

Highlight News / April 21/2020



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)



Gov't predicts V-shaped recovery, economic experts disagree



Cambodia News | 20 April, 2020

The Cambodian government is optimistic that the nation's economy will see V-shaped growth in the wake of the Coronavirus pandemic, in direct contrast to the U-shaped recovery economic experts are predicting. Phay Siphon, the government's chief spokesman, made the statement at a news conference held last week addressing the state of the country's aviation industry. Phay said he has based his conclusion on Cambodia's decision to allow the cruise ship, the MS Westerdam, to dock in Sihanoukville in February after five other nations, including Japan and Thailand, would not offer safe haven amidst COVID-19 fears. "There will be a boom in the tourism industry when people are once again allowed to travel and I believe that foreign tourists will flock to our country in return for our kindness in the MS Westerdam matter." In economic terms, leading business and markets experts Bloomberg.com describe a V-shaped recovery as a trajectory 'in which the rebound is swift as the slump'. But Hong Vannak, a business researcher at the Royal Academy of Cambodia is one of several experts warning the recovery is more likely to be U-shaped, meaning it could take up to two years to regain economic stability. "This is due to the fact that tourism, a priority sector in the country, has all but been destroyed. It will take time for traveller confidence to return and that will ultimately shape

the recovery," he said. Hong added that the agriculture sector, which already faced pre-pandemic issues, will also be key to economic recovery. "The approach to rebuilding and strengthening this crucial cornerstone of the national economy is by increasing the value chain," he said. The garment and export industry – which netted Cambodia \$9.35 billion in 2019, a year-on-year increase of 11 percent – is also expected to follow a U-shaped recovery. This is in part due to the EU's decision to partially suspend preferential tariffs previously applied to the garment exports received from Cambodia. These accounted for some 90 percent of the Kingdom's total garment exports. The World Bank and ADB have predicted the Kingdom's real economic growth will slow to around 2.5 percent and 2.3 percent this year respectively as a direct result of the pandemic. In further sobering news, the International Monetary Fund (IMF) has predicted Cambodia's 2020 Gross Domestic Product will contract by -1.7 percent this year. However, the growth rate will recover to 5.9 percent in 2021 under a baseline scenario, according to a World Bank report.

Source: <https://www.khmertimeskh.com/50714665/govt-predicts-v-shaped-recovery-economic-experts-disagree/>

Rubber exports up by 10 percent in Q1



Cambodia News | 20 April, 2020

Cambodia's rubber export has increased 10 percent in the first quarter of this year compared with the same period last year, but the price of the commodity showed a slight decrease, according to a report from Ministry of Agriculture, Forestry and Fisheries. The figures showed that from January to March, Cambodia exported 53,057 tonnes of rubber, a 10 percent increase, with an average price of \$1,397 per tonne, representing a 1.2 percent decrease. Overall, the sector brought in approximately \$74 million in revenue for the period. This is despite a 15 percent drop in export volumes in March when compared with February, from 12,913 to 11,751 tonnes, a result of trade disruption caused by the restriction of cross-border trade activities in response to COVID-19. Lim Heng, vice-president of An Mady, a company that owns rubber plantations and exports the product, said the slowdown in exports is mostly down to reduced orders from on the their biggest importers. "China, where we see our biggest demand market for rubber, has placed stringent restrictions on the import trade because of the pandemic. As a result, export volumes and profit are down," he said. While China is a key market, the commodity is also exported to Malaysia, Vietnam and Singapore Cambodia has 405,485 hectares of rubber plantations, of which 250,750 hectares (62) percent are "cash crops", that is, old enough to be

tapped. Recently, the government has adjusted the export tax on rubber in a bid to boost the commodity's competitiveness in the market. Cambodia exported 282,071 tonnes of dry rubber in 2019, an increase of 30 percent from 217,501 tonnes on the previous year.

Source: <https://www.khmertimeskh.com/50714831/rubber-exports-up-by-10-percent-in-q1/>

Local authorities urged to enforce PM's Order on lockdown



Laos News | 21 April, 2020

Local authorities must ensure that Prime Minister's Order No. 6, aimed at preventing the spread of Covid-19 by putting a lockdown in place, is enforced, health officials say. Director General of the Department of Communicable Disease Control under the Ministry of Health, Dr Rattanaxy Phetsouvanh, stressed this point during the latest daily media briefing on Covid-19, saying everyone should cooperate with the ruling and comply with the Order to prevent the spread of the virus. His message comes after the government extended the lockdown for 14 days until May 3, including the closure of all international and local border crossings to individuals. He said the extended lockdown would help to curb the spread of Covid-19 but noted that the Order was not being enforced in some areas. It had been observed that the restriction on the movement of people during the lockdown was not being complied with and in some parts of the country most people were not staying at home and continued

to travel to work or leave their homes for other reasons. "What local authorities need to do is to intensify the measures put in place to prevent the spread of the virus as stated in Prime Minister's Order No. 6," Dr Rattanaxay said. Travel ban measures may be justified to limit the virus outbreak, he added, but noted that travel bans to outbreak areas or denial of entry to passengers coming from outbreak areas were not always effective in preventing Covid-19. He said local people and travelers should be aware of the general recommendations regarding personal hygiene and coughing etiquette and keep a distance of at least one meter from anyone showing symptoms of Covid-19. People who are unwell should postpone travel to outbreak areas, especially elderly people and those with chronic diseases or underlying health conditions. People departing outbreak areas should self-monitor for symptoms for 14 days and follow the protocols of the country they enter. Some countries may require returning travelers to undergo a period of quarantine. The Prime Minister's Order, dated March 29, instructed everyone to stay at home from April 1-19, in a bid to contain the spread of the potentially deadly virus. On Wednesday, Prime Minister Thongloun Sisoulith announced a 14-day extension of the lockdown. The health ministry has urged the public to consume information from only reliable and official sources and to be aware of fake news. If you have any flu-like symptoms and have traveling to an outbreak area, please contact health workers upon entry into Laos.

Source:http://www.vientianetimes.org.la/freeContent/FreeConten_Local74.php

Hard times ahead for Mandalay economy due to virus, observers say



Myanmar News | 20 April, 2020

Many businesses in Mandalay tied to border trade with India and China have slowed or nearly stopped due to the coronavirus pandemic, and many observers say it will take a long time to recover from the sluggish market conditions. Mandalay Region Chamber of Commerce and Industry (MRCCI) Chair U Kyaw Min said, "It's good that we have the funds organised by the regional government with around K 2.5 billion was received. The region is better off because of the emergency funds and there is also a plan to organise a team to address issues faced by every strata of society during the pandemic." "There have been some 400 applications for COVID-19 loans that prioritise tourism businesses and SMEs in Mandalay. However, right now, Mandalay's real estate market is at a standstill," said Myanmar Real Property Development Association (MRPDA) Chair U Tin Maung. "The jade market was not in good shape even before the coronavirus crisis and it is worse now," said Mandalay-based jade trader Ko Soe Kyaw. He added that although a jade and precious gems sales event had been scheduled for May, it is not possible for it to go on now. Similar to the jade market, car sales don't appear to have a great future ahead either. Veteran car dealer U Win Myint Oo said, "Business has been not good and nearly

stopped. People in need of money are lowering the asking prices for the cars they are selling,” he said. As the government and trade federations are cooperating to stabilise the prices of basic goods like rice, cooking oil and salt, there have been no price fluctuations for these products. However, unexpected challenges may await even after the pandemic fades and no one knows exactly what the country’s economic landscape will look like. “Local businesses might be able to emerge leaner and more efficient to find new opportunities to tap after the crisis, but the government’s new economic strategies need to attract people to do business again,” said Mandalay Industrial Zone Management Committee Secretary U Ye Win Aung. “Without government support, it would be pretty difficult to survive the post-pandemic economy. As many businesses are connected, not only one sector but every sector needs to be in good shape. For that, only the government’s economic strategies can help as most local businesses will have a hard time helping themselves and it is hard for them to recover,” U Ye Win Aung said.

Source: <https://www.mmtimes.com/news/hard-times-ahead-mandalay-economy-due-virus-observers-say.html>

Aquatic exports to China shows sign of recovery



Vietnam News | 20 April, 2020

Hanoi (VNA) – Vietnam exported nearly 13 million USD worth of tra fish to China in the first half of

March, 1 million USD higher than February’s number, a sign of recovery for Vietnamese exports of aquatic products to the neighbouring country. According to the Vietnam Association of Seafood Exporters and Producers (VASEP), orders of aquatic products, particularly shrimp and tra fish, from China have returned since early April. It forecast that Vietnam’s tra fish exports to China may surge by 40 – 50 percent in the coming months as the latter’s efforts to contain the spread of coronavirus prove effective. The Republic of Korea, another key market for Vietnam, has also made significant progress in containing COVID-19, signalling demand will rebound soon. VASEP expects that if the pandemic is brought under control in the second quarter of this year, production will return to normal in the second half, which is likely to be a “golden stage” for Vietnam to boost shipments of agricultural products./

Source: <https://en.vietnamplus.vn/aquatic-exports-to-china-shows-sign-of-recovery/172015.vnp>

Exports of rice to China skyrocket in Q1



Vietnam News | 20 April, 2019

VOV.VN - Vietnam's export of rice products to China enjoyed a four-fold increase during the first quarter of the year in comparison to last year, according to figures released by the General Department of Vietnam Customs. The first quarter of the year saw the country export 162,000 tonnes of rice to China, accounting for 11% of the nation’s total export volume. Most notably, Chinese rice importers have

pushed the purchase price as high as possible when buying Vietnamese rice. At present, the average export price of rice to the Chinese market has reached VND12.7 million per tonne, an increase of over VND1.7 million per tonne when compared to last year's figures. Simultaneously, price of rice exports during the reviewed period stood at over VND10.7 million per tonne. As a result, the northern neighbour's import price from the nation is now far higher than that of the Philippines, the leading consumer of Vietnamese rice. This sudden increase in rice imports from the country can be attributed to efforts made by China to meet their food shortages due to the novel coronavirus (COVID-19) pandemic. Throughout the opening three months of the year, the northern neighbour has also moved to boost imports of computer products, electronic products and components, in addition to phones and components from domestic sources. Statistics indicate that Vietnam's exports of computers, along with electronic products and components, to China enjoyed a year-on-year surge of 41% to US\$2.5 billion. Despite these positives, the country's exports of seafood, crude oil, ores, and minerals to the Chinese market plummeted during the reviewed period.

Source: <https://english.vov.vn/economy/exports-of-rice-to-china-skyrocket-in-q1-412752.vov>
