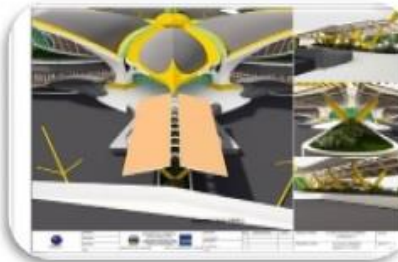


Highlight News / January 25, 2021



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

NBC annual report details nation's 2020 financial picture



Cambodia News | 22 January, 2021

The Kingdom's international gold and dollar reserves have reached \$21.3 billion, sufficient to guarantee the next 10 months of goods and services imports. This amount is in excess of the three-month minimum requirement for developing countries according to the annual report from the National Bank of Cambodia (NBC). The NBC stated the level of international reserves on hand enable Cambodia to manage its exchange rate, stabilise the financial sector, increase national properties and build trust among the public. The report noted that the banking sector's 2020 total loan portfolio is \$30.2 billion, up 15.3 percent from 2019. The total amount represents 1.2 million loans. The loan category breakdown by sector was led by retail at 15.5 percent, personal mortgages at 12.8 percent, wholesale at 9.7 percent, personal loans at 9.8 percent, construction at 9.2 percent, real estate at 8.4 percent, agriculture at 7.7 percent with others accounting for the remaining 26.9 percent. Bank deposits totalled \$30 billion across 6.3 million accounts. This was an increase of 15.5 percent over 2019 figures. Loan restructuring in the banking sector for 2020 totalled \$3.017 billion with 43,291 accounts being restructured. Bank loan restructuring by sector was led by tourism at \$803 million, garments at \$43.1 million, construction at \$477 million and logistics at \$120.6 million with other sectors accounting for the remaining \$1.57 billion.

NBC reported 2020 total loans by microfinance institutions (MFIs) as \$6.8 billion, up 12.5 percent over 2019. That total encompassed 1.9 million loans. The distribution of those loans broke down by category as loans to families at 31.2 percent, loans to commerce and trade at 20.9 percent, loans to agriculture concerns at 18.9 percent, to service providers at 16.2 percent, loans to transport firms at 6 percent, construction at 3.8 percent with others accounting for the remaining 3 percent. Deposits at microfinance institutions were \$3.7 billion held in 2.7 million accounts. Loan restructuring by MFIs totalled \$1.139 billion across 241,783 loans. MFI loan restructuring by sector was led by tourism with \$112 million of restructuring granted. The garment sector followed at \$178.3 million, construction at \$117.4 million, logistics at \$91.5 million with other sectors accounting for the remaining \$640 million. During the presentation of its report, Khou Vouthy, deputy director-general of the NBC, said that banking and finance has been well managed, with the non-performing loan (NPL) ratio for 2020 being only 2.7 percent for the banking sector and 1.8 percent for MFIs. He said that total loan restructuring encompassed 285,074 loans worth some \$4.2 billion in 2020. He also noted that the Kingdom's inflation rate was 2.9 percent in 2020, up from 1.9 percent in 2019. This increase was attributed to a rise in food prices and price decreases in other group of commodities and fuel-related services. Vouthy added food prices had increased 4.6 percent, compared with 2.1 percent in 2019. That rise was

attributed to increased demand and the interruption of imported goods. He noted food prices among Cambodia's trade partners had also risen. Core inflation dropped to around 2.1 percent from 2.7 percent in 2019. The NBC has forecast this year's inflation as stable at approximately 2.9 percent.

Source: <https://www.khmertimeskh.com/50806041/nbc-annual-report-details-nations-2020-financial-picture/>

Tourism seaport construction to be completed by year end



Cambodia News | 22 January, 2021

The construction of international tourist port in Kampot province is about 50 percent complete and is expected to finish by the end of 2021. The progress was presented at a meeting to review the implementation of the Tourism Infrastructure Development Project for Environmental Growth in the Greater Mekong Sub-region in the four coastal provinces of Cambodia. Thong Khon, Minister of Tourism and Chairman of the National Project Management Committee, chaired the meeting held on Jan. 20. The meeting focused on the development of tourism, tourism support infrastructure, including Kampot International Tourism Port, wastewater treatment system, crab market, coastal roads and solid waste. Khon recommended the relevant units to carry out the project with effectiveness and quality and to complete it as planned. Chea Vannak – AKP

Source: <https://www.khmertimeskh.com/50806066/tourism-seaport-construction-to-be-completed-by-year-end/>

Govt encourages private sector investment in infrastructure development



Laos News | 24 January, 2021

The government has issued a decree to promote the participation of both domestic and foreign investors in the development of infrastructure and public service delivery projects through private-public partnerships (PPP). PPP projects are proliferating in Laos because the government requires huge investment to improve road networks, railways, and other amenities to boost economic growth. Economists say the contribution of the private sector in the construction of roads and railways will help ease the burden on the government's budget at a time of financial difficulty. But such projects must not affect national security, the environment, or the health of local communities. Under the PPP scheme, the private sector will provide most of the financing while the government will provide additional capital to fund joint investment projects, according to the 31-page decree signed by Prime Minister Thongloun Sisoulith recently. The Vientiane-Vangvieng section of the China-Laos expressway which opened for public use last month is the first highway in Laos to

be funded jointly by the Lao government and China's Yunnan Construction and Investment Holding (YCIH) Group. YCIH has a 95 percent investment stake in the project while the Lao government contributed 5 percent of the cost. The expressway will be operated under the Build-Operate-Transfer (BOT) model for a period of 50 years. Given that private sector investment represents more than 50 percent of all investment in Laos, the government is committed to offering incentives to encourage private sector investment in State-funded development projects by providing information and labour as well as formulating policies to facilitate the implementation of those projects. The government also needs to enact and amend legislation and improve the business environment in ways that encourage investment, enabling private companies to access funding and carry out mega projects. The decree also stressed the need to offer tax breaks in a bid to woo more foreign investment. Article 28 of the decree states that any PPP project with an investment value of more than US\$300 million must be approved by the National Assembly. In addition, all joint investment projects with a government contribution of 20 billion kip or more must get approval from the National Assembly. The National Assembly will be instrumental in approving PPP projects relating to nuclear energy, that may have a severe impact on the environment, affect more than

500 families, or involve the granting of a concession for a parcel of land measuring more than 4,000 hectares. The government can approve only PPP projects that do not require funding from the national budget, as well as projects that do not involve the conversion of protected areas to other forms of land use. Government bodies have been urged to inspect and assess the implementation of PPP projects for the benefit of investors and the country as a whole.

Source: https://www.vientianetimes.org.la/freeContent/FreeContenten_Govt_16.php

Myanmar to set up Agri Market Centre in Nay Pyi Taw



Myanmar News | 22 January, 2021

The Ministry of Agriculture, Livestock and Irrigation plans to set up an Agri Market Centre in Nay Pyi Taw to further progress the country's agricultural market. The centre was inaugurated on January 20 and will be developed in collaboration with the Korea International Cooperation Agency. South Korea will allocate funding of US\$8.37 million for the project which is expected to provide many benefits to local farmers. The centre will collect and provide information on the products while also ensuring the quality of the goods sold. It also hopes to improve consumer safety and facilitate direct wholesale trade. "The project will mainly cater to the post-harvest businesses," said Deputy Permanent Secretary at the Ministry of Agriculture, Livestock and Irrigation U Myo Tint Tun. "What we truly need is

a post-harvest service at the Agri Market Centre. The goods will be inspected upon arrival and departure and there will also be auction services for the products," he said. The project aims to aid the development of Myanmar's agriculture market. It hopes to provide mutual benefits for both manufacturers and consumers, leading to higher living standards for farmers. – Translated

Source: <https://www.mmtimes.com/news/myanmar-set-agri-market-centre-nay-pyi-taw.html>

Vietnam to grow at 7.8 pct in 2021: Standard Chartered



Vietnam News | 23 January, 2021

Standard Chartered Bank has forecast Vietnam's economy will grow at 7.8 percent this year with manufacturing driving the revival. Tim Leelahaphan, an economist at Standard Chartered Bank, said Vietnam's economy has been reviving since the third quarter last year. "The recovery is steady. In the last decade Vietnam's economic growth rate was one of the fastest and we Standard Chartered expect this trend to continue." Standard Chartered sees foreign investment and the services sector as driving factors for growth in the next few years. Vietnam is also acknowledged as one of the most attractive destinations for foreign investors following its successful management of the Covid-19 pandemic. It will benefit from the U.S.-China trade war, which is not likely to end with Joe Biden's takeover in the former country. Despite the slow global recovery and gloomy outlook for global

investment, Vietnam's FDI inflows are expected to surge in the next few years. Although foreign direct investment pledges in Vietnam has dropped by 25 percent last year to \$28.5 billion due to travel restrictions and dampened investor sentiment, foreign companies still poured \$6.4 billion into existing FDI projects, up 10.6 percent year-on-year. Increased competition will motivate Vietnam to try and rise up the value chain and become capable of adopting advanced technologies. The Regional Comprehensive Economic Partnership (RCEP) signed last November by 15 countries will provide opportunities for Vietnam's small and medium enterprises to move up the value chain. Standard Chartered Bank's view is much more optimistic than most multilateral organizations and others. The Asian Development Bank has forecast 6.1 percent growth, the IMF expects 6.5 percent growth and HSBC foresees expansion of 7.6 percent. Vietnamese think tanks Central Institute for Economic Management and National Center for Socioeconomic Information and Forecast have estimated GDP growth of 6.46 percent and 6.72 percent. The government has set a growth target of 6.5 percent.

Source: <https://e.vnexpress.net/news/business/economy/vietnam-to-grow-at-7-8-pct-in-2021-standard-chartered-4225459.html>

Finland to provide US\$100 million for public investment projects in Vietnam



Vietnam News | 23 January, 2021

HCMC – Finland will provide over US\$100 million for public investment projects in Vietnam starting this year, under a bilateral framework agreement on the use of the Public Sector Investment Facility (PIF) funded and guaranteed by the Finnish Government. The agreement was signed at a ceremony held on January 21. According to Finnish Ambassador to Vietnam Kari Kahiluoto, he and Vietnamese Deputy Minister of Finance Tran Xuan Ha were authorized to sign the agreement. The Finnish ambassador said that the PIF is aimed at providing financial support for public investment projects in developing countries, in line with the Sustainable Development Goals of the United Nations and by utilizing advanced Finnish technology. PIF will support investment projects in the fields of water supply, environmental sanitation, environment protection, climate change response, energy and clean technology. Ville Skinnari, Minister for Development Cooperation and Foreign Trade of Finland, in a pre-recorded remark said that he expects that with the PIF, Vietnam will have additional public investment funding, while Finnish companies with years of experience, expertise and suitable technology solutions will have better access to the Vietnamese market. Skinnari added that the implementation of the agreement would also contribute to the long-term and effective partnership

between Vietnam and Finland. The two countries established diplomatic ties over 50 years ago, with the two-way trade surging fourfold over the past decade.

Source: [https://english.thesaigontimes.vn/80313/finland-to-provide-us\\$100-million-for-public-investment-projects-in-vietnam.html](https://english.thesaigontimes.vn/80313/finland-to-provide-us$100-million-for-public-investment-projects-in-vietnam.html)
