



- Kingdom's continued real growth
- Provincial departments will be allowed to issue D notices
- Laos, Vietnam cement ties, ink cooperation deals
- Vietnam to buy 1.5 billion kWh of power annually from Laos
- Marine export earnings increase by \$ over 27 m
- First airport in Chin State to open in May
- Export of main agricultural products down 5.3 percent in 2019
- Vietnam achieves stellar tourism growth



## Kingdom's continued real growth



*Cambodia News | 06 January, 2020*

The Central Bank has predicted that the Kingdom's real economic growth will be maintained at an average 7 percent with the inflation rate of 2.3 percent in 2020, according to the National Bank of Cambodia's (NBC) Macroeconomic and Banking sector update 2019 and outlook for 2020. The NBC says that the forecast for the economic growth is based on the projection of the recovery of the global economy which will contribute to a favourable climate for exports, foreign direct investments, and the tourism sector while Cambodia's economy can also take a lot of advantages on its diversified-based growth and comprehensive reform to support sustainable development. "Exports are expected to grow high, especially the exports of travelling bags and other manufacturing products. Although, the exports of garments will slow down," NBC's report said. "Although the EU may decide to withdraw the EBA [Everything but Arms trade deal] from Cambodia in February 2020, the exports of the garments from Cambodia is expected to grow because the full withdrawal EBA process will become effective and implemented six months after the decision is made," the report added. It said that Cambodia will still export to the EU but the EBA preferential status may be removed. The NBC added that the loss of the EBA will just increase the value of Cambodia's export products to the European Markets because of tariffs of around 0.1 percent to

12.5 percent according to the types of products. "If there are still demands from the EU markets on the Cambodian products, the exports from Cambodia to the EU will remain robust especially after the Brexit of England from the EU because Cambodia's exports to England are around 20 percent of the total exports to the EU," the NBC pointed out. Ken Loo, the secretary-general of the Garment Manufacturers Association in Cambodia (GMAC), says that the garments exports for the first nine months of 2019 grew 12 percent. This was on the back of strong growth in the US market while exports to the EU were almost flat. "The performance of our sector going into 2020 will depend very much on the outcome of the decision of the EU with regards to [the] EBA. If [the] EBA is retained, our sector should be able to continue to experience growth," Ken adds. "We should continue to see a revival in the exports to the USA. Our exports should continue to experience decent growth there," he says. Ken adds that every year garment industries continue to have a new foreign direct investment (FDI) coming to Cambodia. "We expect to see more investors in both garment and travel goods next year," he notes. "We will continue to focus on improving productivity and efficiency in our industry. We must continue to invest more in training and skills-upgrading for our workers. We urge all stakeholders to work together to ensure that our sector continues to thrive even when facing difficulties and increasing challenges," Ken said. The NBC report said that the increase of the minimum wage, however, has yet to affect the

Kingdom's competitiveness because the rate is increasing step by step while the productivity is also increasing. The Government has also introduced some measures to reduce the production cost, launch the SME Bank (small and medium enterprise bank) and facilitate doing business in Cambodia, aiming at creating a better business environment in the country to support investments, pushing domestic production and promoting diversification of the export market. "Cambodia's economic growth will be supported by the inflow of FDIs, the growth of construction and the tourism sector," NBC added. According to Mey Kalyan, senior adviser of the Supreme National Economic Council in Cambodia, the country has to build a comprehensive and strong economy and globalise it and not rely solely on the rest of the world. "We should diversify our products and boost local products to protect against risk and provide added-value to all stakeholders. We have to do more." Mey. If we put in much effort, we will proceed fast. If not, we will move more slowly," said Mey. "We have the basics and we know the issues, so our GDP will remain around 7 percent or slightly lower than 7 percent if the EBA remains as it is. "But some issues are beyond the economy, so we cannot anticipate them. The EBA situation is not good news for society. Cambodia needs to push the country's economic resilience." Mey added. "From 2020, we have to tighten our belts. It's not business as usual for both the administration and the private sector. We should try to build the country," Mey concludes. What Cambodia has to do in the longer term is to

develop human resources and technology, improve the investment climate, modernise agriculture and protect the environment, he says. Developing science and technology are also important. "We have to start with human resources, technology, and infrastructure. We have to improve even better. If we are lacking infrastructure. We have to find a way to build infrastructure and develop energy sources. We have to develop our human resources to accelerate more because our goal is to build peace.

Source:<https://www.khmertimeskh.com/50677031/kingdoms-continued-real-growth>

## Provincial departments will be allowed to issue D notices



*Cambodia News | 6 January, 2020*

The ministry of Commerce has committed to delegating the issuance of D forms for certificates of origin to provincial departments of commerce across the country by this year, in a move to facilitate business activity and exports, according to the Ministry's annual report. A certificate of origin (CO) is an official document used to certify that a product was wholly produced or manufactured in a country. It is generally a key document required by buyers. The CO of a 'D form' must be obtained by firms that sell products to Asean countries and so far the scheme has reached 16 provinces, thereby allowing provincial authorities to issue the form and enhance cooperation between national and provincial authorities that promotes sustainable economic development. According to the ministry, applying for

the D form at a provincial commerce department takes 16 hours, compared with 10 days to two weeks if the application is made at the Ministry of Commerce in Phnom Penh. Seang Thay, spokesperson at the Ministry of Commerce, told Khmer Times on Friday that the ministry is aiming, by this year, to delegate the issuance of D forms to provincial departments of commerce across the country to facilitate business activity and exports and save companies time and money. "Companies in these provinces interested in obtaining a CO to ship goods abroad, particularly in Asean region can now apply for the D form directly in their provincial commerce department, saving them a trip to the capital to visit the Ministry of Commerce," he said. Phann Sam Ang, director of Preah Vihear's Department of Commerce, said, "This is an important development that will help local exporters when shipping agricultural goods to neighbouring markets." "Exporters won't have to travel to the ministry in Phnom Penh any longer," he said. Lim Sreng, director of Mondulkiri's commerce department, said this initiative will help local exporters and producers because they will no longer have to come to Phnom Penh to apply for the D form of the certificate of origin. Mr Thay noted that Cambodia issues various different types of certificate of origin, which is based on the buyer's requirements. However, the government recently announced that traders no longer have to secure certificates of origin if the destination country does not require them. Cambodia exported around 7

million tonnes of agricultural products in 2019, according to the minister of Agriculture, noting that Vietnam is the largest buyers of Cambodian agriculture products. The figure was made up of 4.78 million tonnes of formal exports and more than 2 million tonnes of informal exports, which is a channel to avoid tariffs.

Source: <https://www.khmertimeskh.com/50676991/provincial-departments-will-be-allowed-to-issue-d-notices>

## Laos, Vietnam cement ties, ink cooperation deals



*Laos News | 6 December, 2019*

Prime Minister Thongloun Sisoulith and his Vietnamese counterpart Nguyen Xuan Phuc agreed to deepen bilateral ties during their talks in Hanoi on Saturday, when eight cooperation agreements were signed. The Lao prime minister was in the Vietnamese capital for a visit and to co-chair the 42nd meeting of the Laos-Vietnam Governmental Cooperation Committee from January 2-4 at the invitation of PM Phuc, the Lao Ministry of Foreign Affairs said in a press statement. The cooperation agreements whose signing the two premiers witnessed included a cooperation agreement between Laos and Vietnam, a communiqué on the 42nd meeting, an extradition treaty, and an electricity trading agreement for five hydropower projects. At the talks, both sides agreed on a work plan for 2020, vowing to work together to fulfil the cooperation direction given by the two parties' Politburos as well as fulfilling cooperation

agreements reached by the two governments. In this regard, special attention will be paid to intensifying cooperation in politics, national defence and security, and improving cooperation mechanism efficiency. Focus will also be placed on realising a joint statement and other cooperation agreements. The meeting accorded that both sides should attach particular attention to fulfilling a memorandum of understanding on cooperation in transportation, joint development of hydropower projects in Laos, electricity grid connectivity, and electricity trade. Meanwhile, both sides agreed to increase joint efforts, pledging to create conditions to better facilitate trade and investment as well as facilitating cooperation in education, human resource development, and other untapped areas of potential. The two prime ministers hailed the achievements of bilateral cooperation in 2019 and during the previous years. Despite the global economic downturn, two-way trade reached US\$940 million during the period January-October 2019, and the figure is projected to top US\$1.1-1.2 billion for the whole year, surpassing the target of US\$1 billion, the Vietnam News reported. Vietnamese businesses have invested in 413 projects in Laos with a total value of US\$4.2 billion, making Vietnam the third largest foreign investor in Laos. Laos and Vietnam have maintained regular contact and carried out reciprocal visits by delegations at all levels. By the end of August, the countries had arranged exchange visits by more than 120 delegations, about 60 of which were at the deputy minister or higher level. Both sides

successfully organised the 41st meeting of the Laos-Vietnam Governmental Cooperation Committee co-chaired by the two prime ministers, according to the Vietnam News. Cooperation in defence, security and foreign affairs has continued to record new development. Vietnam provided VNĐ3.25 trillion (US\$140 million) in non-refundable aid for Laos each year from 2016-2020, the Vietnam News reported. Vietnam has been the largest scholarship provider for Laos, helping the country to develop its human resources. Currently, more than 16,600 Lao nationals are studying in Vietnam, according to the Lao ministry. The heads of the two governments highly valued the successful outcome of the meeting, saying it will further enhance the great friendship, special solidarity and comprehensive cooperation between the two neighbours. Laos and Vietnam have enjoyed the long-standing special solidarity created and nurtured by Presidents Ho Chi Minh, Kaysone Phomvihane and Souphanouvong, and generations of the two countries' leaders and people. During their visit, PM Thongloun and his delegation also called on General Secretary of the Communist Party of Vietnam's Central Committee and President Nguyen Phu Trong, and Chairwoman of the National Assembly Nguyen Thi Kim Ngan.

Source: [http://www.vientianetimes.org.la/freeContent/FreeContent\\_Lao\\_vietnam\\_3.php](http://www.vientianetimes.org.la/freeContent/FreeContent_Lao_vietnam_3.php)

**Vietnam to buy 1.5 billion kWh of power annually from Laos**



*Laos News | 5 January, 2020*

State power utility EVN will buy around 1.5 billion kWh of electricity a year from Laos for two years starting in 2021. Under contracts it signed on Saturday, Vietnam Electricity (EVN) will buy over 596 million kWh a year from two hydropower plants belonging to Phongsubthavy Group and 632 million kWh from two plants belonging to Chealun Sekong Group from 2022. From 2021 it will start buying 263 million kWh annually from another plant belonging to the latter company. The import was approved by the Vietnamese government to mitigate power shortages predicted to hit the country from this year. The Ministry of Industry and Trade estimates shortages of 3.7 billion kWh in 2021 and nearly 10 billion kWh the following year. 2023 will be the most stressful with the shortage expected to be around 15 billion kWh. From then on it will decrease, with the shortage expected to come down to 7 billion kWh and 3.5 billion kWh in 2024 and 2025 respectively. The industry ministry has said not more than 5-8 percent of electricity can be conserved, and the only way out is to import more from Laos and China. But buying from neighboring countries is only a band-aid solution, and in the long run it is necessary to speed up work on large power generation projects, it stated.

Source: <https://e.vnexpress.net/news/business/industries/vietnam-to-buy-1-5-billion-kwh-of-power-annually-from-laos-4037485.html>

## Marine export earnings increase by \$ over 27 m



*Myanmar News | 4 January, 2020*

Till December 20 of 2019-2020 fiscal year, the total export earnings from the marine sector hit 232.091 million US dollars, up 27.940 million US dollars compared with the same period last year, according to the Ministry of Commerce. Now, China has allowed Myanmar to export fishes and prawns collected through natural fishing. China has tightened the rules on imports of cultured fishes and prawns. Local entrepreneurs find it difficult to export such fishes and prawns to China as they have not established a link with the General Administration of Customs China (GACC). Since April 1, 2018, Saudi Arabia banned the imports of marine products from Myanmar due to bacteria. The marine export earnings reached 482 million US dollars in 2014-15 FY, 502 million US dollars in 2015-16 FY, 652 million US dollars in 2016-17 FY, over 680 million US dollars till March 18 in 2017-18 FY and 728.257 million US dollars in 2018-19 FY, according to the Fishery Department. Vietnam tops the list of marine export countries in ASEAN, followed by Thailand, second, Indonesia, third and Myanmar, fourth. Currently, Myanmar exports more than 40 kinds of fishes to more than 40 countries. Myanmar's marine export volume is relatively low compared to those in

neighbouring countries. In an attempt to increase marine exports, the fishery sector should pay more emphasis on better breeding system rather than natural fishing, according to the Fishery Department.

Source: <https://elevenmyanmar.com/news/marine-export-earnings-increase-by-over-27-m>

## First airport in Chin State to open in May



*Myanmar News | 5 January, 2019*

Chin State is set to be more accessible to travelers and investors this year, when the region's first airport opens for business. Surbung Airport in Falam township, Chin State, will open in late May, according to state media, barring unforeseen weather conditions. The move is expected to boost tourism in Myanmar's most underdeveloped state. The K37 billion airport project will link Chin to seven other states in Myanmar which have been equipped with at least one airport. Originally planned to be completed in 2022, construction of Surbung Airport, which began in 2015, was accelerated under direct instructions from State Counsellor Daw Aung San Suu Kyi and President U Win Myint last January. Located at the northern Chin of Falam, Surbung Airport sits on the Surbung mountain range, 1830 meters above the sea level, and will feature an 1830-meter-long and 30-meter-wide runway to handle ATR-72 aircraft. The mountainous landscape has made Chin a difficult state to travel to, rendering it

the least developed state in Myanmar with the lack of infrastructure. With the opening of the airport, the government expects to see more tourists take an interest in Chin State, which is home to the heart-shaped Rih Lake and Nat Ma Taung National Park. It will also draw more investors to Chin at a time when efforts to boost growth in the state are on the rise. Last year, the Chin State Investment and Product Fair was held in Yangon to help potential investors understand both existing and untapped areas of investment in Chin, including farming, power generation, hotels and tourism and infrastructure. Due to its inaccessibility, up until last year, there were only a handful of local hotel businesses operating and no foreign investments in the state. Consequently, Chin State is among the least developed regions in the country, with the 2017 Myanmar Living Conditions Survey showing that almost 60pc of the population lives in poverty. Excluding Surbung, the Chin State government is also making plans to build smaller airports in Tiddim, Tonzang, Falam and Hakha townships, The Myanmar Times understands.

Myanmar has three international airports and 58 domestic ones, of which only 31 are currently in operation.

Source: <https://www.mmmtimes.com/news/first-airport-chin-state-open-may.html>

## Export of main agricultural products down 5.3 percent in 2019



*Vietnam News | 4 January, 2020*

The combined export value of main agricultural products was estimated at 18.5 billion USD in 2019, down 5.3 percent year on year, according to the Ministry of Agriculture and Rural Development. Meanwhile, export earnings from fishery products were up 2.7 percent to 8.63 billion USD, and that of main forestry products up 19.2 percent to 11.2 billion USD. As a result, total export value of agri-forestry-fishery products in 2019 came to 41.3 billion USD, an increase of 3.2 percent from 2018. The main export markets of Vietnam's agri-forestry-fishery products during the year were China and Hong Kong (27.8 percent), the US (21.9 percent), the European Union (11.4 percent), ASEAN (9.8 percent) and Japan (8.7 percent). Rice export in 2019 showed a 3.9 percent increase in volume to 6.34 million tonnes but value was down 9.7 percent to 2.79 billion USD. Earnings from vegetable and fruit also reduced by 1.9 percent to 3.74 billion USD. The same situation was seen in the export of coffee, with a reduction of 15.2 percent in volume to 1.59 million tonnes and a 22.4 percent decrease in value to 2.75 billion USD. Similarly, the export of pepper bean suffered from a 5.7 percent decrease in value to 715 million USD despite an increase of 23.4 percent in volume, due to declining export prices. However, goods signs were seen in overseas shipments of cassava and cassava products, which went up 3.2 percent to 2.5

million tonnes, bringing in 973 million USD, a rise of 1.6 percent, despite lower export prices. Tea export also recorded a 6.8 percent rise in volume to 136,000 tonnes and a 13.5 percent increase in value to 235 million USD thanks to higher export prices. Meanwhile, total import value of agri-forestry-fishery products declined by 1.6 percent to 30.9 billion USD in 2019, resulting in a trade surplus of 10.4 billion USD.

Source: <https://english.vov.vn/economy/export-of-main-agricultural-products-down-53-percent-in-2019-408382.vov>

## Vietnam achieves stellar tourism growth



*Vietnam News | 4 January, 2020*

VOV.VN - Last year Vietnam welcomed more than 18 million foreign tourists, a record-high figure, achieving an annual growth rate of 16.2 percent, and received several prestigious international tourism awards. Through its great efforts, the tourism sector achieved breakthroughs that contributed to national growth. Vietnam was one of the 10 countries with the highest tourism growth in the world in 2019. It was honored with prestigious prizes like "Asia's Best Destination", "The world's leading heritage destination in 2019", and a "World Golf Destination". Vietnam was named "Asia's leading culinary destination" by the World Travel Awards. The Director of the Inmarc Indonesia Company said Vietnam has great tourist potential like beautiful landscape, diverse cuisines, good hotels, and



favorable flights. Vietnam has opened a number of restaurants offering halal food to serve Muslim Indonesian tourists. Vietnam's World Economic Forum tourism ranking improved remarkably in 2019 jumping from 75th out of 141 in 2015 to 63rd out of 140 in 2019. Vietnam's successful hosting of the ASEAN Tourism Forum 2019, the 2nd USA-DPRK summit, and the UN Vesak Day 2019 helped promote Vietnamese tourism and attract more tourists. This year the Ministry of Culture, Sports and Tourism has set the goal of receiving 20.5 million foreign tourists and 90 million domestic tourists. Deputy Minister Le Quang Tung said Vietnam's tourism achievements in 2019 have created the momentum needed to achieve 2020's target. "Localities need exploit their potential to ensure sustainable tourism growth in order to boost local socio-economic development. It's necessary to mobilize more resources for tourism development, focusing on public-private partnership and the role of strategic investors in infrastructure and modern tourism development, and encouraging the community to participate in sustainable tourism development", said Deputy Minister Tung. To achieve the set targets, the tourism sector will continue to apply IT, restructure tourism products, create incentives to promote tourism and increase tourism promotion. This year Vietnam will serve as ASEAN Chair and host the Formula One racing in Hanoi.

Source: <https://english.vov.vn/economy/vietnam-achieves-stellar-tourism-growth-408391.vov>

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