

*Highlight News / March 06/2020*



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## Cambodia's trade deficit widens to \$7.66 billion



*Cambodia News | 05 March, 2020*

Cambodia's trade deficit with its global trading partners has continued to widen in 2019, with \$7.66 billion more imports than exports, according to a government report, increasing from \$4.83 billion in 2018 and representing a 31.6 percent rise in one year. The report released in conjunction with the National Bank of Cambodia and General Department of Customs and Excise stated that Cambodia imported \$22.19 billion of imports last year, representing an 18.6 percent from the previous year. The same report valued the Kingdom's exports at only \$14.53 billion in the same year, representing a 12.7 percent increase year-on-year. Cambodia's main products for export are textiles, footwear, milled rice and bicycles to the five main countries the United States, Japan, Germany, China and the UK. The report also stated that exported garment products accounted for 56.67 percent of total exports, while exports of textiles and footwear accounted for 8.91 percent and 8.72 percent respectively. Milled rice exports represented 2.89 percent and 2.88 percent bicycle exports. Imported products represented primarily raw material for the country's garment sector, vehicles, cooking oil and building materials mainly from China, Thailand, Vietnam, Japan and South Korea. China was identified as Cambodia's biggest importing country with 43 percent of total imports last year. Lim Heng,

vice-president of the Cambodia Chamber of Commerce, said that it is common sense for a country like Cambodia to import more than it exports because it imports materials to export. "It is a good point that Cambodia has high imports because it reflects the economic growth of the nation, which has a high demand for products that are required for domestic supply," Lim said. He added, "More imports mean more jobs that are generated, with more factories opened for investment. These imports of raw materials also feed into the production chains of products for export."

Source : <https://www.khmertimeskh.com/50698301/cambodias-trade-deficit-widens-to-7-66-billion>

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## COVID-19 scuppers Kingdom's taxman



*Cambodia News | 05 March, 2020*

The General Department of Taxation (GDT) has cautioned that the COVID-19 outbreak will drive down the revenues they are able to collect in the coming months. It potentially scuppers their target of collecting \$2,886 million in tax revenues this year, a 20 percent increase on 2019. Speaking at the Obligation of Tax on Income, E-Filing System and New Invoice Format seminar held in Phnom Penh this week, Kong Vibol, GDT director-general said that the virus continues to create a global economic slowdown and has a knock-on effect on the local economy. "We are closely monitoring the situation because we don't know when the outbreak [of COVID-19] could come to an end – it may take a

month, two months or even a year. Whatever the outcome, it will affect revenues we take in tax collection," he said. Mr Kong paid particular attention to the detrimental effect the virus is currently having on both the country's tourism and garment-manufacturing industries. "The government has taken measures to manage the situation in the affected sectors, with aims to sustain the country's economic growth and that includes our cooperation over the payment of taxes," he said. Last month, in a bid to support the hospitality sector's falling income as visitors stay away, the government announced that all registered hotels and guesthouses in Siem Reap will be exempt from all taxes from February until May this year. Meanwhile, a raw material shortage, mostly caused by a faltering of imports from China, is throwing the garment industry into a fiscal fug. According to latest Ministry of Tourism (MOT) figures, in 2019, the Kingdom earned around \$4.91 billion from international tourism revenues, up 12.4 percent on the previous year. However the MOT are predicting that the "COVID virus effect" will knock at least 10 percent off that income. In other measures to ease the financial downturn, the government has decided to temporarily cancel the 4 percent stamp tax on all residential properties under \$70,000 until January next year. The government has forecast the Kingdom's real economic growth at an average of 6.1 percent this year, down a percentage point on last year. Other factors precipitating the fall include the trade war between China and the United

States, climate change and the partial withdrawal of the Everything but Arms (EBA) trade deal between Cambodia and the European Union.

Source : <https://www.khmertimeskh.com/50698138/covid-19-scuppers-kingdoms-taxman>

## SMEs set to benefit from special funding scheme



*Laos News | 05 March, 2020*

The Small and Medium Enterprise Promotion Department under the Ministry of Industry and Commerce is expected to allocate funds for a technical project as part of efforts to strengthen small businesses and promote start-ups. A recent announcement on the department's website invites applicants from businesses wanting to obtain funding from the SME Promotion Project for activities related to workshops, seminars and exhibitions. In addition the funds will be used to recruit specialists, upgrade technology, develop packaging and product quality and make other improvements. This year's technical project is designed to provide funds to both the public and private sectors that are in charge of operating SMEs at the central and local levels. The targeted businesses must be legally registered, their owners must hold Lao nationality and they should be a member of the Lao National Chamber of Commerce and Industry or other business association. The SME Promotion Department will accept proposals from applicants in three stages. The first application session began on

February 25 and continues till March 31. The second will take place from June 1-30 and the third will be open to applicants from September 1-30. Detailed information is now available at the SME Promotion Department under the Ministry of Industry and Commerce. The contact numbers are (+856 21) 414064, 410005 and (+856 20) 54332004. The application form can be downloaded from [www.dosmep.org](http://www.dosmep.org). To ensure that the SME Promotion Fund is successfully implemented, Deputy Minister of Industry and Commerce Mr Somchit Inthamith chaired a meeting of Executive Board Members of the SME Promotion Fund in late February to review the previous year's achievements and set a plan for 2020. According to the loan conditions, banks will be able to lend not more than 1.5 billion kip to MSMEs, while small-sized enterprises will receive about 3 billion kip and medium-sized enterprises will get 4 billion kip. With an interest rate of 3 percent per annum, the Fund will prioritise the agriculture processing industry, handicrafts, agriculture and livestock breeding, and tourism. Prior to obtaining funds, the applicant business should have a business plan and should have received backing from the commerce and industry sector or any organisation recognised by the commerce and industry sector.

Source : <http://annx.asianews.network/content/smes-set-benefit-special-funding-scheme-115096>

## Lao tourism industry seeks help in wake of Covid-19 slump



*Laos News | 05 March, 2020*

Tourism-related businesses are calling for special assistance from the government and close cooperation with the private sector to collectively deal with the dramatic downturn in trade amid Covid-19 concerns. Local proprietors and representatives from the tourism sector, including hotels, restaurants, airlines, transport operators and visitor attractions, gathered in Vientiane yesterday to share their concerns and seek ways to boost business during the international coronavirus outbreak. The meeting was chaired by the Vice President of the Lao National Chamber of Commerce and Industry, Ms Valy Vetsaphong. Participants suggested various issues for the Chamber to raise with the government to help the tourism industry in its current plight. These included reducing or postponing tax payments by tour operators as well as calling on banks to suspend loan repayments. Calls were made for the government to allow employers to temporarily change staff working conditions during the downturn, such as cutting back hours while retaining their longer-term staff. Authorities were asked to extend social welfare assistance to workers, as well as discount electricity and water

rates to lessen the financial strain on cash flow. The meeting also called for tourism businesses to work in close cooperation to attract customers through promotions targeting the domestic market under the theme 'Lao help Lao'. Participants also discussed various related issues, stressing the core issues of fairness, unity and transparency for sustainable development. "The outcomes of the meeting will be reported and proposed to the government promptly to seek solutions," Ms Valy said. But she stressed that the business sector should take action first, especially assisting each other to deal with the crisis. The continuing Covid-19 outbreak in China and other countries is affecting the region's service sector, including in Laos. According to tourist arrival figures last year, just over 1 million Chinese visited Laos, but the government in China has now banned Chinese tour companies from travelling outside the country. Local estimates put tourist trade revenue losses in the first two months of this year at US\$20-25 million. This figure is likely to increase if tourists from other countries stop visiting Laos because of concerns about the regional health situation.

Source : <http://annx.asianews.network/content/lao-tourism-industry-seeks-help-wake-covid-19-slump-115095>

## Mandalay Maha Muni Buddha Image sees around 500 foreign visitors daily



*Myanmar News | 05 March, 2020*

about 500 foreign tourists visit the Maha Muni Buddha Image in Mandalay on a daily basis. Following the coronavirus (COVID-19) outbreak that started in China, Myanmar has seen a lesser number of Asian visitors, but travelers from Western countries are still coming. According to the data from the pagoda board of trustees, there were over 1,000 foreign visitors daily before the outbreak. Since early January, there has been an average of 500 to 700 foreign visitors as the arrival of Chinese visitors decreases. "Now we have stuck notices on the walls of the toilets describing how to wash hands. Vitamin C tablets are given to staff from the information center who deal with foreigners. We also distribute face masks," said Soe Lin, chairman of the pagoda board of trustees. According to the pagoda data, January According to the pagoda data, Ks12,091,000 was earned from visits of 24,182 foreigners in January and Ks72010000 from visits of 14,402 foreigners in February. A foreign visitor is charged K5,000 for admission fee as of July 1, 2019.

Source : <https://elevenmyanmar.com/news/mandalay-maha-muni-buddha-image-sees-around-500-foreign-visitors-daily>

## Hoa Phat's February steel exports almost triple year-on-year



*Vietnam News | 05 March, 2020*

Hanoi (VNA) – Hoa Phat Group, the largest steel maker in the country, exported over 40,000 tonnes of construction steel in February, almost tripling that of the same period last year. Dramatic surge was seen in exports to Canada, which accounted for 54.4 percent of the total exports. It was followed by Thailand and Malaysia. The company's sales of construction steel last month hit 205,000 tonnes, bringing the total sales in the first two months of 2020 to 381,000 tonnes, including 69,000 tonnes exported. The February steel sales in the southern region hit 54,810 tonnes while sales in the northern and central regions amounted over 86.5 tonnes and 23.9 tonnes, respectively. Aside from finished products, the firm supplied 170,000 tonnes of high-quality billets to factories in Asia, including Thailand and Indonesia. In April, the steel maker plans to test the hot-rolled coil (HRC) production line as part of the second phase of the Hoa Phat – Dung Quang steel integrated complex. Hoa Phat Group exported more than 265,000 tonnes of construction steel in 2019, up 11.3 percent year on year, the multi-sectoral conglomerate reported. Some of its foreign markets include the US, Australia, Canada, Japan, Cambodia, Malaysia, Laos, Thailand, Indonesia, Singapore, the Philippines and Brunei. Among them,

Cambodia was the largest, to which Hoa Phat shipped 151,000 tonnes of steel, accounting for over 50 percent of the total export volume. It was followed by Japan (55,000 tonnes), Canada (20,000 tonnes), the US and Malaysia, which are all demanding markets, proving the competitiveness and quality of Hoa Phat steel in the global market, the group said. For 2020, the multi-sector conglomerate aims to ship 400,000 tonnes of construction steel abroad, equivalent to nearly 10 percent of its sale target./.

Source : <https://en.vietnamplus.vn/hoa-phat-s-february-steel-exports-almost-triple-year-on-year/169637.vnp>

## Minister urges provinces to boost fight against IUU fishing



*Vietnam News | 05 March, 2019*

HÀ NỘI — Minister of Agriculture and Rural Development Nguyễn Xuân Cường has urged 28 coastal provinces to promote further actions against illegal, unreported and unregulated (IUU) fishing. That could help Việt Nam's fishery sector remove the yellow card this year after the EC's third inspection in mid-2020, he said. The Ministry of Agriculture and Rural Development (MARD) reported an inspection delegation of the European Commission's Directorate-General for Maritime Affairs and Fisheries (DG-Mare) is scheduled to visit Việt Nam from May 25 to June 5 to inspect implementation of the EC recommendations fighting IUU fishing. If the EC inspection team continues to find illegal fishing in the third inspection this year, Việt Nam will not be

able to remove the yellow card and may even receive a "red card" (banning imports), according to MARD. The fight against IUU fishing is an important factor for the EC's decision of removing the yellow card or not, the MARD reported. Therefore, Minister Cường has requested the 28 coastal provinces to promote the fight against IUU fishing and effectively implement the Fisheries Law. The provinces must strictly control fishing vessels entering and leaving ports, product origin traceability, as well as fishing diaries and reports. Nguyễn Quang Hùng, deputy director of MARD's General Department of Fisheries, said as of January this year, Việt Nam had 13,150 ships with cruise monitoring equipment installed, including 2,372 ships with a length of over 24m and 10,778 ships with a length of 15m-24m. That means 92 per cent of the total of over-24m-long ships have cruise monitoring equipment while only 37 per cent of ships with a length of 15m-24m have this equipment. Cường said after two inspections in June 2018 and November 2019, the EC's inspection team recognised Việt Nam's co-operation, transparency and honesty in providing and exchanging information during their time in Việt Nam. The country's significant improvements in the monitoring, control and surveillance of fishing vessels have been noted and the management process and organisation of fishing vessels through ports are carried out flexibly and effectively. Việt Nam has also made great efforts to install fishing vessel monitoring systems, disseminate regulations

to vessel owners and implement gear marking fishing vessels based on the EC's recommendations. The EC's inspection team also acknowledged Việt Nam's efforts in increasing the management of fishing density through freezing offshore fishing fleets. Việt Nam has completed a legal framework for fishing activities, including the Fisheries Law. The sector has remained weak in managing foreign vessels visiting local ports to import fishery products. The traceability has not yet met the EC's requirements. According to MARD, due to the EU yellow card for Việt Nam's seafood products, Việt Nam's exports to the EU fell by 6.5 per cent to US\$390 million in 2018 and by 11.5 per cent to \$345.2 million in 2019. From being the second largest import market for Việt Nam's seafood, after the yellow card, the EU has dropped to fifth, and its imports have decreased from 18 per cent to 13 per cent of Việt Nam's exports. — VNS

Source : <https://vietnamnews.vn/economy/653114/minister-urges-provinces-to-boost-fight-against-iuu-fishing.html>