



- Cambodia-Indonesia direct flights scheduled for June
- Lao PDR's Ease of Doing Business rank reflecting complex business environment
- Italian loan to facilitate electrification process VietinBank to issue bonds worth \$427.5 million
- Wood exports soar to nearly \$3.12b



Cambodia-Indonesia direct flights scheduled for June



Cambodia News | May, 28 /2019

Direct flights between Cambodia and Indonesia will begin in mid-June, a move which tourism insiders say will be key in the Kingdom reaching its goal of 6.6 million international visitors this year. The announcement of the direct flights came at a press conference on Saturday in Phnom Penh held by the Ministry of Tourism and Jakarta-based Citilink Indonesia PT low-cost airline. The new regional route is the third international route launched by Citilink this year after Surabaya-Kuala Lumpur and Jakarta-Kuala Lumpur. The airline operates Airbus A320 which can carry up to 180 passengers.

Source:<https://www.cambodiadaily.com/news/cambodia-indonesia-direct-flights-scheduled-for-june-149663/>

Lao PDR's Ease of Doing Business rank reflecting complex business environment



Laos News | May, 27/2019

Lao PDR has experienced rapid economic growth over the past 25 years. While this growth has contributed to lower rates of poverty, it has not been widely shared, and inequality has widened. Growth has been largely attributed to natural resource-based sectors, large infrastructure projects, and public sector spending. To sustain strong growth in the future, the private sector will be critical to diversify the economy and create more jobs.

Increasing private sector-led growth is a priority of Lao PDR's 8th National Socio-Economic Development Plan (2016-2020). Currently, Lao PDR ranks 154 out of 190 on the World Bank Group's 2019 Ease of Doing Business Index, reflecting a complex and opaque business environment, with barriers to regional trade and integration that limit its attractiveness as an investment destination. Investors complain about high costs of doing business and the absence of a transparent, dynamic, and streamlined business environment. Overall, the economy remains inward-oriented (only 2.9% of firms export directly), and local firms invest and innovate little. To support private sector-led growth and increase Lao PDR's competitiveness, it will be necessary to deepen reforms to improve the business environment, advance connectivity with neighbouring economies, and raise the productivity of local firms. This requires simplifying regulations and making the business and trade environment more transparent and predictable, to level the playing field, encourage entry, and increase competition. The Prime Minister has issued an order to improve the business environment, demonstrating a high-level commitment to reform. PM Order No. 2 was issued on February 1, 2018, calling for a significant improvement in the Doing Business indicators. The World Bank Group, including both the World Bank and the International Finance Corporation, is supporting projects, knowledge, and technical assistance to improve the environment for private sector-led growth in Lao PDR.

Source: <https://www.devdiscourse.com/article/business/538968-lao-pdrs-ease-of-doing-business-rank-reflecting-complex-business-environment>

Italian loan to facilitate electrification process



Myanmar News | May, 28/2019

Italy will extend an interest-free €30 million (K51 billion) loan towards Myanmar's National Electrification Project (NEP). An agreement between the two countries was signed yesterday. The loan comes with a grace period of 18 years, after which it should be paid back within ten years. It was approved in Parliament in August 2018. The funds will be used to develop rural off-grid projects implemented by the Department of Rural Development under the Ministry of Agriculture, Livestock and Irrigation (MOALI). This will bring electricity via solar power and small-scale power systems to an estimated 96,500 households in 2019 villages in Chin State, one of the country's poorest and most inaccessible areas, and Sagaing Region. Meanwhile, German state-owned development bank KfW has also extended €9 million towards bringing electricity to southern Shan State. The NEP has two parts. One involves projects being carried out by the Ministry of Electricity and Energy (MOEE) and the other involves the Village Department under MOALI. The World Bank has lent US\$400 million towards the project, with the MOEE receiving US\$310 million and the remaining being channeled to MOALI. In 2016-17, the Village Department helped to light up 90,000

households in 2708 villages. In the last fiscal year, it helped to light up 80,000 using solar energy, said U Sai Thura Kyaw, deputy director of the Village Department.

Source: <https://www.mmtimes.com/news/italian-loan-facilitate-electrification-process.html>

Wood exports soar to nearly \$3.12b



Vietnam News | May, 27/2019

HCM CITY – Export turnover of wood and wooden products reached nearly US\$3.12 billion in the first four months of the year, a year-on-year increase of 18.3 per cent, according to the General Department of Customs. The 10 largest import markets were the US, Japan, China, South Korea, the UK, Germany, Canada, Australia, France and the Netherlands. Exports to some market increased strongly compared to the same period last year. Exports to Austria were up by 181.6 per cent to reach \$706,081; Portugal up by 56.3 per cent to \$1.84 million; Mexico up by 53.4 per cent to \$4.9 million; Saudi Arabia up by 43 per cent to \$12.42 million; and the US up by 34.6 per cent to \$1.42 billion, the department said. But exports to some markets fell significantly, such as Turkey, down by 81.5 per cent, reaching \$1.1 million; Cambodia down by 49.6 per cent, to \$1.92 million; Hong Kong down by 45.9 per cent, to \$1.32 million; and Finland down by 41 per cent, to \$0.48 million. The strong rise in demand from Việt Nam's key import markets such as the US and Japan increased export revenue in the period, the department said. In addition, the improvement of the

domestic business and investment environment helped boost manufacturing and export activities of enterprises involved in the wood processing industry. The General Department of Customs forecasts that Việt Nam's wood and wooden products exports in the first half of 2019 will increase by 16-18 per cent over the same period in 2018, given that many wood processing firms have export orders until the end of the year. According to the Handicraft and Wood Industry Association of HCM City (Hawa), last year the revenue from wood and wooden products reached nearly \$9.4 billion, accounting for over 23 per cent of the agriculture sector's total export turnover. The wood processing sector also enjoyed a trade surplus of over \$7 billion. Hawa chairman Nguyễn Quốc Khanh quoted Prime Minister Nguyễn Xuân Phúc as saying at a recent conference that Việt Nam should become the world's quality furniture production hub. The global furniture market is worth nearly \$200 billion a year, so there is still more room for the country to enhance exports, according to Khanh. "The Government has set a target to achieve furniture export revenue of \$20-30 billion in the next five to 10 years, and it is not an unrealistic target," he said. Khanh said domestic wood processing companies had overtaken foreign direct investment enterprises in terms of export revenue, and could compete fairly with foreign rivals to provide products to large corporations.

However, local wood enterprises were weak in design and distribution, with only 5 per cent of the exported products designed locally.

The association over the years had organised activities to develop local furniture design teams and help local firms expand their distribution systems, he said. — VNS

Sources:<https://vietnamnews.vn/economy/520476/wood-exports-soar-to-nearly-312b.html#lyzZO3k3gKyHyv4B.97>
