

Highlight News / November 04/2020



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (Aiti)

Economic pressure for Kingdom and Thailand to reopen borders



Cambodia News | 03 November, 2020

A current labour shortage in Thailand coupled with the economic fallout of widespread flooding in Cambodia is putting pressure on authorities to reopen borders to migrant workers. The borders between Cambodia and Thailand were shut in March because of concerns that cross-border migration would increase the risk of spreading COVID-19. The World Bank has said that approximately 120,000 migrant workers returned from Thailand since the pandemic began, which is estimated to host more than a million Cambodian workers in mostly low-skilled occupations, many of whom are undocumented. The exodus has caused many farmers in Thailand's East to complain of worker shortages to help with fruit harvesting this season, while many farmers in Cambodia's West have had their crops devastated from flooding last month and have debts to repay local lenders, forcing them to seek income from elsewhere. Thai authorities have been planning a trial group of 500 Cambodian migrants to work in a fruit warehouse setting up a permanent border for the workers in the Pong Nam Ron district of Thailand which links with Cambodia's Battambang province. According to local reports, the screening processes, medical check-ups and quarantine would cost around \$193 per person but dropped to only \$86.76 if they are quarantined in the warehouse. Khmer Times was told by villagers and

commune officials in Banteay Meanchey province during the pandemic that despite the official border closures many are now paying agents to facilitate the border crossing. "Now the borders are closed my husband, via a cross-border facilitator, has to pay \$102, before he can go illegally into Thailand where he can earn \$12.50 per day in the construction sector," a local villager said. Last week, Prime Minister Hun Sen warned Cambodian's to try to find work within the country and avoid being deceived by brokers who illegally send them to Thailand for work amid the COVID-19 pandemic. "Please don't be deceived by a broker. We have to work in our country. Some people have been deceived when going to Thailand via brokers. Sometimes, they have been placed in prison and sometimes they have been deported," he said. The Centre for the Alliance of Labour and Human Rights has advised Cambodian workers to wait until formal channels for migration, such as the latest plan for 500 workers, are reopened before heading back to Thailand. "We do not encourage any method against or outside the existing mechanisms. We are worried that there isn't a support [system] and there will be labour exploitation," they said, adding the agricultural sectors were more appropriate for the return of Cambodian workers amid ongoing COVID-19 concerns, if they would be working in open spaces, especially compared with industrial work. "The important thing is for the state to guarantee their well-being. We don't want to see COVID-19 used as a cover to exploit the labour force or to violate labour

rights,” they added. According to a study by the International Organization for Migration conducted on Cambodian workers in Thailand last year, interviewees reported an average remittance of around \$1,225 per year and said that funds are crucial in maintaining or improving the living conditions of their families back in Cambodia. They also reported other benefits from migration, including increased savings and developing new skills, which they expected would help them to find better jobs with higher wages both in Thailand and Cambodia.

Source : <https://www.khmertimeskh.com/50779039/economic-pressure-for-kingdom-and-thailand-to-reopen-borders/>

Royal Railway and Cambodian government talks still on track



Cambodia News | 03 November, 2020

Negotiations are still under way between Royal Railway Cambodia and the Cambodian Government on implementing a new concession agreement designed to improve Cambodia’s railway systems as well as keeping the infrastructure running in an orderly manner. Up to now, an agreement has yet to be reached between the two. Royal Railway’s debut dates back to 2009 when the government signed a 30-year concession agreement that allowed Toll Cambodia Co Ltd – a joint venture between Australia-based Toll Holding Ltd and Royal Group of Companies Ltd at a 48:52 percent equity, respectively – to manage the operation of the railway

system in Cambodia. In 2014, Toll Holding transferred all its shares to its local partner, making Royal Group the sole shareholder. The company was renamed Royal Railway Cambodia. Prime Minister Hun Sen said in early 2019 that the government was not capable of taking over and operating railway services because it lacked the ability. At the start of this year, however, agreements were made on the start of a new concessional agreement between the two because the old agreement could no longer be implemented. The new agreement being discussed is that the Royal Railway not only operate the railway but also rehabilitate it because the government does not have the budget. Vasim Sorya, spokesman for the Ministry of Public Works and Transport, said: “If we take a look at the previous concessional agreement, the government were expected to spend money on fixing the railway and the private sector were to be in charge of operations. However, the government no longer has the budget to fix the railway, so the old agreement cannot be implemented. What we want now is for the company to rehabilitate and operate Cambodia’s railway infrastructure. However, Royal Railway only wants to take on the operations and leave the development side to the government. The Ministry of Economy and Finance does not have the money for this. Because of this we are still in negotiations.” Royal Railway is in talks with CRRC Corp Ltd, a Chinese state-owned and publicly traded rolling stock manufacturer, that could help it to develop Cambodia’s railways. It is the world’s largest rolling stock manufacturer in terms of

revenue, eclipsing its major competitors of Alstom and Siemens. A CRRC representative said that the firm has developed 21,000 kilometres of railroads in China and abroad. CRRC has showed a willingness to enter negotiations for the proposed partnership with Royal Railway.

Source : <https://www.khmertimeskh.com/50779061/royal-railway-and-cambodian-government-talks-still-on-track/>

New master plan aims to create a livable capital



Laos News | 04 November, 2020

The government says a new urban development master plan will help authorities respond to the rapid growth of Vientiane in the coming decades. The capital currently extends to different areas without proper management, with marshes, canals and streams being covered over by construction projects, resulting in flooding. Unorganised development because of a lack of detailed planning has made it difficult for authorities to cope with the rising number of vehicles and growing population in the city centre. Speaking at the ongoing National Assembly session on Tuesday, Minister of Public Works and Transport Dr Bounchanh Sinthavong said roads in the capital are not sufficiently straight and do not meet standard requirements, while public spaces have not been preserved. The minister outlined the reasons why it had become necessary to draw up a new master plan to ensure Vientiane is acknowledged as a livable city in the region. Under

the new scheme, Vientiane will be developed into several sub-centres to expand the town and reduce traffic congestion in the city centre. The new master plan will cover an area of 61,600 hectares and 288 villages, representing 16 percent of the city's land area. The government has defined seven plans of action and 79 projects to fulfil the objectives of the scheme. These will improve the road network and public transport, conserve historic and heritage buildings, and relocate public facilities towards the suburbs. The Km 21 area is being developed as an industrial zone while the 450 Year Road is defined as a real estate zone. Tha-ngone is defined as an area for the relocation of public offices while Phialath village in Sangthong district, Hay village in Pakngum district, Thadeua village in Hadxaifong district, and the Dongmakkhai zone in Xaythany district will be developed as new urban areas. The first master plan for the development of Vientiane was endorsed in 1991, covering an area of 9,300 hectares in 100 villages in the districts of Chanthabouly, Sisattanak, Xaysettha and Sikhottabong. A second plan was approved in 2002, extending the urban area to 20,250 hectares and involving 180 villages. This is now the third master plan and was approved at a cabinet meeting in February 2019 and by the National Assembly's Standing Committee in September this year. The new plan highlights the importance of environmental protection, increasing greenery, and creating more public recreation areas. The master plan also places a focus on providing low-cost residential areas and building a drainage

system that will cope with flooding. With a population of almost one million people, Vientiane has high economic and demographic growth potential. It is likely that urban areas will rapidly expand towards the suburbs along arterial roads. Without sufficient infrastructure, an urban sprawl will result with poor living conditions and inadequate social services, and the city's dwindling pastoral charms might be entirely lost. To counter this problem, appropriate measures must be taken promptly based on a comprehensive urban development plan.

Source : http://www.vientianetimes.org.la/freeContent/FreeContent_New_215.php

Shan to conduct development programmes with UK aid

 Myanmar News | 03 November, 2020

Shan State will draft a town plan and develop capacity building programmes to build up the state's infrastructure with the help of the UK government, said U Tun Aing Kyaw, director of Shan State Urban and Housing Development Department. "Infrastructure plays a key role for the development of the city. We will conduct short and long-term plans for conservation of ancient heritage as well as urban development programs to modernise the region. If successful, Shan State will develop very quickly," he said. The department has also implemented six urban development projects in Moemeik, Mong Ton, Mong Hsat, Hopone in the Pa O self-administered region, Narnsam in the Palaung self-administered zone and Laukkai in the Kokant self-administered

region. It is also working with Sweden to develop the tourism industry and conserve heritage in Kalaw. – Translated

Source : <https://www.mmtimes.com/news/shan-conduct-development-programmes-uk-aid.html>

Vietnamese manufacturing continues recovery in October

 Vietnam News | 03 November, 2020

HÀ NỘI — The start of the fourth quarter of the year saw a continuation of the recovery of the Vietnamese manufacturing sector, with the country's Manufacturing Purchasing Managers' Index (PMI) posting 51.8 in October. According to the survey released by Nikkei and IHS Markit on Monday, the index was down marginally from 52.2 in September but still signalling an improvement in the health of the sector. With the pandemic remaining under control in the country, firms recorded solid improvements in new orders and output. Moreover, employment returned to growth following an eight-month sequence of job cuts. Improving operating conditions were noted in the consumer and intermediate goods sectors. On the other hand, investment goods firms posted a deterioration, amid further falls in both output and new orders. Anecdotal evidence suggested that success in bringing the COVID-19 outbreak under control in Việt Nam had helped lead to a recovery in customer demand. As a result, new orders increased solidly for the second month running, subsequently feeding through to a similarly-paced increase in production to that seen

for new business. Meanwhile, new export orders were unchanged amid some demand weakness in markets where the virus continues to cause problems, notably in Europe. Greater output requirements encouraged manufacturers to take on extra staff in October. Employment increased for the first time since January, though at only a marginal pace amid ongoing signs of spare capacity. Backlogs of work continued to decrease. Higher output requirements also led to a second successive monthly increase in purchasing activity, although stocks of purchases decreased as inputs were used to support output growth. Stocks of finished goods were also depleted at the start of the final quarter of the year. The COVID-19 pandemic continued to cause issues in supply chains during October. Suppliers' delivery times lengthened to a greater extent than in September. Alongside the direct impacts of the pandemic, shortages of materials and poor weather conditions reportedly contributed to delivery delays. Material shortages led to accelerating cost inflation, with input prices increasing at the fastest pace since August 2018. The passing on of higher input costs to customers resulted in a second consecutive rise in selling prices. That said, the increase was only marginal and little-changed from that seen in the previous month. Restricting the ability of firms to raise output prices were requests for discounts by clients and competitive pressures. Firms were generally confident that output will increase over the coming year amid optimism that the virus will remain under

control. A number of respondents predicted that new order growth would support rises in production. That said, sentiment was slightly lower than in the previous month and weaker than the series average. Commenting on the latest survey results, Andrew Harker, economics director at IHS Markit, said: "The Vietnamese manufacturing sector started the final quarter of the year on a solid footing, according to the latest PMI data. This should continue as long as COVID-19 remains under control in the country. The most pleasing aspect of the latest survey was a return to growth of employment for the first time since before the pandemic hit as workloads start to justify rising staffing levels." "A positive end to the year could set the economy up nicely for a strong recovery to kick in during 2021," he said. Reports from the General Statistics Office also showed Việt Nam's industrial production rose by 5.4 per cent year-on-year in October, after a 3.8 per cent gain a month earlier. This was the strongest increase in industrial output since June, amid intensive public health measures to contain the spread of the coronavirus outbreak in the country, with output expanding much faster for both manufacturing. — VNS

Source : <https://vietnamnews.vn/economy/804155/vietnamese-manufacturing-continues-recovery-in-october.html>

HCM City rolls out financial plan to 2030



Vietnam News | 03 November, 2020

HCM City (VNA) - HCM City recently put forth a plan on the implementation of the national comprehensive financial strategy by 2020, with a vision towards 2030. The plan aims to enable people and businesses to access financial products and services provided by authorised organisations safely and conveniently and at affordable prices. By 2025, at least half of small and medium-sized enterprises (SMEs) in the city are to have loans from credit organisations, with outstanding debts in service of agricultural and rural development accounting for 7 percent of all outstanding debts in the locality. At least 80 percent of local adults will have an account at a bank or other authorised organisation. This is to reach 100 percent by 2030. Cashless transactions are set to grow 20-25 percent annually. HCM City also expects to diversify financial services to make them more accessible to people and businesses, especially SMEs, residents of rural areas and city outskirts, low-income earners, and disadvantaged groups. The application of digital technology as well as innovation will also be stepped up./.

Source : <https://en.vietnamplus.vn/hcm-city-rolls-out-financial-plan-to-2030/189729.vnp>
