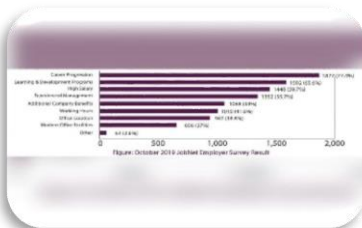
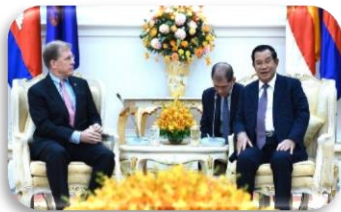


Highlight News | November 08/2019



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- Good progress in socio-economic development despite challenges, says DPM
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## Cambodia-US trade up 37 pct in first nine months



*Cambodia News | 07 November, 2019*

Two-way trade between Cambodia and the United States reached \$4.3 billion in the first nine months of 2019, an increase of 37 percent compared with the same period last year, the latest data from the US government shows. From January to September, Cambodia's shipments to the United States rose by 38 percent to \$3.9 billion, while imports from the US were valued at \$400 million, a 24 percent increase. According to the Cambodian Ministry of Commerce, Cambodia mostly exports textiles, footwear, travel goods, and agricultural products to the US, while this one ships mostly vehicles, animal feed, and machinery to the Kingdom. Speaking to Khmer Times yesterday, Kaing Monika, deputy secretary-general for the Garment Manufacturers Association in Cambodia (GMAC), said trade between the nations is experiencing healthy growth. "Trade with the US continues to grow for all items exported," he said, noting, however, that travel goods experienced the highest growth because they have tariff-free access to the US market under the Generalized System of Preferences (GSP). Garments and footwear, Mr Monika explained, experienced smaller growth because of fierce competition from Vietnam and Myanmar. In July 2016, Cambodia was granted duty-free benefits for exports of travel goods like luggage, backpacks, handbags, and wallets to the US under GSP. Mr Monika said the Kingdom now has about 70 travel goods factories. Discussing the trade spat

between the US and China, Mr Monika said the conflict has benefitted the Kingdom, who has been chosen as a manufacturing base by several companies that decided to relocate out of China. In a meeting last month, Prime Minister Hun Sen and newly-appointed US Ambassador to Cambodia Patrick Murphy called for a strengthening of ties between the countries. Relations between the two countries began to sour after the opposition CNRP was dissolved in November 2017 by the Supreme Court and its leader, Kem Sokha, was accused of colluding with the US to overthrow the government. "The relationship between both countries did not begin from zero," Mr Hun Sen noted. "We must continue to maintain the ties we have built since the start." "I would like to instruct all public institutions, and officials at all levels to strive to enhance and strengthen relations with the US," Mr Hun Sen said in a press release. Last year, trade between Cambodia and the US reached \$4.26 billion, up 23 percent year-on-year. Cambodian exports to the US were valued at \$3.8 billion.

Source : <https://www.khmertimeskh.com/50657709/cambodia-us-trade-up-37-pct-in-first-nine-months/>

## Cambodia among four in Asean receiving FDI at record level



*Cambodia News | 07 November, 2019*

Cambodia is one of four Asean nations where the influx of foreign direct investment reached record levels last year, according to a study by the Asean Secretariat and the United Nations Conference on Trade and Development (Unctad). The Asean Investment Report 2019, released

last week, finds that FDI to Asean rose by 5 percent to a record \$155 billion last year, making 2018 the third consecutive year of rising investment in the region. FDI flows increased in six member states, and in four of these – Cambodia, Indonesia, Singapore, and Vietnam – it did so at a record rate. “Cambodia’s FDI flows at an all-time high, with growth concentrated in manufacturing and services,” the report says, noting that FDI in the Kingdom increased by 15 percent to \$3 billion last year, the highest level ever recorded. FDI growth was dominated by manufacturing and services, particularly finance and insurance. Services accounted for 79 percent of all FDI in the country, while manufacturing represented 12 percent. “FDI in garment manufacturing, the traditional major recipient, remained significant,” it said. Investment in manufacturing came mostly from Asia, particularly China, Hong Kong, and South Korea. Several foreign firms opened garment factories in the 2018–2019 period, the report notes, adding that at least 17 garment factories opened during this period. This year, Shenzhou International Group Holdings (China), one of the major suppliers to Nike, began building a \$150-million garment factory in Phnom Penh Special Economic Zone, slated to be completed in 2021. Meanwhile, QLM (Australia) opened a \$1.5 million facility in the country as a base to expand into other emerging markets. Van Sou Ieng, president of the Garment Manufacturers Association of Cambodia (GMAC), recently said investment in the manufacture of travel goods will double in the next two years. He said the garment industry has been playing a crucial role in the economic development of Cambodia, helping to curb poverty. However, the sector is now facing several challenges,

foremost among them the threat of the European Union cancelling Cambodia’s Everything-but-arms (EBA) deal, which allows the Kingdom to export to the EU market duty-free. In February, the European Union formally launched the process that could see the EBA withdrawn. Commenting on the rise of FDI in his industry, Huy Vatharo, chairman of the Insurance Association of Cambodia (IAC), told Khmer Times yesterday that interest in insurance is growing rapidly in the Kingdom. This is the result of a growing middle class, macroeconomic stability and increasing awareness of the benefits of insurance among Cambodians, he said. “As the market grows, life insurance expands because it focuses on the needs of consumers and the products that enable people to save money and enjoy high returns. “The growth of the middle class and awareness of insurance will continue to boost the market in years to come,” he added. Asean and Unctad’s report also points out that FDI in non-garment manufacturing activities is increasing because of a favourable investment environment, increasing industrialisation and the availability of low-cost labour. The report presents several examples. Several Japanese companies, such as Shinohara, started manufacturing cosmetic tools and containers, while Okato acquired land for building a manufacturing plant at PPSEZ. Sumitronics further expanded in the country, and Toyota Tsusho Corporation strengthened its business development and marketing activities, according to the report. Multinational corporations from other countries also expanded further in the Kingdom last year, including Kampot Cement (Thailand), which started construction of a third cement plant, Socfin (Luxembourg), who constructed a \$5.7 million

rubber processing factory, and Green Leader Holdings Group (Hong Kong), who built a cassava processing facility. The report also notes that Le Gu randais (France) formed a partnership with Confirel (Cambodia) for salt production for export.

Source : <https://www.khmertimeskh.com/50657917/cambodia-among-four-in-asean-receiving-fdi-at-record-level/>

## Laos attempts to rebuild flood victims' lives amid budget constraints



Laos News | 07 November, 2019

VIENTIANE (Vientiane Times/ANN) - The government estimates that about 3 trillion kip is needed to repair the damage caused by recent flooding and to restore flood-hit communities to normal. The impacts of disasters are a major challenge for Laos in working towards poverty eradication, with many families now lacking housing as a result of floods. Speaking at the Round Table Pre-Consultation meeting on post-disaster recovery and disaster risk reduction indicative support, Minister of Labour and Social Welfare and Chairman of the National Disaster Prevention and Control Committee, Dr Khampheng Saysompheng, said the government is attempting to rebuild the lives of flood-affected villagers in the south and central provinces. The main goal is to rehouse families whose homes were damaged or destroyed. He admitted there was concern about the

financing of repairs to damaged property and provision of services for the flood victims because of budget constraints. The government has provided limited financial support to affected families but this is insufficient for all contingencies. The efforts of ministries, local authorities, development partners and emergency responders have all been affected by the floods, such as the delivery and provision of aid items including rescue boats, Dr Khampheng said. The floods destroyed fishponds and damaged irrigation systems, as well as farmland, schools, power lines, healthcare facilities, and other infrastructure. The government is continuing to ask organisations, businesses and individuals to contribute what they can in the way of monetary donations to help the flood victims. Provincial authorities are working to repair bridges and roads and facilitate the work of volunteers in distributing money, food, and clothing. Although flood-hit communities have received some assistance from the government, donors, and NGOs, many families still need help with health services, hygiene and sanitation, and the provision of general consumer items. Meeting participants shared lessons learned from other natural disasters for the successful implementation of relief and rehabilitation measures. According to the Ministry of Labour and Social Welfare, about 765,000 people in 44 districts across

the six southern provinces were affected by the floods in early September, and almost 195,000 people displaced.

Source : <http://annx.asianews.network/content/laos-attempts-rebuild-flood-victims%E2%80%99-lives-amid-budget-constraints-107776>

## Good progress in socio-economic development despite challenges, says DPM



Laos News / 08 November, 2019

VIENTIANE (Vientiane Times/ANN) - The implementation of the 2019 socio-economic and state budget plans has encountered many difficulties across Laos, a Deputy Prime Minister told the opening ceremony of the National Assembly session yesterday morning. Dr Sonexay Siphandone, who is also Minister of Planning and Investment, said the macro-economy is under pressure because of budget and foreign transaction deficits and low foreign currency reserves, which have weakened the value of the kip and resulted in more expensive goods and services and higher living costs. Fluctuations in the value of foreign currencies, insufficient control of product prices, and fragile domestic production are also obstacles to development. Natural disasters such as floods, an invasion of caterpillars and outbreaks of African swine fever and dengue fever too posed big challenges for the state budget, especially funding

to counter these problems. Severe floods hit two central provinces and four southern provinces this year, resulting in widespread damage. Caterpillars ravaged vast swathes of sweetcorn in several provinces, including Xayaboury. Swine fever killed thousands of pigs, and people were affected by dengue fever. However, the government and local authorities have put in place measures to deal with disasters and other problems, and taken steps to stimulate the economy by improving the ease of doing business and other mechanisms, said Dr Sonexay. The deputy prime minister also highlighted the government's achievements, saying the administration had taken immediate steps to tackle emergency situations and disasters and to mitigate their impact to ensure that economic infrastructure and people's living conditions improved rapidly. It received support and assistance for this work from people across the country and international organisations. Dr Sonexay said implementation of the socio-economic development plan had made good progress in many fields despite expectations that gross domestic product would fall to 6.4 percent in 2019, a 0.3 percent drop compared to the plan for the year. This year, the agriculture sector is expected to expand by about 2.8 percent. The livestock division is set to increase by 4.3 percent, forests by 0.8 percent, fisheries by 4.8 percent, and plantations by 2.3 percent. Crop plantations are expected to

decrease by 0.7 percent due to a delay in implementing the flood recovery plan in 2018. This also affected dry season crop yields and the wet season rice harvest in 2019, according to the report. Growth in the industrial sector will be 7.1 percent, or 1.2 percent lower than the figure set in the plan for 2019. Food items, drinks, tobacco, textiles, clothes and leather products are among the sectors which experienced strong growth because of increased consumption within the country. The construction sector will grow by 16.8 percent. The Laos-China railway and an expressway are under construction and will further boost this sector. The expansion of the energy sector will be 6.1 percent, or 3.5 percent less than the figure predicted. The services sector is set to grow by 7 percent, an increase of 0.4 percent over the planned figure for 2019. Retail and wholesale and vehicle repair services will be up by 19.9 percent, real estate by 6.7 percent, finance and insurance by 7.7 percent, and accommodation and food by 5.3 percent. Laos expects to welcome more tourists due to 2019 being Visit Laos-China Year. This will support the growth of the services sector, hotels, restaurants, transport services and retail sales. Dr Sonexay said that even though all these sectors recorded strong growth, they had not made high value additions to the economy and a large trade deficit remains because most products and materials are imported. The tax and customs sector

is expected to grow by 7 percent and achieve the target set in the plan for 2019. Besides reporting on the implementation of the 2019 socio-economic and state budget plans, Dr Sonexay talked about the 2020 development plan and measures to ensure stability in politics and society, the overall economy, foreign currency exchange rates, prices of goods, and domestic production.

Source : <http://annx.asianews.network/content/good-progress-socio-economic-development-despite-challenges-says-dpm-107856>

## No withdrawal of South Korean investors, says MIC



*Myanmar News | 07 November, 2019*

South Korean businesses in Myanmar will not be moving their operations to Bangladesh, U Thant Sin Lwin, secretary of the Myanmar Investment Commission (MIC), said on Wednesday. Based on statements by the Bangladesh Economic Zone Authority (BEZA) and Korea Industrial Complex Co Ltd (KIC), Bangladeshi news dailies recently reported that South Korean businesses invested in Myanmar wanted to move to Bangladesh. "There are no cases at all of South Korean investors returning MIC permits and moving out of Myanmar. In fact, interest among South Korean investors in Myanmar has been mounting," U Thant Sin Lwin said. According to Bangladeshi papers, about

100 South Korean businesses in Myanmar wanted to move to Bangladesh due to shortcomings in industrial zones in the country. The newspapers appeared to be quoting a news source from the Bangladesh Economic Zone Authority (BEZA). The Bangladeshi news reports stated that Korea Industrial Complex Co Ltd (KIC), which is working on industrial zones of Myanmar, will establish such zones in Bangladesh. Although KIC is registered in Myanmar, it has not started operations yet, said U Thant Sin Lwin. “We met with KIC officials in July. They came to Myanmar to inquire about establishing industrial zones in Myanmar. We haven’t done any work with them yet,” said U Thant Sin Lwin. When the Commercial Attache’ of the Embassy of the Republic of Korea in Myanmar was asked about the news reports November 6 from Bangladesh, the attache’ replied that the reports were “just a rumour”, U Thant Sin Lwin said. At present there are already two industrial zones with South Korean participation in Myanmar: the Korea-Myanmar Industrial Zone established by Myanmar and South Korean governments, and another set up by a private company, said U Thant Zin Lwin. South Korea is Myanmar’s sixth-largest foreign investor and it has to-date invested US\$3.9 billion in 179 businesses in Myanmar,

according to the Directorate of Investment and Company Administration (DICA). South Korea has invested mainly in the oil & gas sector and production businesses in Myanmar.

Source : <https://www.mmmtimes.com/news/no-withdrawal-south-korean-investors-says-mic.html>

## Employer, employee views differ on what jobseekers want: survey



*Myanmar News | 07 November, 2019*

Employers in Myanmar say the biggest challenge they face in business today is hiring and retaining good talent, according to a survey by the online recruitment platform JobNet, which was completed last month. Conducted with the support of the British Chamber of Commerce, the survey results revealed that almost three quarters of Myanmar chief executives polled declared the biggest challenge they are facing nowadays is not about growing capital or market growth rate but hiring and retaining good talent. The surveys also revealed differing views from employers and employees. For example, while 72 percent of employers said high salary is what job seekers are going after, just under 60pc of over 2,000 employees polled (see chart) said high salary was the priority when job hunting. However, nearly 80pc and 66pc said career growth and opportunities for learning and development, respectively, is what jobseekers are looking for most in their next job. During a

seminar on Tuesday, Matt De Luca, managing director of JobNet.com.mm, said the survey was designed based on the insights of chief executives and employees from organisations of different sizes in Myanmar. De Luca also touched upon the top job functions which are widely demanded at the Myanmar employee market, and the roles that job seekers in Myanmar are most likely to apply for based data from JobNet. Notably, 85pc of all accounting applicants are female, while the same percentage of male applicants target jobs in manufacturing and warehousing. Data showed more female jobseekers in education, healthcare and communications, while males focused more on food and beverage, information technology and fitness. An equal number of males and females applied for jobs in tourism and hospitality.

Source : <https://www.mmtimes.com/news/employer-employee-views-differ-what-jobseekers-want-survey.html>

## Vietnam imports 120,000 cars in ten months



*Vietnam News | 07 November, 2019*

Vietnam imported 120,000 assembled cars worth 2.66 billion USD in the first ten months of this year, according to the General Department of Vietnam Customs. The numbers represent increases of 125 percent in volume and 122 percent in value year-on-year, the department said. In October alone, 13,000

cars valued at 273 million USD were imported into Vietnam. The department also said October saw complex developments in cross-border smuggling. Between September 16 and October 15, customs officers detected 1,396 smuggling cases worth 169.48 billion VND (7.29 million USD), contributing 13.24 billion VND to the State budget.

Source : <https://english.vov.vn/economy/vietnam-imports-120000-cars-in-ten-months-405838.vov>

## Vietnamese government plans to borrow US\$20 billion in 2020



*Vietnam News | 07 November, 2019*

The government's report to the National Assembly on the 2019 public debt and 2020 budget shows that it plans to mobilize VND460 trillion worth of capital, mostly to offset the deficit and repay principal. Deputy Prime Minister Vuong Dinh Hue told the local press that the borrowing is part of the 5-year budget plan and annual plan to repay the principal and cover the deficit. In 2015-2016, the public debt was 64.8 percent of GDP, nearly hitting the ceiling of 65 percent set by the National Assembly, while the payment ratio exceeded the safety line (25 percent), reaching 27.6 percent of total collection of the state budget. But now the ratio of public debt to GDP has reduced to 56.1 percent in 2019 and is set to fall to 54 percent in 2020. Meanwhile, the ratio of government's payment to budget collection is 18 percent. In the past, domestic debt accounted for 40



percent and foreign debt 60 percent. But now the ratio is 60/40. "Increasing domestic borrowing helps Vietnam avoid exchange rate risks. If Vietnam borrows money in foreign currencies, it will incur bigger debts when the dong depreciates," he explained. Regarding capital sources, Hue said in the past, 80 percent of government bonds were sold to commercial banks and finance institutions, but the figure has been cut by half. Currently, capital is mobilized from insurers and investment funds that offer longer term loans and more attractive interest rates. In 2018, for example, the government bond's average term was 13.6 years, or four times longer than three years before. Meanwhile, the bond interest rates have decreased significantly in recent years, from 12 percent in 2011-2013 to 5 percent in 2017-2019. As for borrowing VND460 trillion, Do Van Sinh, member of the National Assembly's Economics Committee, said the borrowed money must be used effectively to contribute to GDP growth. He mentioned the slow disbursement rate of public investment capital as a bottleneck which lowers capital use efficiency. A government report said that VND192.130 trillion had been disbursed by the end of September, which means only 45 percent of the plan had been implemented. Public investments account for 11 percent of GDP value and 32 percent of the society's total investment in 2019. "Capital is an important factor for growth, therefore, the slow

disbursement will have direct impact on the economic growth rate," Sinh said. Head of the HCM City Institute for Development Studies Tran Hoang Ngan said the government needs to control expenditures more tightly to reduce the budget deficit. Once the government's borrowing decreases, the interest rate will also decrease.

Source : <https://english.vov.vn/economy/vietnamese-government-plans-to-borrow-us20-billion-in-2020-405834.vov>

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