

Highlight News / November 12/2020



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Socio economic development targets in 2021	
GDP growth	6%
GDP per capita	US\$3,700
CI growth	4%
Contribution of Total Factor Productivity (TFP) to GDP	45 – 47%
Productivity growth	4.8%
Ratio of trained workers and trained workers with qualification	66% and 25.5%
Health insurance coverage	91%
Poverty rate	Down 1 – 1.5 percentage points
Rate of people in urban areas with access to clean water	Over 90%
Rate of solid wastes being collected and treated in urban areas	Over 87%
Rate of industrial parks having standardized waste water treatment system	91%
Forest coverage	42%



## Possibility of second C-19 wave causes deep concern



*Cambodia News | 11 November, 2020*

Business activities, especially tourism-related services, have started to see the impact of the fear of a potential second wave of COVID-19. Chun Leap, the owner of Romdul Bokor restaurant in Phnom Penh, said her business had seen some recovery in the last few months but that now it was back to where it was six months ago, when she was forced to close for a month. “Within just a few days of 900 people being reported as exposed directly and indirectly [to COVID-19] during the Hungarian Foreign Minister’s visit, business dropped suddenly by close to 70 percent,” she said. “We suffered during the first phase and now a possible second wave could bring the business down again.” Leap noted that more than 1,000 people tested negative, so the situation should return to normal over the next two months. Heng Sengly, managing director of the restaurant chain Park Cafe, said since the outbreak of COVID-19 seemed to be under control he was hopeful that a possible second wave of COVID-19 would be manageable as well. “This fear will definitely affect the business in general and here at the Park Cafe. That’s why we need to adhere to the “new normal” as defined by the Ministry of Health in terms of hygiene precautions and temperature testing,” he said. “If the second wave emerges, it will be more serious than the first phase so strong measures must be taken in

controlling it.” He said Park Cafe has seen a decline in sales but it is too early to judge whether this is the result of the current situation. “Sales moved downwards at the same time of the new cases emerging but we cannot draw a direct line to it as to whether it is related to COVID fear”. He added that food delivery services may well boom again as they did during the first wave when people chose to stay at home and order food and goods using their smartphones. Chhay Sivlin, president of the Cambodia Association of Travel Agents, said that if testing reveals more positive cases, it will be seen as an indicator that businesses could begin failing again. “It is a serious concern because the situation has just eased and the government is actively promoting local tourism,” she said. “We are preparing events for the year-end to boost the tourism sector as well as the implementation of travel bubbles.” The threat of a second phase of COVID-19 emerging has tourism-based business already declining. We could be facing the closure of related businesses as well if things start getting worse.” “The government has ordered the closure of some entertainment services including KTV clubs and cinemas, leaving workers at those establishments jobless once again. COVID-19 has already left thousands unemployed in the tourism industry after businesses closed for good during the first phase,” Sivlin said. “People who had come back to work will be left once again with no daily/monthly income.

Workers were happy but now the worst seems to be happening again. This is the crisis," she said.

Source : <https://www.khmertimeskh.com/50781586/possibility-of-second-c-19-wave-causes-deep-concern/>

## Special fund keeps rice harvests on firm track despite heavy floods



*Cambodia News | 11 November, 2020*

The state-owned Agriculture Rural Development Bank (ARDB) has begun disbursing its new \$30 million government special fund to rice millers and exporters to coincide with the harvest season, said a senior executive of the bank. Kao Thach, director-general of the Agriculture Rural Development Bank (ARDB), noted that funds are being released on a step-by-step basis. "In this initial stage, we have released around \$3 million already," he said. The balance will be distributed during the harvest of the premium aromatic rice varieties, Romdul, Romdeng, Romeat and Somaly. Thach noted that this new fund comes on the heels of the \$50 million special loan already distributed to millers and exporters for the fragrant and Sen Kro Ob rice harvest conducted earlier. He said that the new funding was needed to facilitate new purchases by millers from rice farmers. "Provinces that were not affected by floods did not experience the delays in harvesting that affected regions did. As a result, loans will continue to be delivered between January and February. The percentage of non-performing loans is being well-managed and the bank has also been actively

restructuring loans until customers are able to make repayments," he said. Mey Mon, vice-president of Boeung Leach Sambophal Agriculture Cooperative in Kampong Chhnang province, which has entered a contract farming initiative with Amru Rice, said that farmers in the community producing the premium quality fragrant paddy, known as "Phka Romdoul", are now busy with harvesting. He said his cooperative has 27 members farming a total of 20 hectares. They sell their paddy to Amru at a contracted price of 1,620 riel per kilo for "best quality" and 1,580 riel per kilo for second grade. Farmers selling either grade directly to brokers receive just 1,300 riel per kilo. Mon himself currently farms four hectares of land that yield seven tonnes per season. He confirms that contract farming provides him with a higher price than that offered by brokers. Song Saran, president of the Cambodia Rice Federation (CRF) and the CEO of Amru Rice (Cambodia), said that despite declining prices for Thai Hom Mali and Jasmine rice (down by over 30 percent in recent weeks), CRF millers and exporters are doing their best to maintain the best price for producers by using the funds from ARDB. "Wet Jasmine paddy prices dropped from 1,150 riel per kilo at farm gates to around 1,050 riel per kilo at farm gates over the course of last week. Most millers are aggressively buying paddy from farmers now to keep demand steady and prevent further price declines," he added. Saran added some CRF members who have rice stock as collateral have already submitted applications to the ARDB to get

new loans. “For Amru, where we only purchase product that meets organic and sustainable rice standards, that translates to buying around 30,000 to 40,000 tonnes,” he said. He added that the \$30 million is sufficient to purchase paddy from farmers because now CRF members are purchasing more paddy to keep in stock. “We expect that with the amount of money available from the government, we can collect more than 110,000 tonnes of paddy. We are confident that members can use the combination of the previous and new loan from the ARDB to purchase the paddy they need,” Saran said. Cambodian rice export gross revenues reached \$366.44 million in the first 10 months of 2020, according to the CRF. Exports for the first 10 months of 2020 reached 536,035 tonnes, an increase of 17.11 percent compared with the same period in 2019. Cambodia produces more than 10 million tonnes of paddy a year, unofficially exporting most of it to the Vietnamese market to the tune of more than 2 million tonnes annually, according to figures from the Ministry of Agriculture, Fisheries and Food.

Source : <https://www.khmertimeskh.com/50781705/special-fund-keeps-rice-harvests-on-firm-track-despite-heavy-floods/>

## Vietnam, Laos hope to reopen mainland border gates and resume commercial flights soon



*Laos News | 11 November, 2020*

Vietnamese PM Nguyen Xuan Phuc held phone talks with his Lao counterpart Thongloun Sisoulith on

November 10 to discuss bilateral ties and regional cooperation ahead of the 37th ASEAN Summit. PM Thongloun once again conveyed Lao Party, State and Government leaders' and people's sympathies to their Vietnamese counterparts over great losses caused by recent floods in the central region. He wished that Vietnam would overcome the consequences soon and affected people would stabilise their lives. He congratulated Vietnam on its outstanding achievements in effectively coping with the COVID-19 pandemic, restoring socio-economic development and successfully undertaking the role of ASEAN Chair 2020, thus improving its stature in the region and the world. PM Phuc lauded the Lao Government for realising the Party's resolutions and State policies and successfully holding important meetings in the Greater Mekong Sub-region, thus making active contributions to sub-regional connectivity. The two leaders affirmed that they will give top priority to the great relations, special friendship and comprehensive cooperation between the two nations. They spoke highly of bilateral coordination in key areas such as politics, security, national defence, economy, trade, investment, culture, information and education-training. As Vietnam and Laos have basically controlled the pandemic, the PMs highlighted the need to further facilitate the flows of cargo and passengers between the two nations, therefore soon reaching consensus on plans to reopen mainland border gates and resume commercial flights while effectively carrying out key cooperation projects. The leaders pledged

to continue jointly preparing for important activities, including the 43rd meeting of the Vietnam-Laos Inter-Governmental Committee and the seventh foreign ministerial consultation, as well as holding activities marking the 45th anniversary of Laos' National Day and the 100th birth anniversary of Lao President Kaysone Phomvihane. The two PMs hailed close collaboration and mutual support at regional and global forums, especially within the framework of ASEAN and sub-regional cooperation mechanisms. The Lao PM spoke highly of Vietnam's successes in its role as a non-permanent member of the United Nations Security Council for the 2020-2021 tenure and ASEAN Chair 2020, contributing to the building of a united, resilient and prosperous ASEAN Community. He also vowed to continue cooperating with and supporting Vietnam in successfully holding the 37th ASEAN Summit and related meetings. The two leaders shared the importance of continuing to strengthen ASEAN solidarity and consensus in the East Sea issue, coordinating in negotiations to finalise an effective and practical Code of Conduct (COC) in the East Sea in line with international law, including the 1982 United Nations Convention on the Law of the Sea (UNCLOS), contributing to the maintenance of a peaceful and stable environment in the region./.

Source : <https://vietnamtimes.org.vn/vietnam-laos-hope-to-reopen-mainland-border-gates-and-resume-commercial-flights-soon-25777.html>

## Construction of Ayeyarwady coastal expressway to start this year



*Myanmar News | 11 November, 2020*

Implementation of the Ayeyarwady Coastal Region Development Project, an expressway connecting Ayeyarwady Region and Rakhine State listed under the Myanmar Project Bank, will start from this fiscal year, according to the Ministry of Construction. The project is estimated to cost US\$94 million and expected to be complete in fiscal 2023-24. The project will involve the construction of a 274-km coastal road from Nga Yoke Kaung township, Patheingyi District in Ayeyarwady Region to Gwa township in Rakhine State. When complete, it will help spur economic development and improve security along the expressway. The project is in accordance with the National League for Democracy government's plan to develop logistics infrastructure and raise productivity in the agriculture and aquaculture sectors, which are the main revenue generators for Ayeyarwady and Rakhine. The construction of the coastal road will facilitate the transport of agricultural and fisheries products from Ayeyarwady Region and other neighbouring regions to key ports in Myanmar for export. The coastal road will facilitate increased mobility for goods and people of Ayeyarwady Region and Rakhine State. It will reduce travel time between Ayeyarwady Region and Rakhine State and enable easier access to

Myanmar's famous beaches. The project, once completed, will spur hotel and resort projects along the coast and regional development will be further improved by tourism activities, said U Aung Kyaw Zan, Rakhine State Minister for Electricity, Industry and Roads. It will also enhance accessibility of the rural people to social services, such as health and education and economic opportunities. The Myanmar Project Bank is a web-based platform designed to highlight investment projects in line with the implementation of the Myanmar Sustainable Development Plan (MSDP) for 2018-2030. It can be found on [www.projectbank.gov.mm](http://www.projectbank.gov.mm). The project bank represents "an online one-stop-shop, where all information on projects designed to implement the MSDP can be easily accessed with a single click," according to the website. It also establishes a reliable and transparent system which links major investment projects with appropriate sources of financing. The loftiest project listed is the Yangon Central Station, which involves an investment of more than \$2.1 billion. Other projects include the US\$900 million Yangon Elevated Expressway, \$847 million No.1 Steel Mill in Myingyan, \$660 million Sagaing international textile-based industrial cluster and the \$524 million Bago-Kyaikhto highway. Dry ports will also be constructed in Monywa, Magwe, Pakokku, Kalaywa and Bamaw while the upgrade of the Bagan-Nyaung-U airport, and transportation

infrastructure on the Chindwin River will also be implemented. The other projects include power infrastructure, solar and wind projects, roads and bridges, and recommissioning of state-owned factories. The project bank was launched in February with 58 projects. In August, 71 projects with a combined value of \$7.9 billion were added into the bank. - Translated

Source : <https://www.mmtimes.com/news/construction-ayeyarwady-coastal-expressway-start-year.html>

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## COVID – 19 second wave more severe on local firms than first



*Myanmar News | 12 November, 2020*

The economic impact of the second wave of the COVID-19 pandemic has been more severe on Myanmar businesses than the first wave, according to the World Bank's latest firm-level survey. The latest survey, the fourth in a series of eight surveys planned, was conducted in September and covered a nationally representative sample of 500 firms. The survey, which covers the second wave of COVID-19 and re-introduction of stay-at-home orders that started initially in Rakhine in late August and then in Yangon in early September, found that local firms were not well-prepared to withstand the second wave. Of those surveyed, 66 percent reported that they were not ready, and agricultural, micro, and smaller firms were found to be the least prepared.

On average, 83pc of firms in Myanmar reported a negative impact on their businesses, an increase from the 75pc reported in August. Firms of all sizes experienced a rise in temporary closures in September after the government imposed stay-at-home orders on businesses in Yangon. As compared to August, all sectors except those in agriculture, saw a rise in business closures. "As people have lower incomes, spending has declined and consumer demand has fallen. As a result, there are more difficulties for businesses. It will take time for the country's economy to recover," said U Maung Maung Lay, Vice Chair of the Union of Myanmar Federation Chamber of Commerce and Industry. He added that efforts are needed to rebuild entire supply chains using resources in the country, from raw materials to finished products, to meet the needs of the domestic market and to increase export capacity to foreign markets. Reduction in sales remains the number one concern of firms surveyed, more so for smaller firms than larger ones. The share of firms reporting a reduction in sales was 93pc in September, a 12 percentage point increase from August. Issues related to capital appears to be a growing problem for a greater share of firms in September. There were more firms that filed for insolvency and bankruptcy, laid off workers and experienced difficulties with making payments on loans and credit facilities compared to before. In

September, half of the surveyed firms in agriculture and about a third of retail and wholesale firms reported the likelihood of falling into arrears within the next three months. With the onset of the second wave, firms reported less confidence that they will remain open for business. Firms in September expressed less confidence regarding their likelihood of remaining operational in one month, compared to August.

Source : <https://www.mmtimes.com/news/covid-19-second-wave-more-severe-local-firms-first.html>

## Vietnam economy to grow 6% in 2021: Parliament



*Vietnam News | 11 November, 2020*

The Hanoitimes - This is among 12 major socio-economic development targets for 2021 endorsed unanimously. Vietnam's National Assembly has approved a government-proposed socio-economic plan for 2021, under which the local economy would grow 6.0%, resulting in GDP per capita of US\$3,700, and the consumer price index (CPI), the main gauge for inflation, is set to rise 4%. 12 major socio-economic development targets for 2021 received approval rate of 89.21%. This is among 12 major socio-economic development targets for 2021 that received the endorsement of 430 out of 439 National Assembly deputies present on November 11 morning. During the session, a number of deputies expressed concern that the GDP growth target of 6%

is quite high, given uncertainties stemming from the Covid-19 pandemic, and suggested a lower target in the 5.5 – 6% range. Meanwhile, others said this would be quite challenging as the country continues to pursue the dual target of both containing the pandemic and boosting economic recovery. In response, Vice Chairman of the National Assembly Phung Quoc Hien said the estimation for the GDP growth target in 2021 is based on this year's economic performance and expected scenarios for next year. A 6%-growth target shows the government's determination, while ensuring consistency with other objectives, he noted. At a discussion session on November 10, Prime Minister Nguyen Xuan Phuc noted the 6% growth target remains modest compared to the country's economic potential, and also is partly due to the estimated low economic growth in 2020. However, during the current circumstance of the Covid-19 pandemic and tensions among economies globally, the government is preparing different growth scenarios. In any case, Vietnam has to stay active to deal with unexpected situations and fulfill socio-economic development targets with its best efforts, stated Mr. Phuc. New framework for corporate governance at SOEs required. At today's session, the National Assembly also requested the government to allocate sufficient resources to continue supporting the business community and

people affected by the pandemic, especially those in the fields of manufacturing, services, tourism, and aviation, among others, as well as people losing their jobs or having income significantly reduced. The National Assembly expected drastic measures to tackle bad debts while the government should focus on restructuring credit institutions, including weak banks, to ensure safety of the banking system. Technology and science are expected to continue to be incorporated into various economic fields, particularly in the banking sector. The government would continue to speed up the process of privatization and divestment of state capital at state-owned enterprises (SOEs) while setting up a standard corporate governance framework in accordance with international standards at major state-run corporations. SOEs are required to strictly comply with existing regulations in the management of state resources in a fair and transparent manner.

Source : <http://hanoitimes.vn/vietnam-economy-to-grow-6-in-2021-parliament-314788.html>

## Tra fish exports eye US\$1.5 billion turnover this year



*Vietnam News | 11 November, 2020*

Vietnam's Tra fish (pangasius) processing sector is projected to gross US\$1.5 billion in export turnover this year due to the impact of the COVID-19 pandemic, according to the Vietnam Pangasius Association. The COVID-19 pandemic has taken its



toll on pangasius sales, prompting its exports to decline to approximately US\$1.04 billion during the initial nine months of the year. Faced with a decline in exports, local firms focused on improving product quality, applying new technology to farming methods, and developing new sales channels and brands specifically for Vietnamese Tra fish. The Vietnam Pangasius Association reports although Vietnamese Pangasius has already been shipped to several markets worldwide, its exports over the past decade have been dependent on the Chinese market. In fact, China imports Vietnamese tra fish before selling it on to Russian and European markets. Tran Anh Thu, vice chairman of the People's Committee of An Giang province, underscores the importance of building national brands specifically for Tra fish and restructuring farming and processing activities, alongside ensuring food safety and hygiene criteria in order to increase exports to potential markets and enhance competitiveness with other regional rivals such as India, China, and Bangladesh. According to the Vietnam Pangasius Association, domestic pangasius farming is encountering numerous challenges caused by poor-quality breeds, climate change, and saline intrusion in provinces throughout the Mekong Delta and other coastal localities. Furthermore, local businesses face hurdles when trying to overcome both technical barriers and new regulations imposed by Chinese authorities, along with grasping new provisions set out in the EU-Vietnam Free Trade Agreement (EVFTA). Vo Hung

Dung, vice chairman of the Vietnam Pangasius Association, stressed that tax incentives under the EVFTA are expected to create a wealth of opportunities for Vietnamese seafood processors, including Tra fish processors, as they strive to expand the export market. Indeed, domestic firms are attempting to gain a competitive edge against other regional rivals such as India and Thailand because they have not signed such an FTA with the EU. To develop in a sustainable manner, the Vietnam Pangasius Association has advised Vietnamese businesses to improve product quality by applying technology and complying with criteria in pangasius farming and processing. Dung underlines the need to promote both domestic and international consumption markets, set up new sales channels, and build brands for Vietnamese pangasius. To boost Pangasius exports to demanding markets such as Europe, America, and the Middle East, An Giang province, for example, has established a specialised farming area of 600 hectares that utilises high technology as a pilot scheme and it has then replicated the model into three additional areas. In these areas, the province has supported enterprises in dealing with wastewater treatment, and building area codes and geographical indications for pangasius products in order to meet the standards set by demanding markets.

Source : <https://vnexplorer.net/tra-fish-exports-eye-us1-5-billion-turnover-this-year-a2020121926.html>

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