



Highlight News

Big rise in funds for travel
goods manufacturing

Laos commits to
green growth path

Border demarcation with Laos
remains precarious

Ayeyawady catfish farming project
to earn \$150 m yearly

Mandalay govt seeks solution to
gum karaya price slump

EU highlights need to protect
wildlife in Myanmar

Aussie survey finds private
firms face hurdles
in doing business

Retail Sales, service revenues
increase in 2 months

Big rise in funds for travel goods manufacturing

Cambodia has seen investment in the manufacture of travel goods soar noticeably in early this year as the Council for the Development of Cambodia (CDC) figures reveal grants for bag manufacturers accounted for nearly half of all investment projects. Industry insiders claim the spike is due to tariff privileges Cambodian-made travelling goods receive from the US under its Generalised System of Preferences (GSP) and the increasing trend of global manufacturing firms leaving China due to rising operating costs. CDC has granted investment approval to a total of 45 projects from January to Tuesday, according to figures on its Facebook page, of which 21, almost half, were for bag manufacturing. The accumulated investment capital for the 21 projects is about \$100 million, and if all projects materialise, 31,951 jobs will be created. CDC reviews investment applications and grants incentives to investment projects meeting the requirements as laid out in Cambodian investment law. CDC officials could not be reached for comment on Tuesday.

Garment Manufacturers Association in Cambodia (GMAC) deputy secretary-general Kaing Monika on Tuesday said there is an increasing trend in low value-added industries leaving China due to rising costs of doing business and to avoid tariffs in response to the escalating trade war between the US and China. He added that Cambodia is becoming more attractive to those companies, thanks to duty-free access to the US market since July 2016, when

28 travel-goods production lines operating in the Kingdom became eligible for the scheme. "The main reasons behind attracting more bag manufacturers is the GSP that the US provides to Cambodia, the trend of manufactures leaving China due to the rising costs of doing business there and a shortage of labour in low value-added industries," he said. He added that the threat of a US-China trade war was another factor contributing to the push in China for manufacturers of low value-added products to accelerate plans to relocate factories to other countries – including Cambodia. US President Donald Trump late last year threatened to raise levies on \$200 billion worth of Chinese goods from 10 to 25 per cent. The list of affected products included handbags, travel items and other accessories. Though Trump announced a delay in the tariff increase late last month, analysts still warn that it does not mean the trade war is officially over. Travel goods manufacturers are not obliged to register as GMAC members but are encouraged to on a voluntary basis. There are currently more than 20 members voluntarily registered as GMAC members, up from around 10 in 2017. According to Monika, the value of Cambodian travel goods exports amounted to about \$500 million last year, of which \$350 million was exported to the US market.

Source: <https://www.phnompenhpost.com/business/big-rise-funds-travel-goods-manufacturing>

06/03/62

Laos commits to green growth path

The government has made a firm commitment to roll out its green growth strategy. Deputy Prime Minister and Minister of Finance, Mr Somdy Duangdy, yesterday chaired a national level meeting to discuss ways to put the strategy, which Prime Minister Thongloun Sisoulith endorsed on January 31, into practice. Minister of Planning and Investment, Dr Souphanh Keomixay, President of the National Economic Research Institute, Mr Bouasone Bouphavanh, ministers and senior government officials also attended the meeting, which took place at the Lao Plaza Hotel in Vientiane. Speaking at the opening ceremony, Mr Somdy said the government viewed the implementation of the national green growth strategy as one of its priority tasks. He said the strategy was in line with Party and government policies to direct the economy along a more sustainable path. Laos has seen rapid economic growth over the past several years. But the economy is heavily reliant on the exploitation of natural resources, which will one day be depleted.

The government is working to improve the business climate so that the economic base can be diversified. In this context, Laos must build a knowledge-based economy but this will be possible only if the workforce acquires a new range of skills. Mr Bouasone said development of the national green growth strategy began in 2017. Success in developing this public policy was possible thanks to extensive consultations with local and central authorities. Business operators, civil society groups and international development partners also made

contributions to the strategy. The main aim of the strategy was to ensure strong and inclusive economic growth, public participation, efficient use of natural resources, and clean industries, Mr Bouasone said. The strategy also aimed to help Laos build its capacity to respond to climate change. To achieve these goals, it is essential to improve the business climate and enhance the capacity of the government to administer investment projects. Promoting gender equality, adapting to climate change, and improving Laos' standing in the United Nations' economic vulnerability index are also vital. According to documents obtained by Vientiane Times from the meeting's organising committee, key issues tabled for discussion included the establishment of a centre to promote green growth in Laos and the creation of coordinating mechanisms to implement the strategy. Meeting participants also discussed preparations by Laos and the country's readiness to become a member of the UN-sponsored Partnership for Action on Green Economy. Policymakers believe it will be easier to obtain financial and technical support if Laos becomes a member of this UN organisation

Source: http://www.vientianetimes.org.la/freeContent/FreeContent_Laos_commits_55.php 6/3/2562
06/03/62

Border demarcation with Laos remains precarious

Foreign Affairs Minister Prak Sokhonn has blamed Laos for bogging down demarcation work along the border. Both nations began work to demarcate the 540-kilometre border in 2000. So far, the government has demarcated 84 percent of the border with Laos. Mr Sokhonn said the remaining 16 percent could have been done had the Lao government not requested for an old French map to be referenced in December. "We cannot accept the Lao request because they want to use a map produced in 1902, a year when France had not yet transferred Stung Treng province to Cambodian territory," he said. "This work has been a headache." "In 1998, the two countries agreed on which maps to use," he added. "So why are they now asking for a review of what was already agreed upon? This could mean that the maps we used to demarcate 86 percent of the border will become invalid." Mr Sokhonn stressed that the government will not concede any land to Laos. "If our friend does not accept this, we have no choice but to go to the International Court [of Justice] because we cannot provide concessions," he said. In August 2017, hundreds of Lao soldiers invaded Ou' Alai and Ou'Ta Ngav areas in Stung Treng province's Siem Pang district during a dispute about the construction of a road near the border. Prime Minister Hun Sen then ordered thousands of troops to be deployed along the border and issued an ultimatum to Laos to pull out its forces within six days.

A day later, Laos agreed to withdraw its troops after Mr Hun Sen flew to Vientiane to talk with Lao Prime Minister Thongloun Sisoulith. Meanwhile, Cambodia and Laos have agreed to look into the possibility of opening additional border checkpoints to facilitate trade and the movement of people between the two countries. Interior Minister Sar Kheng yesterday presided over a bilateral meeting with Vilay Lakhamfong, Minister of Lao Security, and both signed a series of agreements, ministry spokesman Phat Sophanith said. Speaking to reporters after the meeting, Mr Sophanith said the opening of new border checkpoints is crucial to promote the exchange of people, noting that the two countries share only one border checkpoint so far. "We agreed to look into feasible ways of having more legal checkpoints to encourage bilateral trade and convenient travelling for people," he said.

Mr Sophanith said the government will consider opening more border checkpoints in Strung Treng province or Ratanakiri province. Mr Sophanith added that during the meeting both parties also highly valued cooperation on security in 2018, and pledged to ensure safety and social order along the border in 2019. "The two parties will continue to exchange information and close cooperation along the border," he said. "We also pledged to prevent and crack down on drug trafficking."

Source: <https://www.khmertimeskh.com/50584249/border-demarcation-with-laos-remains-precarious/>

06/03/62

Ayeyawady catfish farming project to earn \$150 m yearly

A catfish farming project located on 900 acres of land in Pantanaw Township, Ayeyawady Region, will be implanted with a starting capital of K200 billion and the project is expected to earn US\$150 million a year, said Htay Myint, president of Myanmar Fisheries Federation. "We have started a trail-run on 900-acre land. We have planned to make an initial investment of K200 billion. We will breed 150,000 fingerlings to earn US\$150 million a year in export. We have so far collected about 60 percent of the fingerlings. We will try to compete with the international community," he said. The project is being implemented by global Earth Public Co Ltd established by Myanmar Fisheries Federation. Now, fish farms and buildings are being set up.

"We have to take eight more months to complete all our facilities such as factories and fish farms. They will be completed this year I think. But we could make our products next year. We will also arrange market promotion," said Toe Nanda Tin, vice president of the federation. The project includes a hatchery, fish farms, feed factory, cold storage factory and staffing housing. Global Earth Public Co Ltd will invite shareholders when the project comes into shape

Source:<https://elevenmyanmar.com/news/ayeyawady-catfish-farming-project-to-earn-150-m-yearly>
06/05/62

Mandalay govt seeks solution to gum karaya price slump

The Mandalay regional government is seeking ways to solve the falling price of gum karaya and to develop the industry, U Myint Zaw Oo, regional director of the Consumer Affairs Department, said. He said that producers made proposals to address the falling prices and develop the local industry at a recent workshop.

Gum karaya is a vegetable gum made from the secretion of trees of the genus *Sterculia*. It is used as a thickener and emulsifier in foods, as a laxative, and as a denture adhesive. Among the proposals were using hormone technology, improving latex drying techniques, and access to loans for small to medium-sized enterprises that make products from gum karaya. "We are providing help to make the private sector stronger, and helping them with production," said U Myint Zaw Oo. He said the government and producers are working to address the problem of instability in the gum karaya market. "Gum karaya already has a market. The problem is its low price. Is it because their products don't meet the quality standards?" U Myint Zaw Oo asked. "If not, they need to find new markets. We are only at the stage of identifying the possible causes." There are 19,000 acres of gum karaya in Mandalay but only 2050 producing acres, 25,000 acres in Sagaing Region but only 1400 producing acres, 20,000 acres in Magwe Region but only 1700 producing acres, 3000 acres in Bago Region but only 50 producing acres, and 6000 acres of gum karaya in Shan State but only 30 producing acres. U Zaw Moe Tun,

chairman of the Myanmar Gum Karaya Producers Association, said that the industry needs to improve the process of producing gum karaya to penetrate the international market. “Farmers need more knowledge. We all need to cooperate and be more efficient,” he said. The price of gum karaya is now K15,000 (US\$9.90) to K40000 per viss, or about 1.63 kilograms. U Zaw Moe Tun said the price has been depressed for more than one year. In 2017, the price averaged K80,000 but dropped to K50,000 in 2018. “We need to find opportunities to export our products,” U Myint Zaw Oo said. “We mainly export to China’s Yunnan province. We have to export to other provinces and other countries, such as South Korea, Taiwan, Australia and New Zealand.”

Source: <https://www.mmtimes.com/news/mandalay-govt-seeks-solution-gum-karaya-price-slump.html>

6/3/62

EU highlights need to protect wildlife in Myanmar

In line with World Wildlife Day (3 March), the European Union is launching “Larger than Tigers”, a ground-breaking report that sets out a roadmap for an integrated environmental conservation approach in Asia. Part of the report focuses on the Mekong Region, which features findings for Myanmar and the neighbouring countries. The pressures on Myanmar’s biodiversity and ecosystems - from habitat loss to climate change and increasing wildlife crime - are intensifying. Myanmar’s natural ecosystems provide water and food, regulate

climate, process waste products, pollinate crops, and support a growing tourism industry. These natural assets are irreplaceable. The “Larger than Tigers” report contains valuable recommendations that are applicable to Myanmar, and the European Union in Myanmar wishes to support the country in maintaining its biodiversity and developing a green economy. Preparation of the “Larger than Tigers” report took two years and involved 28 authors with input from 382 experts from over 150 organisations who participated in workshops or provided information and comments, across over 25 countries in Asia.

Source: <http://mizzima.com/article/eu-highlights-need-protect-wildlife-myanmar>

5/3/62

Aussie survey finds private firms face hurdles in doing business

Red tape and access to skilled labour are significant constraints for businesses in Myanmar, according to a survey by the Australia – Asean Chamber of Commerce. Three-quarters of the respondents to the survey on Myanmar identified government bureaucracy as a significant hurdle while two-thirds identified access to skilled labour as a constraint. Respondents to the survey - the fourth Australian Business in Asean Survey – also noted weak law enforcement as a continuing challenge to doing business in the country. These three high-impact business challenges increased in 2019

compared to 2017. However, the survey showed that the political and currency conditions have become more stable. Office rentals, personal security and labour costs were also seen by respondents as less of a challenge. Australia-Myanmar Chamber of Commerce CEO Jodi Weedon told the Myanmar Times that compared to the rest of the region, Aussie firms do not see corruption in Myanmar as being more of a challenge. “More than 90pc of the Australian business community here in Myanmar (who responded to the survey) has been operating in the Myanmar market for less than 10 years with 50pc entering the market in the past five years demonstrating the scale of opportunity which may exist,” she noted. Weedon said the survey “is intended to provide factual guidance as to how Australia, as a close neighbour in the Asean region, is well placed to become a partner of choice for countries in Southeast Asia”. She said the survey identifies new trade and investment opportunities across the region. “With regard to Myanmar, the survey indicated that there does continue to be great diversity among Australia's business presence here. Of the businesses who responded to the survey, one-quarter are professional services firms, however, Australian businesses also have a significant representation in travel and hospitality as well as financial services,” Weedon added. According to the survey, Australian businesses in Myanmar are predominantly country offices focused on the local market. Proximity to customers, economic conditions in the country, and proximity to suppliers were the top growth drivers, the survey’s respondents said. On March 4, the Ministry of

Commerce together with the Directorate of Investment Administration (DICA) and the International Trade Center (ITC) launched the Trade and Investment Project (TIP) with the aim of boosting Myanmar’s business ecosystem by improving trade and investments. The TIP’s strategic focus include improving trade competitiveness and business environment through updating National Export Strategy (NES), supporting investments in building productive capacities as well as expanding public and private trade and investment support services to micro, small and medium enterprises. The project will also improve the investment promotion through the Myanmar Investment Promotion Plan, and enable priority sectors growth through specialized support for the private sector.

Source:<https://www.mmtimes.com/news/aussie-survey-finds-private-firms-face-hurdles-doing-business.html>

5/3/62

Retail Sales, service revenues increase in 2 months

The country’s total retail sales and services revenue rose 12.2 per cent year-on-year to VNĐ793.8 trillion (US\$35.2 billion) in the first two months of this year. Retail sales of goods and services reached an estimated VNĐ390.8 trillion in February, marking a yearly increase of 11.5 per cent but a monthly decline of 3 per cent, the latest report from the General Statistics Office (GSO) showed.

GSO statistician Vũ Mạnh Hà attributed the two-month retail sales growth, which would be 92.8 per cent excluding inflation, to local people's strong purchasing power during the long-lasting Tết holiday. The retail value of goods topped VNĐ613.4 trillion, up 15 per cent year-on-year and accounting for 77.3 per cent of the total. Of which, the sales of food and foodstuffs increased by 15 per cent, home appliances 14 per cent, and garments and textiles 13.2 per cent. Localities recording a significant retail sales increase included the central provinces of Hà Tĩnh and Quảng Nam with 19.4 per cent and 16 per cent, respectively; the southern province of Long An with 17 per cent; the northern port city of Hải Phòng with 14 per cent; HCM City with 13 per cent and Hà Nội with 11 per cent. From January to February, restaurant and accommodation revenues were VNĐ90.2 trillion, surging 5.7 per cent against the same period last year and making up 11.4 per cent of the total with positive revenue growth seen in several localities such as Hải Phòng (16.5 per cent); the southern city of Cần Thơ (13.2 per cent); the central provinces of Khánh Hòa and Quảng Nam (12 per cent and 10 per cent, respectively). Tourism revenues stood at VNĐ8 trillion, up 7.8 per cent, the office said, adding that revenue from other services, which equaled 10.3 per cent of the total, witnessed a yearly rise of 5 per cent to VNĐ82.2 trillion. In 2018, the nation's total goods retail sales and service revenues rose 11.7 per cent on-year to nearly VNĐ4.4 quadrillion. Specifically, its goods retail sales surged 12.4 per cent to over VNĐ3.3 quadrillion.

Under the domestic trade development strategy, total sales of goods and services would grow by 13 per cent each year through 2020 and by 14 per cent per year in the 2021-25 period. — VNS

Source: <http://vietnamnews.vn/economy/506466/retail-sales-service-revenues-increase-in-2-months.html#clbzUMT5Udr0bWxz.99>

06/03/22
