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 **Highlight News**

**April, 29/2019**

* **Cambodia, First ASEAN to Sign 5G Agreement with Huawei: SEA President**
* **Cambodia Signs MoU to Export 400K Tons of Rice to China**
* **Myanmar attempts to raise exports of more local fruits to China**
* **Myanmar permits 300 mln foreign investment for infrastructure project**
* **FDI needed for undeveloped regions but no plans for tax incentives**
* **World Bank forecasts Việt Nam's 2019 growth at 6.6 per cent:**

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 **Cambodia, First ASEAN to Sign 5G Agreement with Huawei: SEA President**

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****Cambodia News I **April, 29/2019**

Cambodia becomes the first country in ASEAN to sign 5G agreement with Huawei, James Wu, President of Huawei South East Asia spoke in a courtesy call with Cambodian Prime Minister Hun Sen in Beijing, China on 28 April 2019.“Huawei has signed 5G agreement with about 40 countries and that Cambodia today becomes the first ASEAN to sign this agreement,” James Wu told the Premier.The Premier highly commended Huawei’s achievements in Cambodia and urged the company to assist Cambodia in ensuring faster internet speed and other communications.Huawei opened offices in Cambodia in 1998 and has since been successful under the support of cooperation of Ministry of Posts and Telecommunications.

Source:http://en.freshnewsasia.com/index.php/en/localnews/13831-2019-04-28-10-39-11.html

**Cambodia Signs MoU to Export 400K Tons of Rice to China**

****Cambodia News I **April, 29/2019**

Cambodia-China signed Memorandum of Understanding (MoU) on exporting 400,000 tons of Cambodian rice to China.The signing ceremony held in Beijing on Sunday was presided over by Cambodian Prime Minister Hun Sen and Li Keqiang, Premier of the State Council of the People’s Republic of China.The MoU was signed between Cambodian Minister of Commerce Pan Sorasak and Major Chinese grains trader COFCO Corp chairman Lu Jun.

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The new MoU’s term will last from August 2019 to late December 2020, effective immediately after the two parties successfully implemented the first MoU signed on 11 January 2018 on 300,000 tons quota, according to minister of commerce.The two parties will establish a Joint Business Control Mechanism to monitor the implementation of MoU quarterly to address emerging challenges.In 2018, Cambodia exported 626,225 tons of rice to international markets, having China as the largest importer, 170,000 tons, followed by France 90,000 tons, and Malaysia 40,000 tons.Cambodian Prime Minister Hun Sen departed Phnom Penh this Thursday morning to attend the 2nd Belt and Road Forum for International Cooperation and a series of events and meetings in Beijing from 25 to 29 April 2019 at the invitation of Chinese President Xi Jinping.

Source:http://en.freshnewsasia.com/index.php/en/localnews/13829-2019-04-28-10-13-09.html

**Myanmar attempts to raise exports of more local fruits to China**

Myanmar News **I April, 26/2019**

Myanmar is attempting to qualify for General Administration of Quality Supervision, Inspection and Quarantine of the People’s Republic of China (AQSIQ) certificates for eight kinds of fruits and spices. The aim is to officially export them to China, said U Soe Than Min Din , president of the Myanmar Fruit, Flower and Vegetable Producers and Exporters Association. “We have cooperated fully with the Ministry of Commerce (MOC) but so far, we have not received an official reply from China. However, the Myanmar government has reached out to us with questions regarding growing conditions and potential diseases,” said U Soe

Than Min Din. The eight fruits and spices are: avocados, pomelos, bananas, durian, pineapples, lime as well as white yam and cardamom. Currently, Myanmar is exporting mangos, oil palm, watermelons and other melons to China, said U Tin Aung, an official from the association. Longan fruits, mangosteen, rambutans, lychees Jujube fruits as well as mangos, watermelons and melons from Myanmar are already AQSIQ-registered. Fruits with AQSIQ certificates are cleared for exports to China. Exports of fruits and vegetables without an AQSIQ cert are classified as illegal. The government is raising efforts to promote economic growth through exports by adding new priority sectors to its National Export Strategy (NES). Rruits and vegetables, together with gems and jewellery, the digital economy, agricultural product-based food products and industrial art products have been added to the NES 2020-2025, which replaces the first NES 2014-2019, according to the MOC.

Source: https://www.mmtimes.com/news/myanmar-attempts-raise-exports-more-local-fruits-china.html

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**Myanmar permits 300 mln foreign investment for infrastructure project**

Myanmar News **I April, 27/2019**

 Myanmar Investment Commission (MIC) recently permitted over 290.1 million U.S. dollars' foreign investment project in the infrastructure sector, the Directorate of Investment and Company Administration (DICA) said on Saturday. The investment from Singapore was permitted by the commission for port and container yard on the build-operate-transfer (BOT) basis and was expected to create 1,176 employment opportunities for local people. In first half of the present fiscal year 2018-2019, over 1.87 billion U.S. dollars of foreign investments from 139 projects entered the country while the transport and communication sector

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topped the list with over 680 million U.S. dollars of investment. During the period, Singapore was listed as the largest investor with over 1.1 billion U.S. dollars' investments, DICA's figures showed.

Source:http://www.xinhuanet.com/english/asiapacific/2019-04/27/c\_138015205.htm

 **FDI needed for undeveloped regions but no plans for tax incentives**

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Myanmar News **I April, 28/2019**

Although more foreign direct investments (FDI) are needed for the undeveloped Regions and States, there are no plans to revise current tax relief scheme as yet, said U Thant Sin Maung, acting director general of the Directorate of Investment and Company Administration (DICA). U Thant Sin Maung was responding to requests for tax incentives from Chin State officials in order to attract foreign investors to the state. Recently, U Salai Lian Luai, the chief minister of Chin State, also asked the Myanmar Investment Commission to provide his state with tax incentives after the commission held forums promoting Chin and Rakhine states to foreign investors. "It is true that some regions are lacking FDI. Tax reliefs will be provided for Chin State based on the law in due course," said U Thant Sin Maung. Under the Myanmar Investment Law, Chin State can be exempted from corporate income tax for up to seven years, which is the period awarded for under-developed regions in Myanmar. Unlike other states and regions, undeveloped areas like Chin, Kachin and Rakhine states enjoy lower volumes of local investments and to date have yet to receive FDI. Of the 22 foreign firms that invested in Myanmar in April, 15

were in Yangon, three in Bago and one each in Ayeyarwady and Kayin. The majority of firms invested in

the industry sector. The total volume of FDI amounted to US$53.3 million, U Thant Sin Maung said. "For the period from October 1, 2018 until April 5, 2019, Myanmar enjoyed a total of 147 foreign investments amounting to $1.38 billion. During that period, Thilawa Special Economic Zone received investments worth $121 million," said U Thant Sin Maung.

Source https://www.mmtimes.com/news/fdi-needed-undeveloped-regions-no-plans-tax-incentives.html

**World Bank forecasts Việt Nam's 2019 growth at 6.6 per cent:**

Vietnam News **I April, 27/2019**

Việt Nam’s economic growth is projected to moderate to 6.6 per cent in 2019, driven by credit tightening, slower private consumption and weaker external demand, according to the World Bank (WB).Under the Managing Headwinds report on East Asia and Pacific update released on Wednesday, WB said Việt Nam’s economy continues to show fundamental strength, supported by robust domestic demand and export-oriented manufacturing.WB also expected that over the medium term, the country’s growth would stay around 6.5 per cent, as the impact of the current cyclical uptick dissipates.Poverty is also expected to decline further, as labour market conditions remain favourable.Inflationary pressures are also projected to remain moderate due to subdued global demand and moderate global energy and food prices.

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According to WB, Việt Nam’s monetary policy continues to balance its dual objectives of maintaining stability while supporting economic growth. While the monetary policy stance remains broadly accommodative, the State Bank of Việt Nam (SBV) introduced some tightening of credit in 2018 by setting credit growth limits for commercial banks and controlling lending to high risk sectors (real estate, securities and the consumer market).

Liquidity in the banking sector also tightened markedly due to slower deposit growth pushing up short term interbank interest rates. Amid tighter financing conditions, credit growth moderated to about 14 per cent year on year in 2018 from 18 per cent in 2017. Nevertheless, corporate and household balance sheets are increasingly leveraged with Việt Nam’s credit-to-GDP ratio at about 135 per cent. This leaves the economy vulnerable to shocks and potential financial market stress, especially given legacy non-performing loans (NPLs) and relatively thin capital buffers in some banks.The WB report showed Việt Nam’s external balances continued to improve in 2018, despite uncertain global trade developments. Việt Nam’s merchandise exports are estimated to have expanded by 13.2 per cent in 2018 – below the 21.8 per cent recorded in 2017, but significantly outperforming global trade growth. Merchandise import growth posted a stronger deceleration to 11.1 per cent in 2018, compared with 21.9 per cent in 2017, reflecting a slowdown in imports of investment and intermediate goods. Vibrant trade activity has positioned Việt Nam as one of the most open economies in the world, with its trade to GDP ratio reaching nearly 200 per cent for the year.“Strong exports also helped Việt Nam to sustain a current account surplus for an eighth consecutive year,” WB noted. “The country’s

capital account surplus also remains sizeable owing to sustained high FDI inflows. Robust external positions

eased foreign exchange pressures, and helped the SBV build up international reserves, which increased from the equivalent of 2.1 months of import cover at end-2015 to about 2.8 months at end-2018. Bolstered by strong external positions, the exchange rate has been relatively stable since mid-2018.”However, it said, there remain concerns about exchange rate appreciation of the đồng and its possible negative impacts on Việt Nam’s export competitiveness. Việt Nam’s fiscal stance has improved, with the overall fiscal deficit estimated to have narrowed to 4 per cent of GDP in 2018 from 4.3 per cent in 2017 and 4.9 per cent in 2016.Total revenues are estimated to have remained at 23.6 per cent of GDP in 2018, supported by a cyclical recovery in major tax revenues tied to strong consumption and income growth. Over the same period, total expenditures have declined to an estimated 27.6 per cent of GDP in 2018 from 28.5 per cent in 2016 and 27.8 per cent in 2017, to a large extent reflecting lower capital expenditures and rationalisation of other discretionary spending items. These measures, while effective in the short term, could hamper investments for infrastructure and human capital development.The Government’s commitment to strengthen budgetary discipline, therefore, needs to be balanced with reforms that create fiscal space to maintain critical investments in infrastructure and spending on essential public services.According to WB, despite improved short-term prospects, there are significant downside risks for Việt Nam."Domestically, a slowdown in the restructuring of State-owned enterprises and banking sector could adversely impact the macro-financial situation, undermine growth prospects and create

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public sector liabilities. A continued slowdown of public investment could undermine long-term development objectives, and further fiscal consolidation should focus

on containing recurrent spending while stabilising revenue performance," the report said.Besides, it said, Việt Nam’s economy also remains susceptible to further volatile developments in the global economy, given its high trade openness and relatively limited fiscal and monetary policy buffers. Weaker external demand and heightened global financial volatility call for a continued focus on sound macro-economic management to safeguard against possible shocks. Growth is also spatially uneven, which may see regional disparities continue to widen. — VNS

Source: https://vietnamnews.vn/economy/519226/world-bank-forecasts-viet-nams-2019-growth-at-66-per-cent.html#QFR9bc2tJoImQ6pi.97