

Highlight News / April 13/2020



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

Third solar power station joins national grid



Cambodia News | 13 April, 2020

The Kingdom's third solar power station came online last Friday in Kampong Chhang province, according to Electricite du Cambodge (EDC), a leading power supplier in the country. Located in the Toek Phos district, the plant will generate a further 60 mW of power to help meet increasing domestic need. Privately owned Cambodian company SchneiTec Renewable Co., Ltd were granted the contract by the government on a "build-own-operate" (BOO) basis. A public-private partnership project, this is where a private organisation builds, owns and operates a facility with government rules. EDC have purchased the power generated by the station under a long-term agreement. Consumer tariff price has yet to be set, but SchneiTec Renewable Co., Ltd are legally required to sell at less than \$0.076 per kilowatt hour (kWh) to EDC. The first operational solar power station, heavily invested in by the Singaporean company Sunseap, is located in Svay Rieng province and generates 10 mW of power to the national grid. The second 80 mW facility, a collaboration between JinkoSolar and SchneiTec Group, is in Kampong Speu province. In 2019, the government gave the go-ahead for the construction of four solar power plants to generate a total of 140 mW to the national grid. Victor Jona, director-general of Energy at the Ministry of Mines and Energy, said that work on the final plant, a 60 mW project, also in

Kampong Chhnang province, is now underway. "We expect that the four solar facilities will be generating power to the grid by early 2021," he said. Thai-based private equity firm Prime Road Alternative Company Ltd won the contract for the fourth plant after lodging the lowest bid of electricity price at \$0.03877/kWh.

Source: <https://www.khmertimeskh.com/50712430/third-solar-power-station-joins-national-grid/>

High yielding potato varieties unveiled



Cambodia News | 11 April, 2020

The Ministry of Agriculture, Forestry, and Fisheries have released the results of research into potato farming with potential high yields. The result of research, conducted by the Royal University of Agriculture, showed that varieties of potato suitable for growing in Monduliri province are from Ireland, Germany and Vietnam. Each variety is able to provide yields from 13 to 15 tonnes per hectare, and that the suitable growing season for the potatoes in Monduliri province starts from September to December each year. Cambodia imports more than 5,000 tons of potatoes every year from Thailand, Vietnam, China, Japan, Australia and the U.S., according to the Potato Research Institute, a centre in the Royal University of Agriculture, Phnom Penh. Studies on potato farming in Cambodia have been carried out since earlier 2017, aiming to find areas in the Kingdom suited for growing the crop. So far, besides Monduliri province, the experiments of potato planting conducted by the Royal University of

Agriculture, were in Pursat and Battambang provinces. Chea Vannak/AKP

Source: <https://www.khmertimeskh.com/711891/high-yielding-potato-varieties-unveiled/>

Lao Economic Growth Shrinks Amid Drop in Production, Spending



Laos News | 13 April, 2020

Economic growth in Laos has slowed as production and consumer spending drop amid fears of a spread of the coronavirus, with growth expected to shrink by about 50 percent, sources say. Even if the spread of the virus is partially controlled in Laos, which has reported only 16 confirmed cases as of Friday, consumer spending and production in the landlocked Southeast Asian country have fallen, a Lao economist told RFA's Lao Service this week. "Therefore, the forecast that GDP growth in Laos will drop by 50 percent is reasonable," RFA's source said, speaking on condition of anonymity. "Tourism is the sector that has been hardest hit, with all businesses like hotels and restaurants related to tourism severely affected," he said. In a March 31 report, the World Bank predicted a growth this year in the Lao economy of 3.6 percent if the spread of coronavirus in the country remains under control, dropping to 2.2 percent if the situation grows worse. Also speaking to RFA, a tour operator in the northern Lao province of Luang Prabang said the province has now seen a drop in economic activity of all kinds

since a lockdown of entertainment districts was imposed on April 1. "We're literally trying to survive," he said, adding, "There are no tourists, and all entertainment venues and guesthouses have now closed. This is a very difficult situation." "I'm still open, but there's nobody walking by or buying anything," added a shopkeeper in the Lao capital Vientiane. "Everything is quiet, and when it gets dark, people lock their doors and sleep," he said. Migrant workers return Lao's economic problems are compounded by the rapid return from Thailand of a pool of suddenly jobless Lao migrant workers that the International Labor Organization estimates at 60,000 following Bangkok's closure of its borders on March 23. Provincial checkpoint officials on Lao's side of the border with Thailand told RFA that Savannakhet province has over 27,000 returned workers, Champasak has 10,000, and Khammuan has more than 3,000. Meanwhile, a nearly-finished railway project connecting landlocked Laos with China is facing construction delays because of manpower shortages resulting from the coronavirus crisis, according to local government officials. Laos, which reported its first two cases of the deadly virus late last month, was spared the effects of the global pandemic for most of February and March, but Lao Prime Minister Thongloun Sisoulith has now ordered that nonessential workers remain home. In some industries this has led to a complete shutdown, but

in the construction sector, it has resulted in projects continuing with fewer laborers on hand. Reported by RFA's Lao Service. Translated by Max Avary. Written in English by Richard Finney.

Source: <https://www.rfa.org/english/news/laos/growth-04102020151706.html>

MIC to accelerate approvals for labour-intensive, healthcare investments



Myanmar News | 11 April, 2020

The Myanmar Investment Commission (MIC) will accelerate approvals for investments in labour-intensive and infrastructure projects, MIC secretary U Thant Sin Lwin said last week. This is to ensure as many workers find jobs as possible to offset the impact of lay-offs in other sectors such as manufacturing and tourism. The MIC will also accelerate approvals for healthcare and medical equipment businesses, including those involved in manufacturing supplies such as face masks. It will also prioritise pharmaceutical enterprises, healthcare service providers, U Thant Sin Lwin said. "We are continually watching the possible impact of COVID-19 on Foreign Direct Investments (FDI) and will prioritise investors who are able to provide more jobs and contribute to preventing and fighting COVID-19," he said. The MIC received US\$3.2 billion worth of FDI from 154 permitted business as well as capital raising from existing projects in the current fiscal year from October 1, 2019 until April 7, 2020,

according to MIC data. While, business operations are slowing as a result of COVID-19 in Myanmar, U Thant Sin Lwin said there is so far no decline in investment proposals or withdrawals and cancellations in permit applications and approved projects. "Currently, we are still receiving investment proposals and permit applications from the garment manufacturing sector even though many factories have stopped operations as a result of COVID-19," he said. The MIC on April 3 approved US\$555 million and K15 billion for 11 new projects in the manufacturing, construction and services sectors. Meanwhile, more capital was injected into 13 existing projects. The projects are expected to create 3,234 job opportunities for Myanmar citizens.

Source: <https://www.mmtimes.com/news/mic-accelerate-approvals-labour-intensive-healthcare-investments.html>

Automobile sale grows for 2nd consecutive month in Vietnam: Association



Vietnam News | 12 April, 2020

Hanoi (VNA) – The Vietnam Automobile Manufacturers' Association (VAMA) recently announced that its members' March sale was 19,154 units, 8 percent higher than the figure recorded in February. This marks the second consecutive monthly growth in the sale of the association, it said, adding increases of from 5-18 percent were seen in the three segments. Of the total, 11,878 automobiles are locally assembled. Many attributed the rise in

March to the application of promotion programmes such as discounts or valuable presents by makers and sale agents. In the first quarter of this year, the VAMA members sold 78,419 units, 33 percent lower than the same period last year. However, watchers said those VAMA figures does not present a panorama of the automobile market in Vietnam as there are many other manufacturers who are not members of the association./.

Source: <https://en.vietnamplus.vn/toyota-honda-among-best-selling-car-makers-in-march/171573.vnp>

Steel producers hit hard by pandemic



Vietnam News | 12 April, 2019

Hanoi (VNS/VNA) - The Vietnam Steel Association (VSA)'s member enterprises suffered a strong reduction in production and business in the first quarter of this year due to the COVID-19 pandemic. In the first quarter, VSA member enterprises recorded a plunge of 15 percent in steel output to 5.4 million tonnes and 20 percent in consumption to 4.4 million tonnes year-on-year. Meanwhile, steel exports reached 300,000 tonnes, a reduction of 38 percent from the same period last and 21 percent compared to December 2019, according to the association. VSA vice-chairman Trinh Khoi Nguyen said the COVID-19 pandemic is having a significant impact on the domestic steel industry because steel producers depend on importing input materials from China. Trading activities between Vietnam and China have greatly slowed and have even been temporarily

suspended due to the disease. The Viet Trung Metallurgy and Mineral Co, Ltd (VTM) is the most severely affected company among members of the Vietnam Steel Corporation (VNSTEEL) due to the pandemic. VTM is located near the Vietnam-China border and depends on trade between the two countries. Most of VTM's raw materials and equipment are imported from China, meaning all the firm's trading activities are now stagnant and its coal inventory is insufficient to meet the demand for steel production. The Vietnam-Italy Steel Joint Stock Company (VIS) has also faced many difficulties. VIS expects its total revenue to reduce by 65 billion VND this year to 3.6 trillion VND. In the first quarter alone, it lost tens of billions of dong. The VSA has forecasted that this year, the steel industry will continue facing difficulties, including from protectionism in global markets and a lack of recovery in the domestic real estate market. The impacts of the COVID-19 pandemic and price reductions in the world steel market have caused a plunge of steel prices and trading activities on the domestic market, according to the association. Higher inventories of steel products and high bank loan interest have made their business efficiency reduce. Nguyen said to solve those difficulties, the Government needs to give financial support to steel enterprises, reduce interest and extend debt payment deadlines. It should also have solutions to smooth customs clearance for import input materials that steel producers need to maintain their production. Besides that, domestic steel producers need to restructure

their products, improve the competitiveness of their products and seek more export markets, Nguyen said. According to steel expert Nguyen Van Sua, steel producers with modern production technology and low energy consumption would be able to continue running while producers with old production technology and high production costs would struggle to compete. He said the State should extend tax payment deadlines and cut tax for steel producers to help them overcome difficulties./.

Source: <https://en.vietnamplus.vn/steel-producers-hit-hard-by-pandemic/171598.vnp>
