

Highlight News

April, 23/2019



- **Cambodia's rubber exports show 23% increase, but prices decline**
- **New China-Laos joint project to power up electricity distribution in Laos' capital**
- **Thailand to ink deal on Thai-Lao line**
- **Dung Quất refinery earns \$26m in Q1 post-tax profit**

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Cambodia's rubber exports show 23% increase, but prices decline



Cambodia News | April, 23/2019

Cambodia's rubber exports increased 23 per cent in the first quarter of this year on the same period last year, while rubber prices continue to decrease, according to figures from the General Directorate of Rubber under the Ministry of Agriculture, Forestry and Fisheries. The data showed the Kingdom exported 48,192 tonnes of rubber in the first quarter of this year, a 23 per cent increase compared to the same period last year, with an average price of \$1,279 per tonne, a 12 per cent decrease. Based on prices and export volumes, the industry generated some \$61 million in revenue in the first quarter of this year. Association for Rubber Development of Cambodia (ARDC) president Men Sopheak said the rise in exports is due to increasing rubber yields and market demand. "The number of mature rubber trees is increasing, so it results in more production for exports," he said. "Even though prices are decreasing, we [rubber producers] and farmers still need to sell our stock to pay for production costs." "Difficult for rubber producers' General Directorate of Rubber director-general Pol Sopha said the world economy is slowing down and the fluctuation of rubber prices depends on the international market. "If prices continue to decrease, it will be difficult for rubber producers and farmers. Currently prices are unfavourable for the industry, but are still okay for family-owned rubber plantations," he said, adding that labour costs remain a challenge. However, Sopha added that rubber remains an agricultural product with more potential compared to others. "To keep the rubber sector sustainable, we need to have factories to process raw material into finished products. That will help the sector a

lot and the country," he said. He continued that the major destination markets for rubber exports are Vietnam, Malaysia, China and Singapore. The Council for the Development of Cambodia (CDC) recently announced it had approved a \$2.7 million rubber processing factory in Tbong Khmum province. Cambodia exported 217,500 tonnes of dry rubber last year, a jump of about 15 per cent compared to 2017, with an average price of \$1,319 per tonne. ARDC president Sopheak said it is unlikely that rubber prices will increase while global supply is on the rise and demand has dropped. He said dry rubber prices must be at least \$1,500-\$1,600 per tonne to be profitable for the industry.

Source: <https://www.phnompenhpost.com/business/cambodias-rubber-exports-show-23-increase-prices-decline>

New China-Laos joint project to power up electricity distribution in Laos' capital



Laos News | April, 23/2019

The new 500 kV and 230 kV transmission lines to be installed in Laos' capital Vientiane, a joint project between Lao and Chinese companies, will ensure more Lao people to have sufficient power, officials in Vientiane have said. The new power lines will transmit electricity from hydropower dams for use in Vientiane as well as for sale to other countries, local daily Vientiane Times reported on Monday, quoting managing director of the Lao state-run Electricite du Laos (EDL) Bounoum Syvanpheng as saying. The project is a collaborative project between EDL and the China Electric Power Equipment and Technology Co., Ltd., a company affiliated to the State Grid Corporation of China. "When completed, the 500/230 kV

transmission line project will further support the nation's electricity generation. The project will create a sustainable electricity supply for the development of Lao capital Vientiane and increase the capacity of Laos' electricity grid," said Yu Jun, general manager of the China Electric Power Equipment and Technology Co., Ltd., the Chinese EPC contractor. "This project will be a basic and important part of economic development in the south of Laos' capital Vientiane, and is essential for agriculture, industry, services and other areas," Minister of Energy and Mines Khammany Inthirath said at a groundbreaking ceremony held in Vientiane last Friday. There have so far been 61 hydropower plants in operation across the country and another 39 dams are under construction and set for completion in 2020-2021. When all planned dams are put into operation, about 85 percent will be sold to other countries. Transmission lines and substations have been built to accommodate the additional power supplies.

Source: http://www.china.org.cn/business/2019-04/22/content_74708418.htm

Thailand to ink deal on Thai-Lao line



Laos News | April, 23/2019

Thailand will sign a Memorandum of Cooperation (MoC) on the Nong Khai-Vientiane Railway Connecting Line with China and Laos later this week at the second Belt and Road Forum for International Cooperation (BRF) in Beijing. Wilawan Mangklathanakul, the director-general of the Department of International Economic Affairs, said the connecting line will include a bridge that, once completed, will link Thailand with Laos and China. "Although the high-speed railway projects in Thailand and Laos have differing deadlines, the MoC will

undoubtedly enhance the region's connectivity," Thailand's Transport Minister Arkhom Termpittayapaisith, Laos' Minister of Public Works and Transport Bounchanh Sinthavong, and China's Deputy Director of the National Development and Reform Commission (NDRC) Hu Zucui are scheduled to sign off on the MoC. "The visit will strengthen relations and create new opportunities," she said, before adding that China is also keen to know more about the vision of the Asean chair. Ms Wilawan said Gen Prayut will bring the Master Plan on Asean Connectivity (MPAC) and the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS) to the discussion. "The premier would like to connect these initiatives to China's New Silk Road project," she said. Ms Wilawan said Gen Prayut is also looking to turn the Eastern Economic Corridor (EEC) into a supply chain and logistic hub for the region. At the summit, Ms Wilawan said Gen Prayut will issue a joint communique with other leaders to promote economic connectivity, basic infrastructures, environmental sustainability, and efficiency in all projects. "The upcoming joint declaration will provide more details than the first BRF communique in 2017," she said. Foreign Minister Don Pramudwinai, Minister of Digital Economy and Society Pichet Durongkaveroj, and Deputy Minister of Commerce Chutima Bunyapraphasara will accompany the PM to the high-level meetings. President Xi Jinping launched the Belt and Road Initiative in 2013 to connect Asia with Europe and Africa. Following the ancient Silk Road, the BRI is aimed at increasing both China and the region's economic development and growth. To date, 122 countries have already joined the Belt and Road Initiative.

Source: <https://www.bangkokpost.com/news/general/1665344/thailand-to-ink-deal-on-thai-lao-line>

Dung Quất refinery earns \$26m in Q1 post-tax profit

 Vietnam News | April, 22/2019

Viet Nam News HA NOI - The Dung Quất oil refinery, based in the central province of Quảng Ngãi, exceeded its designed capacity by 7 per cent in the first quarter of 2019, helping it gain over VNĐ606 billion (US\$26 million) in post-tax profit during the period. In Q1, the factory turned out more than 1.7 million tonnes of products and earned over VNĐ23.05 trillion in revenue. It contributed some VNĐ2.44 trillion to the State budget, according to the financial report for Q1 of the Bình Sơn Refining and Petrochemical JSC (BSR) – a member of the State-owned Vietnam Oil and Gas Group and the operator of the refinery. The BSR said global crude oil prices fluctuated unpredictably from Q4 of 2018 through February this year. Facing that fact, the company took many drastic and timely measures, including aligning the Dung Quất refinery's operations with the market, promoting marketing activities, and boosting energy and technology optimisation solutions. As a result, its profit in Q1 improved considerably compared to the previous quarter. To achieve this year's targets, the BSR will continue working to ensure its factory operates safely and stably and at 105-107 per cent of the designed capacity. — VNS

Source: <https://vietnamnews.vn/economy/519000/dung-quat-refinery-earns-26m-in-q1-post-tax-profit.html#uyQbSozU1pVKcpHc.97>