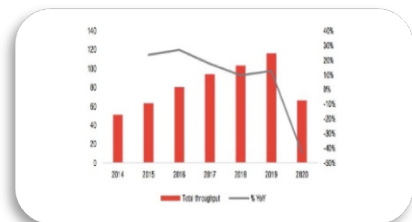




- Industry 4.0 impact will transform skills and jobs, says ADB
- 'Rielisation' and dollars provide Kingdom with an economic 'moat'
- Oudomxay expedites smart city plan to spur regional development
- Xi Jinping congratulates Laos' Thongloun, calls for advancing ties
- Over \$1.4bn worth's of capital goods imported in over three months
- Vietnam to become 'global base' for phone and laptop production
- Nation records trade deficit of US\$250 million in first half of January



Manufacturing and service sectors boost employment



Cambodia News | 28 January 2021

According to the government's release this week of the Kingdom's 2019 census report, the manufacturing and service sector have accounted for the largest rise in employment over the last decade, seeing millions of jobs created across the country. The manufacturing sector's share of the employed population increased from 8.5 percent in 2008 to 18.8 percent in 2019, which is equivalent to the creation of approximately 1.5 million new manufacturing jobs over that period. The proportion of the service industry in the employment population has also increased, from 19.2 percent in 2008 to 26.5 percent in 2019, which is equivalent to adding about 1 million new jobs within that period. In contrast, the proportion of agriculture jobs in the employment population dropped from 72.3 percent in 2008 to 54.7 percent by 2019. According to the complete report of the 2019 census issued by the Ministry of Planning this week, as of March 3, 2019, the total population of the country was 15.55 million, an increase of 2.16 million from 13.39 million in 2008. The urban population has also expanded rapidly. In 2019, that proportion of the total population had increased to 39.4 percent, while in 2008 it was only 19.5 percent. The results of the census show that the structural transformation of Cambodia's national economy has been increasing rapidly from that of a traditional agricultural country to a modern economy

with high added-value and increased productivity driven by industries and services. Upon the news of the manufacturing sector creating so many jobs over the last decade comes word of another garment factory being approved. A \$3.1 million garment factory will be built in the Bati district of Takeo province, creating 702 new jobs for the locals. The Council for the Development of Cambodia (CDC) shared the news yesterday following its approval of the investment project. The garment factory is an investment by Brightness (Cambodia) Garment Factory Co Ltd. Since early this month, the CDC has given the green light to seven investment projects, including the above one, with a total investment of nearly \$27.6 million, generating some 4,000 job opportunities. Such investment amid the COVID-19 outbreak demonstrates the confidence of investors in Cambodia's macroeconomic, political and social stability, despite it being threatened by the pandemic.

Source: <https://www.khmertimeskh.com/50807973/manufacturing-and-service-sectors-boost-employment/>

'A \$3.1 million garment factory project in Takeo province to create more than 700 jobs



Cambodia News | 28 January 2021

A \$3.1 million garment factory will be built in Bati district of Takeo province, creating 702 jobs for the locals. The update was shared in a press release from the Council for the Development of Cambodia (CDC) yesterday following its approval of the investment

project. The garment factory is the investment by Brightness (Cambodia) Garment Factory Co., Ltd. Since early this month, CDC has given green light to 7 investment projects, including the above project, with a total investment of nearly \$27.6 million, generating some 4,000 job opportunities. Such investment amid COVID-19 outbreak demonstrates confidence of investors in Cambodia's macroeconomic, political and social stability though threatened by the pandemic.

Phal Sophanith – AKP

Source : <https://www.khmertimeskh.com/50807925/a-3-1-million-garment-factory-project-in-takeo-province-to-create-more-than-700-jobs/>

Laos to earn revenue from sale of carbon credit next year



Laos News | 29 January 2021

The government expects to earn its first income from the sale of carbon credit next year after signing an agreement with the World Bank. The Deputy Director General of the Forestry Department, Mr Khamsene Oukham, said on Thursday that the government had signed an agreement with the World Bank to sell carbon credits from designated forest areas in the six northern provinces of Huaphan, Luang Prabang, Oudomxay, Luang Namtha, Bokeo and Xayaboury. "We expect to receive about US\$15 million from the sale of carbon credit in 2022," he told Vientiane Times. The actual amount of money earned will depend on the amount of carbon credits available from these areas. Under the agreement with the World Bank, the relevant sectors will reassess the production of carbon credit from the designated areas in 2022 to determine the total amount of

carbon credits available. "If we are unable to protect forest areas, there will be less carbon credits and we will not earn so much from this business arrangement," Mr Khamsene said. According to the World Bank, the international financial institution has committed a budget of about US\$42 million under the Forest Carbon Partnership Facility to purchase carbon credits from Laos from 2020 to 2025. The Bank's initiative aims to reduce carbon emissions released into the atmosphere, one of the main causes of global warming and extreme weather patterns around the world. Developing, developed nations and major corporates have agreed to buy carbon credits from countries as part of their social business responsibilities. Forestry officials say the government is strongly committed to protecting forests and hopes to earn income from sale of carbon credit. However, the existing challenges in protecting natural habitats remain unresolved. Officials say that one of the key challenges is poverty among communities living in and around designated forest areas, which makes it difficult for the authorities to enforce the law concerning forest protection. In addition, the capacity of authorities to protect forests must be strengthened so they can effectively protect large areas, which cover about 35 percent of the country's total land area. In order to protect forest areas, forestry officials say the government will use money earned from the sale of carbon credit as well as sourcing funds from development partners to reduce poverty in the designated areas. People in communities

surrounding the designated forest areas need to have sustainable jobs and income so they do not encroach into forests and be lured by businesspeople to fell trees for sale, Mr Khamsene said.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent_Laos20.php

Govt pledges to reduce debt burden



Laos News | 29 January 2021

The government has vowed to restructure the payment of debts by converting its financial obligations into investment by the private sector. The government also intends to lower the fiscal deficit to an average of 2 percent of Gross Domestic Product (GDP) annually from 2021 to 2025, according to a recent government report. The pledge comes as the government attempts to lower public debt to 55 percent of Gross Domestic Product (GDP) to enable the nation to improve its financial liquidity. The Covid-19 pandemic has ramped up Laos' public debt burden, posing challenges for the tiny country to meet its debt service payments. According to a World Bank report, public debt was expected to increase to at least 69 percent of GDP in 2020, up from 59 percent in 2019. "Rising debt levels and an increasing share of less concessional borrowing have significantly increased debt service payments to US\$1.2 billion for 2020," the World Bank stated. Over the past five years, the government has introduced electronic systems in a bid to amass more revenue, leading to a 20 percent increase in national income. However, expenditure rose by more

than 20 percent, resulting in an annual budget deficit of 4.73 percent. The chronic fiscal deficit has forced the government to issue bonds and borrow more from various sources to address budget shortages. The country's debt burden has been exacerbated as Laos needs repay loan principals and interest. In addition, foreign exchange rate fluctuations impacted on the government's public debt because many of the loans were in foreign currencies, notably Thai baht and US dollars, according to the World Bank. Over the past five years, the government has attempted to reduce its debt burden by lowering the fiscal deficit and cutting spending on non-essential projects that do not guarantee economic returns. Other measures to reduce the debt burden include converting debt into capital, selling state assets, and selling shares in state enterprises in the hope of addressing the country's financial obligations. During a government meeting of cabinet members, the Vientiane mayor and provincial governors, government agencies were instructed to study ways to implement the policy to convert assets into capital, to provide a source of wealth for the nation. The government advised the responsible committee to study ways to transform loss-making enterprises into joint ventures as part of the government's ongoing reform to reduce the debt burden generated by state enterprises. There is also considerable potential to garner more revenue from land resources, tourism, and transit services. Economists recommend that the government does more to improve the investment climate and help the private sector,

particularly SMEs, to lower production costs in order to increase the amount of goods produced for export.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent_Govt20.php

KB Bank to focus on Myanmar's construction sector



Myanmar News / 28 January 2021

KB Bank will focus on Myanmar's construction sector, said its chair, Hur Yin, during its launch on January 27. The subsidiary of South Korea's KB Kookmin Bank will provide services such as housing finance, digital banking, corporate banking and infrastructure banking, but its target will be construction, he said. "We will try our best to develop Myanmar's economy and financial sector, especially in digital banking and housing finance. These are the strengths of KB Kookmin Bank and we will work towards becoming lifetime financial partners of the people," he added. KB Kookmin Bank entered Myanmar in 2013 with the launch of a representative office in Yangon. Central Bank of Myanmar (CBM) deputy governor U Soe Min said the Korean financial institution applied to the CBM after five years of operation to carry out development programs in Myanmar's banking sector, economy and social environment. It will help develop Myanmar's banking sector, said the deputy governor. There will also be programs to support Myanmar migrant workers and women in Korea. Yangon Region Chief Minister U Phyo Min Thein listed this as one of the many areas

of cooperation between Myanmar and Korea. The Korea-Myanmar Industrial Complex (KMIC) has housing projects, factories and workshops. The Dala Myothit Project, signed during South Korean President Moon Jae-in's trip to Myanmar, is also an economic platform which (can strengthen) Myanmar's real estate market, he said. KB Kookmin Bank was among seven other foreign banks to receive approval to operate in the country in April. It will now be the first foreign bank to set up a subsidiary in Myanmar and will be licensed to open ten branches across the country to provide corporate and individual banking services. It is targeting key cities like Yangon, Mandalay and Nay Pyi Taw. – Translated

Source : <https://www.mmtimes.com/news/kb-bank-focus-myanmars-construction-sector.html>

Myanmar Tourism Bank to provide loans to tour companies



Myanmar News / 28 January 2021

The Myanmar Tourism Bank (MTB) will be providing financial assistance to tour companies who are struggling with the ongoing COVID-19 situation. The MTB has signed a memorandum of understanding (MoU) with the Union of Myanmar Travel Association to provide loans for association members who are badly affected by the pandemic. "We have not discussed the loan amount yet but (the loans will be granted) in accordance with the rules of the Central Bank of Myanmar. We have submitted proposals for both collateral and non-collateral loans," said U San

Hla Phone, secretary of the Myanmar Tourism Entrepreneurs Association. The COVID-19 outbreak saw relevant authorities suspend all tourism activities in Myanmar. The tour operators need financial assistance, said tourism entrepreneurs. The tourism sector is suffering most from the pandemic and the bank will provide financial assistance to ensure the survival of the association's members, said MTB. The privately-owned bank obtained a business license from the Central Bank of Myanmar in 2018. It currently operates through six branches, catering to the needs of SMEs and the tourism sector. - Translated

Source : <https://www.mmtimes.com/news/myanmar-tourism-bank-provide-loans-tour-companies>

January FDI tops 1.5 billion USD



Vietnam News | 28 January 2021

Hanoi (VNA) - Foreign investors had poured 1.51 billion USD into Vietnam as of January 20, a 4.1 percent increase over the same period last year, according to the Ministry of Planning and Investment (MPI). Forty-seven new projects were granted investment registration certificates, a year-on-year decline of 81.8 percent, while the registered capital topped 1.3 billion USD, down 70.3 percent. Forty-six existing projects registered to add capital totalling 472.2 million USD, up 41.4 percent year-on-year. Meanwhile, capital contributions and shares purchases by foreign investors stood at 220.8 million USD, down 58.7 percent. Foreign investors pumped capital into 14 sectors in the period, with processing and manufacturing holding the lead at nearly 1.54 billion USD, representing 76.4 percent of the total. Real estate ranked second with nearly 179 million USD, followed by transportation and warehousing and agro-forestry-fisheries with 111.9 million USD and 60.4 million USD,

respectively. Singapore topped the list of the 33 countries and territories investing in Vietnam, with 680.7 million USD, accounting for 33.8 percent of the total. China was second with 618 million USD, followed by Hong Kong (China) with 221.3 million USD./.

Source : <https://en.vietnamplus.vn/january-fdi-tops-15-billion-usd/195512.vnp>

Domestic market to remain priority for Vietnam aviation industry in 2021



Vietnam News | 28 January 2021

The Hanoitimes - The efficiency of Covid-19 vaccine will be a decisive factor for Vietnam to ease current travel restriction and resume international flights. Vietnam's effective containment of the Covid-19 pandemic would help boost domestic demand for air travel in 2021, in which the number of air passengers could return to the pre-Covid-19 level of 73 million this year, or an increase of 23% year-on-year. SSI Securities Corporation made the prediction in its latest report on the outlook of the local aviation industry in 2021. "The domestic market will remain a priority for the industry, at least until the end of the first half of 2021," stated SSI's report. According to the SSI, the serious Covid-19 situation globally means the Vietnamese government will keep its current border closure until the second half of 2021. "The efficiency of Covid-19 vaccine will be a decisive factor for Vietnam to ease current travel restriction and resume international flights," stated the SSI. Nevertheless, SSI's report estimated the number of international passengers to Vietnam would reach 12 million in 2021, representing a 100% increase year-on-year, or 34% of the pre-Covid-19 level, and by 2022, the figure would be fully recovered when tourism activities return to normal. Meanwhile, air cargo transportation is likely to recover in late 2021 along with resumption of international flights and airlines shifting their focus to air freight to take

advantage of high transportation cost during the pandemic. The SSI expected the volume of goods transportation to return to normal of 1.5 million tons by 2021, referring to Vietnam's plan of importing 30 million doses of Covid-19 vaccine in 2021 from AstraZeneca, Pfizer and Sputnik V. "The outlook of Vietnam's domestic aviation market, however, is dependent on the government's efforts of keeping the pandemic situation under control," stressed the SSI, saying it will not rule out a future global outbreak. In 2020, Vietnam's airports handled 66 million passengers, down 43% year-on-year, in turn halting the strong growth momentum of the aviation sector with the compounded annual growth rate (CAGR) of passengers at an average of 18.3% in the past five years.

Source : <http://hanoitimes.vn/domestic-market-to-remain-priority-for-vietnam-aviation-industry-in-2021-316061.html>
