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Cambodia-Thailand trade sees steady growth



Cambodia News | 14 August, 2019

Two-way trade between Cambodia and Thailand rose steadily during the first half of the year, according to a report from the Thai Business Council of Cambodia (TBCC). Bilateral trade increased by 7 percent year-on-year in H1, reaching roughly \$4.1 billion, TBCC's report revealed. From January to June, Cambodian exports to its neighbour amounted to \$685 million, a whopping 52 percent hike. By contrast, imports from Thailand rose by just 1 percent to reach \$3.4 billion. Cambodia mainly exported agricultural products such as corn, cassava, and soybeans, while it imported machinery, electronic equipment, fuel oil, construction materials, cosmetics and home appliances from Thailand. The two countries have pledged on multiple occasions to increase bilateral trade to \$15 billion a year by 2020. It is unlikely that the goal will be achieved since last year's trade amounted to less than \$8.5 billion. "We will probably not be able to reach our goal next year despite the rapid growth bilateral trade is experiencing," Seang Thay, Ministry of Commerce spokesman, told Khmer Times yesterday. Cambodia and Thailand have agreed to grow bilateral trade by about 30 percent a year, he noted. In 2018, trade grew by about 35.5 percent, Mr Thay said, adding that in 2019, the ministry expects that \$9 billion worth of goods will be exchanged. He said the number of Cambodian

agricultural goods that reach the Thai market is still relatively small and urged Thai authorities to increase efforts to facilitate such exports. Last year the two countries signed a 'Growth Strategy of Border Provinces' Economic Cooperation', seeking to facilitate trade and investment along the border, Mr Thay said. He said more and more Thai business people are setting up factories in Cambodia. "With strong economic growth and political stability, Thai investors have started to build factories inside Cambodia rather than exporting from Thailand," he noted. Lim Heng, vice president of the Cambodia Chamber of Commerce, attributed the strong growth in bilateral trade to Cambodia's robust economic performance, which was backed by solid growth in construction and tourism. "Our economy has been performing very well while our people keep on spending, particularly in two main sectors, construction and tourism," he noted. "We imported a lot of construction materials, foodstuffs and consumer goods from Thailand because we simply could not produce enough to meet domestic demand," Mr Heng added.

Source: <https://www.khmertimeskh.com/50633275/cambodia-thailand-trade-sees-steady-growth/>

Cambodia, Malaysia discuss bike parts manufacturing



Cambodia News | 15 August, 2019

Minister of Commerce Pan Sorasak on Tuesday met with the Malaysian ambassador in Phnom Penh to consider the establishment of several factories in

Cambodia to manufacture bicycle components. Minister Sorasak and newly-appointed Malaysian ambassador Eldeen Husaini Bin Mohd Hashim agreed that working together to build bike parts manufacturing facilities will help bolster the countries' trade relation. The bicycle components produced at the factories would be used to supply local manufacturers, it was suggested during the meeting. "At the meeting, the discussion centred on working together to build bike parts manufacturing facilities to feed local supply chains," Mr Sorasak said in a press release after the meeting. Last year, the Kingdom exported 1.52 million bicycles to the European Union, worth a combined \$331 million, according to a World Bank report released in May. In 2017, the Kingdom became the largest bicycle supplier to the EU, overtaking Taiwan. Bicycles need to be comprised of a minimum of 40 percent local components to qualify for duty-free status in the EU, although goods from other Asean nations can count as local materials, according to the ministry. Cambodia currently manufactures some of the components used in bicycles but it also imports them from countries in the region. Commerce Ministry spokesman Seang Thay said having more bike parts factories in the Kingdom will help reduce costs for bicycle manufacturers and improve the supply chain. Mr Thay noted that as Cambodia reforms its investment policies and institutions, more and more investors are drawn to the local market.

"We have amended the investment law and continue to work to facilitate business in the country with several initiatives, including the introduction of online platforms for registration. These initiatives help build investor confidence," he said.

Source:<https://www.khmertimeskh.com/50633656/cambodia-malaysia-discuss-bike-parts-manufacturing/>

Laos' economic prospects remain bright: IMF



Laos News | 15 August, 2019

The International Monetary Fund (IMF) is predicting a favourable outlook for Laos' economic growth in the upcoming years despite the present difficulties. The international financial institution unveiled its projection last week as part of the Article 4 Consultation with the Lao PDR mission, which took place in Vientiane in May. The projection states that ongoing private investment, increasing electricity exports and the completion of the Laos-China railway will help boost economic growth to 7 percent over the medium term. GDP growth slipped to 6.3 percent in 2018, down from 6.8 percent in 2017. The slowdown was attributed to widespread flooding, which harmed agricultural and industrial productivity. Last year a succession of tropical storms caused flooding across the country while the worst flood occurred in Attapeu province after the collapse of a dam at the Xe-Pian Xe-Namnoy hydropower plant. This year, the government has suspended new public investment projects and

imposed fiscal consolidation as part of efforts to maintain its sound financial position, the IMF said in its media release. The IMF also projected that the large current account deficit was expected to persist due to the increasing demand for imports. The growth in imports would pose a big challenge for the government in maintaining a high level of gross international reserves. Fiscal consolidation is also expected to continue. This will be supported by efforts to improve revenue administration and optimisation of spending and the government's plans to reduce recruitment with the civil service. The continued refocusing of capital spending to post-disaster reconstruction efforts as well as the suspension of new investment projects will help the government to maintain a sound financial position, the IMF said. But despite the healthy outlook for economic growth over the medium term, Laos continues to face a number of risks. This includes risks caused by international factors such as the slowdown of the Chinese economy. China is one of Laos' largest trading partners and FDI investor. Domestic risks include the slower than anticipated implementation of committed structural reforms, and weather-related shocks. On the upside, the IMF sees that faster regional growth and deepening integration of Laos within Asean will help boost investment, trade, and tourism in the country.

Source : http://www.vientianetimes.org.la/freeContent/FreeContent_Laos184.php

Constraints on Lao SMEs obstruct business operations



Laos News | 14 August, 2019

VIENTIANE (Vientiane Times/ANN) - A World Bank survey has suggested that Small and Medium-sized Enterprises (SMEs) in Laos face a range of constraints, most notably difficulty accessing finance, the practices of informal competitors, and electricity outages. Access to finance has become even more difficult over the past two years, according to the latest World Bank Enterprise Survey. This problem can be attributed to a combination of persistent factors, such as greater caution in risky lending by the banking sector, a lack of proper business and financial planning and management among SMEs, low financial literacy, lack of variety of financial services offered to SMEs, especially in rural areas, and high interest rates. The practices of competitors in the informal sector, such as poor compliance with regulations, combined with inconsistent enforcement by authorities, result in an unfair disadvantage for officially recognised businesses. Additionally, despite steady progress in the expansion of the electricity supply in recent decades, access to and availability of power remains an issue that affects the operations of SMEs. Farms report facing issues such as substantial delays in setting up a connection and inconsistent electricity supply, with these challenges being most prevalent among small businesses in rural areas. Addressing these constraints is essential to unlock

SMEs' potential. Improving access to finance for SMEs could be achieved by improving the capacity of SMEs in business planning, financial management and adoption of proper accounting practices. Second, the financial products and services offered by banks and non-bank financial institutions should be diversified and, three, credit information coverage for financial institutions and supervision authorities should be improved to help better assess risks and promote access to finance. In addition, improving efficiency and reducing the costs of formal bureaucratic processes could be an incentive for the formalisation of informal firms. In effect, creating a level playing field for SMEs through the consistent enforcement of rules and regulations could reduce the challenges associated with informal competitors. Finally, investing in improving the efficiency of the energy distribution network and electricity connections can markedly reduce the impacts on the business operations of SMEs. SMEs constitute an important segment of the private sector in Laos. They account for about 99 percent of all registered businesses in the country and about 82 percent of employment. Therefore, they are critically important for the livelihood of the Lao people. Highlighting their as-yet-unrealised potential in Laos, these businesses are estimated to account for under 20 percent of GDP as compared with about 40 percent in Thailand and 31 percent in Malaysia and the Philippines. Improving the performance and prospects of SMEs is one important way to raise incomes and the quality of jobs while helping the

government to move closer to its goal of raising Laos out of Least Developed Country status.

Source: <http://annx.asianews.network/content/constraints-lao-smes-obstruct-business-operations-101968>

Rice export earnings decline by over 350 m USD



Myanmar News | 14 August, 2019

Export earnings from rice and broken rice reached 597.369 million US dollars, down over 350 million US dollars during over 10 months of the current fiscal year, according to an official of Ministry of Commerce. From October 1 to August 2 of 2018-2019 fiscal year, Myanmar earned 597.369 million US dollars from exports of 1.978 million tons of rice and broken rice. In the same period last year, Myanmar earned 950.661 million US dollars from exports of 1.801 million tons of rice and broken rice. "This year, the rice and broken rice export volume declined by 822,904.197 million tons and the export earnings, by 353.022 million US dollars," the official said. Myanmar exports rice to the EU and African markets via sea route and to China via Muse Border trade camp. Thanks to the market expansion in 2017-18 FY, Myanmar exported nearly 3.6 million tons of rice. It is a record-breaking export within over 50 years. Now, Myanmar's rice exports have declined due to low demands from China and the EU. The private sector alone is unable to deal with the relatively low border trade and a decline in rice

export, according to the Myanmar Rice Federation. In the past, there were 11 companies which officially export rice to China. Myanmar has chosen more than 40 rice export companies and can resume its rice export to China after sending the list of these chosen companies to China,” said Deputy Commerce Minister Aung Htoo who replied to the questions raised by the farmers at a meeting between farmers and Myanmar State Counsellor Daw Aung San Suu Kyi, in Danuphyu Township in Ayeyawady Region on June 28.

Source: <https://elevenmyanmar.com/news/rice-export-earnings-decline-by-over-350-m-usd>

Exports through Muse down by a third



Myanmar News | 14 August, 2019

A crackdown by China on illegal trade along the vital Muse border crossing located in northern Shan State as well as severe restrictions on agricultural imports continues to affect Myanmar’s border exports to the country. According to data from the Ministry of Commerce, exports declined 28.4 percent to US\$2.74 billion from October 1, 2018 to August 2 this year compared to the same period of the corresponding year. Imports to Myanmar rose 6.5pc to US\$1.5 billion in the period under review compared to the corresponding period of last year. Total trade through Muse came to US\$4.42 billion, a decline of nearly 20pc compared to the

corresponding period of last year. Ministry of Commerce deputy permanent secretary U Khin Maung Lwin said the restrictions imposed on the imports of Myanmar rice and maize continues to bite. “We’ve been effectively handling the illegal border trade since 2018 following requests from China. Trade across the border has been slower with exports of rice and maize sharply down due to arrests of Chinese traders,” he said. He noted that a major issue for the smuggling of goods across the border to the Chinese province of Yunnan continues to be a high tax rate. To mitigate the falling exports, the Myanmar government has approached China to trade through the barter system with a quota of goods. U Khin Maung Lwin said through the barter system, Myanmar has clinched an agreement from China to buy 100,000 tonnes of rice through the border trade. “We’ve made the quality inspections of the rice and corn mills and their goods. Only 11 have been given permission to export, we’re also waiting for the government-to-government arrangements to be made,” he added.

Source: <https://www.mmtimes.com/news/exports-through-muse-down-third.html>

US exports to Vietnam see strong growth: data



Vietnam News | 14 August, 2019

U.S. exports to Vietnam experienced a significant increase in January-July, having posted a record

value of nearly US\$10 billion in 2018, data from both sides show. Vietnam is currently one of America's fastest-growing markets, according to the Consulate General of the United States in Ho Chi Minh City. The two countries started out with almost no two-way goods trade 25 years ago to nearly US\$60 billion worth of bilateral trade today, the U.S. Consulate General said in an email, responding to a request for statistics from Tuoi Tre (Youth) newspaper on Tuesday. The U.S. exported nearly \$10 billion worth of goods to Vietnam in 2018, a surge of more than four times in the past decade. Key U.S. exports include computers and electronics, cotton, machinery, fruit and nuts, and soybeans and grains. In the meantime, the General Department of Vietnam Customs said exports from the States to the Southeast Asian country in the January-July period have been on the constant rise over the past five years. In the same seven-month period in 2015, exports were worth \$4.461 billion before slightly rising to \$4,485 billion in 2016 and \$5.541 billion in 2017. The January-July exports from the U.S. to Vietnam jumped 37 percent year on year to \$7.612 billion in 2018 and continued to rise to \$8.152 billion this year, according to the general department. Among all sectors, agriculture trade between the two countries has been particularly strong, posting a value of \$8.6 billion in 2018, up 26 percent from 2017, and making Vietnam the seventh-largest agricultural export market of the U.S. Specifically, the U.S. exported \$4.5 billion worth of farm produce and food to Vietnam last year, up 50 percent from 2017,

according to the Consulate General of the United States in Ho Chi Minh City. The American Chamber of Commerce (AmCham) in Vietnam attributed the agricultural export increase to Vietnam's improvement of per capita income (PCI). In addition, both sides have gradually lifted technical barriers to trade and make their markets more open, widening the access of U.S. agricultural products to Vietnam. In other sectors, Vietnam imported \$2.63 billion worth of computers, electronics, and machinery from the U.S. in the first half of this year, up \$1.15 billion from the same period in 2017, and \$1.12 billion worth of cotton, equivalent to a \$282-million climb, according to the General Department of Vietnam Customs. The U.S. Consulate General believed there is still great potential for further trading between the two countries, considering Vietnam's growing middle class and strong and stable GDP growth. "Ensuring free, fair, and reciprocal trade and investment terms with all U.S. partners, including friends like Vietnam, is a top priority for President Trump," the diplomatic body affirmed in the email. "We remain committed to working with Vietnam to take steps to address both our trade imbalance and market access barriers in a constructive manner. "We are working to become the preeminent exporter and partner in supporting the development of a prosperous Vietnam."

Source:<https://tuoitrenews.vn/news/business/20190814/us-exports-to-vietnam-see-strong-growth-data/50980.html>

Nghê An to host VN-Thailand trade forum



Vietnam News | 15 August, 2019

HA NOI — A conference to accelerate bilateral trade and investment between Vietnamese and Thai enterprises is slated to be held in the central province of Nghê An from September 26-30. Information on the event was released during a working session among the Business Association of Overseas Vietnamese (BAOOV), the Business Association of Thai Vietnam (BAOTV) and provincial leaders on Wednesday. During the event, 500 entrepreneurs from Viet Nam and Thailand as well as overseas Vietnamese firms will share their experience and discuss new business models. An exhibition showcasing products and services in a wide range of sectors such as agriculture, hi-tech, import-export, finance and tourism will also be held along the event of 400 booths to be run by exhibitors from 28 countries and territories. In his speech at the working session, vice chairman of Nghê An People's Committee Lê Ngợc Hoa proposed the BAOOV to tell foreign investors about the province's development. That will help attract more international firms to seek investment opportunities in the locality. He described the conference as an opportunity for local enterprises to promote exports of products like farm produce, textile and garment and handicrafts to Thailand. They will also have a chance to better

understand Thailand's quality requirements and the tastes of Thai customers, he said. At the conference, the central province will seek co-operation between overseas Vietnamese enterprises and those in the province while calling on investment into its key industrial parks, according to the vice chairman. Viê Nam's export earnings from Thailand, a competitive market in the region, have increased sharply in recent years, with an annual average turnover of US\$4-5 billion. The Ministry of Industry and Trade said Viê Nam exported \$5.5 billion worth of products to its neighbour in 2018, a year-on-year surge of 15 per cent. Viet Nam's shipments to Thailand brought home \$1.39 billion in the first quarter of 2019, up 6 per cent from the same time last year. However, experts said made-in-Viet Nam products only accounted for a small proportion of Thai imports. They recommended exporters enhance co-operation with the Vietnamese community in Thailand, many of whom own supermarkets and convenience stores in the country, to make Vietnamese products become more popular among Thais. VNS

Source: <https://vietnamnews.vn/economy/524023/nghe-an-to-host-vn-thailand-trade-forum.html#08xdjgfYJpJLHo7s.97>