

Highlight News | July 23/2019



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Weekly oil prices drop over 6 pct amid geopolitical tensions



Cambodia News | 22 July, 2019

HOUSTON (Xinhua) – Oil prices decreased for the week ending July 19, with the price of West Texas Intermediate (WTI) for August delivery down 7.61 percent and Brent crude oil for September delivery down 6.37 percent. WTI closed the week at \$55.63 a barrel on the New York Mercantile Exchange, while Brent crude finished the week at \$62.47 a barrel on the London ICE Futures Exchange. WTI and Brent crude have increased 22.51 percent and 16.12 percent, respectively, so far this year. During the week, WTI and Brent moved in the same directions with a momentum of downtrend. The prices of crude oil rose on global exchanges Friday as geopolitics intruded on daily deals, with traders troubled by Middle East military tensions. However, compared with the losses in the previous sessions, the gains were modest. Oil prices fell on Monday, as investors digested news that Iranian President Hassan Rouhani said the country would be ready to hold negotiations with the United States if Washington lifted sanctions against Tehran. Oil prices declined significantly on Tuesday after reports that US Secretary of State Mike Pompeo said Iran was ready to negotiate on its missiles. Meanwhile, oil prices lost certain support as oil firms in the Gulf of Mexico began restoring some of their production that was shut down due to Hurricane Barry over the weekend. The WTI decreased \$0.63 and \$1.96 to \$59.58 a

barrel and \$57.62 a barrel, respectively, on Monday and Tuesday, while Brent crude lost \$0.24 and \$2.13 to \$66.48 a barrel and \$64.35 a barrel, respectively. On Wednesday, oil prices extended losses after data showed US crude oil inventories decreased. According to the Weekly Petroleum Status Report released by the US Energy Information Administration (EIA) on Wednesday, US crude oil inventories decreased by 3.11 million barrels in the week ending July 12 to 455.9 million barrels, which was more than the expected drop of 2.69 million barrels, implying weaker demand and bearish for crude prices. Oil prices also lost some support amid signs of potential progress toward negotiations between Washington and Tehran. The WTI fell \$0.84 to settle at \$56.78 a barrel, while Brent crude dropped \$0.69 to close at \$63.66 a barrel. Oil prices finished with significant losses on Thursday, pressured by fears of waning fuel demand. The WTI fell \$1.48 to settle at \$55.30 a barrel, while Brent crude dropped \$1.73 to close at \$61.93 a barrel. On Friday, oil prices rebounded amid new concerns over tensions in the Middle East, which may disrupt the flow of crude. Iran's Islamic Revolution Guards Corps (IRGC) on Friday seized British oil tanker Stena Impero in the Strait of Hormuz, an IRGC statement said. The WTI rose \$0.33 to settle at \$55.63 a barrel, while Brent crude gained 0.54 dollar to close at \$62.47 a barrel. Oil prices have kept gaining momentum since the start of the year due to some geopolitical concerns and OPEC's decision of production cut. The momentum has slowed down

recently, mainly because of the concerns over downturn in demand for crude oil. The slowing global economy continued to be a major headwind for crude oil. The slower economic growth of the world, mainly due to the ongoing trade tensions between the United States and China, will lead to less demand for oil, which in turn would put downward pressure on oil prices. Analysts believed slowing global demand for oil, particularly from China, will tamp down oil prices, unless geopolitical tensions continue to escalate. "Prices are determined by the markets. If we see the market today, we see that the demand is slowing down considerably," Fatih Birol, the executive director of the International Energy Agency (IEA), said on Friday, adding "oil from the US, Iraq, Brazil, and Libya is flooding the market." Moreover, a rising US dollar in the past months has dragged down the greenback-denominated crude futures, as the US Dollar Index has been keeping uptrend since mid-2018. For the week ending July 19, US Dollar Index recovered on Friday as bulls lift the market above the 97.00 handle, suggesting bullish momentum in the near term. Oil is mostly traded in dollar all over the world and a stronger dollar pressures the oil demand. Analysts told Xinhua that tensions in the Middle East will likely impact oil prices next week. "Oil held up in Friday afternoon trading," Tom Kool, editor of Oil and Energy Insider, told Xinhua. "The Trump administration is struggling to find willing partners in its effort to increase surveillance and patrolling in the Persian Gulf to head off tanker attacks. Other

countries are balking because they fear the plan will only ratchet up tension."

Source: <https://www.khmertimeskh.com/50625276/more-than-130-million-raised-at-local-bourse/>

Spike in flights linking Sihanoukville and China



Cambodia News | 22 July, 2019

Chinese-owned airlines are expanding their services in the Kingdom, opening new routes between provinces across China and Sihanoukville, where Chinese nationals are investing heavily. Last week, Hainan Airlines launched a new route linking Haikou, the capital of Hainan province, to Sihanoukville. The flight operates three times a week using a Boeing 737-800. Also last week, Lanmei Airlines, a Chinese-owned low-cost airline based in Phnom Penh, started flying to Sihanoukville from Taiyuan, the capital of Shanxi province, as well as from Wuhan, the capital of Hubei province. Earlier this month, the same airline launched a route connecting the Cambodian coastal city to Fuzhou, the capital of Fujian province. The airline plans to begin flying to Yunnan province's Jinghong from Sihanoukville next month. In late June, Lanmei Airlines also began operating a direct flight from Siem Reap to Shanxi province's Datong. Moreover, JC Airlines recently launched a direct flight between Xishuangbanna, an autonomous prefecture in Yunnan province, to Siem Reap, home of Unesco-listed Angkor Archaeological Park. The Chinese provinces of Jilin and Zhejiang will also

soon get a direct flight to the Kingdom, according to an industry insider. There are now 181 flights per week connecting Cambodia and China, according to the Ministry of Tourism. The slew of recently-launched flights will further boost the influx of tourists from China, already Cambodia's biggest tourism market. According to the latest figure from the ministry, 1.1 million Chinese tourists visited the Kingdom during the first five months this year, a 40 percent hike compared to the same period last year. The ministry aims to welcome 3 million Chinese tourists a year by 2020, 5 million by 2025, and 8 million by 2030. So Mara, secretary of state at the Ministry of Tourism, recently said that the ministry has prepared a strategy to attract more Chinese tourists. "China is the biggest market for the Cambodian tourism sector. The Ministry of Tourism has drafted a series of strategies to attract more Chinese tourists. Known as the 'China Ready' strategy, it seeks to facilitate travel, including visa issuance, for Chinese tourists," Mr Mara said. An estimated 80,000 Chinese nationals live in Sihanoukville, with almost 90 percent of hotels, casinos, restaurants and massage parlor there run by Chinese, according to a report from the provincial police published earlier this month. The report noted that the province has 71 casinos in operation, 48 of which are operated by Chinese. Citizens of China also run at least 150 hotels and guesthouses, 41 KTVs and 46 massage parlours.

Source: <https://www.khmertimeskh.com/625872/spike-in-number-of-flights-linking-sihanoukville-and-china/>

UPI partners BCEL to introduce QR code payment service in Laos



Laos News | 23 July, 2019

UnionPay International (UPI) has partnered with BCEL, a commercial bank in Laos, to launch QR code payment service in the country. The move will enable UnionPay app users to make payments by scanning QR code at local stores in Laos. With China being one of the largest tourist source countries of Laos, the collaboration will also help local merchants to cater to the Chinese visitors. According to UPI, UnionPay is the first bankcard scheme to launch QR code service in the Southeast Asian country. UPI CEO Cai Jianbo said: "Since the proposal of the Belt and Road Initiative, UnionPay has taken deep participation in the development of Laos payment industry through promoting card acceptance and issuance as well as participating in the building of local payment infrastructure, and have achieved much progress in our business localisation in the country." "Now, UPI further expands its local service scope to mobile payments, not only meeting the mobile payment needs of visiting tourists, but also supporting the digitalisation of Laos payment industry." In the recent years, UPI has taken steps to bolster its mobile payment business footprint outside mainland. Currently, UnionPay App users can avail mobile payment services at more than three million merchants across 46 countries and regions. Recently, Cambodian lender Aceda Bank partnered with UPI to offer contactless debit cards.

The Chinese firm also teamed up with U Mobile to launch GoPayz e-wallet in Malaysia.

Source: <https://www.verdict.co.uk/cards-international/news/upi-partners-bcel-to-introduce-qr-code-payment-service-in-laos/>

Lao Stock market appoints new chief



Laos News | 23 July, 2019

VIENTIANE (Vientiane Times) -The Bank of the Lao PDR (BOL) last week appointed the former Director General of the International Cooperation Department, Mr Oth Phonxiengdy, as the new CEO of the Lao Stock Exchange (LSX). The former CEO of the LSX, Mr Vankham Voravong, will take up a new post at the central bank, according to BOL sources. The reshuffle of LSX leaders is aimed at restructuring the management chart to increase professional capabilities in various fields of work. Newly-appointed Mr Oth is the third leader of the LSX since its establishment in 2010. The first CEO was Mr Dethphouvang Moularat, followed by Mr Vankham Voravong, who took up the post in 2015. According to the BOL, Mr Oth holds a higher diploma in political ideology and a Master's degree in economics from the Australian National University (ANU) and has been working with the central bank since 1989. Before taking up the new post at the LSX, he held several important positions, including as Director General of International Cooperation with

the BOL. Speaking at the handover ceremony, BOL Governor Sonexay Sithphaxay praised the management of the LSX and its achievements and encouraged the incoming leader to maximise the efficient management of the stock exchange. "The LSX needs effective management to maximise the trading environment according to international standards and corporate governance," he advised. The new leader would continue to encourage qualified companies to register on the local bourse. This could be a capital-raising platform for enterprises and a backup to implementation of the nation's socio-economic development plan, Mr Sonexay added. The handover ceremony for the new appointment was also attended by the Office Head of BOL and Chairman of the LSX Board of Management, Mr Phetsathaphone Keovongvichith, and senior officials from the Lao Securities Commission Office.

Source: <http://annx.asianews.network/content/lao-stock-market-appoints-new-chief-100576>

Bigger border business



Myanmar News | 22 July, 2019

The Thailand-Myanmar border bridge gate is seen from the Myanmar side of Myawaddy town, Karen State, in 2014. Border trade between October 1 and July 5 of the current fiscal year has totaled US\$8 billion, which is up by around 17 percent compared to the same period last year, according to the

Ministry of Commerce. Total trade across Myanmar's 17 border trade gates included US\$5.6 billion in exports and US\$2.4 billion in imports. The highest volume of trade was recorded in Muse, which borders China, totaling US\$3.9 billion. This was followed by trade at the Hteekhee gate bordering Thailand, where US\$1.9 billion worth of trade was recorded. Myanmar trades with China, Thailand, India and Bangladesh at its borders.

Source: <https://www.mmmtimes.com/news/bigger-border-business.html>

Myanmar Airways International starts flights to Hangzhou



Myanmar News | 22 July, 2019

Myanmar Airways International (MAI) has launched flights to Hangzhou, China as part of its network expansion, according to the Yangon Aerodrome Company, which operates Yangon International Airport (YIA). MAI will fly to Hangzhou from both Mandalay and Yangon. The inaugural flight between Mandalay and Hangzhou commenced on July 17 while the Yangon – Hangzhou flight started July 19. MAI will operate direct flights between Yangon and Hangzhou using an A319 Aircraft. The carrier offers flights from YIA every Friday. Hangzhou is the second city in China after Guangzhou to which MAI is flying from Myanmar. Hangzhou, the capital of Zhejiang Province, is located along Southeast coast of China and is a key tourist destination. With the introduction of the two new routes, MAI expects to play a role in expanding tourism and trade between

both countries as travel demand continues to grow between Myanmar and China, the airline said. “China will be a key market to us in 2019 as we tap into the ever-growing Chinese outbound market,” said U Kyaw Han, chief operating officer at MAI. MAI operates six routes from its hub in Yangon and Mandalay, serving Bangkok, Singapore, Guangzhou, Hangzhou and Kolkata with a fleet of three A319s, commanding a 5 percent share of the international seat capacity in Myanmar. The airline plans to double its fleet by the end of this year. Since Myanmar relaxed visa requirements for Chinese travelers to the country last year, China has also increased the number of flights to Myanmar and tourism between the two countries has expanded. There are now direct flights from Myanmar to 11 Chinese cities, including Wuhan, Xichuan, Shanghai, Xi’an, Chengdu as well as Shenzhen.

Source: <https://www.mmmtimes.com/news/myanmar-airways-international-starts-flights-hangzhou.html>

HCM City firms’

Export increase by 9.2 per cent



Vietnam News | 22 July, 2019

HCM CITY — Exports by HCM City-based enterprises in the first six months of the year topped US\$19.6 billion, a 9.2 per cent increase year-on-year, according to the city People’s Committee. Industrial products accounted for \$13 billion, or nearly 77 per cent. Exports of computers, electronic products and components were worth \$6 billion, an

increase of 43 per cent. Exports of textiles and garments were worth more than \$2.6 billion and agricultural products accounted for nearly \$1.8 billion. With the EU-Viêt Nam Free Trade Agreement (EVFTA) coming into effect, Vietnamese enterprises have a major opportunity to expand their export markets. Nguyễn Lâm Viên, general director and chairman of agricultural company Vinamit, said the EVFTA would enable Vietnamese firms to export goods at zero tax, penetrate new markets and learn and improve product quality. "Vinamit is completing procedures to participate in a trade fair in Germany in September to promote Viêt Nam's clean agricultural products. "We have the advantage of organic foods and a lot of potential in the clean agriculture sector, and so the opportunity to introduce clean agricultural products to the European market is one we cannot ignore." Phạm Thái Bình, general director of Trung An Hi-tech Agriculture Joint Stock Company, said his company exports a few thousand tonnes of rice a year to various markets in the EU such as France, Germany and Switzerland. He hoped the EVFTA would improve the opportunities for the rice industry and exporters. This year the Vietnamese seafood sector has increased its exports to the EU by more than 30 per cent thanks to improvements in quality. The EVFTA is set to give exports a further boost. Economist Nguyen Trí Hieu said the EVFTA would

bring both opportunities and challenges to Vietnamese firms, and their products could only compete with European meat, milk and other agricultural product based on quality and price. The city customs department has said to help enterprises expand their exports, it would streamline procedures. It is now looking at ways to reduce the cargo clearance time by 50-70 per cent. VNS

Source: <https://vietnamnews.vn/economy/522944/hcm-city-firms-exports-increase-by-92-per-cent.html#VcLgc2COy7m8yKpo.97>

Motorbike market sees an H1 cooling down



Vietnam News | 22 July, 2019

Just over 1.5 million motorbikes were sold in Vietnam in the first half of 2019, down 6 percent year-on-year, as the market is close to saturation. In the second quarter of this year, the top five popular brands in the country sold 749,516 units, a decrease of 4.39 percent year-on-year, according to the Vietnam Association of Motorcycle Manufacturers (VAMM). The five brands, including Honda, Piaggio, Suzuki, SYM and Yamaha, collectively make up around 95 percent of the country's motorbike market. Among the five VAMM members, Honda currently holds nearly 77 percent of the market share, a 4.5 percent increase from its position at the end of June last year. None of the other four members recorded any increase in their market shares. Falling motorbike sales this year were because the market is near

saturation, the VAMM stated. With sales of nearly 3.4 million units in Vietnam in 2018, the country was the fourth biggest motorcycle consumer in the world, after India, China and Indonesia, according to a recent report by market research firm Motorcycles Data. Last year, Vietnam had the highest proportion of people buying new motorbikes, with over 35,000 new motorbikes sold per one million people. This reflected the general picture on transport ownership in Vietnam, where motorbikes are still much more popular and accessible than cars." India and China sold 21.5 million and 15.5 million units last year, respectively, Motorcycles Data reported. At the end of 2016, there were 45 million registered motorbikes in Vietnam, a country of over 92 million people, according to the Ministry of Transport.

Source: <https://e.vnexpress.net/news/business/data-speaks/motorbike-market-sees-an-h1-cooling-down-3953896.html>
