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## Deep reforms needed to continue 'healthy' growth: Ministry



*Cambodia News | 24 July, 2019*

The government projects a slowdown in economic growth next year, going from a growth rate of 7.1 percent in 2019 to 6.5 percent in 2020. The slowdown will be the result of external pressures, led by the possible revocation of the Everything-but-arms (EBA) deal with the European Union and the US-China trade war, a Cambodian high-ranking official said, adding that the situation can be ameliorated if proper reforms are enacted. The new economic projection was presented last week during a parliamentary workshop at the National Assembly to prepare the drafting of the National Budget Law for 2020. Speaking at the workshop, Vongsey Visoth, secretary of state at the Ministry of Economy and Finance, said that to successfully face “external issues” Cambodia must undergo deep reforms to become more competitive and attract more investors. “In 2020, economic growth will decelerate to 6.5 percent. This is still a healthy level of growth,” Mr Visoth said. “To achieve this growth, however, we need to ensure our economic reforms are implemented efficiently.” Even if the EBA is withdrawn, Cambodia would still be able to achieve a “healthy” economic growth if all government institutions work together to efficiently enact reforms that strengthen the business climate, he said. “The EBA may or may not be revoked. Whatever happens, it should not worry us if we can make the right

reforms,” Mr Visoth said. “If the EBA is withdrawn, we must undergo deep reforms. Ultimately, the revocation will be better for us in the long run as it will force us to make our economy stronger. If the EBA is withdrawn and we do nothing, we cannot say what will happen.” Mr Visoth said the government should focus on reducing the impact of external pressures by increasing jobs, solving structural issues that limit competitiveness and market diversification, improving the financial management of public and private institutions, and enhancing the capacity of public institutions. “If we implement these reforms efficiently, we will achieve 6.5 percent growth next year,” Mr Visoth said. “If we get sick and do not get treatment, it is dangerous. We wouldn’t just want to solve the issue short term. We would want to solve the issue completely so that we don’t have to worry about it in the future.” The Asian Development Bank in April forecast that GDP in 2020 will grow at 6.8 percent following a slowdown in the economic growth of Cambodia’s main trade partners. ADB country director Sunniya Durrani-Jamal said that while Cambodia will enjoy robust economic growth, it faces a series of internal and external challenges. “Cambodia is projected to exhibit strong economic growth over the next two years, despite a weakening external environment,” Ms Durrani-Jamal said. Regarding the EBA issue she said, “It is still too early to tell, but in the short term, it will drag export growth because garments are a major component of exports. But, let’s wait to see

what happens.” In 2018, the country’s economy grew at 7.5 percent.

Source : <https://www.khmertimeskh.com/50626637/deep-reforms-needed-to-continue-healthy-growth-ministry/>

## Exports up by 15 pct in first five months of the year



Cambodia News | 24 July, 2019

Exports during the first five months of the year increased by more than 15 percent, reaching a value of \$5.3 billion, according to the latest report from the Ministry of Economy and Finance. During the same period, the value of imports reached \$8.2 billion, a 21.5 percent hike compared to the same months last year. The growth in exports was largely supported by strong demand in the United States, with a surge in the shipments of travel goods, according to the report. Exports to the European Union, however, slipped compared to the same five months last year, the report said. The EU now represents 34 percent of the Kingdom’s total exports. The report also notes that, “Accelerating business models, economic diversification, and the expansion of target markets are enabling Cambodia to generate growth and alleviate pressure from external risks. “This will ensure that the country is able to sustain this growth in the near future.” According to the US Department of Commerce, last year Cambodia was the United States’ 57th largest supplier of goods. US imports of Cambodian goods totalled \$3.8 billion in 2018, an increase of 24.8 percent year-on-year. The US

mostly imported knitted and woven apparel, leather products, footwear, plastics and agricultural goods. In 2016, Cambodia was granted duty-free benefits for exports of travel goods like luggage, backpacks, handbags, and wallets to the United States under the GSP scheme. The Commerce Ministry has submitted a petition to the US to expand the scheme to garments and footwear. Lim Heng, vice president of the Cambodia Chamber of Commerce, told Khmer Times that more work is needed to make Cambodia truly competitive in the international marketplace. Product diversification is key to boost the country exports, he noted. “Most of our exports continue to be in the garment and agricultural sectors. We expect export numbers will continue to grow as the economy continues to expand,” Mr Heng said during a conference on the US-China trade dispute earlier this month. “We have to strengthen ourselves to compete with neighboring countries and attract more investment into the country.” Last year, Cambodian exports were valued at \$11.2 billion, an increase of 4 percent over 2017. The main products exported were garments and footwear, bicycles, rubber, rice, cassava, pepper, palm oil, and cashew nuts.

Source : <https://www.khmertimeskh.com/50626638/exports0-up-by-15-pct-in-first-five-months-of-the-year/>

## UN agriculture chief monitors project progress in Laos



*Laos News | 24 July, 2019*

VIENTIANE (Vientiane Times/ANN) - A senior United Nations official is visiting Laos with the goal of enhancing the UN-Laos partnership in maintaining food security, generating employment in rural areas, and mitigating the effects of climate change in rural areas. As part of their mission, the President of the International Fund for Agricultural Development (IFAD), Mr Gilbert F. Hougbo, and his delegation are in Xieng Khuang province this week to inspect UN interventions and identify what can be done to improve food security there. According to a media release published on the IFAD website last week, this UN agency is operating the IFAD-managed Strategic Support for Food Security and Nutrition Project in Xieng Khuang province. The project is designed to enhance the capacity of smallholder farmers to produce crops for which there is market demand. The project also aims to help strengthen the collaboration between farmers and traders so that they can do business together. While in Xieng Khuang, Mr Hougbo will interact with project participants to learn how they benefit from the IFAD intervention and about the challenges they are facing. This information will be a useful reference for IFAD in improving its aid projects in Laos. Another item topping Mr Hougbo's agenda during his visit

from July 22 to 25 is discussions with Lao leaders on how IFAD and the Lao government should cooperate to mitigate the effects of climate change in rural areas. "In Laos and Cambodia, the majority of smallholder farmers practise subsistence agriculture, but they have the potential to develop their farm businesses if they have access to finance, training, technology, and commercial markets," said Mr Hougbo as quoted in the media release posted on the IFAD website. "IFAD is an experienced development partner, working with governments to transform rural areas, reduce poverty and hunger, and increase livelihoods for rural smallholders in the region," he added. According to IFAD, this UN agency began operations in Laos in 1978 and has implemented 15 projects, investing US\$156 million and directly benefitting 329,775 households. Currently three projects are ongoing. IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, the agency has provided US\$20.9 billion in grants and low-interest loans to projects that have reached about 483 million people. IFAD is an international financial institution and a specialised United Nations agency based in Rome, the United Nations' food and agriculture hub.

*Source : <http://annx.asianews.network/content/un-agriculture-chief-monitors-project-progress-laos-100732>*

## Lao, Thai businesses seek to bolster trade, investment



Laos News | 25 July, 2019

VIENTIANE (Vientiane Times/ANN) - The Lao and Thai business communities are drawing up plans to increase bilateral trade and investment volumes in the coming years by overcoming several long-standing barriers. The two sides expect to set up a special working group that will team up with personnel from both sides in the hope of bridging gaps with the governments of Laos and Thailand. This plan was agreed to in principle by representatives of the Lao National Chamber of Commerce and Industry (LNCCI), the Thai-Lao Business Council (TLBC) and the Thai Business Association of the Lao PDR (TBAL) at a meeting held in Vientiane on Tuesday. TLBC Chairman Mr Jaturong Bunnag led the Thai delegation at the meeting with the board members of the LNCCI led by its Executive Vice President, Mr Daovone Phachanthavong. Several unresolved issues were discussed but conclusions couldn't be reached even though most of the issues had been touched on at past meetings organised by the two sides. These unresolved issues include foreign currency exchange rates, the sale of maize to Thailand, the profit tax rate, and several tariff barriers. Participants from both sides agreed to hold regular meetings and jointly outline a plan to set up a working unit to liaise with the governments of Laos and Thailand and inform them about issues that need to be resolved

urgently. The need for closer collaboration became apparent when both sides realized that Lao and Thai businesses were struggling with a number of long-standing unresolved issues. They believe that when these issues are properly addressed by the Lao and Thai governments, the volume of bilateral trade and investment will increase in the years to come. In the first quarter of 2018 alone, the combined value of Laos' imports and exports with Thailand stood at US\$1,210 million. Thailand continues to be Laos' top trade and investment partner among the Asean states, according to figures from the Ministry of Industry and Commerce. Major exports from Laos to Thailand include electricity, copper, tobacco, vegetables and minerals. Laos imports fuel, vehicles, electronic items and machinery from Thailand. In the past few years, the two countries have been working hard to increase combined trade and investment volumes. In a keynote address at the recent Top Thai Brands 2019 Fair, the Deputy Minister of Industry and Commerce, Mr Phanthong Phitthoumma, said the governments of Laos and Thailand had made a strong commitment to increase bilateral trade over the next five years. "Laos and Thailand have committed to increase bilateral trade volume by 10 to 15 percent annually and the two governments expect to meet the trade target of US\$12 billion in 2021," he said, adding that the target was quite challenging but trade and investment promotion was a priority.

Source : <http://annx.asianews.network/content/lao-thai-businesses-seek-bolster-trade-investment-100827>

## Survey shows insurance market has potential to grow



Myanmar News | 24 July, 2019

A survey on insurance showed that the Myanmar insurance industry has potential to grow to K1.75 trillion in the next 12 months and grow to a K4 trillion market in 10 years. IKBZ Insurance Co Ltd, one of the largest insurers in the country, unveiled on Tuesday findings on the insurance market, Insights from Customer Survey, which showed that the insurance market has the potential to grow to K1.75 trillion in the next 12 months and have a market size of K4 trillion in 10 years. Myanmar has the lowest insurance penetration rate in the region, with only two million of its 54.36 million population having any sort of insurance coverage. "Current market penetration is very low but we fully expect the industry to meet the regional average of 5 percent within next 10 years provided that there is sufficient access to insurance professionals and a proper suite of products," IKBZ's deputy managing director Anil Mancham said. The survey involved 1,000 adults, consisting of equal numbers of men and women and representing 70pc urban and 30pc rural demographics. The survey highlighted barriers to getting insurance, with 33pc of respondents saying it was too complicated, 22pc saying "karma" forbade them from taking insurance, 17pc said they have no one to turn to for help in understanding insurance, 11pc mentioned affordability and 10pc mentioned costs. However, 60pc of respondents were

interested in insurance despite the religious strictures. "In our survey conducted across Myanmar, we have noticed that there is a compelling need for insurance. While only a small sample of our respondents knew about insurance and insurance products, after explaining the concept of life and health insurance, an overwhelming majority of 63 percent expressed an interest in protecting themselves and their families with an insurance plan," Mancham said. He noted that most people were focused on health and life insurance products, with many concerned about the wellbeing of their families over themselves. The survey findings showed that 57pc wanted to improve their family circumstances, 33pc wanted to advance in their careers, 32pc to improve their children's lives and 30pc chose to be a good family member. Yangon-based IKBZ, which was the first local private insurer formed after restrictions were lifted in 2012, will be forming a partnership with Mitsui Sumitomo Insurance Group Inc for general insurance.

Source : <https://www.mmtimes.com/news/survey-shows-insurance-market-has-potential-grow.html>

## China, Myanmar vow to strengthen border issues cooperation



Myanmar News | 24 July, 2019

BEIJING, July 24 (Xinhua) -- China is willing to strengthen cooperation with Myanmar in border issues and immigration control, State Councilor and Minister of Public Security Zhao Kezhi said Wednesday. Zhao made the remarks when holding



talks with Myanmar's Minister of Labor, Immigration and Population U Thein Swe. Hailing that the frequent meetings between Chinese and Myanmar leaders have helped calibrate comprehensive bilateral strategic cooperation, Zhao expressed the willingness for the two countries to enhance cooperation in border issues and immigration control, and jointly combat crimes such as drug trafficking, telecom and Internet fraud and cross-border online gambling, to effectively maintain the safety and stability of border areas. For his part, Thein Swe said Myanmar hopes to enhance pragmatic cooperation with China.

Source : [http://www.xinhuanet.com/english/asiapacific/2019-07/24/c\\_138254539.htm](http://www.xinhuanet.com/english/asiapacific/2019-07/24/c_138254539.htm)

## Motorcycle sales decreases in second quarter



Vietnam News | 24 July, 2019

Ha Noi — Members of the Vietnam Association of Motorcycle Manufacturers witnessed sales of more than 749,500 units in the second quarter of this year, marking a decrease of 4.4 per cent from the same period last year. The figures were recently released by the Vietnam Association of Motorcycle Manufacturers (VAMM). The association has five members: Honda Vietnam, Yamaha Motor Vietnam, Suzuki Vietnam, Piaggio Vietnam and SYM Vietnam. VAMM members offer a wide range of products from domestic assembly to imports, including manual

motorbikes, scooters and motorbikes with high engine displacement. Each product has several versions priced from VNĐ18 million (US\$772) to VNĐ1.2 billion, depending on the model and brand. The range ensures domestic consumers have ample options when looking to buy a motorbike. The VAMM sales figures do not represent the total sales of the domestic market because they do not include other imported brand names that are not members of the association such as Kymco, Ducati, Kawasaki, BMW, KTM, Benelli, Harley Davidson, Triumph, Royal Enfield and Motorrad. The Vietnamese motorcycle market also has the newly launched VinFast brand with two versions of its Klara electric motorbike going on sale from November 20 last year. VinFast is not a member of VAMM. According to insiders, the market is considered to very saturated but still has potential. The association's reduced second quarter sales numbers could be due to the increased participation of non-member brands in the market. Speaking at a recent conference reviewing motorbike sales in Ha Noi, President of VAMM Keisuke Tsuruzono said that in the 2019 fiscal year (from April 2018 to March 2019), there were 3.37 million vehicles sold, an increase of 2.7 per cent compared to the previous fiscal year. Sales of Honda Vietnam reached 2.56 million vehicles, up 7.6 per cent compared to fiscal year 2018 and accounting for 76.8 per cent of the total. Honda Vietnam

successfully opened its first Honda Moto store in HCM City this year and has expanded to other provinces and cities. It has also introduced 18 models of motorcycles and new versions of motorbikes with larger engines to satisfy domestic consumers. In the recent meeting, Chairman and General Director of Piaggio Vietnam cum Executive Vice President of Asia Pacific Gianluca Fiume told local media that the company's business result revealed double-digit growth in sales. The biggest contribution came from the Piaggio Medley and the high-end Vespa GTS. According to Fiume the Vietnamese motorbike market has clearly polarised into separate affordable and high-end segments. Many people now see their vehicles are more than just a means of transportation; scooters show the class of the vehicle and the owner. Viet Nam's economy has been rapidly developing, improving incomes and leading to increased sales of high-end scooters. In the future, the high-end segment is likely to grow faster than the rest of the motorbike market. This is why, 10 years ago, Piaggio set a target to turn Piaggio Vietnam into the main production and trade centre in the Asia-Pacific region to serve Vietnamese consumers and export markets. — VNS

Source : <https://vietnamnews.vn/economy/523057/motorcycle-sales-decreases-in-second-quarter.html#JZX10YxAxr7uWEI.97>

## Foreign currency reserves hit 68 billion USD in H1



Vietnam News | 23 July, 2019

The State Bank of Vietnam (SBV) has reported a foreign currency reserve amount of 68 billion USD in the first half of 2019, the highest level so far. This has helped the central bank to stabilise foreign exchange rates. According to a macroeconomic report by the Banking University of Ho Chi Minh City, foreign direct investment (FDI) flows annually poured into Vietnam are important resources for the nation's foreign currency reserves. The report also pointed out challenges facing Vietnam in the coming time, including the US-China trade war which causes impact on global economic activities. Vietnam's export growth in the first half of this year expanded only 7.3 percent, 10.5 percent lower than that of the same period last year. Trade deficit was at 37 million USD in the period, while the country enjoyed a trade surplus of 4.12 billion USD a year before. Export turnover of the domestic economic sector increased by 10.8 percent. Meanwhile, that from the FDI area, which plays a crucial role in offsetting trade deficit from the domestic economic sector, rose by only 5.9 percent in the reviewed period.-VNA.

Source : <https://en.vietnamplus.vn/foreign-currency-reserves-hit-68-billion-usd-in-h1/156644.vnp>