

Highlight News / January 18, 2021



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)



Rubber production to receive multi-agency effort to improve



Cambodia News | 15 January, 2021

WWF-Cambodia and the General Department of Rubber at the Ministry of Agriculture, Forestry and Fisheries (MAFF) signed a memorandum of understanding (MoU) to build a multi-agency partnership for transparent and sustainable natural rubber supply chains in Cambodia. Funded by the German government's Federal Ministry for Economic Cooperation and Development (BMZ) through Welthungerhilfe, one of Germany's biggest nonprofit organisations for global development and humanitarian aid and German World Hunger Aid, the multi-actor partnership cooperation has been implemented in other countries in Southeast Asia, including Thailand and Myanmar. The three-year cooperation in Cambodia has engaged and worked with relevant key actors from the government, private sector, nongovernmental organisations (NGOs) and rubber smallholders in Mondulhiri to promote sustainable rubber production, contributing to the improvement of the rubber smallholders' indigenous people and workers' livelihoods. Seng Teak, country director of WWF-Cambodia, said promoting the sustainable and responsible smallholder rubber plantations through the application of best management practices in Cambodia will not only create jobs and incomes for the local communities, but it will also help to reduce pressures on natural resources by optimal use of existing rubber

plantation land and prevent illegal forest land encroachment. "The MoU signing ceremony has opened a new chapter for WWF-Cambodia in its effort to work in partnership with relevant technical and responsible government agencies. It also supports the joint commitment in a multi-actor partnership platform where all parties involved share knowledge and information on sustainable rubber production and can contribute to policy on natural rubber supply chains," he added. He said the MoU also provides opportunities for capacity-building in sustainable natural rubber production practices, fostering the participation of rubber smallholders in protecting the community's natural resources. Pol Sopha, director-general of the General Directorate of Rubber, said building capacity and providing technical skills to smallholders and technical officials in the sector in addition to the active participation of all key stakeholders in the rubber sector will contribute to its sustainable development in Cambodia. He added that to help guide sustainable rubber practices, the General Directorate of Rubber at the MAFF, WWF and the Cambodia Rubber Research Institution (CRRI) jointly published and distributed a technical guidebook for good agricultural practices (GAP) in latex harvest techniques and also provided necessary training, coupled with practical demonstrations and hands-on experience at rubber plantation sites to a total of 60 rubber smallholders and government officials from 20 provinces across the country. "Currently, 100 rubber smallholders from five community protected

areas adjacent to the WWF's-supported Srepok Wildlife Sanctuary have been engaged. Plans call for reaching an additional 300 rubber smallholders by 2022," Sopha said. In 2020, the nation exported \$482.76 million of rubber and rubber trees. This breaks down as 340,000 tonnes of rubber and 158,400 cubic metres of rubber tree, according to the report from the Ministry of Agriculture. The export figures represented an increase over the 280,000 tonnes exported in 2019. The growth rate in rubber exports is expected to increase through 2024. Cambodia sent around 60 percent of its rubber production to Vietnam, with most of the remainder having been exported to China, Malaysia, Singapore and Europe. Sopha also noted it is anticipated that yearly export increases will be in the range of 30,000 to 40,000 tonnes per year because some rubber trees are approaching an inability to generate latex. Farmers will need to cut them down and re-plant that land. Sopha added that it takes six years for newly planted rubber trees to mature to the point of providing a harvest.

Source:<https://www.khmertimeskh.com/50803833/rubber-production-to-receive-multi-agency-effort-to-improve/>

Four solar power stations coming online



Cambodia News | 15 January, 2021

Additional renewable energy generated by solar power will come online soon in Cambodia from four new stations scheduled to be linked to the grid early

this year. The four projects are currently under construction with most at 90 percent completion, said Victor Jona, director-general of energy at the Ministry of Mines and Energy. The projects were approved by the Cambodian government in late 2019. They include a 20 megawatt (mW) solar plant in Svay Rieng province owned by Green Sustainable Ventures Co Ltd, a 30mW plant in Banteay Meanchey province invested in by Ray Power Supply Co Ltd, a 60mW solar farm in Battambang province owned by Risen Energy Co Ltd and a 60mW solar station in Pursat province, owned by Schneitec Renewable Co Ltd. Jona noted Cambodia will soon have a greater array of energy sources available to help meet the nation's power consumption demands. Currently the Kingdom meets its energy needs from hydroelectric dams, wind power, coal-fired power plants, some solar generation and energy imports. According to Jona, Cambodia produces sufficient power to supply 85 percent of local demand, with the balance made up by imports from neighbouring countries. In 2019, Cambodia used 12 million kilowatts of power, a year-on-year increase of 23 percent. Three million kilowatts were imported from neighbouring countries. Cambodia's existing solar power stations include a 10mW solar farm in Bavet city, Svay Rieng province, an 80mW solar station in Kampong Speu province, a 60mW solar station in Kampong Chhnang province and a 5mW solar station in Bavet city.

Source: <https://www.khmertimeskh.com/50803921/fo-ur-solar-power-stations-coming-online/>

Party leaders urged to step up political responsibility



Laos News | 18 January, 2021

Newly elected Party Secretary General Thongloun Sisoulith has called for all Party leaders to strengthen their political responsibility and act as role models of leadership in order to fulfill the duties assigned to them by the nation. Although Laos has accomplished many of the socio-economic development goals over the past five years, challenges still lie ahead, requiring strong political commitment to overcome economic difficulties. Speaking at the closing ceremony of the Eleventh Party Congress on Friday, Mr Thongloun said all delegates need to play an active role in implementing Party policies in an innovative fashion, while encouraging all forces in society to develop the nation over the next five years. Members of the Party Central Committee should maintain their revolutionary spirit and develop their leadership capabilities to oversee the implementation of all policies approved at the congress. Mr Thongloun, who is the Prime Minister of Laos, was elected as the new secretary general of the Party Central Committee – the top post in the Party. The 11th Party Congress praised accomplishments in national defence and development under the leadership of

the 10th Party Central Committee. Despite the complex changes taking place in the world and the Covid 19 pandemic, Laos has been able to sustain economic growth. However, the new Party leaders must expand their tradition of consensus and enhance their political accountability towards the revolutionary mission and the fate of the nation.

In past decades, Laos has pursued a political direction towards socialism, despite global changes. The nation regards Marxism–Leninism ideology, Kaysone Phomvihane thought, the fine traditions of the Party and the aspirations of all ethnic Lao people as the foundation for formulating Party policies. Since 1986, Laos has pursued a policy of renovation, strengthening international cooperation while boosting investment and tourism. This has been aimed at expediting the poverty reduction programme and Laos' graduation from Least Developed Country status in the near future. Over the past five years, the economy has grown at an annual average rate of 5.8 percent while per capita GDP has also increased. The Party Congress approved an amendment to the Party's statute as part of efforts to strengthen the capacity of the ruling Party to lead and manage the country during times of complex global change. The statute is considered as the constitution of the Party and is designed to restore its political direction. The Party Congress is the most significant political event in Laos, when

political and economic reports are presented and approved. The congress also elected a new Party Central Committee and Politburo members to lead the implementation of the socio-economic development plan over the next five years. The Party Congress is held every five years, with the previous one taking place in 2016.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent_Party_11.php

Rakhine expends K2 billion from state budget on refugee camps



Myanmar News | 15 January, 2021

Rakhine has spent around K2.2 billion to construct and maintain refugee camps in the state, Rakhine State Chief Minister U Nyi Pu reported to Parliament on January 11. "Owing to fighting between the Myanmar authorities and insurgent groups in the area, Rakhine State has not been able to achieve stability. As a result, residents have suffered and been driven from their homes due to security concerns," he said. Consequently, a total of K1.5 billion was expended from the state government and parliament budgets to build seven refugee camps in Ponnagyun, Rathedaung, Kyauktaw, Mrauk-U and Minbya. Funds were also used to provide healthcare, education and security for the affected people until they can return home. A further K88 million was spent on a refugee camp in Kyauktaw township and K423 million was also used to build a refugee camp in Angu Village Group, Myebon township. Funds are

also being used to build a refugee camp in Ann township as well. Food rations, clothes, classrooms and other necessities for the refugees were included. Because of the violence, there were a total of 183 civilian deaths and 654 injuries. Meanwhile, 40 deaths and 74 injuries from landmines were reported. There were 36 deaths and 74 injuries from unidentified attacks. "The Disaster Management Department has been distributing two condensed-milk tins of rice to each person in all the camps. We are also providing healthcare in cooperation with the Health Department and non government organisations," he said. - Translated

Source: <https://www.mmtimes.com/news/rakhine-expends-k2-billion-state-budget-refugee-camps.html>

Vietnam beats China, India to become next manufacturing hub



Vietnam News | 16 January, 2021

VOV.VN - The nation has emerged as an attractive foreign direct investment (FDI) destination in Asia after moving ahead of China and India, according to a report released by the Economist Intelligence Unit (EIU). In doing so, the country has become a new hub for low-cost manufacturing in Asian supply chains. The report suggests that the key factors in pushing the nation ahead of its peers include incentives offered to international firms to allow them to set up units to manufacture hi-tech products, a wide pool of low-cost workers, and the proliferation of free trade agreements (FTAs). The EIU report

indicates that the country scored more than both India and China with regard to FDI policy. As such, India remains behind both China and Vietnam in terms of foreign trade and exchange controls. Furthermore, India fared surprisingly low in its FDI policy, in comparison to the 14 countries that were studied by the EIU. With the exception of Indonesia and Bangladesh, other places outscored India in FDI and the labour market. Indeed, both India and Indonesia have been pushing for further labour law reforms, whilst Bangladesh is in the process of negotiating 17 preferential FTAs. Pakistan performed worse than India in terms of foreign trade and exchange controls, with only Bangladesh behind India in terms of infrastructure, whilst China continues to hold its leading position in infrastructure. Moving forward, the report states the nation enjoys a positive outlook, with the country set to continue offering generous arrangements for international firms such as incentives for investment. Despite the absence of specialised labour potentially posing a disadvantage to businesses, the nation's low-skilled manufacturing wages provide plenty of competition. The report also underlines that "Vietnam's proliferating membership of FTAs represents a strong point of its trade relations, reducing export costs." Ruchir Sharma, an emerging markets strategist at Morgan Stanley, outlines that Vietnamese FDI has averaged more than 6% of GDP, a figure which is the highest ratio among any emerging country. India had been in line to become the region's next manufacturing hub after

companies began moving away from China due to their higher labour costs after 2013 which ultimately led to a reduction in FDI and movement to relocate to other Asian countries. The report rightly points out that the Vietnamese emergence represents an alternative manufacturing hub to China, a trend which predates the trade war between Washington and Beijing. Ever-changing policies in line with market demand has proved to have worked out well for the country, with former Prime Minister Nguyen Tan Dung writing for the World Economic Forum that vigorous changes in the business and investment climate have made the country attractive for FDI. Former PM Dung also notes that socio-political stability and population structure helped to win the trust of investors in the Vietnamese market. At one stage the country had initially allowed state-owned enterprises to compete with foreign investors, although after witnessing attacks on foreign-owned enterprises the Government immediately move to change their policy. The recent FTA signed with the EU has served to benefit the country due to the EU lifting 85% of its tariffs on local goods from 2020, with the report stating that the biggest gains were witnessed by footwear manufacturers in Hanoi. Approximately 40% of exports to the EU in terms of footwear manufacturing faced 30% tariffs, which were completely withdrawn from August, 2020, with the nation registering FDIs worth over US\$12 billion between January, 2020, and April, 2020. Even amid the novel coronavirus (COVID-19) pandemic, by September, 2020, the entire country

had attracted US\$21.20 billion, or 81.1 % compared to the same period last year, as per a report in Vietnam Briefing.

Source: <https://vov.vn/en/economy/vietnam-beats-china-india-to-become-next-manufacturing-hub-831078.vov>

Vietnamese economy tipped to bounce back in 2021



Vietnam News | 17 January, 2021

HÀ NỘI — Many economists have said the Vietnamese economy is set to speed up this year. Việt Nam's economy grew quite slowly due to the impact of the COVID-19 pandemic last year, but many experts have said the country's economy is like a coiled spring, just waiting for the opportunity to bounce back. Therefore, the Government has set a growth target of 6.5 per cent for this year, twice the growth rate of last year. This is a big challenge as the pandemic is still complex, there are many risks related to trade conflicts between major economies and global political instability. However, Minister of Planning and Investment Nguyễn Chí Dũng said there were still many opportunities that Việt Nam could seize to grow strongly. They include opportunities from new-generation free trade agreements (FTAs), opportunities from digital transformation, e-commerce and the formation of new industries and business models. The minister said that Việt Nam could enjoy a high growth rate this year and in 2021-2025 if the country could fully utilise these opportunities and overcome the internal

difficulties of the economy. World organisations have also tipped Việt Nam's economy to speed up again after 2020. The Asian Development Bank (ADB) forecast that the Vietnamese economy will grow by 6.3 per cent this year; the United Overseas Bank (UOB) predicted the economy to grow 7.1 per cent and HSBC even gave a figure of up to 8.1 per cent. According to HSBC, Việt Nam's economy will benefit from the technology-led recovery and consistent foreign direct investment inflows. Nguyễn Xuân Thành, a senior lecturer at Fulbright University Việt Nam, said with the above predictions, a recovery was expected from the second quarter of this year. The country had signed new-generation FTAs to expand economic space, he said. This was very important for foreign investors, who believed in Việt Nam's potential and market, to continue to look to the country, he added. Once capital flows had shifted to Việt Nam, it was inevitable the Vietnamese economy would bounce back, not only this year but also in the next five years, he noted. According to investment funds, Việt Nam will be the number one destination in Southeast Asia this year, in which the leading role of capital flows is likely to belong to investors from Europe. Although European investors approach development opportunities in Asia more slowly than the US and other countries in the region, they recently realised that Southeast Asia, the only region with 5 - 6 per cent growth (before the COVID-19 pandemic), gives them huge benefits. Therefore, many private investment funds in Southeast Asia

began to attract European money and a series of new funds in Southeast Asia with direct capital contribution from European investors have been established. In addition, traditional investment from South Korea, Japan, Thailand and Singapore is also a lever to help Việt Nam's economy grow this year. These capital flows are continuing to pour into Việt Nam. Meanwhile, some said the digital transformation that started last year would continue to be accelerated this year, opening up opportunities for the economy, especially domestic enterprises. In addition, 14 out of 16 FTAs officially took effect, opening up large export markets this year, with 59 tariff lines reduced to zero, creating special conditions for agricultural, forestry and fishery exports. — VNS

Source: <https://vietnamnews.vn/economy/858071/vietnamese-economy-tipped-to-bounce-back-in-2021.html>
