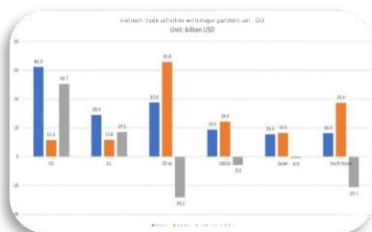




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NBC officially launches its Bakong payment system



Cambodia News | 29 October 2020

The National Bank of Cambodia (NBC) yesterday officially launched Bakong, a payment system infrastructure that it says enables banks and other financial institutions to work together, with an emphasis on safety, efficiency, cost-saving and, more importantly, financial inclusion. The NBC first introduced the Bakong concept to banks and financial institutions including payment service institutions on June 5, 2018. A total of 39 institutions expressed an interest in participating in the project. Supported by those institutions, the NBC started to announce a pilot test of Bakong on July 18, 2019, with participants from four institutions: ACLEDA Bank, Vattanac Bank, Foreign Trade Bank and Wing Specialised Bank. By yesterday the number of participants amounted to 18 institutions (16 from banks and other financial institutions and two from payment services institutions). At the moment, there are also another 24 institutions that have obtained approval in principle to be a member and have been actively undergoing the integration process. NBC's Director General Chea Serey said at the launch that, for the time being, the development of Bakong will contribute to economic development, adding to the digital economy of the Fourth Industrial Revolution in accordance with the aims of the Asean digital economy. She added that the development of Bakong was designed to modernise the payment

system in Cambodia and to respond to the growth of the economy and financial technology. "I would like to strongly stress that the Bakong system is not a central bank digital currency of the National Bank of Cambodia. However, the Bakong system is a backbone payment system where its development is to serve the main objectives such as enabling interoperability between institutions, enhancing the efficiency and security for a payment system, promoting financial inclusion and promoting the use of [cashless] Khmer riels," Serey added. In Channy, president of the Association of Banks in Cambodia (ABC), said in Cambodia the use of US dollar dominates the market compared with Cambodian riels in transactions and the use of cash in the economy is also high while the means of payment electronically (ie in a cashless form) is still limited and not widely used. The Bakong system has provided benefits to the payment system by giving a choice to customers over payments and transactions via mobile phone from one financial institution to another, or from one payment service institution to another member in the Kingdom. "On behalf of the ABC, we would like to show our appreciation to the NBC for this initiative and celebrate the official launch of the Bakong system," he added. "We are proud of using the world's latest technology – blockchain – for the payment system in the banking and finance sector in Cambodia," he added. Kea Borann, chairman of Cambodia Microfinance Institution, said that the Bakong system was discussed and demonstrated at big events locally,

regionally and internationally. “I believe that Cambodia is the first country in which the central bank is using blockchain technology to serve the payment system in the financial sector and I believe the Bakong system will provide benefits to institution members as well as to the public in providing convenience for cross-transactions from one financial institution to another when before this was difficult. The Bakong system will offer convenience, speed and security for every transaction,” he added. Serey insisted Bakong will not be a competitor to the banks and microfinance industry in the country. It is a core infrastructure to assist payment providers to connect with all financial institutions – banking and finance in one system. She added that the development of Bakong will be conducted phase by phase. The NBC will encourage transactions from Bakong system to Bakong system and to other banks. The following phase will be when customers have the Bakong app on their smartphones, meaning they can check their balance in another bank account if it's a Bakong member within the Bakong system.

Source: <https://www.khmertimeskh.com/50777909/nbc-officially-launches-its-bakong-payment-system/>

Tourism observers optimistic about the future



Cambodia News | 29 October 2020

Insiders are positive about the future of the tourism sector as the government and private sector seek ways to mitigate the impact caused by COVID-19.

The Ministry of Tourism (MOT) and members of the tourism-based private sector are in discussions about a travel bubble measure to attract tourists to Cambodia during the pandemic, with China a priority. Clais Chenda president of the Cambodia Hotel Association (CHA) expressed optimism the government's move is a good sign for the future of tourism sector, which has been severely affected with lay-offs, hotel and guesthouse closures, furloughs and pay cuts. “We hope that through this measure, there will be more programmes to promote the country's tourism sector,” she said. “With the travel bubble, it will provide the sector with a chance to keep operating during COVID-19. It will give us a chance to attract foreign visitors to Cambodia and we will have a chance to keep our tourism community alive.” Chenda pointed out China is the world's most populous country and the Cambodia tourism sector can benefit greatly from the Chinese market. “China is closer to Cambodia compared with other huge countries in the region,” she said. “The ministry intends to focus on high-end tourists during this time... and will not focus on mass tourism.” She said while the end of the COVID-19 could not be predicted, the hotel industry is struggling to just keep operations alive. Cambodia received 1.24 million international tourists during the first nine months of this year, a decrease of 74.1 percent compared with the same period last year while local visitors

amounted to more than 7 million, a decline of 51.9 percent owing to the severe impact of COVID-19. Chhay Sivlin, president of the Cambodia Association of Travel Agents, said matters needed to be dealt with soon to mitigate further damage risk, adding it is a positive sign that the tourism sector will be saved in part. “We cannot wait to see the situation turn to normal without doing anything now. We need to find measures to save the sector at least in part.” A travel bubble is a cooperation between countries and regions to facilitate the flow of the tourism sector because borders cannot be fully open. She said if the government is willing to address the issues, the sector will be able to be saved. “We cannot work with countries that are far away from Cambodia at this time. We need to cooperate with countries in the region that are controlling COVID-19 well.” Sivlin said China is the only market that could recover fastest and the Chinese make up the largest number of foreign visitors to Cambodia. “We will focus on neighbouring countries as well but China is the priority,” she said. Thoun Sinan, president of the Pacific Asia Travel Association, said after the internal discussion on Tuesday that the private sector wants the government to consider travel bubbles with neighbouring countries at the same time as with China. “We have asked for the implementation of neighbouring countries first. We understand that China is a potential market, a purchasing-power

country but Thailand and Vietnam will also help the tourism sector in the region as well,” he said. However, the process is still in its infancy and there need to be more talks government-to-government.

Source : <https://www.khmertimeskh.com/50778139/tourism-observers-optimistic-about-the-future/>

Govt outlines plans to tackle debt burden



Laos News / 30 October 2020

The government has announced that it will manage and address public debt in various ways as it seeks to ease the country's financial tensions. Prime Minister Thongloun Sisoulith told the National Assembly this week the government will no longer accept loans from foreign countries, as one way of tackling the fiscal deficit. Loans will only be taken out to repay the principal on existing loans when the time arrives for debts to be serviced. Deputy Prime Minister and Minister of Finance, Mr Somdy Duangdy, told the Assembly the government will manage public debt in line with the law, while attempting to shrink the fiscal deficit. The government will also look at other ways to reduce the debt burden, such as converting debt into capital, selling state assets, and selling shares in state enterprises in the hope of sufficiently addressing the country's liabilities and obligations by the end of this year, he said. These moves are aimed at enhancing the country's reputation and building confidence among potential foreign investors and donors. Concerning the debts owed by the government to

private companies that have undertaken and financed state infrastructure development projects, the government will try to mobilise funding from various sources to repay them. This could be done by issuing government bonds or transferring these debts to commercial banks. About 180 projects with a total value of 1.86 trillion kip will benefit from the government's triangle-debt-diversion disbursement initiative, according to Mr Thongloun. By the end of this year, the government's debt of 578.35 billion kip will be transferred to commercial banks. This should enable private enterprises to maintain financial liquidity and overcome economic hurdles. Even though the government has encountered challenges in mobilising funds to repay debts owed to domestic and foreign creditors, it has managed to basically resolve its liabilities. The Covid-19 pandemic has placed an even greater burden on Laos' debt service capability. The government has attempted to restructure the repayment of its debts to development partners, as it is the policy of the international community to reduce or partially forgive the amount of debt owed by developing countries. In addition, the government has drawn up short-, medium- and long-term plans to address its liabilities and obligations by attempting to reduce the fiscal deficit each year. "At present, we are still able to repay our debts owed to foreign countries," Mr Thongloun said. The government did not disclose the total amount owed to private companies and foreign countries. According to the World Bank's Lao Economic Monitor published in June, public debt is

expected to rise to 65 to 68 percent of GDP in 2020, leaving Laos at high risk of debt distress. The pandemic has not only hit key economic sectors in Laos including tourism, investment and exports, which are the country's main sources of foreign currency, but has also affected the economies of Laos' key trading partners. The economic slump in these countries is hindering the government's efforts to mobilise funding from development partners to repay its debts.

Source: http://www.vientianetimes.org.la/freeContent/FreeContent_Govt212.php.

Thai-Lao bridges announced



Laos News | 29 October 2020

The government will invest 8.2 billion baht to build two more Thai-Lao Friendship bridges across the Mekong River. At present, four Friendship bridges are linking Thailand and Laos at Nongkhai-Vientiane, Mukdahan-Savannakhet, Nakhon Phanom-Khammouane and Chiang Khong-Huay Xay. The fifth bridge will be located in Muang district in Bueng Kan and will link to Paksan in Bolikhamxay province in central Laos. The total budget for the co-investment project will be 3.9 billion baht. The Thai government will invest about 2.6 billion baht while the Lao government will put in another 1.3 billion baht that it will borrow from the Neighbouring Countries Economic Development Cooperation Agency founded in 2005 by the Thai government. The project will feature a 16km four-lane road including a 12km road in Bueng Kan, a 1.3km two-lane bridge over the Mekong and a 2.8km road in Laos. The budget also

includes border checkpoints and border control facilities in the two countries. The project will be completed in 2022. The sixth Thai-Lao Friendship bridge will be built in Ban Na Hin Ngon in Na Tan district in Ubon Ratchathani. It will connect to Ban La Khone Pheng in Salavan province in the southern part of Laos. The total budget will be 4.3 billion baht, of which Thailand will invest about 2.6 billion baht. The project is expected to start in 2023 and be completed in 2025.

Source: <https://www.bangkokpost.com/travel/2010347/thai-lao-bridges-announced>.

Myanmar commerce ministry declares import license list

 Myanmar News | 29 October 2020

Import licenses will now be required for around 4000 kinds of goods in Myanmar. This will take effect on December 1, the Ministry of Commerce announced. Traders for a total of 3931 goods categories including live animals, meat and fish, edible oil, vegetables and crops, forest products, beverages, mineral fuels, chemicals, medicines, automobiles and machinery are required to apply for import licenses under the HS Code 2017 Version. “We previously announced that licenses will not be required for more than 4000 goods. But some departments requested to put some items which require licenses back in the list so we have done after conducting an annual review,” said U Khin Maung Lwin, permanent secretary of the Ministry of

Commerce. “Of the 3931 goods that require import licenses, applications for more than 1000 can be done fully online,” he said. - Translated

Source : <https://www.mmtimes.com/news/myanmar-commerce-ministry-declares-import-license-list.html>

Vietnam trade surplus hits new record of US\$18.72 billion in 10-month

 Vietnam News | 29 October 2020

The Hanoitimes - Vietnam's trade turnover is likely to reach US\$439.82 billion in the January – October period, a slight increase from the US\$428.63 billion in the same period last year. Vietnam earned an estimated trade surplus of US\$2.2 billion in October and consequently a record surplus of US\$18.72 billion in the January–October period, compared to a US\$9.01 billion surplus recorded in the same period last year, the General Statistics Office (GSO) has said in a monthly report. In October, Vietnam has exported goods worth an estimated US\$26.7 billion, down 1.7% inter-monthly but up 9.9% year-on-year, while imports are estimated to increase by 1.2% month-on-month and 10.1% year-on-year to US\$24.5 billion. Overall, Vietnam's trade turnover is likely to reach US\$439.82 billion in the January – October period, a slight increase from the US\$428.63 billion recorded in the same period last year. Of the total, exports could amount to US\$229.27 billion, up 4.7% year-on-year, and imports are estimated at US\$210.55 billion, up

0.4%. In the first ten months of 2020, Vietnam had 31 export items earning more than US\$1 billion each, accounting for 91.8% of total exports, and five with over US\$10 billion, or 59.9%. On the other hand, 34 items have import value of over US\$1 billion, or 89.4% of total. In the January – October period, the US remained Vietnam's biggest export market, spending US\$62.3 billion on Vietnamese goods, up 24% year-on-year, followed by China (US\$37.6 billion, up 14%), and the EU (US\$28.9 billion, down 3%). Meanwhile, China continued to be Vietnam's largest supplier, selling US\$65.8 billion worth of goods to Vietnam, up 6.2% year-on-year. South Korea claimed the second place by exporting US\$37.4 billion worth of goods to Vietnam, down 5.3% year-on-year, followed by ASEAN countries with US\$24.4 billion, down 8.5%.

Source : <http://hanoitimes.vn/vietnam-trade-surplus-hits-new-record-of-us1872-billion-in-10-months-314653.html>

CPI for October records slight increase



Vietnam News | 29 October 2020

VOV.VN - The consumer price index (CPI) in October enjoyed a slight rise of 0.09%, representing the same level as the previous month and the lowest level for the 2016- 2020 period, according to figures released on October 29 by the General Statistics Office (GSO). This increase can be attributed to a hike occurring in the price of education services, coupled with the impact of natural disasters which have recently struck the country's central provinces. These

statistics indicate that October's CPI recorded an annual increase of 2.47%, while the average CPI during the opening ten months of the year rose by 3.71% compared to the same period last year. Among 11 different categories of goods and services, six witnessed rising prices, including education which rose by 1.35%, housing and construction materials with a rise of 0.29%, beverages and tobacco up by 0.08%, garment and textiles up 0.06%, medicine and medical services up 0.01%. In addition, maintenance and home repair services saw increase of 0.15% and 0.2%, respectively. Furthermore, other commodity and services groups also witnessed a decrease in their price indexes, including culture, entertainment, and tourism which fell by 0.18%, food and catering services which dropped by 0.13%, transportation down 0.08%, and the post and telecommunications group which declined by 0.03%. Elsewhere, the prices of home appliances and equipment remained unchanged. Domestic gold prices also saw fluctuations in line with the global prices of the gold price index in October, with a decrease of 1.1% compared to September and an increased of 30.91% from December, 2019, up 29.63% from the same period last year. According to the GSO's report, the inflation rate in October increased by 0.07% compared to September and 1.88% from the same period last year, with ten-month inflation rising by 2.52% on-year.

Source : : <https://vov.vn/en/economy/cpi-for-october-records-slight-increase-813722.vov>.