

Highlight News | August 13/2019



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Cambodian rice to achieve worldwide fame, new CRF president promises



Cambodia News | 12 August, 2019

Cambodian rice will be recognised around the world for its quality and sustainability, the newly-elected president of the Cambodia Rice Federation has promised. Song Saran, CEO of Amru Rice and now also president of CRF, said last week during CRF's annual meeting and election ceremony that he aims to turn the rice sector into a sustainable and competitive industry that improves the lives of all involved. Mr Saran, who will hold the new position until 2022, said the federation should be run as a public-private-producer partnership, and that modernising the industry, diversifying markets and enhancing access to finance will be prioritised. "In the decade ahead, I believe the most important challenges for the sector will be globalisation, digitalisation, populism, and protectionism. These have the potential to negatively impact low-income producers and farmers as well as the competitiveness of the sector," Mr Saran said. "[To overcome these challenges], we must work closely with all stakeholders, including government agencies, non-government agencies, local and international institutions, agriculture cooperatives, and the private sector, particularly rice millers, to improve the competitiveness of the value chain, from the farm to the market, and create innovation, extra value and new products," he said. The Cambodian

Rice Federation was established in 2014 with 213 member representing exporters, farmers and millers. The number of members has now reached 292. The association's establishment followed the government's pledge to reach one million tonnes in rice exports. Although the Kingdom is now an important rice exporter, it has yet to reach that goal. The association's first president was Sok Puthivuth, who held the position until Mr Saran took over last week. Mr Saran said the federation must work to overturn a system that exploits farmers and produce chemical-doused goods that may harm consumer health. "We will promote partnerships between private actors and low-income producers that address inefficiencies in rice production and trade and nurture innovation, sustainability, fair trade, and competitiveness. "These business initiatives promote inclusion as well as innovation and market growth," Mr Saran added. Minister of Agriculture Veng Sakhon praised the sector for its achievements in recent years but called for greater cooperation among all actors to continue developing the industry. "The Ministry of Agriculture has been working to reform policies, modernise the sector and promote public-private-producer partnerships that focus on increasing quality and competitiveness through contract farming schemes," Mr Sakhon said. The country's exports of milled rice rose 3.7 percent during the first seven months of the year to reach 308,013 tonnes. China continues to be the Kingdom's biggest market, purchasing 123,361 tonnes from January to July, a 40 percent increase.

Source: <https://www.khmertimeskh.com/50632528/cambodian-rice-to-achieve-worldwide-fame-new-crf-president-promises/>

Illegal Currency Exchange Services Causing Price Hikes



Laos News | 12 August, 2019

A senior Lao government official has warned that unregistered currency exchange services that violate currency regulations must be punished. A number of foreign currency exchange services in Laos are openly flouting regulations, exacerbating the fluctuation of exchange rates, Vice President of Lao National Chamber of Commerce and Industry (LNCCI,) Ms Valy Vetsaphong said during a consultative meeting between public and private sector representatives on 6 August. "Exchange units operated by banks are tightly controlled, but there is no effective measure to regulate money changers that are outside the system," Ms Valy added, as quoted by Vientiane Times. She said there is a greater possibility that the large amounts of money exchanged outside the system could cause fluctuation in the currency and exchange rate, noting that transactions through the banking system are one way of ensuring that banks can regulate such rates. Laos is currently facing inflation and high consumer expenses amid the declining value of the kip against the US dollar and Thai baht. The value of the kip against the US dollar fell by 0.9 percent and by 3.5 percent to the baht over four months from

January, according to a report from the Minister of Planning and Investment, Dr Souphan Keomixay. Most consumer goods in Laos are imported, so when the value of the kip drops against the major foreign currencies, product prices rise accordingly. Meanwhile, Ms Valy also cited the widespread use of foreign currencies as a possible reason causing the weak value of kip. The use of US dollars and Thai baht are still common across the country, particularly in Vientiane, despite efforts by the Bank of Laos to crack down on the practice..

Source : <https://laotiantimes.com/2019/08/12/illegal-currency-exchange-services-causing-price-hikes/>

Maintaining Economic Stability In Lao PDR



Laos News | 12 August, 2019

(KPL) Economic growth in the Lao PDR is projected to rebound to 6.5 per cent in 2019, up from 6.3 per cent in 2018. Growth is expected to be driven by the construction sector, supported by investments in large infrastructure projects, and a resilient services sector, led by wholesale and retail trade growth. Against the backdrop of challenging domestic and external environments, the government has remained committed to fiscal consolidation by tightening public expenditure and improving revenue administration, according to the latest edition of the World Bank's Lao Economic Monitor, released today, Aug 12. Fiscal consolidation is expected to result in a decline in the budget deficit to 4.3 per cent of GDP in 2019 down from 4.4 per

cent last year, driven by tighter control of the public wage bill and capital spending. This is expected to keep public expenditure stable at around 20% of GDP in 2019. The revenue to GDP ratio is projected to improve slightly in 2019 thanks to efforts to strengthen revenue administration and the legal framework. Looking forward, public debt is expected to decline from 57.7% of GDP in 2018 to 55.5% of GDP in 2021. Outlook until 2021 is subject to increasing downside risks. "Strengthening revenue collection is important to create fiscal space and reduce the burden of public debt," said Nicola Pontara, World Bank Country Manager for the Lao PDR. "Looking forward, it will be important to improve the business environment to support private sector development, including the growth of small and medium enterprises. These measures can contribute to maintaining a stable macroeconomic environment, promoting job creation and reducing poverty and inequality," said Nicola Pontara. The report includes a thematic section that summarizes the perceptions of small and medium enterprises (SMEs) on the business environment, based on the data of World Bank Enterprise Survey. The key constraints reported by SMEs include access to finance, competition with informal firms—such as those that are not registered and do not comply with regulations—and electricity outages. The report maintains that strengthening the performance of SMEs can improve the quality of jobs, raise incomes and contribute to the greater well-being of the Lao people.

Source: <http://kpl.gov.la/En/Detail.aspx?id=47498>

€8 million funding for trade initiatives



Myanmar News | 12 August, 2019

The European Union (EU) will provide assistance of up to 8 million euros over four years for the implementation of ARISE Plus Myanmar initiatives that will help the country integrate better with Asean economies in line with the Asean Economic Community Blueprint 2025. A financing agreement was recently signed with officials from the EU, the Ministry of Commerce and the Geneva-based International Trade Centre (ITC), the implementing agency for the initiatives, in attendance. The ITC together with the World Trade Organisation (WTO) has a joint mandate to promote global trade and also directly contributes to 10 of the Sustainable Development Goals. "I would like to express our sincere gratitude to the EU for this grant support to promote inclusive and sustainable growth in Myanmar. It shows the strong commitment between the EU and Myanmar to move towards the sustainable development goals," Ministry of Commerce director general for trade U Min Min said in a statement. "We're very honoured to support Myanmar through the ARISE Plus Myanmar project to further diversify its trade and enhance its integration, regionally and internationally. The EU remains committed to assisting Myanmar in achieving these important objectives," the EU

delegation to Myanmar's head of cooperation Johann Hesse said. The financing will help support micro-, small and medium enterprises explore business opportunities in Asean, the EU and global markets. Other initiatives under this funding include helping to formulate trade policy and assist the country in meeting Asean and WTO commitments while addressing non-tariff barriers through the value-chain. The Arise Plus Myanmar initiatives aims to contribute to equitable and inclusive growth as well as job creation in export-oriented industries in line with the government's plans to diversify the economy and have more value-added activities that can result in more opportunities for women and better paying jobs. The initiatives also aim to increase transparency in trade rules and address barriers women-led businesses face when integrating with export value-chains and support advocacy efforts of business associations, especially from women entrepreneurs.

Source: <https://www.mmtimes.com/news/eu8-million-funding-trade-initiatives.html>

Auditor says country's foreign debt tops US\$10b



Myanmar News | 09 August, 2019

Myanmar had outstanding foreign debt of US\$10.2 billion and local debt of K20.725 trillion at the end of 2018, an increase from the year before, according to a report by the Union Office of the Auditor General.

The report was submitted to the Pyidaungsu Hluttaw (Assembly of the Union) on Wednesday. Auditor General U Maw Than said, "Debts are increasing every year. The debt-to-GDP ratio at the end of March 2018 was 38.3 percent. Therefore, a mid-term management strategy is needed to implement the projects with loans within project periods for better management of public debt." Moreover, there was a difference of US\$902 million between foreign exchange receipts and spending. The Ministry of Electricity and Energy, the Ministry of Transport and Communications, and the Ministry of Natural Resources and Environmental Conservation top the foreign exchange revenue earners. Most foreign exchange spending went to paying back the principle and interest on loans, the report said. According to the 2017 Union Budget Law and 2017-2018 Supplementary Budget Law, although total loan from local and foreign sources shall not exceed K5.4 trillion, the total of local and foreign loans was K8.943 trillion, it said. The budget deficit increased K409.07 billion from the previous year, and government treasury bonds and bills had to be sold by tender system to get a loan from the Central Bank of Myanmar to offset the deficit. The Auditor General Office monitored implementation of the 2017 Union Tax Law and fiscal year 2017-18 National Planning Law, and supervision of government loans related to collecting revenue and effective budget spending by government agencies.

Source: <https://www.mmtimes.com/news/auditor-says-countrys-foreign-debt-tops-us10b.html>

Seafood exports to China could recover in second half



Vietnam News | 12 August, 2019

Seafood exports to China could recover in the second half of the year after falling in the first half due to tightened regulations there. Demand for seafood is set to rise in China, especially for high-quality products, which could mean Vietnam's \$572-million exports in the first half would double to \$1.2 billion for the year, the Vietnam Association of Seafood Exporters and Producers (VASEP) said in a new report. There was a 2.3 percent decrease in the first six months year-on-year given China's new border quality control policy. Vietnamese exporters struggled to meet China's tough new food safety standards due to a lack of knowledge, leading to a decline in shipments, VASEP said. China is one of Vietnam's most important seafood markets. Over 150 Vietnamese businesses export to the country, 50 of them shrimp and 45 of them pangasius fish. VASEP said earlier that Vietnam's overall seafood exports this year would only rise by 2 percent to \$9 billion against a target of \$10 billion. Vietnam ranks among the top ten seafood producers in the world, according to the U.N. Food and Agriculture Organization.

Source: <https://e.vnexpress.net/news/business/industries/seafood-exports-to-china-could-recover-in-second-half-3966273.html>

VN's motorcycle market ranks 4th despite H1 sales decline



Vietnam News | 12 August, 2019

HA NOI – Viêt Nam's motorcycle market saw a year-on-year slump of 5.3 per cent with nearly 1.5 million sales in the first half of this year, according to motorcyclesdata.com which tracks motorcycle sales all around the world. Honda, which tops the market, remained stable, while all other manufacturers saw a decline in sales, with Yamaha down 20 per cent. The new local producer, VinFast, was welcomed by the market, according to the website. Despite the six-month sale reduction, Viêt Nam maintained its position as the world's 4th largest motorcycle market, with more than three million vehicles sold each year. It remains a manufacturing cluster involving top brands, such as Japan's Honda, Suzuki and Yamaha, Taiwanese SYM and the Italian Piaggio. These brands account for over 97% of the market share. According to the website, the outlook for the local market in 2019 is still positive, considering the economy will maintain momentum and experts foresee a growth between 3 and 5 per cent. In 2018, the domestic market hit an eight-year high in sales, with 3.38 million bikes (including both local producers and imported vehicles). With the positive figure, Viêt Nam stands behind India, China and Indonesia in terms of motorbike sales. According to insiders, the Vietnamese motorcycle

market is considered to be very saturated but still has potential. The market has clearly polarised into separate affordable and high-end segments as many people now see their vehicles as more than just a means of transport. – VNS

Source : <https://vietnamnews.vn/economy/523903/vns-motorcycle-market-ranks-4th-despite-h1-sales-decline.html#qZoYH8Mb3CpVWaBv.97>
