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## Ministry of Commerce signs two development MoUs



*Cambodia News | 14 January 2021*

The Ministry of Commerce (MoC) signed two memorandums of understanding (MoUs) – with the Cambodian BRB retail and product promotion consulting company and another with the Cambodian Coca-Cola Co. The MoU with the BRB retail and product promotion consulting company was signed to promote handmade pottery, handicrafts and specialty products in Kampong Chhnang province. It is in place to strengthen community capabilities, provide human resource training, upgrade products, expand markets and increase product manufacturing and re-purchase rates. In recent years, the Cambodian government has actively promoted the development of the handicraft industry in Kampong Chhnang province, especially handmade pottery. Kampong Chhnang province means “a port of pottery” in the Khmer language. Pottery is unique to the local area and brings considerable income to locals. In September 2019, the MoC planned to establish a pottery centre to help more people learn about Cambodia’s pottery culture. The MoU signed with the Coca-Cola Co is aimed at promoting the development of commerce, increasing the use of “Made in Cambodia” products, improving the capabilities of Cambodian enterprises and creating opportunities for female entrepreneurs to participate in commerce and trade activities. In 2018, in a bid to increase consumer trust in locally

made products and build the ‘Made in Cambodia’ brand, the government started to urge businesses in the Kingdom to apply for a quality label for local products. At the time, ministry spokesman Oum Sotha explained the new label is intended to promote Cambodian products, which were generally considered by consumers as lower in quality than products from other countries. With this initiative he noted that both local and international buyers could be targeted, adding that products bearing the label would sell better abroad. The label is seen as a guarantee that the products it’s affixed to meet rigorous quality requirements and are on par with foreign products. Officials from the ministry test each product to ensure it meets set quality standards. The MoC believes the aforementioned cooperation projects will help promote the development of commerce and trade as well as help with the development of strong domestic brands. The MoC pointed out that, in the future, the ministry and private sector will work together to organise large-scale activities, including the launch of the “Buy Domestic Products” campaign and “National Products” fairs to promote domestic products and trade. In addition, the ministry will cooperate with the private sector to solve the problems and challenges faced by the industrial chain.

Source: <https://www.khmertimeskh.com/50803679/ministry-of-commerce-signs-two-development-mous/>

## Two power plants in Kandal start their engines



*Cambodia News | 14 January 2021*

The heavy fuel oil-fired power plants in Kandal province's Lvea Em district have started their engines and are generating power to the national grid, according to the Ministry of Mines and Energy. The engines of the combined 400-megawatt power plants started power generation earlier this month, said Victor Jona, director-general of Energy at the Ministry of Mines and Energy. "The plants have started power generation already, but they are not yet at their full capacity of 400 megawatts," Jona said. The construction of the power project started in October 2019. It is composed of two plants. One is powered by a 200mW generator made by the Finnish firm Wartsila. That plant was developed by Chinese firm CGGC-UN Power Co. The second plant also uses a 200mW generator, one made by Germany's Man Group. It was built by China National Heavy Machinery Corp (CHMC). The project is projected to cost \$380 million, with \$300 million loaned by the government and the remainder coming from EDC's own coffers. The government approved the power plants after Phnom Penh suffered blackouts in the dry season last year. The construction of the power plants started in October 2019. The plants previously were designed to generate power by mid-2020, but the construction process was disrupted by the COVID-19 pandemic. The two power plants will hit their full power generation once a shortage in power occurs, said Jona. "Starting engines earlier this year created a small amount of

power generation, but they will run at full power once there are shortages in the future. This is because running a heavy fuel oil-fired power plant is costly compared with other power sources like hydropower dams," Jona said. In 2019, Cambodia consumed a total of 12,014.59 million kWh, a year-on-year increase of 23 percent.

Source : <https://www.khmertimeskh.com/50803643/two-power-plants-in-kandal-start-their-engines/>

## What next for Laos' growth strategy?



*Laos News | 15 January 2021*

The economic growth trend in Laos started when it first opened to foreign trade and investment in the early 1990s. Three major economic crises have hit Laos since, profoundly affecting the country's growth strategies. Motorcyclists drive along a street in Vientiane, Laos, 8 May 2018 (Photo: Reuters/Hans Lucas Pictures). Laos is a landlocked country whose substantial interaction with the outside world is carried out through Thailand, one of its immediate neighbours. Trading with or through Thailand to the west had long been the most economically efficient route for geographic and historical reasons. Most cities in Laos are also distributed along the western border with Thailand, making trading westward simply more efficient. The formalisation of trade and investment westwards in 1989 was a pragmatic reverse of the stagnant attempts to establish an alternative connectivity eastward via Vietnam since 1975. Trade westward brought sustained economic growth to Laos until the Asian financial crisis hit the country in 1998. Laos was struck much harder than

neighbouring Thailand. The heavy impacts came from the drastic drop in investment from Thailand and high inflation caused by a steeper depreciation of the Lao Kip against the Thai Baht compared to the US dollar, sharply reducing its capacity to import. Laos realised it needed to secure alternative linkages with the world. Laos quickly wrapped up preferential trade agreements with Vietnam and China in the early 2000s that aggressively slashed tariff and non-tariff barriers. This move paid off, coinciding with the rise of China. Both exports and imports with China increased from less than 1 per cent in 2000 to about 10 per cent in 2008. Investment from China quickly constituted a major portfolio of foreign direct investment (FDI) into Laos. The economy remained almost unaffected by the global financial crisis in 2008. China's Belt and Road Initiative accelerated the development partnership. COVID-19 has become the third crisis. Before 2020 foreign tourists and remittances accounted for about US\$1 billion in annual foreign exchange revenue. The statistics reveal a mixed reality for cross-border movements of goods. While imports from Thailand between January and November 2020 declined by 13 per cent compared to 2019, exports increased by 6 per cent. Transit goods from Thailand to Vietnam decreased by about 20 per cent but increased by around 13 per cent from Vietnam to Thailand. Transit goods from Thailand to and from China increased by about 8 per cent and 34 per cent, respectively. Construction rail and motorways continued almost without disruption. A 109-kilometre long dual-

carriage highway linking the capital Vientiane and Vang Vieng began in 2019 and was completed under lockdown ahead of schedule. Construction of a further 137 kilometres linking to the former capital of Luang Prabang was approved in December 2020. This construction will boost tourism. The completion of a 200-kilometre highway to Boten, the border with China, will secure another linkage in addition to the current one via Thailand. The heavy debt surrounding the development partnership with China is still a source of concern. The scale of some projects is so large that parts of them may put unmanageable pressure on Laos' financial position, especially during economic crises. Laos still decided to take the risk because of its high growth target within a fixed time frame. In its 2030 vision, Laos aims to quadruple per capita GDP between 2016 and 2030. An annual investment of around 30 per cent of GDP is required to achieve this target. But economically profitable investment opportunities are limited given the size and distribution of the population. Labour-intensive FDI in the garment industry levelled out quickly because of the low population density, scattered over a relatively large and difficult landscape. The relatively high growth since 2000 has been mostly propelled by a rapid expansion of natural resources and hydroelectric power exports, as well as steady increases in foreign tourist arrivals. Attracting FDI into these sectors in Laos was not easy. The impact on the environment and local communities are major concerns accompanying natural resources and hydropower

developments, while dependency on foreign tourists and accessibility are the challenges of the tourism industry. China is currently the only country with the capacity and willingness to fill present supply and demand gaps needed for continued rapid growth in Laos. The annual growth target has been revised down substantially, from around 8 per cent to 4 per cent, in the next five-year plan (2021–2025), according to Prime Minister Thongloun Sisoulith's speech at the 11th Party Congress on 14 January 2021. The emphasis on 'sustainable, balanced and quality' growth reflects widespread concern of excessive emphasis on resource-based economic development. This amounts to another sharp turn I

Source: <https://www.eastasiaforum.org/2021/01/15/what-next-for-laos-growth-strategy>

## Myanmar onion exports expected to decline this year



*Myanmar News | 14 January 2021*

Myanmar's onion exports are expected to decline this year despite high yield, said the chairperson of the Myanmar Onion, Garlic and Culinary Crops Production and Exporting Association. U Khin Han said domestic production of the crop doubled in 2021 due to favourable weather, going from the usual some 2,000 viss per acre in Upper Myanmar to more than 4,000 viss per acre this year. "(Yield) is good this year. Some farmers could not sell their onions last year and had many leftover. They grew the leftovers so we expect better output. The market, however, isn't that good in Yangon at present," he

said. Myanmar produced 300 million viss to 400 million viss of onions last year and the amount is expected to increase in 2021. Over 60 vegetable trucks deliver produce to the Yangon market on a daily basis. Small onions at Bayintnaungzay cost K150 to K200 per viss while medium and larger sized ones sell at K300 and K450 per viss respectively. A ton of onions can fetch US\$350 on the export market. Myanmar onions are usually exported to Vietnam and Malaysia but the current shortage of shipping containers has hindered the industry. U Khin Han said the shortage has seen hiring prices of containers increase by double or even triple the amount. The current market price is acceptable for traders to buy but transactions may decrease due to losses this year, he said. Traders are also facing difficulties in transportation and logistics due to the ongoing COVID-19 pandemic. – Translated

Source : <https://www.mmtimes.com/news/myanmar-onion-exports-expected-decline-year.html>.

## Dong Nai attracts over 226 million USD in FDI on first days of 2021



*Vietnam News | 14 January 2021*

Dong Nai (VNA) – The southern province of Dong Nai secured 11 foreign direct investment (FDI) projects worth more than 226 million USD in the first half of January, the highest recorded in the same time in the past five years, according to the provincial management board of industrial parks. Large projects included Hansol Electronics (100 million USD) in Ho Nai Industrial Park and Ojtex plant (60

million USD) in Loc An – Binh Son Industrial Park, said deputy head of the board Pham Van Cuong, adding that the investors committed to disbursing capital, building plants and purchasing machinery in Quarter 1, and putting the projects into operation by the end of 2021. Thanks to the investors' confidence in the Vietnamese economy as well as the sound business climate in Dong Nai, the province has attracted a huge amount of investment right at the outset of the year, Cuong affirmed. Competent authorities always support investors in completing procedures, he said, stressing foreign firms who have already developed projects in the province will serve as a bridge to popularise local strengths to other investors. According to Chairman of the provincial People's Committee Cao Tien Dung, since Dong Nai has seen industrial development and FDI attraction as a top priority in 2021 despite challenges caused by the COVID-19 pandemic, the province will work to enhance investment promotion, complete infrastructure system to welcome new investment waves, and step up administrative reforms. Dong Nai province now has 32 operating industrial parks, with an occupancy rate reaching over 80 percent. The province will open three other industrial parks on an area of some 6,500 hectares in Long Thanh and Cam My districts, build Long Thanh International Airport, and construct various expressways such as Ben Luc-Long Thanh, Dau Giay-Phan Thiet, Dau Giay-Lien Khuong, and Bien Hoa-Vung Tau

Source : <https://en.vietnamplus.vn/dong-nai-attracts-over-226-million-usd-in-fdi-on-first-days-of-2021/194729.vnp>

## Vietnam to export durians to China via official channels



*Vietnam News | 14 January 2021*

VOV.VN - Vietnam is accelerating negotiations to export greater volumes of durian to China through official channels following pilot shipments of the fruit to Australia last June. Despite suffering from the adverse impact of the novel coronavirus (COVID-19) epidemic, China remained as the largest consumer of Vietnamese durian last year. Statistics show China imported up to 397,000 tonnes of durian worldwide worth US\$1.62 billion, a rise of 10.8% in volume compared to figures from 2019. Yet, its import of the Vietnamese durian witnessed a decline of 66.3% during the first eight months last year. Vietnam mainly exports pod, peeled, and frozen durians to the Chinese market, the majority of which go via unofficial channels. However, China recently decided to temporarily suspend these unofficial channels due to COVID-19 fears, causing difficulty for local exporters. The Ministry of Agriculture and Rural Development is therefore seeking to accelerate negotiations with the Chinese side in order to export a wide range of agricultural products through official channels. In line with this policy, priority will be given to durian, sweet potato, bird's nest, pomelo, passion fruit, avocado, custard apple, coconut, cardamom and pineapple, salted jellyfish, dried sea cucumber, and goby fish.

Source : <https://english.vov.vn/en/economy/vietnam-to-export-durians-to-china-via-official-channels-830589.vov>