs and Ket Sophann. During his visit, the President will pay royal audience to His Majesty King Norodom Sihamoni, and pay a courtesy call on Cambodia's key leaders. Meanwhile, the President will hold bilateral talks with Cambodian Prime Minister Hun Sen and sign a number of documents. It will be the first visit of President Moon Jae-in to Cambodia.

Source: <http://en.freshnewsasia.com/index.php/en/localnews/13218-2019-03-04-11-31-45.html>  
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## SME service centre opens in Luang Prabang

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LUANG PRABANG, Laos (Vientiane Times/ANN) - The Lao National Chamber of Commerce and Industry (LNCCI) has opened a branch of its Small and Medium Enterprises Service Centre in Luang Prabang province to strengthen the capacity of SMEs in the eight northern provinces of Laos. The first SME service centre was established in Vientiane recently. The opening ceremony of the second centre took place at the Luang Prabang provincial Chamber of Commerce and Industry.

The event was attended by Minister of Industry and Commerce Mrs Khemmani Pholsena; provincial Governor Mr Khamkhan Chanthavisouk;

Parliamentary State Secretary at the German Federal Ministry for Economic Cooperation and Development, Mr Norbert Barthle; Ambassador of Germany to Laos, Mr Jens Lutkenherm; and LNCCI President Mr Oudet Souvannavong. The Small and Medium Enterprises Service Centre in Luang Prabang will provide consulting and technical services for SME operators within the province and other northern provinces including Phongsaly, Oudomxay, Luang Namtha, Bokeo, Xieng Khuang and Huaphan. In the past SME operators have encountered difficulties in gaining access to finance because they don't understand how to write business plans or how to approach banks to get a loan.

The service centres being set up will help them to get financing by providing assistance in writing business plans and helping with their business development, President of the Luang Prabang province Chamber of Commerce and Industry, Mr Bounthieng Soulivanh, told Vientiane Times.

Luang Prabang has 10,300 business units of which SMEs account for 9.8 percent with most existing in the service sector. But the number of businesses is low compared to the province's population of 400,000. This indicates that we should encourage more people to do business to ensure the province's economy is well balanced, Mr Bounthieng said.

The Lao SME Service Centre was established in 2017 through the joint efforts of the SME Promotion Department, Ministry of Industry and Commerce, and the LNCCI. It is supported by the Regional Economic Integration of Laos into Asean, Trade and Entrepreneurship Development (RELATED) project run by the Lao-German Development Cooperation.

SME service centres aim to support and provide technical services as well as promote enterprise development in general areas such as business

start-up, entrepreneurship promotion, productivity enhancement, quality improvement, innovation development and business cooperation. They also provides Asean-related services such as dissemination of information related to Asean, strengthening competitiveness of enterprises in priority sectors, Asean standards and market access. Experienced trade experts from the Ministry of Industry and Commerce working at the centres also provide businesses and start-ups with new updates on SME connectivity through seminars and training sessions. The LNCCI will open a third Small and Medium Enterprises Service Centre in Champassak province in May to assist businesses in the southern provinces

Source : <http://annx.asianews.network/content/sme-service-centre-opens-luang-prabang-92506>  
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## **Govt works towards a better business environment**

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Lao authorities have adopted measures that will allow easier access to credit and give added protection to minority investors in moves set to improve the country's overall business environment. Accessing credit and protecting minority investors are two of the 11 indicators which the World Bank uses to assess 'ease of doing business' (EDB) in its worldwide survey. Laos' EDB ranking dropped 13 places to 154th this year out of a total of 190 national economies. The government is escalating efforts to improve the business environment to lift its ranking and make investment and trade as simple and transparent as possible.

In a meeting held last week chaired by the Minister of Planning and Investment, Dr Souphanh Keomixay, it was agreed that the Bank of the Lao PDR would work with key industry groups and relevant government sectors to make it easier for businesses to access credit. A key aspect of the changes will centre on the central bank's work with the Ministry of Justice to amend legislation on the guarantees needed to obtain credit and loans. The civil code, the law on agreement implementation guarantee, and the Law on Enterprise Bankruptcy will likely require amendments. The relevant ministries and sectors were asked by the meeting to accelerate work in drawing up a prime ministerial decree on access to credit, a senior official from the Investment Promotion Department, Ministry of Planning and Investment. The draft of the decree is expected to be submitted for the government's consideration and promulgation during the fourth quarter of this year. As a result of discussions around accessing loans, the central bank will work more closely with the relevant bodies so that the required information on utility payments for loans can be provided more quickly and with less administration. To better protect minority investors, the Lao Securities Commission and the Bank of the Lao PDR will work with the Ministry of Industry and Commerce and the People's Supreme Court to amend the Law on Enterprise, the Law on Civil Case Prosecutions, and the Law on Court Service Fees. As a result of the meeting, the Lao Securities Commission will also work with industry professionals to draw up new guidelines for the administration of listed companies and will amend existing regulations relating to information disclosure. The meeting also resolved to amend the Law on Securities Exchange. Formulations and amendments are expected to be adopted by regulatory authorities by the end of this

year. The government is hoping that Laos' EDB ranking will rise from 154th to double digits by 2020. Prime Minister Thongloun Sisoulith has requested more urgency from ministries in their work to achieve better outcomes in the 11 indicators the World Bank uses to assess EDB. The 11 indicators are starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency, and labour market regulations. The Ministry of Industry and Commerce said in its report that trading across borders has improved considerably. Laos' trading across borders facilitation ranking climbed from 124th in 2018 to 76th this year – an improvement of 48 places. This progress has put Laos fourth among the members of Asean, the 10-member regional bloc of which Laos is a member. Other Asean members - Singapore, Malaysia and Thailand – took the top three places. The ministry's Enterprise Registration Office said the time taken to complete the paperwork to start a new business has been cut to less than two months compared to almost six months previously. The new, streamlined procedures came into effect last month.

Source: [http://www.vientianetimes.org.la/freeContent/FreeContent\\_Govt.php](http://www.vientianetimes.org.la/freeContent/FreeContent_Govt.php)  
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## **Industrial Bank of Korea Eyeing Presence in Myanmar**

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Industrial Bank of Korea, which is supporting small and medium enterprises in South Korea, is eyeing to extend its services in Myanmar, U Aung

Kyi Soe, General Secretary of UMFCCI, said at the workshop on increasing agricultural and fishery export to South Korea from Myanmar held on February 16. Industrial Bank of Korea is an industrial bank headquartered in Jung-gu, Seoul, they provide financial services and management assistance to SMEs as well as providing other support in handling difficult situations related to the industry. "Industrial Bank of Korea has applied for a license to open its office in Myanmar. It provides nearly 80 percent of the SMEs in South Korea," he added. He said that the federation is planning to work with Industrial Bank of Korea to help the industries with the most potential to produce finished products instead of exporting raw materials, the plan to accomplish this to providing technical assistance and funding.

There are 13 foreign banks that have received permission from the Myanmar government to provide banking services in the local market, and the Central Bank of Myanmar in November issued an order which allows foreign banks to provide financial services to local enterprises in the same way local banks do. Experts believe that this will create strong competition in the local banking sector

Source: <https://www.mmbiztoday.com/articles/industrial-bank-korea-eyeing-presence-myanmar>  
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## **Yangon to Build Export Market**

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U Phyo Min Thein, the Chief Minister of Yangon, said that his regional government will establish a market place for local exporters where they can negotiate trade deals for their products in the heart of Yangon instead of having to take their products to the border area. He made these comments at a

regular monthly meeting between the vice president of Myanmar and local businessmen held at UMFCCI on February 22. There were cases in 2018 in which watermelon spoiled due to a long wait at the border causing a lot of losses while exporters were looking for buyers in 2018. U Phyo Min Thein said: "Traders had to sell their goods at very low prices due to fear of spoiling." After highlighting the issue of border trade, he assured business men, "Now we are trying to establish a market in Yangon where traders can strike deals, eliminating the need for traders to go to the border blindly. Instead, they will make a trade deal here and then export according to the agreed terms." Trade volume through border areas from October 1, 2018, to February 15, 2019, hit \$2.51 billion exceeding the same period last year by \$155 million. The Yangon Regional government is determined to include this new market place into China-Myanmar Economic Corridor, he added.

Source: <https://www.mmbiztoday.com/articles/yangon-build-export-market>  
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## Myanmar and Thailand to Sign Direct Cross-Border Transport Agreement

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Myanmar and Thailand will sign a cross-border transportation agreement in March for direct transfer of goods between the two countries, said U Thant Sin Maung, Union Minister of the Ministry of Transportation and Telecommunications, at the meeting between the vice president of Myanmar and local businessmen held at UMFCCI on February 22. "There were some requests from the border trade associations that they want to go straight to airport in Bangkok. For that, we have negotiated with

Thailand's transportation ministry and have reached the agreement. We only need to sign the agreement in March. However, the driver of the freight truck needs to be changed at the border while the same truck goes into either country," he said.

At the time being, the direct cross border transportation will only be to Bangkok, and will not be available for all goods. During the period, the two sides will examine the quality of the designated goods before export to either side. The agreement between the two countries is part of Cross Border Transport Agreement signed between GMS countries in 2015: Cambodia, China, Laos, Myanmar, Thailand and Vietnam. [Editor's Note: The Greater Mekong Subregion, (GMS) is a transnational region of the Mekong River basin in Southeast Asia.] To implement cross border transportation between GMS countries, Myanmar has built border trade gates at the Myanmar-Laos border area, and Myawaddy at the Myanmar-Thailand border, U Thant Sin Maung said. Thailand is Myanmar's one of biggest trade partners and the two countries has made over \$1.3 billion of trade from October to December 2018.

Source: <https://www.mmbiztoday.com/articles/myanmar-and-thailand-sign-direct-cross-border-transport-agreement>  
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## April start date for Daewoo factory

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Daewoo Bus Myanmar Company, a joint venture between Myanmar Trade Centre and Zyle Daewoo Commercial Vehicle Company, will start assembling semi-knocked down (SKD) buses from April. Daewoo Bus Myanmar managing director Dr

Kyaw Kyaw Aung said the company will start producing the BS 106 bus used for city transportation and the Lestar luxury minibus on the SKD system from April at its 14-acre factory in Yangon's Mingaladon Township leased from the Ministry of Industry. According to him, the factory will produce 15-, 27- and 45-seater buses based on customer specifications. The buses would use either compressed natural gas or diesel. The average price for the city bus is US\$85,000 while the Lestar minibus has an average price of US\$45,000. Customers can buy the buses through hire-purchase. The factory, which cost between US\$7 million and US\$10 million, can produce up to 500 buses per year and employs over 200 people. Kyaw Kyaw Aung said over the long-term, the factory's commercial viability will depend on government policy. "The government should encourage local production so that we can survive in future. We can localize and also reduce foreign exchange exposure," he added. Kyaw Kyaw Aung hopes demand will grow as the company is moving to produce completely knocked down units "very soon". He pointed out that government policy plays an important role in helping to boost local production and that not just Daewoo will benefit but other foreign auto companies who want to manufacture their vehicles in Myanmar too. Currently, foreign car companies with a manufacturing presence in Myanmar are all producing on the SKD system, in which vehicle parts that have been partly put together are imported into the country and locally assembled. Kyaw Kyaw Aung has plans to export to Asean markets besides selling to the local market. He noted that as Myanmar develops, the country will need to rely more on a public transportation system, the main reason for Myanmar Trade Centre, which owns a 75% stake in the joint venture, decided to

invest in bus manufacturing. "We noticed that public transportation in Myanmar is very weak. We shouldn't think that public transportation is important only in Yangon. The public transportation is still weak in the rest of the states and regions," Kyaw Kyaw Aung said. The Mingaladon factory, one of eight in the world producing Daewoo buses, will be supported by service centres in Yangon, Mandalay and Naypyidaw. Besides a factory in Korea and Myanmar, Zyle Daewoo has manufacturing facilities in China, Costa Rica, Kazakhstan, Pakistan, Taiwan and Vietnam with an annual production capacity of 15,000 buses.

Source: <https://www.mmtimes.com/news/april-start-date-daewoo-factory.html>

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## Cashew price to recover this year

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Cashew prices are expected to recover this year on the global market and producers should promote cooperation to remain stable. Experts spoke at an international conference on the cashew industry held in Huế from March 1-3 to promote close and long-term relationships between cashew companies and create a basis for establishing trade between parties this year. R K Dhooles, chairman of the Cashew Export Promotion Council of India (CEPC) said annual consumption of cashew nuts has increased sharply, meaning good news for the global cashew industry. He predicted demand will continue to rise so prices will also surge. The CEPC chairman said in the future there should be a common institution for controlling trade activities to ensure parties respect contracts. Prices must be fair to ensure all parties

benefit in the value chain. During the conference, the Việt Nam Cashew Association (Vinacas) and the CEPC held talks about promoting cooperation in stabilising cashew prices this year

The cooperation between Vinacas and CEPC, representatives of the two largest cashew processing countries in the world – India and Việt Nam, is necessary to gradually stabilise the market and ensure benefits in the global value chain this year and beyond. Also at the conference, participants asked African countries to control the quality of exported cashews this year. The conference forecasted that global raw cashew output this year is about 4 million tonnes (or 1 million tonnes of processed cashew), including over 2 million tonnes in Africa and the remainder from other countries including India, Việt Nam, Indonesia and Cambodia. The conference this year attracted 300 businesses from Việt Nam and other countries. The annual event was under the national trade promotion programme and showed achievements and innovations in food safety and hygiene technology of Việt Nam's cashew industry.

VN exports According to the Vinacas, this year, Việt Nam plans to ship 350,000 tonnes of cashew nuts for about US\$4 billion, a lower volume but higher value than last year. By increasing sales of processed products instead of raw cashew, the ratio of processed cashew nuts of Việt Nam is expected to rise 30 per cent, double that of two years ago. Vinacas general secretary Đặng Hoàng Giang said that along with improving the quality of processed cashew nut, in June 2019, the association will survey the West Asian market, bringing about more choices for exporters in terms of market and product. Vietnamese cashew is popular in demanding markets such as the US and the EU, paving the way

for domestic exporters to expand markets. Along with seeking new markets, Việt Nam aims to maintain major ones such as the Netherlands, China, and especially the US, which consumes up to 40 per cent of the country's cashew nuts, said Giang. He added that the current market trend is products with clear origin, as customers prefer products with strictly controlled quality. Vinacas Vice President Nguyễn Minh Hòa said that to conquer new markets, Vietnamese firms should pay greater attention to studying requirements of the markets to supply suitable products. Hòa noted that with the use of Vietnamese technology over the years, African

countries have started processing cashew and reducing their exports of raw cashew. They are expected to compete with Việt Nam in the next five years. With dependence on materials from other countries, it is crucial for the Vietnamese cashew sector to improve quality to enhance competitiveness, he said. Vinacas chairman Phạm Văn Công said the association will ask for support from the Ministry of Industry and Trade in implementing the "Cashew of Vietnam" promotion programme as well as other programmes to assist in the building of Vietnamese cashew trademark and providing information and technical support for exporters. Vinacas will ask the Ministry of Finance to deploy measures to encourage foreign-invested firms to focus on processing, contributing to increasing the ratio of processed products. Although Vietnamese cashew is defined by the International Nut and Dried Fruit Council as having higher quality than that of African countries and Cambodia, the price of cashew material is not very different than that of other countries. Therefore, the building of a Vietnamese cashew trademark should start by building a trademark for materials. Công said Vinacas

and the Ministry of Agriculture and Rural Development have built a set of national criteria for cashew material, which will be issued in 2019 and is expected to reduce problems in the quality of materials. — VNS

Source:<http://vietnamnews.vn/economy/506481/cashew-price-to-recover-this-year.html#msZVieLLEHilVwm0.99>

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## Export of marine products to reach \$3.5 billion this year

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Despite likely hurdles, export of marine products is expected to rise by 17 per cent to US\$3.5 billion this year, according to the Việt Nam Association of Seafood Exporters and Producers (Vasep). According to Nguyễn Thị Thu Sắc, VASEP's deputy chairwoman and chairwoman of its marine products committee, tuna exports still have room to grow thanks to imported raw fish and Việt Nam's trade agreements with a number of countries. Tuna exports are forecast to top \$1 billion this year, \$350 million higher than last year, she said. Exports of other fish, squid, octopus and other seafood products are likely to be steady or increase slightly, she said. Referring to markets, she said shipments to Japan are expected to jump by 27 per cent to \$900 million, with exporters focusing on marine fish, surimi and value-added products. Exports to South Korea are also expected to rise by 27 per cent to \$600 million as exporters take advantage of the free trade agreement with the country to boost shipments of all kinds of products, especially squid, octopus and crab, she said. Firms would boost exports of tuna and other fish as well as squid, octopus and crab to the

US by an expected 10 per cent to \$480 million, she said. Last year, exports to the EU fell by 4-20 per cent, except for tuna, whose shipments increased by 11.5 per cent, but even that growth halved from 2017 due to the impact of the yellow card, she said. The sector is working to get the yellow card warning lifted this year, she added.

Exports to Southeast Asia are expected to reach \$480 million, up 18 per cent, with a focus on exports of tuna, octopus and other species, the association said. The association called on exporters to more actively to expand their markets, especially those having free trade agreements with Việt Nam, and enhance the value of exports with value-added products. They also need to enhance co-operation with fishermen for improving the quality of products, it said. Due to insufficient raw material supply in the domestic market, enterprises import from other countries for processing for export, she said. Last year, imports were worth \$1.25 billion, 34 per cent higher than in 2017 and accounting for 73 per cent of total seafood imports. — VNS

Source:<https://vietnamnews.vn/economy/506379/export-of-marine-products-to-reach-35-billion-this-year.html#JUYoSq9T9o44OR7G.97>

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