



- AROUND ASIA: CAMBODIA
- Cambodia at the crossroads
- Infrastructure development, tourism key for economic growth in Laos: ADB
- Workshop in Laos tackles global value chains, services, economic liberalisation
- Mandalay to regulate motorbike taxis, three-wheelers
- Vietnam's industrial growth hits four-year high



AROUND ASIA: CAMBODIA



Cambodia News | 30 September, 2019

The Cambodian Ministry of Tourism has launched an online system to verify the validity of certificates in the tourism industry. The e-certificate system aims to strengthen the quality of service by combating "fake" certificates used to cheat tourists, the Khmer Times reported on Wednesday. Tourism professionals that receive training from the ministry, provincial tourism departments or registered training schools will be issued a certificate with a QR code.

Source: Bangkok Post

Cambodia at the crossroads



Cambodia News | 30 September, 2019

Losing EU trade privileges could hurt, but it won't be the end of the world, say government and businesses. By Monileak Ean Cambodia is just five months away from learning whether its US\$8-billion garment and footwear industry will continue to enjoy preferential trade status in the European Union (EU), the country's second largest trading partner and largest export market. Both the Cambodian government and businesses say they are preparing to weather the storm if the privileges are suspended. Some say the prospect of change is helping to speed up the adoption of reforms to improve productivity and export competitiveness. At stake is duty-free access for all exports except arms and ammunition to EU markets under the Everything But Arms (EBA) programme. Termination could affect the garment industry the most, putting workers at risk

of losing jobs and dragging down economic growth overall as exports slow, experts say. A World Bank report estimates lost export revenue of \$654 million - \$510 million for garments and footwear and \$144 million for milled rice - if the European Commission (EC) ends the EBA privileges, which have been in place for 18 years. "Currently, 46% of our total exports go to the EU," Ken Loo, secretary-general of the Garment Manufacturers Association in Cambodia (GMAC), told Asia Focus. "We will still be able to export to the EU, albeit without any trade preferences. [But] this means that we will be less competitive price-wise as Cambodian products will be required to pay the prevailing import duties." In January, the EU imposed customs duties on rice from Cambodia and Myanmar at 175 (\$195) per tonne in the first year, before progressively reducing it to 150 in the second and 125 in the third year. The move was ostensibly aimed at protecting European rice producers such as Italy. Cambodian milled rice exports to the EU declined 58% in February to only 10,080 tonnes. The country sold 270,000 tonnes, or 43% of its total milled rice exports, to the EU in 2018. The EBA review was a response to the 2018 election, in which the governing Cambodian People's Party (CPP) won all 125 seats in the National Assembly. The vote was widely condemned in western countries as a sham. Prior to the poll, the main opposition Cambodia National Rescue Party (CNRP) was dissolved by the Supreme Court, and leader Kem Sokha was arrested and charged with treason, leaving the CPP with no real challenger. The EC said

the growing climate of "political repression" under Prime Minister Hun Sen, who has been in power since 1985, justified a review of EBA. Hun Sen seems unfazed by the prospect of being punished economically. In March, he was quoted by the Phnom Penh Post as saying that EBA wouldn't make Cambodia rich, and it wouldn't become poor without the trade perks. He also asserted Cambodia's sovereign right to make its own decisions. In February, the EC launched a 12-month EBA review and withdrawal process with Cambodia. Myanmar and Bangladesh are also facing complaints about human rights but their EBA reviews have not begun yet. The evaluation process in Cambodia ended in mid-August. The EC will issue a report in November and the Phnom Penh government will have one month to respond before the final decision is made in February 2020. The Ministry of Foreign Affairs in February condemned the EC action as "politically motivated". "While many countries receiving EU trade preferences have not fully complied with these international conventions and to which the EC has closed a blind eye, the EC hiding behind its political agenda has unfairly imposed and expected the 'perfect implementation' of these Conventions from Cambodia," it said in a statement. The European Chamber of Commerce (EuroCham) in Cambodia has also called the EBA withdrawal process "counterproductive to Cambodia's socio-economic transformation". Ou Virak, a political and economic analyst and president of Future Forum, said the gutting of the political opposition appeared to have

left the EU few options but to "stick to their guns on Cambodia and the people of Cambodia will likely be the ones that pay the price." The EC said its review was based on three issues: labour rights related to the right to strike and working conditions; human rights abuses related to land grabs; and "political repression". However, Mr Virak argues that the review has little to do with actual human rights or political conditions. "This has been a source of frustration for Cambodia as the EU, while condemning Cambodia, is continuing business as usual with authoritarian states like Vietnam, Laos and Thailand," he said. As Cambodia's largest economic sector, the garment and footwear industry provides jobs to about 700,000 men and women. The National Union Alliance Chamber of Cambodia, which represents some 400,000 workers, estimated that 43% of garment workers (or 225,000 people) and 20% of footwear workers (about 20,000 people) would be left unemployed by EBA removal. "Research suggests and history demonstrates that economic sanctions lead to an increase in poverty – especially among women, minority communities and other marginalised groups," it said. Accounting for around two-thirds of total exports in 2018, shipments of garments, footwear and travel goods grew by 17.6% to a five-year record of \$9.5 billion, according to the World Bank. The GMAC says the suspension of EBA benefits "would not serve the EBA programme objective of poverty eradication and sustainable development". Mr Loo of the GMAC says Cambodia does not deserve to lose the benefits. "I

believe that Cambodia does comply with the ideals and objectives of the scheme and that we should continue to enjoy such preferences. In addition, the government has tried to address many of the concerns raised by the EU," he told Asia Focus . In any case, the government and businesses have been preparing for any scenario including permanent loss of EBA benefits, according to the Ministry of Commerce. It said "deep reforms" to cut production and transport costs are meant to ensure that the economy will be less affected by external factors, while benefits of workers, farmers and other citizens will be protected. The World Bank has also said cutting production- and export-related costs would help mitigate the impact of EBA withdrawal. While garment exports contribute a lot to GDP, Europe is not the only market for the country. The US remains Cambodia's largest single export market with a total value of \$3.8 billion in 2018, according to the United States Trade Representative (USTR). "With or without the EBA, our goal is to continuously make our industry more competitive and lower our costs and become more efficient," said Mr Loo. "We [will] continue to export to the US (26% of total exports), Japan, Canada and China as well as to other countries around the world." Despite the threat of EBA suspension, 30 new footwear and travel goods factories opened in Cambodia in the first half of 2019, the Phnom Penh Post reported in July. In fact, a future without EBA could provide an opportunity to create "a new history for Cambodia", according to government spokesperson Phay

Siphan. Speculating that the EU might use selective sanctions instead of removing EBA privileges entirely, Mr Virak said the garment sector could be spared while sugar and other industries could be targeted. "They might consider other more politically related sanctions against the leadership of the ruling party as an additional if-needed response. This could mean visa restrictions or cutting direct aid to the Cambodian government," he said. Caption "The government has tried to address many of the concerns raised by the EU," says Ken Loo, secretary-general of the Garment Manufacturers Association in Cambodia.

Source:<https://www.bangkokpost.com/business/176>

1524/cambodia-at-the-crossroads

Infrastructure development, tourism key for economic growth in Laos:

ADB



Laos News | 30 September, 2019

VIENTIANE (Vientiane Times/ANN) - The government is targeting more international visitor arrivals until the end of this year with numerous incentives, a promotional tourism campaign, and policy updates. The move follows the recent release of the new Asian Development Bank (ADB) forecast which showed the country's economic growth remaining moderate in 2019 and 2020 as expansion in the industry and services sectors softened in the first half of 2019 due to fewer foreign travellers. In response to questions asked by local media about tourism promotion during the launch of the Asian

Development Outlook Update 2019 in Vientiane this week, ADB Public Management Specialist for the Lao PDR, Mr Rattanatay Luanglatbandith, said tourism was considered to be a critical factor for economic growth. "Several key elements are required for tourism promotion in Laos - infrastructure development, tourism campaign investment and regulation of entry fees at tourist sites," he said. He explained that Laos has tremendous potential for natural, cultural and historical tourism, but to capitalise on this the government needed to improve infrastructure, promote tourism and properly manage admission fees at tourist sites. "For example, road access to tourist sites must enable easy access. Basic and essential facilities should be available and admission fees should be a one-time payment so that visitors aren't having to constantly dip into their pockets," Mr Rattanatay said. Most importantly, the government needs a marketing campaign via internationally-recognised media platforms such as BBC or other broadcasting companies that have millions of viewers, he suggested. However, the government has been actively working with its development partners to promote tourism over the past year. Last year, Visit Laos Year 2018 was a success and this year the Visit Laos-China Year 2019 campaign was launched, aiming to attract 1 million Chinese tourists and about 4.5 million visitors overall. During his keynote address at the 2nd Sustainable Tourism Solutions Expo 2019 held in Vientiane from September 27-28, Minister of Information, Culture

and Tourism, Professor Dr Bosengkham Vongdara, said Visit Laos Year 2018 had resulted in 4.2 million foreign tourist arrivals. "This figure was an increase of 8.2 percent on 2017 and Visit Laos-China Year 2019 is targeting at least 4.5 million tourist arrivals," he said. Tourist arrivals in the first half of 2019 were recorded at more than 2.2 million, an increase of 5 percent compared to the same period last year, according to the Ministry of Information, Culture and Tourism. Chinese visitors were the largest in number among all foreign tourists, followed by Thai, Vietnamese, South Korean and other nationals, the minister reported at the expo.

Source: <http://annx.asianews.network/content/infrastructure-development-tourism-key-economic-growth-laos-adb-105204>

Workshop in Laos tackles global value chains, services, economic liberalisation



Laos News | 1 October, 2019

VIENTIANE (Vientiane Times/ANN) - Government officials from several organisations are attending a capacity building workshop in Vientiane from September 30 - October 2 on global production value chains, services and economic liberalisation in Asean Least Developed Countries (LDCs). The workshop comes as Laos' economic integration with regional and global systems in recent years has provided the government with new opportunities and better techniques and technology necessary for

development. The topics for discussion and knowledge exchange include the importance of trade in services for LDC development, emerging trends in globalisation, global production value chains and trade in services in Asean and East Asia, service liberalisation and global production value chains in Laos, sustainable and inclusive growth, human capital development, technologies and industry 4.0. Participants are also learning more about the development of SMEs and the growth in tourism, agriculture services, logistics, foreign direct investment policy, services sector development, globalisation, and free trade areas. Professor, Shandre Thangavelu from the University of Adelaide, Australia is leading participants with case studies, group discussions, quizzes and group presentations. "The purpose of the workshop is to increase the knowledge and expertise of officials to help participants develop sound policy in a dynamic and fast-changing global environment, Director General of the Planning Department," Ms Phonevanh Outhavong said at the workshop. She hoped the workshop would be able to address the development gap, particularly the information and policy disparities of LDCs in Asean, to strengthen institutions that would allow participants to translate policies into a resilient region while enhancing member state economies. Ms Phonevanh was sure the programme, which is supported by the Australian

government and Economic Research Institute for Asean and East Asia, would contribute significantly to human resource development in Laos, particularly in capacity building for government officials.

Source: <http://annx.asianews.network/content/works>

hop-laos-tackles-global-value-chains-services-

economic-liberalisation-105283

Mandalay to regulate motorbike taxis, three-wheelers



Myanmar News | October, 2019

Mandalay city authorities will enforce strict regulation of motorbike taxis and three-wheeled vehicles, a regional legislator said. While the motorbike taxis and three-wheelers help residents get around the city, they have become unruly and are operating without licences, said MP U Aung Kyaw Moe, an MP for Meiktila township. "Unlicensed vehicles should not be allowed to provide mass transportation," he said. "Supervision is needed. Three-wheelers must have licences or they won't be allowed to pick up passengers. Some three-wheelers violate the traffic rules," he added. He said they turn street corners without slowing down, and pass other vehicles on the wrong side, putting their passengers, other motorists, and pedestrians in danger. He said he will propose a law in regional parliament to regulate these vehicles, if necessary. Mandalay Mayor U Ye Lwin said that a committee set up to inspect the import documents of three-wheelers had not done its

job properly. He said some transport companies, like Grab and O-way, train their drivers, but others need more supervision. “There are more than 6200 licensed three-wheeled bikes in Mandalay district,” U Ye Lwin said. U Zarni Aung, regional minister for Electricity, Energy and Construction, said a team of officials from the Road Transport Administration Department, traffic police, township police, ward administration, motor vehicle import committee, and Fire Department conducts random checks of these vehicles. “We conducted 532 inspections from January to August and took action against 1460 vehicles for violations,” he said.

Source: <https://www.mmtimes.com/news/mandalay-regulate-motorbike-taxis-three-wheelers.html>

Vietnam’s industrial growth hits four-year high



Vietnam News | 30 September, 2019

NDO – The value added for the entire industrial sector in the first nine months of 2019 grew 9.56% compared to the same period last year, which is the highest it has been within the last four years, according to the General Statistics Office (GSO). The manufacturing industry continued to record the largest increase in the Index of Industrial Production (IIP) at 11.37%, followed by electricity generation and distribution at 10.7%. The IIP for water supply and waste treatment went up 8.43% while the mining sector began to see a slight growth at 2.68%, after years of decline, thanks to a surge in coal

exploitation. Some major industrial products with high IIP growth during the January-September period were crude iron and steel at 49.1%, petroleum at 40.3%, televisions at 19.3% and aquatic feeds at 14%. In the meantime, the production of fabrics from natural fibers increased by 12.8% year-on-year, followed by the manufacturing of chemical paints at 12.6%, clean coal at 12.2% and mobile phones at 12.2%.

Source: <https://en.nhandan.com.vn/business/item/7968902-vietnam%E2%80%99s-industrial-growth-hits-four-year-high.html>

Trade surplus expected for 2019



Vietnam News | 30 September, 2019

NDO - A major trade surplus since early this year, particularly a soar in electronics exports, is expected to enable the Vietnamese economy to continue enjoying the fruits of trade in 2019. The General Statistics Office (GSO) reported that in the first nine months of this year, despite headwinds in the global market causing a reduction in consumption and imports, the economy witnessed a US\$5.9 billion trade surplus, with total export turnover of US\$194.3 billion, up 8.2% year-on-year. TradingEconomics, a global provider of economic indicators, released its fresh econometric calculation last week, indicating that Vietnam may reap a big trade surplus this year. “Looking forward, we estimate the balance of trade in Vietnam to stand at US\$2 billion in 12 months’ time. In the long-term, the figure is projected to trend

around US\$1.6 billion in 2020, according to our econometric models,” the firm said. TradingEconomics’ optimistic projection on Vietnam’s trade this year is based on the country’s strong exports since early this year, notably including a surge in electronics exports, and positive impacts from free trade agreements (FTA) including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the EU-Vietnam FTA (EVFTA) which have led to a rise in foreign direct investment, a major part of which is focused on export-oriented manufacturing. According to the Ministry of Industry and Trade’s (MoIT) latest report on Vietnam’s industrial production and exports, there are many favourable factors to help Vietnam boost its exports from now until the year’s end (see box) and continue to enjoy a trade surplus this year. One of the key drivers of the nine-month exports is the boosted shipment of electronics items led by Samsung, LG, and Canon. Specifically, in the first nine months of the year, exports of mobile phones and their spare parts reached US\$38.6 billion, accounting for 19.9% of Vietnam’s total export turnover, and up 5.1% year-on-year. In addition, the export turnover of computers and their spare parts hit US\$25.4 billion, up 16.9.3% year-on-year. “Samsung’s products will continue greatly supporting the domestic phone manufacturing industry to develop stronger in the

third and fourth quarters of the year, with the Thanksgiving and Christmas holidays being peak shopping seasons in the country,” stated the MoIT report. “At present, the business and production plans of Samsung and LG in Vietnam are going well.” According to the MoIT, production of electronics and electric items has been strongly recovering since the second quarter of the year. For example, in August alone, the index of industrial production of this industry grew 20.1% month-on-month and 5% year-on-year. “This is a very positive signal of this industry following its year-on-year minus growth in the first six months of 2019,” stated MoIT Deputy Minister Cao Quoc Hung. “The key reason is Samsung having launched its high-end Galaxy Note 10 and Galaxy Note 10+ smartphones, and boost exports.” The products come with upgraded specifications and 5G support, Samsung said, with a suggested retail price of VND22.99 million (US\$1,000) and VND26.99 million (US\$1,170) for the Note 10 and 10+, respectively. At a recent government press conference, government spokesperson Mai Tien Dung cited Prime Minister Nguyen Xuan Phuc, noting that not only has there been a continued climb in exports led by foreign-invested enterprises but exports created by Vietnamese firms have also been increasing strongly. “Following their relatively-high growth in 2018, domestic enterprises have continued painting a rosy export picture in the first

eight months of 2019, with a year-on-year growth rate of 13.9%, nearly doubling the economy's export growth of 7.3% year-on-year, and tripling the 4.6% growth rate recorded by foreign enterprises," Dung said. "It is expected that 2019 will continue seeing a big trade surplus." According to the GSO, in the first nine months of this year, Vietnamese enterprises created US\$59.57 billion in export turnover, up 16.4% year-on-year, and holding 30.7% of the economy's total export turnover, up from 28.8% in the same period last year. Meanwhile, foreign-invested enterprises generated US\$134.73 billion, up 5% year-on-year and accounting for 69.3% of the economy's total export turnover. According to Minister of Planning and Investment Nguyen Chi Dung, until the year's end, the economy will have more opportunities to boost exports thanks to spillover effects from free trade agreements including the CPTPP and the EVFTA. "These agreements have helped further strengthen the confidence of investors and enterprises in conducting business and production in Vietnam, especially in the manufacturing and processing sector, creating a solid propellant for businesses to boost exports and for the whole economy to reap greater trade growth including a big trade surplus in 2019," he stated. Last year, Vietnam harvested a high trade surplus of US\$7.21 billion despite the US-China war dampening global demand. Notably, over

the past year, while the US and China, which are the largest export markets of Vietnam, have been engaging in duelling import tariff impositions, Vietnam's exports to the US market remain on an uptrend and those to China have slightly decreased. Specifically, in the first nine months of 2019, total export turnover from the US, which is the largest purchaser, was US\$44.9 billion, up 28.2% year-on-year, and that from China, which is the third largest buyer, totalled US\$27.8 billion, down 3.8% year-on-year.

Source: <https://en.nhandan.org.vn/business/item/7969702-trade-surplus-expected-for-2019.html>
