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Experts cite need for import tariff reductions



Cambodia News | 5 January, 2021

The Ministry of Commerce has put forward a recommendation that a reduction of import tariffs on mechanical and electrical products and spare parts be undertaken in order to lower production costs in the manufacturing and assembly sector. According to a survey conducted by the ministry, current Cambodian import tariffs on these products and parts are as high as 15 percent, while neighbouring countries Thailand and Vietnam peg them at 5 percent and 3 percent respectively. Ministry of Commerce official Marie Yang stated at the recent macro-economic forum held by the National Bank of Cambodia (NBC) that if Cambodia wants to attract more foreign investment to achieve export modernisation and diversification, it must work to reduce production costs for multinational companies in the Kingdom. This would include lowering import duties on equipment and spare parts. She pointed out that multinational companies choose to set up production bases in countries where relative cost advantages exist over other potential locations. The minister noted that higher import tariffs ultimately result in higher production costs that reduce Cambodia's competitive advantages, including its cheap labour. She added: "Foreign direct investment is seen as a driving force that can successfully promote the modernisation and diversification of Cambodia's exports. For

example, in 2018, Cambodia's fifth and sixth largest export commodities were electronic machinery and equipment/spare parts. The government has moved to reduce some tariffs. On Dec 17, 2020, it announced the reduction of import tariffs and special taxes on 35 types of commodities. The announced purpose was to help local small and medium-sized enterprises, as those sectors' growth ensures the sustainable development of the national economy and creates more employment opportunities. Among the goods that received tariff and tax reductions were electro-mechanical equipment, production materials, electrical appliances, lubricants, and solar photovoltaic panels. There were 20 products completely exempted from import tariffs. These included solar photovoltaic panels, dryers, scales, food and dairy product production machinery, metal shaping and moulding machinery, raw material crushers, chromatographs and electrophoresis instruments. Electrophoresis is a laboratory technique used to separate DNA, RNA, or protein molecules based on their size and electrical charge. An electric current is used to move molecules to be separated through a gel. Pores in the gel work like a sieve, allowing smaller molecules to move faster than larger molecules. The World Bank believes that the Cambodian government introducing competitive investment regulations and incentive systems would improve the business environment and encourage local and foreign investment. It especially encourages investment in labour-intensive

industries. The bank sees the most important policy goal of the government as being the restoration of job opportunities suspended because of the pandemic as soon as possible. The bank also pointed out that the recently-signed Cambodia-China Free Trade Agreement and Regional Comprehensive Economic Partnership Agreement are expected to help Cambodia attract diversified foreign direct investment.

Source : <https://www.khmertimeskh.com/50800405/experts-cite-need-for-import-tariff-reductions/>

Ministry shares 2020 agri-export numbers



Cambodia News | 5 January, 2021

The Kingdom exported \$4.037 billion in agricultural products in 2020, according to data from the Minister of Agriculture, Forestry and Fisheries. The exports included milled rice, rice paddy production, cassava, cashew nuts, mango, rubber, banana, Pailin longan, pepper, birds' nests, fisheries products, animal products, forestry products, and other goods. Veng Sakhon, Minister of Agriculture, Forestry and Fisheries shared a number of sub-category export totals as well. The year's agriculture exports included \$61.30 million in animal production. This category includes cattle, pork and poultry as well as chicken and duck eggs and other animals. More than \$8.33 million in fishery products exports were also recorded in 2020. Those products included river and marine fish products and aquaculture. Exports of forestry

products (processed timber), birds' nests, leather products and live monkeys, totalled \$44.08 million in value for the year. The nation exported \$482.76 million in rubber and rubber trees, which broke down as 340,000 tonnes of rubber and 158,400 cubic metres of rubber tree. The Kingdom also exported \$2.17 billion in subsidiary crops (cassava, cashew nuts, mangoes, banana, Pailin longan, pepper and other crops). The 2020 volume of exports in subsidiary crops was 7.2 million tonnes of cassava, 230,981 tonnes of cashew nuts, 947,628 tonnes of fresh mangoes, 333,143 tonnes of bananas, 102,280 tonnes of longan, 5,079 tonnes of pepper with other crops accounting for 555,706 tonnes in shipments. Ngoun Lay, president of the Kampot Pepper Promotion Association, said more than 60 tonnes of pepper were exported to foreign markets, including the EU, the US, Japan, South Korea and Hong Kong. He added that the total production of Kampot pepper this year was around 80 tonnes. Lay also said that some pepper remains in stock. "During the early harvest season, the market for Kampot pepper seemed to be stable and companies have already started contracting with the association," Lay said. "We expect that next year orders will increase by more than 60 tonnes. Meanwhile, we are strengthening pepper production to ensure its quality and to supply the market," he said. The price of white pepper stands at \$28 per kilo, red pepper at \$25 per kilo and black pepper at \$15 per kilo. The agriculture minister noted that of the nation's approximate 3.4

million hectares of paddy fields, more than 3.26 million hectares were in harvest, yielding a 3.34 tonnes average/hectare. Sakhon added that 2020's total paddy production was 10.93 million tonnes, sufficient to afford the nation a surplus of 5.9 million tonnes of paddies. Cambodia exported 690,829 tonnes of milled rice with a total value of \$538.8 million this year, an increase of 11.4 percent over 2019's numbers. Exports of rice paddy reached 2.89 million tonnes for 2020 with a total value of \$723.48 million. China imported 289,439 tonnes of milled rice, which represents some 41.9 percent of total Cambodian rice exports. The EU followed with 203,791 tonnes (29.5 percent), the Asean nations with 86,899 tonnes (12.58 percent) and the remaining 110,700 tonnes (16.02 percent) were sent to 29 other countries.

Source : <https://www.khmertimeskh.com/50800406/ministry-shares-2020-agri-export-numbers/>

Upgrade of Road No. 13 North underway



Laos News | 6 January, 2021

Road No. 13 North is being upgraded in some places with concrete being laid to replace the existing asphalt surface, while the section between Vientiane and Vientiane province will be widened to a four-lane highway. Project head Mr Latsamy Aliyavongsing told Vientiane Times on Tuesday the upgrade is taking place over a distance of 58km between the Sikeuth junction in Vientiane and Phonhong district in Vientiane province. The 20km

section of road between the Sikeuth junction and Songpeuy village will have four lanes, while the 38km section between the Songpeuy area and Phonhong district will remain a two-lane road. "The upgrade will take three years and we have already been working on it for about a year," Mr Latsamy said. Work had sometimes been delayed to allow construction of the Laos-China railway to go ahead. Road No. 13 North is a national artery and needs to be constantly maintained and improved. Following completion of the current upgrade, the rest of the road leading to Vangvieng district in Vientiane province will also be surfaced with concrete. For many years the road was the only route north but drivers now have the option of using the newly opened Vientiane-Vangvieng expressway, which has become the route of choice. However, the fees to travel on the tollway have been the subject of complaints by motorists, who say they are too high. Most people choose to use the expressway because they want to reach their destination quickly or simply because it is new and offers a different experience. Mr Latsamy said Road No. 13 North had not fallen out of use as claimed by some people on social media but was used by a large number of trucks and ordinary passenger vehicles. Road No. 13 North runs from the Sikeuth junction in Vientiane to the bus station in Vangvieng district, a distance of 142 kilometres. Previously, the poor condition of this road deterred some people from using it as the numerous potholes made for a very uncomfortable ride. Every year roads and bridges

around the country are damaged by floods and landslides as a result of torrential rain. Roads also rapidly deteriorate due to frequent use by heavy trucks carrying timber, cement, rocks and other loads. According to Vientiane province's Public Works and Transport Department, Road No. 13 North breaks up because it was originally built to carry loads of 9 tonnes per axle, but many trucks carry heavier loads.

Source : https://www.vientianetimes.org.la/freeContent/FreeContent Upgrade_3.php

Mahachai sees over 1,700 Myanmar migrant workers infected with Covid-19



Myanmar News | 5 January, 2021

Thailand's Mahachai has seen over 1,700 Myanmar migrant workers infected with Covid-19, according to the data released from the Thai health ministry. Till January 3, Samut Sakhon District had over 1,900 Covid-19 patients, over 1,700 of whom are Myanmar migrant workers. Thai authorities have been speeding up testing after a 68-year-old Thai from a prawn market in the district got fever and tested positive for Covid-19 on December 13. The resurgence of Covid-19 is mainly seen in Mahachai, Samut Sakhon District, mostly inhabited by Myanmar migrant workers. Mahachai has a majority of Myanmar citizens and only 10 percent of the population are Thais. Now, the region has been under lockdown with strict restrictions and inspections including inter-province travel ban.

Myanmar's Ministry of Foreign Affairs has announced that more than 4,000 Myanmar workers are being stranded in Samut Sakhon District. Thailand will reportedly allow the undocumented Myanmar migrant workers in Mahachai to undergo medical checks without taking action against them. Thailand first planned to have Covid-19 tests on about 10,000 Myanmar workers and but now plans are underway to increase the number to about 40,000, Bangkok Post reported. According to some aid organizations, Myanmar workers are facing discrimination in Thailand and some have been kicked out of their work.

Source : <https://elevenmyanmar.com/news/mahachai-sees-over-1700-myanmar-migrant-workers-infected-with-covid-19>

Myanmar targets 6pc economic growth in 2021



Myanmar News | 6 January, 2021

The Myanmar government is expecting a 6 percent rate of growth in fiscal 20-2021, according to the budget statement released by the Ministry of Planning, Finance and Industry. The ministry has set growth targets of 2.6pc in the farming sector, 6.5pc in the industrial sector, and 7.4pc in the services sector for the year. The government stated that profitable crops which conform to the country's climate, new farming methods, plans to reduce crop wastage during the monsoon floods, exploration of oil and gas, and other work plans are expected to offset losses made in manufacturing

and by micro, small and medium enterprises in the country. Economists said focusing on sectors like agriculture to generate growth is a good strategy. Myanmar's garment sector has been hit hard by the prolonged outbreak of COVID-19, which has left thousands of workers unemployed. So, the government should consider prioritising the agricultural sector, said economist U Min Khin. "According to the current economic index, we can say the country saw some growth in its economy last year, but this was then affected by the outbreak of COVID-19. So, the government should prioritise the resumption of businesses in the country," he said. U Maung Maung Lay, vice chair of the Union of Myanmar Federation of Chamber of Commerce and Industries, said "profitable crops should be grown and their costs kept low. We should create markets for the sellers, and we also need to produce value-added products," he said. He added that more focus should be channeled to sectors like fisheries. "Currently, the marine industry has begun to enjoy growth. So, we need to expand into new export markets. The government should cooperate with other organisations in that move," he said. – Translated

Source : <https://www.mmmtimes.com/news/myanmar-targets-6pc-economic-growth-2021.html>

Vietnam consumer prices forecast to stay below 4% in 2021



Vietnam News | 5 January, 2021

The Hanoitimes - The economy will continue to face uncertainties in 2021, which requires a cautious and flexible approach in price management. Vietnam's consumer price index (CPI), the main gauge of inflation, is forecast to stay below the 4% target in 2021 as the global and local economies continue to recover from the Covid-19 crisis. "In 2020, the Government's timely support helped ensure a positive economic growth at 2.91% year-on-year," said Director of the Academic of Finance Nguyen Trong Co at a conference jointly held by the Ministry of Finance's Price Management Department and the Academy of Finance on January 5. The average CPI in 2020 expanded by 3.23% year-on-year, significantly lower than the 4%-target set by the National Assembly, while inflation grew by 2.31%. "Despite major challenges from Covid-19, African Swine Fever and natural disaster, 2020 continued to be a successful year for the Government with both positive economic growth and inflation under control," Economist Ngo Tri Long said. Mr. Long attributed the finance ministry's efforts in setting up short- and long-term scenarios for price management in 2020, as well as the effective cooperation between various agencies in stabilizing market prices, to the Government's success in keeping a low inflation. In 2021, Mr. Long said the existing uncertainties will require a cautious and flexible approach in price management. "Fiscal and monetary policies are instrumental to contain the inflation and continue supporting people and businesses affected by the

pandemic,” stated Mr. Long. Director of the Institute of Economics-Finance (IEF) Nguyen Ba Minh expected prices of input materials in international markets to increase once the pandemic is fully contained. “The complicated situation of the pandemic and natural disasters will continue to impact production and the balance of supply-demand in the local market,” he added. IEF’s Vice Director Nguyen Duc Do said Covid-19 vaccines and the recovery of global and domestic economies are factors that will lead to an increase in inflation. “However, given the CPI expansion of a modest level of 0.19% in last December and the economy, which is expected to be on track of recovery in 2021, the inflation would not be high,” stated Mr. Do. According to Mr. Do, in case of strong volatility of petroleum and food prices similar to that of 2019, the inflation would continue to stay below 3%.

Source : <http://hanoitimes.vn/vietnam-consumer-prices-forecast-to-stay-below-4-in-2021-315763.html>

Vietnam's rice export prices reach record high amid pandemic



Vietnam News | 5 January, 2021

The export prices of Vietnamese rice have hit a record high over the past nine years amid the ongoing Covid-19 pandemic. On Sunday, the export price of the Vietnamese broken rice reached USD505 per tonne, up USD7 per tonne against the average level in the world market. This was also

Vietnam's highest rice export price level since late 2011. According to the Ministry of Agriculture and Rural Development, due to Covid-19, many countries in the world have increased their rice reserves, reducing their rice export. Meanwhile, the Philippines have continued boosting rice imports. So, despite the lower import volume against 2019, Vietnam’s rice export value was higher thanks to the sharp rise in export prices. Nguyen Trung Kien, vice chairman of the Vietnam Food Association (VFA), the country’s rice export in the first quarter of this year would remain good as many countries such as the Philippines and African markets have continued signing contracts for Vietnamese rice imports.

Source : <http://dtinews.vn/en/news/018/71835/vietnam-s-rice-export-prices-reach-record-high-amid-pandemic.html>