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## Falling rubber prices causing concern



*Cambodia News | June, 19 /2019*

The price of rubber has fallen markedly in recent months due to a slowdown in demand in international markets, particularly China. The commodity currently fetches \$1,300 per tonne in the local market, a drop of more than \$100 compared to last year, according to figures from the Ministry of Agriculture. This is bad news for investors in the Cambodian rubber sector, said Lim Heng, vice president of An Mady Group, a company that owns a rubber plantation and exports the product. "At the current price, investors in the sector cannot survive. The cost of production is higher than that price at which the product is being traded," he said, adding, however, that for small farmers the current price may be sustainable. Mr Heng said that Vietnam, the biggest market for Cambodian rubber, saw a sharp decline in exports to China due to changing Chinese policies and fears over the US-China trade war. He said this affects Cambodia, as a good portion of the Kingdom's rubber production is sent to China in indirect shipments that pass through Vietnam. Given these price woes, the private sector is demanding lower taxes on rubber exports. "Through the Ministry of Agriculture, the private sector has asked the government to tax rubber exports only for shipments that exceed \$2,000 per tonne. However, there has been no response from the government yet," Mr Heng said. Figures from the Ministry of Agriculture

shows that Cambodia exported 63,453 tonnes of rubber in the first four months of the year, an increase of 23 percent. Prime Minister Hun Sen last week called on farmers and investors to keep rubber plantation amid the fall in prices. "The price of rubber is declining, but I would like to ask farmers to now follow what seems to be the trend. Some farmers are cutting down their rubber trees and replacing them with cashew trees. When the price of cashew nuts decline, they will be forced to cut down these trees and find a new crop, incurring a large cost in labour," Mr Hun Sen said. An Mady's Mr Heng said the price of rubber will remain stable until next year. "At the current price, existing rubber investors may be able to stay in business, but attracting new investors will be difficult. "Without a new policy that gives more incentives, investors won't dare come in. They will sit and wait until conditions improve."

Source: <https://www.khmertimeskh.com/50615296/falling-rubber-prices-causing-concern/>

## Govt struggles to address budget deficit



*Laos News | June, 19/2019*

The government has projected that the country's budget deficit for the first six months of this year could increase to as much as 1.16 trillion kip, intensifying budgetary tension against the backdrop of continuing revenue shortfalls. If the money to pay the principal amount owed to domestic and foreign creditors is included, Laos will require a total of 5.87 trillion kip to cover its expenditure needs in this

period. Speaking during the National Assembly's ongoing session recently, Prime Minister Thongloun Sisoulith announced the government's plans to address the deficit by mobilising more funding from domestic and foreign sources. The government highlighted measures to boost revenue collection and achieve the goal approved by the National Assembly to minimise the administration's financial difficulties. Financial officials said the government will concentrate on mobilising funds from domestic sources, including bonds issued by the Bank of Lao PDR and funding raised through the Lao Securities Exchange. The government hopes to mobilise more than 6.85 trillion kip in the first six months of this year to sustain economic growth despite the country's rising debt distress. On Monday, National Assembly members debated an amendment to the law related to tax management at the ongoing session. NA members provided inputs on how to create incentives to attract more companies to register with the Lao Securities Exchange so that the government can mobilise more funds for development needs. In 2019, the government plans to collect 26.3 trillion kip in revenues, of which domestic revenues are expected to touch 24.24 trillion kip. Expenditure has been set at 33.39 trillion kip, with the budget deficit being projected at 7.08 trillion kip, equal to 4.28 percent of the Gross Domestic Product (GDP). However, revenue collection over the past four months amounted to only 6.32 trillion kip, equal to 24 percent of the annual plan. More than 6.66 trillion kip has been disbursed, equal to 19.9 percent of the

annual plan for budget expenditure, with the budget deficit at 347 billion kip. Deputy Prime Minister Somdy Duangdy told the National Assembly last week that the government will limit the budget deficit next year as part of efforts to contain debts. The government has acknowledged that Laos will continue to face financial difficulties since revenue collection has not increased as anticipated, while budgetary expenditure has risen significantly over last decade. Economists have said issuing bonds and borrowing money from other countries could be the only way out, but this approach should only be adopted in emergencies or for the short-term. The government needs to consider possible long-term sources of funding to repay debts and to prevent Laos from being dragged into an economic crisis.

Source: [http://www.vientianetimes.org.la/freeContent/FreeConten\\_Govts.php](http://www.vientianetimes.org.la/freeContent/FreeConten_Govts.php)

## Myanmar state counselor to attend 34th ASEAN summit in Thailand



Myanmar News | June, 18/2019

YANGON, June 18 (Xinhua ) -- Myanmar State Counselor Aung San Suu Kyi will visit Thailand soon and attend the 34th summit of the Association of Southeast Asian Nations (ASEAN) in Bangkok, according to an official announcement published in state media Tuesday. At the invitation of Thai Prime Minister General Prayut Cha-o-cha, Suu Kyi will make the trip. The 34th ASEAN Summit, which is chaired by Thailand and will last from Thursday to Sunday, will discuss the affairs of the 10 member

countries, the present status of the establishment of the ASEAN Community and future tasks. Suu Kyi is expected to hold bilateral meetings with other ASEAN leaders during the summit. ASEAN Summits are held by host countries alternately for two times annually

Source: [http://www.xinhuanet.com/english/asiapacific/2019-06/18/c\\_138152505.htm](http://www.xinhuanet.com/english/asiapacific/2019-06/18/c_138152505.htm)

## Viet Nam becomes ninth largest trade partner of Myanmar



*Vietnam News | May, 19/2019*

HA NOI - Trade between Việt Nam and Myanmar reached US\$860 million in 2018, making Việt Nam the ninth largest trade partner of its neighbour, it was reported at a meeting between Deputy Prime Minister **Vương Đình Huệ** and Myanmar Minister of Planning and Finance Soe Win on Tuesday. At the meeting, held during Deputy PM Huệ's working visit to Myanmar, the two sides praised recent growth of economy-trade-investment and finance-banking co-operation. They were pleased to note that Việt Nam had also become the seventh largest foreign investor in Myanmar with 18 large projects worth nearly \$2.2 billion. They said the two economies shared similarities but could supplement each other if their strengths and potential were capitalised on. Huệ thanked the Myanmar government for creating favourable conditions for Vietnamese enterprises to invest in the country. He asked Minister Soe Win to support investors, particularly by simplifying administrative procedures, reducing customs

clearance times, and facilitating foreign investors to register for ownership of their investments in the country. The Deputy PM lauded the Central Bank of Myanmar's recent policies that supported the operation of foreign credit institutions, including those from Việt Nam. He asked the Myanmar side to continue enabling Vietnamese credit institutions to establish and expand their presence in the nation. At present, four Vietnamese financial organisations have opened representative offices or branches in Myanmar. For his part, Soe Win said the Myanmar government was making efforts to simplify administrative procedures to create an open business climate for foreign investors, including those from Việt Nam. He added that these efforts took time and asked Vietnamese investors to be patient and co-operate with authorities. He also discussed measures to clear financial obstacles for a number of Vietnamese firms in Myanmar like the Hoàng Anh Gia Lai Group (HAGL) and Bank for Investment and Development of Việt Nam (BIDV). The same day, Deputy PM Huệ visited the Vietnamese Embassy and met Vietnamese expatriates in Yangon. He also visited several representative offices of Vietnamese companies, including BIDV, HAGL, Viettel Military Industry and Telecoms Group and Vietnam Airlines. He also held a meeting with a 30-member Vietnamese enterprises' club in Myanmar, which was established on May 28. — VNS

Source:<https://vietnamnews.vn/economy/521506/vietnam-becomes-ninth-largest-trade-partner-of-myanmar.html#HZgwcpxWV6oTogBm.97>

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