

Highlight News / November 23, 2020



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)



## Cambodia, EU trade and investment talk set for next week



*Cambodia News | 19 November, 2020*

Cambodia and European Union (EU) have convened a preparatory discussion for the meeting of subgroups on trade and investment and the 11th Cambodia-EU Joint Committee Meeting to be held on Nov. 26-27. The preparation took place recently through a video conference and was co-chaired by Cambodian Secretary of State at the Ministry of Commerce Sok Sopheak and Mr Petros Sourmelis, Head of Trade and Investment Department of the EU Delegation based in Thailand. Mr Sopheak updated the EU side on increasing trade volume between Cambodia and EU, and the impacts of COVID-19 on Cambodia's trade and investment. The secretary of state continued that COVID-19 crisis has pushed down the country's exports to the EU market as the markets are shuttled and consumption reduced, however, the Royal Government of Cambodia is working hard to introduce measures to restore the country's economy. The meeting also looked into Cambodia's amendment to laws on trade and investment, the negotiations under bilateral and multilateral free trade frameworks, the agenda progress in the World Trade Organisation (WTO), impacts of Vietnam-EU free trade on Cambodia, and the process of free trade negotiations with EU and ASEAN countries including the Philippines, Indonesia, Malaysia and Thailand. Lim Nary – AKP

Source: <https://www.khmertimeskh.com/50784381/cambodia-eu-trade-and-investment-talk-set-for-next-week/>

## NBC approves restructuring of loans until mid-2021



*Cambodia News | 21 November, 2020*

The National Bank of Cambodia is now allowing banks and microfinances to continue restructuring loans for their customers who have been affected by the COVID-19 pandemic and a recent flash-flood until mid-2021. The NBC said the regulator allows the restructuring loans up to three time. "The Central Bank of Cambodia is allowing loan restructuring for all sectors which have been affected by the COVID-19 pandemic and flash-flood based on the actual evaluation from the financial institutions. The restructuring of loans is conducted with the facilitation from the financial institution and customers through the actual situation and check the possibility to reduce the interest rate and other fee," the NBC said. All the financial institutions must implement this announcement and must monitor the restructuring loans regularly, according to NBC.

Source: <https://www.khmertimeskh.com/50784908/nbc-approves-restructuring-of-loans-until-mid-2021/>

## Unitel begins use of self-printed invoices for sales, service activities



*Laos News | 23 November, 2020*

Based on License No. 3127/TCT issued on September 23, 2020, the General Department of Taxation has accepted Star Telecom Company's request to allow self-printed invoices for sales and

service activities. Accordingly, from November 1, 2020 Unitel has begun to issue self-printed invoices

(previously from BCCS software) and has replaced this with pre-printed invoices (paper invoices written by longhand) for nationwide sales and service activities. A self-printed invoice is an invoice printed by Unitel on a computer, cash register, or other machines when selling goods or providing services. Equipment systems, such as computers, printers, and cash registers must ensure the printing of invoices when selling goods and providing services to customers. Also, Unitel's application software for printing invoices must be guaranteed in terms of security for user permission. Users who are unauthorised cannot interfere with the data on the application. The use of self-printed invoices will support Unitel's efforts to be proactive in producing invoices. With Unitel being an enterprise with many service centres across 18 provincial branches nationwide, self-printing invoices will help leaders control the company more effectively. Also, the finance department at the headquarters can actively control the making and printing of invoices, in order to reduce costs, and serve production and business operations in a timely manner. The implementation of self-printed invoices will make it convenient for Unitel customers and speed up transactions. Furthermore, this will also meet the requirements of information security, ease in storing and searching for invoices.

Source:[http://www.vientianetimes.org.la/freeContent/FreeContent\\_Unitel\\_228.php](http://www.vientianetimes.org.la/freeContent/FreeContent_Unitel_228.php)

## Laos, partners launch agriculture innovation systems



*Laos News | 23 November, 2020*

The Food and Agriculture Organisation of the United Nations (FAO), the EU Delegation and the National Agriculture and Forestry Research Institute (NAFRI) last week launched a new project to boost food security and nutrition. The project on Developing Capacities in Agriculture Innovation Systems of Scaling up a Tropical Agriculture Platform Framework (TAP AIS) also aims to support agricultural innovation to increase effectiveness, competitiveness and resilience to shocks. Besides contributing to food security, it is aimed at environmental sustainability, economic development and sustainable natural resource management. The TAP-AIS, launched in Vientiane on November 20, is a global project that is part of the larger European Union Initiative "Development Smart Innovation through Research in Agriculture (DeSIRA): Towards climate-relevant agricultural and knowledge innovation system". In Laos, the project will contribute to promoting climate-relevant, productive and sustainable transformation of agriculture and food systems by developing capacities to innovate at the national level, said the FAO's country representative, Mr Nasar Hayat. This includes new ways of collaborating on better organising production and access to new markets, good agricultural practices, using new seeds or new breeds to produce more with less pesticides and

with better quality, and helping farmers out of poverty and ensuring the world achieves food and nutrition security. The project includes a plan to improve policies and their implementation, and institutional mechanisms that enable farmers to innovate and support profitable, climate smart, socially inclusive and environmentally sound agricultural innovation systems that meet the demand of farmers and consumers. The European Union delegation's Programme Manager, Mr Inpone Senekhamty, also spoke at the event chaired by the NAFRI Deputy Director, Dr Chanh Samone Phongoudom, and said the project will support the implementation of the Tropical Agriculture Platform Action Plan for 2018-21. The TAP-AIS project in Laos also focuses on the delivery of ways to develop and strengthen the three dimensions of capacities for innovation – at the individual, organisational and enabling environment levels – and contributes to output. The project is being implemented at the global, regional and country levels in nine countries, including three in Asia (Cambodia, Laos and Pakistan), five in Africa (Burkina Faso, Eritrea, Malawi, Rwanda and Senegal), and one in Latin America (Colombia) from August 2019 to July 2024.

Source: [http://www.vientianetimes.org.la/freeContent/FreeContent\\_Lao\\_228.php](http://www.vientianetimes.org.la/freeContent/FreeContent_Lao_228.php)

## Myanmar trade volumes soften on the back of COVID-19



Myanmar News | 20 November, 2020

Myanmar trade volumes in the first five weeks of fiscal 2020-21 have declined by about US\$1.5 billion when compared to the same period of last year as a result of COVID-19. Trade volumes amounted to over \$2.53 billion this year so far, compared to US\$3.99 billion last year. Despite the downward trend, the Ministry of Commerce has raised its trade target for the current fiscal year by US\$1 billion to US\$34.7 billion, with US\$16.2 billion in exports and US\$18.5 billion in imports expected. Exports have so far borne the brunt of COVID-19, halving from more than US\$2.1 billion last year to just over US\$1 billion this year so far. Industrial product exports were the worst hit, comprising 70pc of the drop in exports this year. Garment product exports also declined and will continue facing downward pressure this year, according to U Khin Maung Lwin, assistant secretary of the Ministry of Commerce. However, agriculture exports are on the rise, which aligns with the government's plan to boost trade this year. Myanmar is planning to invest in raising production of crops like rice and corn for exports to offset the decline in demand for garments and industrial finished products. Import levels have been hit, too, with traders importing less due to reduced spending and demand domestically. U Khin Maung Lwin said trade volumes so far should not be used as a barometer for the year's trade, as there is still time for Myanmar to raise exports and for economic recovery to spur higher imports. - Translated

Source: <https://www.mmtimes.com/news/myanmar-trade-volumes-soften-back-covid-19.html>

## Myanmar hotel ministry plans to improve services



*Myanmar News | 20 November, 2020*

The Hotels and Tourism Ministry will try to improve its services, Minister U Ohn Maung told a videoconference with the ministry's working group on November 17. "The Myanmar Tourism Strategic Recovery Roadmap has been drawn up with international experts to revive tourism after the COVID-19 pandemic. Businesses will need to follow COVID-19 prevention measures when they reopen," U Ohn Maung said. Industry entrepreneurs said Myanmar's tourism sector needs government help to recover from the pandemic. Tourism businesses expect to reopen after COVID-19 restrictions are lifted, starting with domestic tourism. "It is good that the ministry will try to improve services between tourism businesses and the public. One-stop service would be especially helpful," said U Khin Aung Tun, vice chair of the Myanmar Tourism Federation. Tourism experts said the ministry needs to improve cooperation with other ministries on which the tourism sector depends.

Source: <https://www.mmtimes.com/news/myanmar-hotel-ministry-plans-improve-services.html>

## Vietnamese banks' performance improves with economic recovery



*Vietnam News | 21 November, 2020*

Vietnam banks' results in the third quarter of this year have shown easing pressure on asset quality and profitability on the back of an improving economic outlook, says Fitch Ratings in a new report. Vietnam's GDP growth accelerated to 2.6 per cent on-year in the third quarter, compared to 0.36 per cent in the second quarter. Moreover, the job market is on the mend after the coronavirus-induced economic shock. "We expect the economy to continue to recover, helped by well-controlled local coronavirus infection rates. This bodes well for borrowers' debt-servicing capacity, and underpins the banking system's profitability in the near term," Fitch noted. The problem-loan formation rate has declined since the second quarter and Fitch expects reported asset-quality metrics to continue to benefit from regulatory relief on loan classification for pandemic-affected exposures – which is likely to remain in effect until late into the second half of 2021. "Nevertheless, we look beyond purely non-performing loan (NPL) metrics when assessing the banks' asset quality. Banks have also booked higher credit provisions in the first nine months to reflect higher asset-quality stress. Better operating-cost control has mitigated these provisions to buttress profitability so far," Fitch added. Accordingly, the ratings agency predicts earnings to recover in 2021 with lower impairment charges and a sustained recovery in loan growth. Yet this will partially be offset by continued compression in net interest margins, which is likely to be more pronounced among the state-owned banks. Capitalisation for

Vietnamese banks remains thin for the given risks in the local operating environment. Nevertheless, the recovery in economic activity and banks' profitability should generate sufficient retained earnings to support near-term growth to keep capital ratios stable. By Lam Tien

Source: <https://www.vir.com.vn/vietnamese-banks-performance-improves-with-economic-recovery-80916.html>

## Vietnam beverage industry struggles to find way out of unprecedented crisis



*Vietnam News | 22 November, 2020*

The Hanoitimes - With Sabeco, Habeco, Carlsberg Vietnam and Heineken Vietnam holding 90% of Vietnam's alcohol beverage market, negative business results from these firms could lead to a setback of the overall industry in the coming time. The dual impacts of the Covid-19 pandemic and current government policies, especially Decree No.100 providing heftier fines on driving under the influence of alcohol, are putting the local beverage industry into an unprecedented crisis. Vice Chairman of the Vietnam Chamber of Commerce and Industry (VCCI) Hoang Quang Phong at a conference on November 20 said over the years, the food and beverage industry has always been a major component of the economy. In 2019, the Ministry of Industry and Trade (MoIT) estimated Vietnam's annual consumption of food and drink products accounts for about 15% of GDP, and this rate is set

to rise in the future. Additionally, with an annual growth rate of 6%, Vietnam's beverage industry is among the fastest-growing consumer sectors in the country. However, the sector is also subject to tight control from the government, including progressive excise tax over the years. In 2020, the issuance of Decree No.100 and the Covid-19 pandemic have led to plunges in revenue of up to 40 – 50% year-on-year for many firms in the sector, according to the Vietnam Beer Alcohol Beverage Association (VBA). Vietnam's largest brewer Sabeco recorded sharp declines of 44% and 20% year-on-year in profit in the first two quarters this year. Sabeco's business performance started improving in the third quarter with a profit of VND1.47 trillion (US\$63.34 million), a slight increase from VND1.46 trillion (US\$62.9 million) recorded in the same period last year. The situation Hanoi Beer Alcohol and Beverage (Habeco), the second largest local brewer, was even worse as the firm recorded losses in the first two quarters. Viet Capital Securities Company in a report said 90% of Vietnam's alcohol beverage market share is in the hands of four major beverage firms namely Sabeco, Habeco, Carlsberg Vietnam and Heineken Vietnam. Negative business results from these firms could lead to a setback of the overall industry in the coming time. In 2019, the industry paid a combined tax amount of VND60 trillion (US\$2.58 billion), of which these four above made up 80% of the total at VND49.59 trillion (US\$2.13 billion). In the first 10 months of this year, the so-called "big four" paid around VND39.11 trillion (US\$1.68 billion) in

taxes. VBA Chairman Nguyen Van Viet said during the Covid-19 crisis, around 98% of local enterprises are entitled to government support, but the alcohol beverage industry still belongs to the unaided remaining 2%, adding the government should include all enterprises in its support programs. Director of the Department of Tax Administration at Large Enterprises under the General Department of Taxation Nguyen Van Phung said the government does not consider adjusting the tax rate for the sector at the moment, but implied things could change in the near future. Vice Chairman of Vietnam Report Co. Phung Hoang Co said there is no doubt that the Covid-19 pandemic and Decree No.100 are severely affecting the alcoholic beverage market. Mr. Co, nevertheless, pointed to a new opportunity such as non-alcoholic beer of Heineken Vietnam, which could be a point of reference for other firms. Therefore, Mr. Co said enterprises should look at alternative products and take on the digital transformation process for another approach to customers.

Source: <http://hanoitimes.vn/vietnam-beverage-industry-struggles-to-find-way-out-of-unprecedented-crisis-314924.html>

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