

Highlight News / February 03/2021



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Oil revenue no short-term fix to economic growth: PM



Cambodia News | 2 February, 2021

Prime Minister Hun Sen has said that oil revenues will have less of an impact in the short term on the country's overall economy than other traditional business sectors. His statement was made during a joint ceremony for the inauguration of the Chamkar Mon Water Treatment Plant and the ground-breaking of the Bakheng Water Treatment Plant yesterday. "Recently, there has been analyses on whether the oil yield can support the Cambodian economy. I would like to emphasise that the revenue from oil resources is still small and cannot support the Cambodian economy yet," the Prime Minister said. According to Mr Hun Sen, the first well has been operating for 33 days and has extracted 1,236 barrels per day for a total haul of 40,788 barrels to this point. "If a barrel of oil costs more than \$50, this means we can get just over \$30 million a year, which is less than the income [derived] from travel visas issued to one million foreign tourists," he explained. Mr Hun Sen said that the second well has only just started operations, with the third, fourth and fifth wells scheduled to follow one at a time. It is estimated that Cambodia will receive more than 7,000 to 7,500 barrels a day once all the wells are operational, he added. Late last year, Cambodia began actual oil production from its offshore fields in the Gulf of Thailand, via its joint venture with Singaporean company KrisEnergy Ltd. Cambodia's

current peak production estimate of 7,500 barrels per day is relatively low, compared with Thailand, which produces more than 500,000 a day. However, the good news is that the government believes there are hundreds of millions of barrels of oil to pump from its offshore waters, meaning yields could provide a source of long-term funding even if relatively small now. Earlier this month, the prime minister announced that the government would make "good use" of oil revenues, especially in the development of the education and medical fields. Phay Siphon, spokesman for the Council of Ministers, agreed, saying any oil revenue generated is a blessing for Cambodia. "The oil money will be used to modernise Cambodia's education sector in order to enhance our human resources. We will also use the money to strengthen welfare and medical services," he added. The director-general of the International Relations Institute of Cambodia at the Royal Academy of Cambodia, Kin Phea, agreed, saying that Cambodia's future oil revenues will bring great benefits to the Kingdom. "When talking about oil production, it is both a celebration of Mr Hun Sen's determination as well as a national achievement for us all."

Source : <https://www.khmertimeskh.com/50809405/oil-revenue-no-short-term-fix-to-economic-growth-pm/>

Prudential and PPCBank insurance partnership



Cambodia News | 2 February, 2021

Prudential Cambodia Life Insurance (Prudential Cambodia) and PPCBank have announced a joint collaboration, Bancassurance, to serve the financial protection needs of Cambodians. The partnership, which has been approved by both the National Bank of Cambodia and the Ministry of Economy and Finance, will expand access to life insurance products to more Cambodians to help them protect and secure their financial future. Under the partnership, Prudential Cambodia's best-in-class life insurance products will be accessible to Cambodians through PPCBank's extensive network and branches. Shin Chang Moo, president of PPCBank, said that the one-stop-shop for financial solutions will enhance the client experience and levels of convenience. He added that PPCBank has always believed in partnerships and this one with Prudential Cambodia, one of the country's leading life insurance companies, will secure the financial future of those who choose to do business with them. "We believe that working more closely together with institutions that share our vision allows us all to provide more sophisticated products and ever-improving services to our clients," Chang Moo added. He added, "As we expand, we have witnessed the increasing demand for insurance products in the market. While insurance is still a relatively new concept for the majority of Cambodians, together with Prudential, we are working hard to educate consumers about the importance of insuring their families and their futures." It is heartening to see how Cambodians are

beginning to place a fundamental value on this kind of investment," said Chang Moo. He added that Bancassurance will offer three packages for clients to choose from in providing protection of wealth and the securing of their children's future. "Our clients will now be able to seek in-depth consultation and informed advice for improved financial management. This will enable more fully-informed and effective decision-making in their financial lives." Chang Moo said PPCBank acknowledges the need for full banking accessibility in Cambodia. "Our official partnership with Prudential unlocks a new level of trust and a market-leading approach to investment in financial security." The partnership enables Prudential to help people get the most out of their lives, said Sanjay Chakrabarty, chief executive officer of Prudential Cambodia. He added that since the establishment of the business in the country in 2013, Prudential Cambodia has approved \$11.1 million in claims and issued more than 250,000 policies (as at 30 Nov, 2020). Chakrabarty said these payments have helped Cambodian families face adversity with dignity in getting back on their feet. "COVID-19 has championed the need for life insurance and life protection," he added. "With our presence in every market, we have partnered with local, regional and global banks to deliver our products and we have observed that the share of Bancassurance has grown over time. This is understandable because people trust their bank more when buying insurance products than they would through other channels. We are pleased to

partner with PPCBank and we look forward to helping protect the health and wealth of their customers,” he said. “As custodians of the financial wellbeing of their clients, banks are uniquely positioned to advise customers on their protection and financial needs.” Heng Bomakara, deputy director-general of banking supervision at the National Bank of Cambodia, said that the partnership is an important testament to the steady growth of Cambodia’s financial sector and a reflection of good cooperation between banking and non-banking operators. “The PPCBank and Prudential collaboration contributes to the development of both the banking and insurance sectors in Cambodia,” he added. Bou Chanphirou, deputy director-general of the General Department of Financial Industry at the Ministry of Economy and Finance, said that distributing insurance products through banks is indispensable and plays an important role in driving growth. “The partnership between banks and insurance providers is mutually beneficial and important,” he added, because it helps insurers to increase their sales and banks are able to assist their customers secure bank loans via insurance coverage.

Source : <https://www.khmertimeskh.com/50809583/prudential-and-ppcbank-insurance-partnership/>

Laos strictly monitors self-quarantine of returning workers amid COVID-19 pandemic

VIENTIANE, Feb. 2 (Xinhua) -- The Lao government has instructed local authorities to carefully monitor people entering Laos and quarantine returning workers to prevent the spread of COVID-19. Deputy Director General of the Department of Communicable Diseases Control under the Lao Ministry of Health, Phonepaserd Sayamoungkhoun, told a press conference on Tuesday that local authorities must closely monitor borders to prevent the illegal entry of Lao laborers returning from neighboring countries, in a bid to avoid a second wave of COVID-19. People entering Laos, especially returning workers, will be sent to quarantine centers for 14 days to prevent people from bringing the virus to the country. All people at quarantine centers must have their temperature checked every day. On Monday, a total of 2,600 people entered Laos through international border checkpoints. Of these, 1,281 people crossed the border with Thailand. A total of 41 people entered Laos from China, while 1,119 people entered Laos from Vietnam, and 159 people entered Laos via the Wattay International Airport in the Lao capital Vientiane. At all border crossings, the temperature of each person entering Laos was checked and no one showed signs of fever. The National Taskforce Committee for COVID-19 Prevention and Control said it was monitoring 2,588 people at 33 accommodation centers across the country. As of Tuesday, Laos has tested 104,212 suspected cases with 44 cases testing positive, and 41 patients have recovered. Laos detected its first two COVID-19 cases on March 24 last year.



Source : http://www.xinhuanet.com/english/2021-02/02/c_139716545.htm

Bayintnaung rice wholesalers halts trade to observe situation



Myanmar News | 2 February, 2021

Rice wholesalers in the country have stopped trade at wholesale centres and are keeping a close eye on Myanmar's political situation before deciding what to do. U Than Oo, secretary of the Bayintnaung Wholesales Center, said all communication with their delivery trucks have been cut off, as such they have no choice but to halt trade. "The rice delivered to the wholesales centre early in the morning has been sold. We reduced the prices by K500 a bag so there would be no leftovers. We were selling until 7am. The selling and buying at the wholesales centre stopped at 8am because we could no longer contact the incoming delivery trucks and we could not arrange for the cargo to be unloaded at the centre." he said. The secretary said rice merchants are currently observing the situation and awaiting further instructions. "There is some temporary cut off in communication and ATMs are not operating. We don't know if there will be a curfew or something else. We need to evaluate the price of rice in the local market as there are traders suspending their businesses. There is no rice arriving at the wholesales centre. There are also traffic jams on the roads," said U Than Oo. Reports on February 1 said supermarkets and other markets in Yangon were experiencing increased sales as people stocked up

on food products and necessities during this time of uncertainty. "Some retail shops have increased their prices but prices of (rice) has remained the same. There are more buyers today compared to previous days. We need to observe the situation," said Daw Soe Soe, a housewife from Thingangyun township. –

Translated

Source : <https://www.mmtimes.com/news/bayintnaung-rice-wholesalers-halts-trade-observe-situation.html>

Business as usual at Suzuki facility in Yangon



Myanmar News | 2 February, 2021

The Suzuki company in Thilawa Special Economic Zone is operating as usual despite rumours circulating on February 2 that the automotive factory had shut down. Social media posts stating that the car manufacturer had ceased operations amid political unrest in the country went viral but a representative from the Thilawa Special Economic Zone (SEZ) Management Committee has quelled the rumours. Daw Than Than Thwel, joint secretary of the committee, said that the company is operating normally. Manufacturing was briefly disrupted due to the loss of internet connection however that has been rectified. The joint secretary also confirmed that the Toyota company is in operation and is on track to meet their opening ceremony this month. The committee added that investors at Thilawa SEZ do not have any plans to stop or pull out their investments thus far. "The rumours about the Suzuki factory shutting down is not true. The factory's

operations came to a temporary halt because of connection issues with the phone lines and the internet. Manufacturing of automobiles is suspended as the offices of the Road Transport Administration Department are closed due to the COVID-19 outbreak. The cars that we ordered from the factory will arrive this evening," said U Kyi Thar Han, chair of Suzuki KL Seven, a Suzuki car dealer. The Suzuki company has invested between US\$800 million to \$1 billion in Myanmar and CKD (Completely Knocked-Down) level manufacturing is expected to commence once their new facility is completed in 2023. – Translated

Source : <https://www.mmtimes.com/news/business-usual-suzuki-facility-yangon.html>

Vietnam signals soft improvement in business condition at start of 2021



Vietnam News | 2 February, 2021

The Hanoitimes - While the Vietnamese economy remains one of the better performers globally, there are significant headwinds that could prevent a return to the stellar growth rates seen pre-pandemic in the near-term at least. The Vietnam Manufacturing Purchasing Managers' Index (PMI) posted 51.3 in January, down from 51.7 in December to signal a softer improvement in business conditions at the start of 2021, according to Nikkei and IHS Markit. A reading below the 50 neutral mark indicates no change from the previous month, while a reading below 50 indicates contractions and above 50 points to an expansion. "The Vietnamese manufacturing

sector struggled to gain momentum at the start of 2021, as the ongoing effects of the Covid-19 pandemic and substantial disruption to supply chains hampered operations," said Andrew Harker, associate director at IHS Markit, which compiles the survey. "The data suggest that while the Vietnamese economy remains one of the better performers globally, there are significant headwinds that could prevent a return to the stellar growth rates seen pre-pandemic in the near-term at least," added Mr. Harker. New orders continued to rise, extending the current sequence of expansion to five months. There were some reports of customers increasing the size of their orders. That said, the rate of growth eased from December. Meanwhile, new export orders were broadly unchanged, with weakness noted in markets where Covid-19 case numbers remained elevated. January saw a broadly stable picture for manufacturing production. While the rise in new orders supported increases in output at some firms, others reported that the effects of the Covid-19 pandemic continued to lead to falls in production. The aforementioned increases in size of some orders started to impart pressure on capacity during January. Although backlogs of work decreased for the twelfth successive month, the rate of depletion was the softest in this sequence. Manufacturers kept their workforce numbers broadly unchanged, following a rise in December. Some firms raised employment in response to higher new orders, while others noted a reduction amid the pandemic and staff resignations. Purchasing activity was also little-

changed. Efforts to secure inputs were stymied by severe disruption to supply chains again in January. In fact, the extent of the latest lengthening of delivery times was the greatest for almost a decade, except for during the worst of the Covid-19 lockdowns in March and April last year. Firms often reported a lack of shipping containers, as well as shortages of raw materials. Issues with shipping and raw material supply added to inflationary pressures. The rate of input cost inflation quickened for the fifth month running and was the fastest since June 2018. Output prices, meanwhile, increased for the fifth successive month, albeit at a modest pace that was much weaker than that seen for input costs. Efforts to guard against raw material price rises led firms to increase their stocks of purchases, the second month running in which this has been the case. On the other hand, stocks of finished goods decreased, and to the greatest extent in five months. Although manufacturers remained confident regarding the 12-month outlook, sentiment dipped to a five-month low amid concerns about the ongoing effects of Covid-19. Where firms were optimistic, this reflected hopes for a reduced pandemic impact and plans for investment and production expansions.

Source : <http://hanoitimes.vn/vietnam-signals-soft-improvement-in-business-condition-at-start-of-2021-316119.html>

Hanoi (VNA) – The index of industrial production (IIP) in January is estimated to enjoy a year-on-year rise of 22.2 percent, according to the General Statistics Office. Specifically, production of the processing and manufacturing industry increased by 27.2 percent, while that of electricity production and distribution rose by 16.3 percent. In the contrary, the mining industry posted a decrease of 6.2 percent. In the first month of 2021, the production of television sets witnessed the largest output increase at 106.2 percent year-on-year, followed by phone components (71.5 percent), rolled steel (63.4 percent) and automobiles (38.2 percent). In the same period, the output of petroleum and oil went down by 52.4 percent, while that of crude oil down 12.5 percent. As of January 1, the total number of employees in the industrial sector rose by 1.1 percent month-on-month, but declined by 1.4 percent year-on-year. To support industrial production, the office proposed ministries, sectors and localities continue speed up administrative procedure reform and help businesses in finding import and material markets./.

Source : <https://en.vietnamplus.vn/januarys-industrial-production-index-rises-by-222-percent/195808.vnp>

January's industrial production index rises by 22.2 percent

