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Highlight News | *February 14/2020*

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Local rubber farmers suffer from a decade of low prices

Cambodia News I 13 February, 2020

Industry workers have voiced serious concerns over the current rubber plantation sector in the Kingdom, with major companies in the market struggling to survive after 10 years of stubbornly low prices. Lim Heng, vice-president of An Mady Group, a company that exports rubber products, explained: "This is not just an issue in Cambodia. Low prices are also effecting rubber markets in Malaysia and Thailand, one of the largest rubber suppliers in the world." Stressing, that the tit-for-tat trade war between China and the United States is a major factor in keeping the commodity prices low. "The industry will most likely continue to face challenges with the uncertainty of global economic growth, ongoing trade wars and now a global health epidemic," Lim added. He emphasised that currently the commodity is selling at around $1,300 per tonne and at these prices many local rubber plantations simply won't be able to survive. "The cost of production is currently higher than the price at which the product is being traded. The price needs to be trading at around $1,500 per tonne before businesses can see a profit," Lim stated. Currently, companies have to pay a $50 per tonne export tax. "We have recently issued a proposal to the government to consider lowering the current tax rate. But even with a reduced or removed tax, the commodity prices are simply too low across the international market," Lim explained. In 2019, the Kingdom exported nearly 300,000 tonnes of rubber, up 30 percent from the same period last year. Generating nearly $400 million in revenue, with the average price at $1,336 per tonne.

Source : https://www.khmertimeskh.com/50690273/local-rubber-farmers-suffer-from-a-decade-of-low-prices

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Cambodia reduces reliance on imported cement

Cambodia News *I 13 February, 2020*

Four Cambodian factories produced 7.89 million tonnes of cement in 2019, allowing the nation to reduce the amount of imports feeding the booming construction sector, according to a report by the Ministry of Mines and Energy. The National Bank of Cambodia's Macroeconomic and Banking for 2019 Report and 2020 Outlook, stated that in 2019 cement imports were valued at more than $100 million, up from about $90 million in 2018. In 2017, imports of cement were estimated at 1.19 million tonnes and valued around $85 million. Suy Sem, the minister for Mines and Energy, said in November last year the growth of the construction sector resulted in high demand of building materials, including cement, which Cambodia has had to import to support local demand. In 2017 and 2018, the nation could support its local demand for cement. However, because of a rapidly growing construction sector, locally produced cement could not fully supply the demand, forcing imports to fill the gaps," Suy said. The total number of construction projects hit 4,446 in 2019, a 55 percent increase from 2018. With investment amounting to $9.3 billion, a 78 percent increase over the period, according to the Ministry of Land Management, Urban Planning and Construction. It also said last year river and filtered sand used for construction was 10 million tonnes, Crushed stones accounted for 4.7 million tonnes. PM Hun Sen said with 8 million tonnes of locally produced cement, Cambodia will save about $500 million a year on importation costs.

Source : https://www.khmertimeskh.com/50690282/cambodia-reduces-reliance-on-imported-cement

Service industry discusses challenges to doing business

Laos News / *13 February, 2020*

VIENTIANE (Vientiane Times/ANN) - In preparation for the 13th Lao Business Forum (LBF), the LBF Secretariat recently organised this year's first Private Sector Working Group meeting to discuss challenges faced by the private sector in business operations.The session at the chamber in Vientiane, chaired by Mr Phouxay Thepphavong, the Secretary General of the Lao National Chamber of Commerce and Industry (LNCCI), provided a platform for representatives of service sector businesses, such as consultancy firms and real estate service companies, to openly discuss and prioritise issues to be raised with the public sector.Issues the service sector businesses identified as impediments to their operation included those relating to enterprise registration procedures, business license approval and tax returns.The Private Sector Working Group meeting kick-started the public-private dialogue process under the LBF mechanism, in which groups of businesses, generally divided by their respective sector, gather to debate and select issues to be raised at subsequent stages of the LBF process, according to the LNCCI.This ensures greater legitimacy for issues raised by businesses through the power of collective voice, in contrast to those raised individually by a single firm, and this imparts a sense of urgency for the public sector to address such matters.However, this could also act as a restriction as only the issues raised at the initial stage of the LBF process will be considered. Problems that were not raised as prioritized issues would then have to be put on hold until the next LBF round.Addressing issues affecting the ease of doing business helps promote private sector development through the overall improvement of the business climate in Laos. Ultimately, it will assist the government in achieving its socio-economic development targets, one of them being Laos' graduation from Least Developed Country status.

Source : http://annx.asianews.network/content/service-industry-discusses-challenges-doing-business-113783

Govt drafts next five-year socio-economic development plan

Laos News / *13 February, 2020*

Members of the government's steering committee in charge of drafting the 9th five-year National Socio Economic Development Plan (2021-2025) met on Wednesday to review the implementation of the 8th five-year National Socio-economic Development Plan (2016-2020).Chaired by Deputy Prime Minister and Minister of Planning and Investment, Dr Sonexay Siphandone, the meeting involved senior government officials, members of government organisations, and provincial authorities.The meeting enabled officials from various ministries to share their views on the implementation of the current economic development plan. They also provided comments on the draft of the 9th five-year National Socio-economic Development Plan (2021-2025).Participants discussed the draft of the next five-year plan with a focus on six priorities, aiming to make the content more specific and accurate prior to its final consideration.The first goal is to achieve sustainable, balanced and quality growth of the nation's economy. The second is to improve the standard of human resources, research capacity and the use of technology and science, in order to boost productivity and produce more value-added goods.The third goal is to improve living standards and the fourth is to create more green spaces and pursue environmentally-friendly development.The fifth goal is to promote strong and modern internal, regional and international cooperation, and the final goal is to increase the effectiveness of public administration through the rule of law and public unity.Dr Sonexay called for officials in key sectors in charge of the draft to consider the most essential and strategic components for inclusion in the next development plan.He referred to the importance of human resources development, vocational training for young people, and the need for special and specific economic development.Officials representing various ministries reported on the progress made in drawing up their respective drafts, with all the documents to be finalised before submission to the government.The writing of the draft development plan for 2021-2025 began in early 2019, following Prime Ministerial Order No. 5 issued in May and ministerial directions on the draft.Prior to Wednesday's meeting, several consultation meetings were held, attended by high level officials, staff from the National University of Laos, members of research institutes, the private sector and development partners, who provided input on different topics.

Source : http://www.vientianetimes.org.la/freeContent/FreeConten_Govt_32.php

Myanmar takes steps to improve trade strategies

Myanmar News *| 13 February, 2020*

Myanmar will take measures to ensure that overseas demand for locally made goods remains elevated even as cheaper imports from the region are expected to rise now that the country will participate further in the ASEAN Free Trade Area (AFTA). This should also keep the country's trade deficit, which was down to US$627 million in fiscal 2019-20 from US$5.2 billion in fiscal 2016-17, stable. Under AFTA, Myanmar is expected to substantially lower the import duties for a list of goods to as little as zero and no more than 5 percent. "Custom duties will be nearly zero due to AFTA and ASEAN countries are already taking advantage of the opportunity to export more goods to Myanmar. We have in place the Import Protection Law to ensure local manufacturers are not threatened," said U Aung Htoo, deputy commerce minister. The Import Protection Law gives Myanmar the right to raise duties for a period of three years on imported goods that severely affect or threaten local manufacturer. The law also covers trade under AFTA, the Myanmar Times understands. Some traders have voiced their approval over the changing trade environment. Daw Yin Yin Moe, CEO of Hla Yin Moe, a textile and garment company, said that over the past five years her company was able to import industrial apparatus and machineries. "With lower duties, it was easier to import more modern machineries to upgrade our operations," she said, adding that her factory now produces 100,000 pieces of clothing a month compared to 30,000 before the new machineries were brought in. On the other hand, Myanmar will also receive benefits from AFTA, as it will enjoy lower duties when exporting within ASEAN, U Aung Htoo said. To leverage on that environment, Myanmar has launched its second five-year National Export Strategy (NES) for the period between 2020 and 2025. Under the second NES, six sectors - gems and jewellery, agriculture-based food products, textiles and garments, machinery and electrical equipment, fisheries and forestry and digital -have been added on as priority sectors. Five other support services sectors - digital products, logistics, quality control, trade information and innovation and entrepreneurship - will also be implemented under a framework to be set up within the next five years, said U Aung Htoo.U Aung Soe, director general for the Department of Trade Promotion, said more still needs to be done to improve manufacturing and raise exports in the private sector.Mass manufacturing is the lifeblood for exports and local factories and the private sector's operational skills, technology and cooperation needs to improve to support this. "In the next five years, we will make action plans for exporters and make arrangements to cooperate, especially on the financing," he said. He added that for exports to continue rising, production levels need to be scaled up. For that to be possible, better logistics and infrastructure is needed. "If there are no roads, no cars or no warehouses to carry and store the produce from the farms, production will be affected and prices will be high. That will impact our competitiveness. The logistics issue must be solved," he said. Meanwhile, U Aung Htoo said more efforts must taken to channel Myanmar's main agricultural exports into the region, as the bulk of rice, beans, corn and sugar is now exported to China and India. He added that the government must invest more in providing sufficient electricity and financing to manufacturers while ensuring that the trade policy flaws of NES 2015-2019 are not repeated in the next five years.

Source : https://elevenmyanmar.com/news/myanmar-exports-only-us05-m-worth-of-products-to-china-after-covid-19

Border trade amount reaches to over US$3.7 B within four months

Myanmar News I 14 February, 2020

Border trade amount is reached over US$3.7 billion from October 1 to January 31 in this fiscal year and it is more US$590 million in comparison with the same period in last fiscal year, according to the Ministry of Commerce. Myanmar earned US$1.896 billion from Muse border trade center in that period and it is more US$240 million in comparison with the same period in last fiscal year. Myanmar has 18 border trade centers: Muse, Lweje, Chinshwehaw, Kanpikete, Kengtung, Techilek, Myawady, Kawthoung, Myeik, Nabule/Htikhi, Mawtaung, Maese, Sittwe, Maungdaw, Tamu, Reik, Htantalan and Kyainglek. Myanmar is expecting to earn US$34 billion in 2019-20 FY and to export US$18 billion worth of products, said Dr Than Myint, Minister for Commerce. "We are promoting both quality and quantities of the export products to enhance trade and will import more products that can provide assistance for long term economic development," he said.

Source: https://elevenmyanmar.com/news/border-trade-amount-reaches-to-over-us37-b-within-four-months

VN might not reach GDP growth target in 2020 due to COVID-19 outbreak: ministry

Vietnam News I 13 February, 2020

HÀ NỘI — Việt Nam might fail to achieve its 6.8 per cent GDP growth rate target set earlier this year as the novel coronavirus epidemic continues to take a heavy toll on the global economy, according to the Ministry of Planning and Investment. In a meeting on Wednesday chaired by the Prime Minister Nguyễn Xuân Phúc to look at revised growth scenarios in the wake of the devastating COVID-19 (the new name of the virus), the ministry said if the outbreak is contained within the first quarter this year, 2020's GDP growth target will be 6.25 per cent, 0.55 percentage points lower than the previous goal. In case the disease is contained in the second quarter, the Việt Nam's economic growth this year goal will be 5.96 per cent, 0.84 percentage points lower than the original. The ministry cited Professor Warwick McKibbin from the Australian National University, who counted losses for the world economy due to the SARS outbreak in 2003 at US$40 billion and put the damages from COVID-19 at triple or quadruple this number at $120-160 billion. It also said Việt Nam would suffer "significant impacts" due to its open economy, long border and busy trade with China, which have already manifested through the plummeting number of tourists, disrupted supply chain, and backlogs of Vietnamese agricultural produce at Chinese border checkpoints. Speaking at the meeting, PM Phúc said the Government's best efforts to combat the disease have been paying off and the outbreak is still "under control". "However, we can't merely focus on fighting the disease, while neglecting other duties like ensuring national security and defence or social welfare," the Government leader said. Amid the unpredictable developments surrounding the outbreak, if Việt Nam is to continue to act as normal, the country's growth will certainly suffer, PM Phúc said, asking for a "higher degree of efforts, more detailed and timely measures that can cope with the situation". He said that there's no reason to revise growth target at the moment, asking the Ministry of Planning and Investment to draw up plans to keep the rate at 6.8 per cent, especially the growth for the second half of 2020. He stressed that there are fights that should be waged on both fronts – against the COVID-19 and the "virus of stagnancy", meaning using the disease as an excuse for inactivity, which could undermine efforts to overcome the worst impacts of the disease. Factories, supermarkets, tourist sites and national relic sites must still operate as normally, PM Phúc ordered. The Vietnamese Government leader said measures must be found to resolve difficulties in all sectors from commerce to tourism or import-export activities, underlining the need for more robust restructuring of the economy and considering options such as stimulus packages, accelerating disbursement and lowering interest rates and fees. Necessities like electricity, health, education and other public services will not be subject to any price increase for the moment, PM Phúc said. Prioritising domestic market and expanding exports and imports to other international markets will also be high on this year's agenda, the Government leader said. — VNS

Source : https://vietnamnews.vn/economy/592192/vn-might-not-reach-gdp-growth-target-in-2020-due-to-covid-19-outbreak-ministry.html

EP ratifies EVFTA, EVIPA

Vietnam News l 13 February, 2020

The European Parliament (EP) on February 12 ratified the EU-Vietnam Free Trade Agreement (EVFTA) and the EU-Vietnam Investment Protection Agreement (EVIPA). The EVIPA was passed with 407 votes for, 188 against and 53 abstentions; and the EVFTA, with 401, 192 and 40, respectively. The EVFTA is expected to create a major push for Vietnam's exports, helping diversify the country's exports and markets. Under the agreement, Vietnam will cut 65 percent of import tax on EU commodities right after the deal takes effect, while the rest will be erased in a 10-year period. Meanwhile, the EU will cut more than 70 percent of tariff on Vietnam's commodities right after the deal takes effect, while the rest will be abolished in the seven subsequent years. The two documents were signed in Hanoi on June 30 last year. They include intensive, extensive and comprehensive commitments covering the fields of economy, trade, investment and sustainable development issues. According to a research by the Ministry of Planning and Investment, the two deals will help Vietnam increase its GDP by 4.6 percent and its exports to the EU by 42.7 percent by 2025. Meanwhile, the European Commission has projected the EU's GDP to increase by 29.5 billion USD and its exports to Vietnam by 29% by 2035. The investment intensive and extensive commitments will replace bilateral investment agreements between Vietnam and the EU members, helping the country continue to reform its economic structure, perfect business environment and institutions, and facilitate EU investors' business in Vietnam.

Source : https://english.vov.vn/economy/ep-ratifies-evfta-evipa-409974.vov