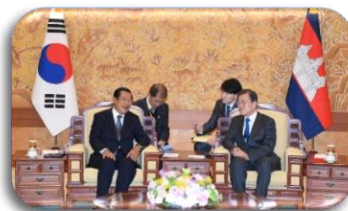


Highlight News | February 06/2020



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

MFI players to boost financial inclusion in Kingdom



Cambodia News | 05 February, 2020

Cambodia Microfinance Association (CMA) announced the launch of a financial project with the goal of helping Cambodian people to access formal financial services through education, providing the microfinance sector with sustainable growth. The Responsible Inclusive Finance project, which will cost nearly \$1million, will be funded by CMA members and implemented within three years. It is aimed at addressing concerns by helping people to understand formal financial services better. It said the project will also promote available, affordable and responsible financial services and products to people, saying this pilot project will contribute to the National Bank of Cambodia's 2010-2025 Financial Inclusion Strategy. "The project implementation will involve close work with our microfinance provider members, key partners, and stakeholders such as the central bank, the Association of Banks in Cambodia, the Credit Bureau of Cambodia and other development partners," CMA said in a statement. The Microfinance Institution [MFI] association now has more than 101 members, including rural credit institutions and leasing companies. Kea Borann, CMA chairman, said the project comes in addition to ongoing efforts by the association since 2017. "We expect the project will increase financial inclusion using international ethical standard practices such as client protection principles, social performance

management, lending guidelines and client hotlines," said Kea. In addition, he said it will further promote financial education among the public, raise awareness of the role of the MFI towards poverty reduction, especially among rural clients, while focusing on research and development of the MFI sector. As of last year September, the MFI sector provided \$7 billion in credit to 2.2 million Cambodians, while 2.7 million people deposited a total of \$3.6 billion, CMA data showed. "The financial sector has notably increased in the last 10 years. The credit portfolio has increased 18 times, while the number of clients grew by 2.2 times over the period," said Kea. A report called Collateral Damage from rights groups Licadho and Sahmakum Teang Thnaut issued last August said the rapid rise in small loans for poor Cambodians has led to more debt, with many rural families forced to sell land, migrate or put their children to work. The report featured seven case studies of abuses, chosen from the 28 MFI clients the two groups had interviewed in 10 communes in Kandal, Kampong Cham, Tboung Khmum and Prey Veng provinces, as well as Phnom Penh. High interest rates, the use of land titles as collateral and pressure to repay loans have led to a predatory form of lending by microfinance institutions, the report said. "MFI employees ordered clients to sell land and threatened legal action if they did not, a threat that was taken seriously by clients due to the fact that MFIs physically take possession of their land title," it pointed out. CMA said the report does not present anything close to the full picture of

MFI lending in Cambodia and noted that the report's authors acknowledged in their methodology that they had selected their sample of 28 case studies based solely on negative outcomes from MFI borrowing, presenting an inaccurate picture that does not reflect the true state of microfinance lending.

Source: <https://www.khmertimeskh.com/50687227/mfi-players-to-boost-financial-inclusion-in-kingdom>

Cambodia's trade volume with South Korea exceeds 1 billion dollars



Cambodia News / 05 February, 2020

Trade volume between Cambodia and South Korea last year reached more than \$1 billion, said Prime Minister Hun Sen, citing the fruitful outcome as a result of the notably strong ties between the two countries. The premier announced the news during a meeting with more than 1,000 Cambodians in Seoul, Korea, during the Universal Peace Federation (UPF) World Summit 2020 yesterday. The event will be concluded today. He noted that two-way trade volume recorded a total of \$1,032 billion in 2019. Of that, the Kingdom's exports to South Korea amounted to \$335 million and Cambodia imported goods from the country valued at \$696 million. "This is an imbalance in trade, of course and this is because of our high demand for South Korean

goods, mostly automobiles and televisions," said Mr Hun Sen, who added the trade volume would not increase without good diplomatic relations between the two countries. Cambodia also imports linen, beverages, electronics including home appliances, pharmaceuticals and plastic products from South Korea. "Trade volume between Cambodia and South Korea has continuously increased. This cannot be separated from the good diplomatic relations between the governments," he pointed out. Cambodia exports to South Korea are mostly garments, electronics, shoes, beverages, bags, rubber, pharmaceuticals, cardboard and agricultural products. The two governments have been exchanging insights to encourage trade and tourism investment including more direct flights between the two countries, according to premier Hun Sen, who believes a direct route will bring more investments and increase the number of incoming tourists. Currently, there are 50 flights per week between Cambodia and South Korea, which is among the top 10 for arrivals in the Cambodia tourism market. Last year, the Kingdom welcomed a total of 254,874 visitors from the country, a 15 per cent decrease on the previous year. In addition, the relationship between the countries is also reflected in the fact that more than 400 Cambodian students are pursuing university degrees and more than 65,000 Cambodian workers are employed in the country. According to the prime minister, those workers send about \$400 million combined to their parents every year. According to the Council for the

Development of Cambodia (CDC), a government agency that oversees investment, there are 215 registered South Korean projects with the CDC, with a combined investment of nearly \$5billion from 1994 to 2019. South Korea is also the second largest foreign direct investor in the Kingdom after China. Prime Minister Hun Sen highlighted that the two governments have already begun conducting a feasibility study over a free trade area agreement. “Once it comes into reality, this will allow Cambodia another opportunity to expand its market in South Korea,” he said. In late November last year, an agreement to conduct the study was signed between South Korea’s Trade Minister Yoo Myung-hee and Cambodian Commerce Minister Pan Sorasak in the Korean city of Busan. It could take a year. The free trade agreement is deemed to be a crucial trade mechanism, which will help South Korean firms to penetrate deeper into the Southeast Asian nation with prominent growth potential, while also allowing the Kingdom a new potential market for its exports. South Korea’s free trade deals with Singapore and Vietnam went into effect in 2006 and 2015, respectively.

Source:<https://www.khmertimeskh.com/50687228/cambodia-trade-volume-with-south-korea-exceeds-1-billion-dollars>

Electricity generation in Laos sparks 6,457MW in exports



Laos News | 05 February, 2020

From 2016-2020, Laos expanded electricity capacity to 6,457MW for export markets, which represents an increase of 145 per cent over the previous five-year period. The Ministry of Energy and Mines earned more than 130 billion kip, up 35 percent compared to 2011-2015. Minister of Energy and Mines, Mr Khammany Inthirath reported the results on Tuesday at a five-year review meeting on energy and mine development plans for 2016-2020. Mr Khammany pointed out that Laos has expanded electricity transmission lines, which now extend over 65,563 km with 71 stations. On the back of these results, the ministry is looking to implement its energy development strategy to meet increasing domestic supply and export demand. The governments of Laos and Thailand have signed a power trade agreement for 9,000MW by 2030. Laos currently supplies over 5,620MW to Thailand. In 2022, the ministry will increase exports to Thailand via two hydro plants - 520MW from the Nam Theun hydropower 1 plant and 480MW from the Nam Ngum hydropower 3 plant. Laos also sells over 570MW to Vietnam, and the Lao government expects to increase the power supplied to 1,000MW this year, to 3,000MW in 2025, and to 5,000MW by 2030. The

government sold 10MW of electricity to Myanmar and will sell 20MW more by 2022. Meanwhile, the governments of Laos and Myanmar have signed a cooperation contract on purchasing 100MW of power in 2023, and 300MW in 2025. Last year, Laos and Cambodia signed an agreement in energy cooperation development of 6,000MW by 2030. Earlier this year, Laos exported 195MW from the Don Sahong hydropower project with 100MW in March and 2,900MW by 2027 from the hydropower project and the lignite power plant. Laos has exported 100MW of electricity to Malaysia via Thailand, and the government expects to sell 300MW more this year. Laos' electricity generation for domestic supply and export has increased as the installed capacity and number of hydropower plants rises. The country currently has 63 operational hydropower plants with an installed capacity of 7,213MW. These plants can produce 37,035 kWh of electricity a year, an official said. An additional 37 hydropower plants are under construction. The majority of these are expected to be completed during 2020-2021. When operational, Laos will have 100 hydropower plants with a combined installed capacity of 13,062MW capable of producing an expected 66,944 million kWh a year. So far, 90 percent of villages in Laos can access electricity, and 95 percent of households can tap into the grid.

Source : <http://annx.asianews.network/content/electricity-generation-laos-sparks-6457mw-exports-113257>

Electronic tax payment system installed at Bokeo Friendship Bridge



Laos News / 05 February, 2020

A QR Code payment system has been installed at the 4th Lao-Thai Friendship Bridge in Huayxay district of Bokeo province to boost tax collection and strengthen the management of vehicles crossing the border. The system, called EasyPass, was officially launched last Friday in a ceremony attended by the Deputy Governor of Bokeo province, Mr Khamking Euaymanihak, Deputy Minister of Finance Mr Bounchom Ubompaseuth, and other guests. The electronic system was launched alongside a management system for tourist vehicles and haulage trucks, through the Lao Development Bank (LDB). The new application will help the government with budget management and also plug financial leaks. New payment platforms installed at several international border crossings are expected to improve and simplify procedures for travellers and the general public. The use of the electronic system to collect taxes and other fees at borders aims to maximise revenue collection and better manage vehicles making crossings. Office Head of the Ministry of Finance, Mr Somboun Inthapatha, said at the launch ceremony that management of the state budget using modern systems was part of the

government's vision. He said the integrated collection system had been developed in collaboration with the Ministry of Finance and development partners since 2018. In particular, the Tax Revenue Management Information System (TAXRIS), had been integrated with commercial banks in Laos as a payment platform for Easy Tax and Smart Tax. "The system is being gradually upgraded to integrate with five commercial banks as a payment channel for tax and fee collection, including road and land taxes," Mr Somboun said. The LDB's Managing Director, Dr Akhom Praseuth, said the bank looked at ways to respond to the Ministry of Finance's goal to create a centralised fee collection system for taxes and service fees using computers and mobile phones. "The payment system has been trialled for almost a year and has met with significant success in terms of tax collection. The development of EasyPass will continue into the second phase and its completion is slated for April." The new tax collection system has also been launched at the Boten border crossing in Luang Namtha province, which is the main border crossing with China. During a working trip to the northern provinces, LDB's Managing Director Dr Akhom Praseuth met the bank's branch managers in Bokeo and Luang Namtha provinces to urge them to roll out the tax collection scheme at border crossings.

Source: [http://annx.asianews.network/content/electronic-tax-payment-system-installed-bokeo-friendship-bridge-](http://annx.asianews.network/content/electronic-tax-payment-system-installed-bokeo-friendship-bridge-113258)

113258

France keen to invest more in Myanmar, says official



Myanmar News | 05 February, 2020

After a pause of eight years, France is going to expand existing investments and make new ones in Myanmar, a senior official of the Myanmar Federation of Chamber of Commerce and Industry (UMFCCI) has revealed. "They have trust in Myanmar. As French organisations have learnt there are many prospects here, they are coming to invest in the country in sectors such as energy, railways, ports and others. Existing investments will be expanded and new ones will also be made," said U Maung Maung Lay, vice chair of the UMFCCI. U Maung Maung Lay was speaking on the sidelines of a France-Myanmar business matching event led by Mr Francois Corbin, chair of the France-based French-Myanmar Business Council and committee member of the ASEAN arm of MEDEF, the largest employer federation in France. French Ambassador to Myanmar Mr Christian Lechervy was also present at the event held at the UMFCCI office on Monday. The French business delegation included 20 representatives from companies involved in industries such as energy, water and waste management, rail transportation, infrastructure, finance, manufacturing, beverages, shipping and logistics, and trading. Among the French companies represented at the event were Alstom, CMA CGM, Michelin, Razel-Bec, Thales, and Bpifrance

Financement. Lechervy said at the event that French businesses are eager to find partners in Myanmar for economic development that will benefit both countries. Myanmar is at a stage in its development that offers huge opportunities for investments that will enhance trade and economic development, said UMFCCI President U Zaw Min Win. U Zaw Min Win said that, since France is an advanced country with a mature industrial sector and a leader in science and technology, he would like to see more French businesses contributing to Myanmar's development. Eight years ago, France and Myanmar signed a memorandum of understanding to carry out economic cooperation between both countries. This is the second time a French delegation has visited the country since the signing of that agreement. While Myanmar is facing global pressure due to the crisis in Rakhine State, business representatives and ambassadors from France, Belgium, the UK, and the US have met with the UMFCCI, said U Maung Maung Lay. "Even as Myanmar is dealing with some internal issues, economic relations with other countries continues to develop," he said. Lechervy said the French businesses represented in the delegation are particularly interested in the Thilawa Special Economic Zone. According to the Directorate of Investment and Company Administration, France ranks ninth out of Myanmar's top-50 trade partners, and trade volume between the two countries reached US\$551 million (K795 billion) last year. France invested some US\$469 million in Myanmar between 1988 and 2011.

Source: <https://www.mmtimes.com/news/france-keen-invest-more-myanmar-says-official.html>

Greek offer for Myanmar sugar draws interest



Myanmar News | 05 February, 2020

Greece has offered to buy sugar from Myanmar at US\$400 per tonne per month on a free on board (FOB) system, U Win Htay, vice chair of the Myanmar Sugar and Cane Related Products Association said. The offer has sparked interest in the industry, as under FOB, the buyer will take delivery of the commodity as soon as the shipments leave the supplier's shipping dock. Local traders consider these terms favourable, U Win Htay said. "Currently, sugar prices have fallen due to an oversupply of locally-produced sugar in the country. Stockpiles from previous years have also been damaged, which reduces the quality," he said. It is the first time Greece has offered to import sugar from Myanmar since the government permitted the import and re-export of sugar to boost trade volumes in 2015. In the past, sugar was mainly re-exported to China. However, to curb concurrent illicit exports that were taking place at the border, China placed a limit on sugar import volumes from Myanmar, and eventually banned all imports in September 2017, leading to the current glut. U Win Htay reckons demand will soon

catch up with supply though. “Sugar cane production has been low due over the past two years and with new sources of demand,” he said. Current, there are nearly 500,000 sugarcane farmers working for 23 sugar factories in the country. The farmers have also requested that government limit sugar imports as long as there is a surplus. Sugar imports have since been restricted. Although sugarcane is usually ground and processed in November, the local sugar factories started this year’s grinding process in December

Source: <https://www.mmtimes.com/news/greek-offer-myanmar-sugar-draws-interest.html>

textiles (up 3.53 percent to 115.12 million USD). Rice captured the lion’s share of exports to the Philippines, with revenue accounting for 23.73 percent of the total export revenue to the nation. Vietnam’s high quality rice has been present in 150 countries and territories around the world. Last year, the country experienced a fall in rice export value, with nearly 6.3 million tonnes worth 2.76 billion USD being shipped abroad, up 3 percent in volume but down 10 percent in value from the previous year. The main reason was the falling price in global market.

Source: <https://en.vietnamplus.vn/rice-exports-to-philippines-in-2019-surge/168177.vnp>

Rice exports to Philippines in 2019 surge



Vietnam News | 05 February, 2020

Hanoi (VNA) – Vietnam shipped 884.94 million USD worth of rice to the Philippines in 2019, a year-on-year rise of 92.58 percent, according to the General Department of Customs. In the year, total exports to the Philippines hit 3.72 billion USD, up 7.63 percent from 2018. Along with rice, eight goods items had their export value exceeding 100 million USD. Slight increase was seen in the shipment of computer, electronic products and components (up 1.88 percent to 189.68 million USD), coffee (up 9.4 percent to 173.59 million USD), seafood (up 1.94 percent to 120.19 million USD), and garment and

Most processing, manufacturing companies expect production growth, stability



Vietnam News | 05 February, 2020

About 84.8 percent of businesses in the processing – manufacturing sector predicted expansion and stability in their production for the first quarter of 2020, the General Statistics Office (GSO) said. The GSO’s survey, conducted in Q4 of 2019, covered 6,500 companies representing the industry in the 63 provinces and centrally-run cities, with 90 percent of the interviewees responding. Among them, 46.9 percent expected production growth and another 37.9 percent believed their activities will remain the same in Q1 compared to Q4 last year. For the first half of 2020, 55.3 percent and 34

percent of the firms forecast expansion and stability in their operations, respectively, compared to the last six months of 2019. Meanwhile, FDI companies showed the most optimism with 87.9 percent of them expecting growth and stability for January-March. They are followed by State-owned enterprises (85.2 percent) and non-State businesses (83.5 percent). The respective percentages of firms with similar projections for this year's first half stand at 91.5 percent, 89.9 percent, and 88.4 percent. The GSO noted 59.5 percent of the interviewees expected increase in electronics, computer and optical product manufacturing for Q1; pharmaceutical production 56.5 percent; and food production and processing 51.4 percent. They also predicted higher numbers of new export orders, with 86.6 percent and 91.5 percent respectively believing so for the first three months and the first half of 2020, compared to the same periods last year, the survey shows.

Source : <https://english.vov.vn/economy/cpi-in-january-hits-record-high-in-recent-7-years-409385.vov>
