

Highlight News / November 26/2020



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Cambodia Business Council to be established in Bangkok



Cambodia News / 25 November, 2020

Cambodia will soon establish a representative office for the “Cambodia Business Council-CBC” in Bangkok, Thailand to facilitate trade and business activities between the two neighbouring nations. According to the Royal Embassy of Cambodia in Bangkok, the establishment will serve as a one-stop shop for business and trade between Cambodia and Thailand. The move is apparently motivated by recent pledges made by the Prime Ministers of both countries to increase bilateral trade to \$15 billion per annum by this year, it added. In the first nine months of 2020, the bilateral trade between Cambodia and Thailand was valued at \$5.569 billion, a decrease of 19 percent compared to the same period last year. The decrease in the two-way trade between both neighbouring countries was largely due to the COVID-19 pandemic which caused trouble for cross-border goods transport. C. Nika – AKP

Source : <https://www.khmertimeskh.com/50785960/cambodia-business-council-to-be-established-in-bangkok/>

Insurance market continues to grow amidst COVID-19



Cambodia News / 25 November, 2020

The total insurance market premium reached \$201.7 million as of the third quarter of this year, an increase of 8.2 percent over the same period in 2019. The growth was driven by a sharp rise in the general

insurance market, which grew by 18.2 percent, the life insurance market by 2.8 percent, but micro-sized insurance saw a decline by 22 percent, according to a report of the Insurance Association of Cambodia on Cambodia’s insurance market update in the third quarter of 2020. The general insurance market continues to grow significantly, with gross premiums of about \$87.9 million in the third quarter of 2020, up from \$74.4 million in the third quarter of 2019. The increase in general insurance premiums came from almost all general insurance products, including engineering insurance, ship-aircraft-transportation insurance, health insurance, property insurance, vehicle insurance and other insurance. The life insurance market grew slightly by 2.8 percent in the third quarter of 2020, while in the same period in 2019, it increased by 49 percent. Gross premiums for the life insurance market in the first nine months of 2020 reached about \$109.8 million, up from \$106.8 million in the same period in 2019. The association said because life insurance products are a form of personal insurance, this small increase indicates the negative impact of the COVID-19 pandemic. The micro-sized insurance market is seen to be severely affected by the COVID-19 crisis, said the report, adding that the micro-sized insurance premium in the first three quarters of 2020 reached \$4.1 million, a year-on-year decrease of 21.7 percent. The association said the insurance market provides a level of financial security to citizens as well as businesses that have been at risk in the past. The amount of compensation paid by the insurance

company to the customer as of the third quarter of 2020 amounted to \$21.7 million, of which the amount paid by the general insurance companies was \$16.1 million, \$4.7 million by life insurance companies, and US\$750,000 by micro-sized insurance companies.

Chea Vannak

Source : <https://www.khmertimeskh.com/50785948/insurance-market-continues-to-grow-amidst-covid-19/>

Laos eyes more sales of electricity to Cambodia



Laos News / 26 November, 2020

Champassak province: Laos may sell more electricity to Cambodia in order to power development needs in the border area. An official at the Hat substation in Khong district, Mr Bounleud Keophasouk, told reporters on Tuesday when Deputy Minister of Energy and Mines Dr Sinava Souphanouvong visited the station that since last year 260MW had been transmitted to Cambodia's Stung Treng province. The electricity is generated by the Don Sahong hydropower plant in Khong district, Champassak province. "The amount of electricity sold to Cambodia may increase in the future as the existing transmission line has the capacity to carry more energy. But I cannot say how much that might be at this point in time," he said. The investors in the US\$500 million hydropower plant are a Malaysian company, Mega First Corporation Berhad, with an 80 percent share, while EDL-Gen (State-run energy

giant Electricite du Laos Generation Public Company) holds the remaining 20 percent. The Don Sahong dam is about 150km from Pakxe City in Champassak province and 830km south of Vientiane. The plant is a 260MW run-of-river scheme located on a channel that does not completely block the Mekong River. Construction began in January 2016 and was completed last year. Laos' hydropower industry is developing fast. In 2005, there were only nine hydro plants across the country with an installed capacity of 680MW, generating 3,237 kWh a year. At present, 78 dams are operational with 9,972MW of installed capacity which can generate 52,211 kWh a year.

Source : http://www.vientianetimes.org.la/freeContent/FreeConten_Laos231.php

New regional transport system to benefit Myanmar's freight forwarders



Myanmar News / 26 November, 2020

Transportation of goods between Asean countries will be more competitive with the implementation of a new regional multimodal transport system, said U Than Win Aung, joint secretary of the Myanmar International Freight Forwarders Association. A framework agreement on a multimodal transport system involving the Asean countries is now being drawn up. Thailand and the Philippines have stipulated laws, while Myanmar has completed the draft stage. Others, like Cambodia, have yet to begin

the process, he said. Multimodal transport involves a combination of at least two or more different modes of moving cargo. Under a single bill of lading, implying that a carrier is fully liable for the entire carriage even though it is performed by different modes of transport such as air, rail, road or sea. The system, if implemented, will benefit big logistics businesses and is expected to facilitate cross-border trade between the Asean nations. Benefits include higher trade volumes and smoother flows of authorised goods through Asean and would come after the Regional Comprehensive Economic Partnership, the first free trade agreement between Asean and China, Australia, New Zealand, Japan and South Korea. In addition under the Asean Economic Community, no tax will be imposed on goods, which will be allowed to pass through the region without restrictions. Myanmar enacted the Multimodal Transport Law in 2014 but the rules under the legislation have yet to be released. "The rules, once released, should consider how to protect local logistics and freight forwarder service providers and clarify what is allowed and what isn't," said U Than Win Aung. – Translated

Source : <https://www.mmmtimes.com/news/new-regional-transport-system-benefit-myanmars-freight-forwarders.html>

China retains Vietnam's largest trade partner



Vietnam News / 25 November, 2020

(13th Congress) - China has retained its position as Vietnam's largest trade partner and has become the first market to reach USD100 billion in terms of bilateral trade turnover, with this figure being achieved by the end of October. Vietnam's export turnover to China reached nearly USD5.5 billion in October, bringing the total figure from the start of the year to nearly USD38 billion, according to statistics of the General Department of Customs, according to VOV News. Furthermore, the country spent USD8 billion on imports from China in October, bringing total import turnover from the Chinese market to more than USD65.6 billion during the 10 months of the year. China is the first market recording USD100 billion in import-export turnover with Vietnam this year. Despite a number of positive signs, recent developments relating to trade tensions between the United States and China, along the COVID-19 pandemic, are predicted to affect Vietnamese import-export activities in the near future. As a means of facilitating the export of goods to China, the Ministry of Industry and Trade (MoIT) has simplified administrative procedures, made institutional reforms, and improved the investment climate in order to reduce costs for businesses. Moreover, the MoIT has also enhanced online public

services, deployed a national single-window mechanism, and coordinate alongside relevant agencies to assess China's import needs, with a specific focus on a number of major export items. The MoIT has also moved to open a trade promotion office in the localities of Hangzhou and Zhejiang in an effort to strengthen connectivity for Chinese businesses who are seeking business opportunities with local firms./.

Source : <https://vnexplorer.net/china-retains-vietnam-largest-trade-partner-a2020128284.html>

Vietnam regarded as top investment destination for Japan businesses



Vietnam News / 25 November, 2020

Vietnamese enterprises have been advised to make rapid adjustments in order to adopt strategies aimed at seizing upon opportunities from the fresh wave of investment from Japan, according to insiders. Most notably, over 2,000 Japanese enterprises had invested in the country by the end of 2019, with the East Asian nation therefore ranking second with a total registered capital of US\$59.6 billion, making up 15.6% of total investment capital. During the opening nine months of the year, Japan also had 209 new investment projects nationwide, ranking third among the country's investment partners. This comes after the Japan External Trade Organization (JETRO) recently unveiled a list of 15 companies that have received subsidies from the Japanese Government to relocate from China to Southeast Asian countries,

including Vietnam, the Philippines, Malaysia, Thailand, and Laos. Furthermore, according to a survey by JETRO published in February of Japanese enterprises investing in Asia and Oceania, 63.9% of firms doing business in Vietnam stated that they would continue to expand business operations throughout the country, representing the highest rate in ASEAN and ranking third in relation to the Asia and Oceania region. This can therefore be considered a good opportunity for local firms to strive to enhance co-operation and connectivity with Japanese enterprises, especially those businesses that operate in the field of manufacturing spare parts and supporting technologies. Moreover, Japanese enterprises have selected Vietnam for merger and acquisition (M&A) deals with 19 M&A transactions taking place between both sides during the reviewed period. According to experts, businesses are required to encourage technology transfer to help boost technology level and production capacity as a means of meeting the strict requirements in terms of product quality, environmental protection, labour safety, and benefits for workers.

Source : <https://vietreader.com/business/finance/24421-vietnam-regarded-as-top-investment-destination-for-japan-businesses.html>