

Highlight News / February 04/2021



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Kingdom's free trade pact talks with South Korea concluded



Cambodia News | 03 February, 2021

Cambodia and South Korea have concluded their free trade agreement (FTA) negotiations and are now closer to the signing of a final pact later this year. It would be the second free trade agreement Cambodia has made bilaterally with one of its primary trading partners. The Kingdom's first bilateral FTA was with China. It was signed last October. The FTA between Cambodia and South Korea will be sealed during the COVID-19 pandemic and will provide another tax-free market for many Cambodian products, said Permanent Secretary of State of Ministry of Economy and Finance Vongsey Visoth. "The potential for Cambodia's markets still remain huge" Visoth said in a public forum on macroeconomic and budget law for 2021 held last Thursday in Phnom Penh. "We have an FTA with China and we are going to have another FTA with South Korea soon," he added. Bilateral trade between Cambodia and South Korea was valued at \$884 million as of December 2020, a year-on-year decrease of 14 percent, according to figures from the Korean International Trade Association. From January to December 2020, Cambodia exported \$317 million of products to South Korea, a decline of 18 percent compared with the previous year. The Kingdom imported \$567 million of goods from South Korea, a slide down of 5 percent year-on-year. The announcement of the conclusion of the negotiations

for the trade agreement between the the two nations was made yesterday at the Sofitel Phnom Penh Hotel, said the Ministry of Commerce (MoC). The conclusion was reached following four rounds of talks on the FTA's draft. The discussions began in July last year. Minister of Commerce Pan Sorasak said recently that the two countries will endeavour to get the pact fully signed off in 2021. MoC spokesman Seang Thay said after the fourth round of discussions that both countries had agreed on issues including economic cooperation, trade remedies, general regulation, a conflict solutions mechanism and lists of measures for products. Cambodian Ambassador to South Korea, Long Dimanche, said that not a member of the negotiations working group he could not speak first-hand on next steps, but could say that both governments want to see an agreement signed as soon as possible. Dimanche added that economic concerns have been set as a core priority for foreign policy executed by the Kingdom's Ministry of Foreign Affairs and International Cooperation. He noted that the Kingdom's diplomats are responsible for both politically driven diplomatic duties and maintaining a focus on economic diplomacy. The ambassador pointed out that pre-COVID-19, the value of trade between the two countries reached nearly \$1 billion in 2019. Cambodian exports to South Korea were primarily garments and textiles, footwear, travel bags, spare parts, electronic equipment, rubber, pharmaceuticals and agricultural products. Cambodia's imports from Korea were largely in

categories including vehicles, electronics, kitchen appliances, beverages, pharmaceuticals and plastic products. The ambassador also said while trade between the two nations is not balanced, what is more important is that the value of bilateral trade continues to grow year-on-year.

Source : <https://www.khmertimeskh.com/50810013/kingdoms-free-trade-pact-talks-with-south-korea-concluded/>

CDC announces slate of new investments totalling \$16.2 million



Cambodia News | 03 February, 2021

The Council for the Development of Cambodia (CDC) has announced that four new projects worth a total of \$16.2 million were approved over the weekend. Among the companies given the go-ahead were Taperite Plastic Co Ltd, Xin Yunfeng (Cambodia) Fashion Co Ltd, Unicorn Footwear Co Ltd and Laurence Footwear Co Ltd. The investment projects cover a range of product manufacturing, including adhesive tape, garments and footwear. The newly approved ventures are expected to create some 3,862 jobs for the locals, the statement added. The four projects will be located across Phnom Penh and Kampong Speu province. So far this month, the CDC has approved a \$2.4 million bag factory projects and a \$7.8 million textile investment. These are expected to create 718 and 843 jobs respectively and represent good news for the Kingdom as it waits out the pandemic period.

According to government spokesman Phay Siphon, a total of 238 investment projects with a registered investment value of some \$8 billion were approved by the CDC last year. Speaking at a news conference on Jan 19, Siphon said: "Of the 238 projects approved in 2020, 195 were new projects with 43 being production expansions. In total, we expect that those projects will help create at least 151,000 jobs within Cambodia." According to the Cambodian Constructors Association, more than 4,000 construction projects worth more than \$6.4 billion were also approved by the government in 2020. The news comes after an economic trend report released by the Ministry of Economy and Finance that said, between January and October, the Ministry of Land Management, Urban Planning and Construction approved 4,080 construction projects across the country. Those projects have a footprint of more than 14 million square metres of land. The ministry also approved 68 public investment projects, of which 40 are being implemented within the government budget. The announcement of new projects in the Kingdom, amid the COVID-19 pandemic, demonstrates a continued level of investor confidence in Cambodia's macroeconomic, political and social stability, say observers.

Source : <https://www.khmertimeskh.com/50809970/cdc-announces-slate-of-new-investments-totalling-16-2-million/>

Laos reports new imported case of Covid-19



Laos News | 04 February, 2021

A 20-year-old Lao woman has tested positive for Covid-19 upon her return from Thailand, the National Taskforce for Covid-19 Prevention and Control announced on Wednesday. The woman had been working as a housekeeper in Thailand's Samut Prakan province prior her return. A fresh outbreak of the virus has occurred in Thailand. On January 30, the woman and a friend took a bus from the Mo Chit Bus Terminal in Bangkok to the Chong Mek border crossing in Ubon Ratchathani, which borders Champassak province. A day later, she passed through the Vangtao border checkpoint in Laos and was tested for Covid-19. She then went by bus to a quarantine centre along with 35 other people. On February 1, the test done by the Champassak provincial hospital gave a positive result, a member of the taskforce and Deputy Director General of the Department of Communicable Disease Control, Dr Phonpaseuth Xayamoungkhoun, told a daily press conference. The sample was also sent to the National Centre for Laboratory and Epidemiology in Vientiane where a second test yielded a positive result. The woman was isolated and is now under observation. The 35 other passengers on the bus all tested negative for the virus, according to Dr Phonpaseuth. This latest case brings the total number of confirmed cases to 45, including 41

people who have been discharged from hospital. Four other people are under observation in hospitals in Vientiane and the provinces of Luang Namtha and Champassak. No one has died from the virus. As the pandemic spreads in some countries in the region and around the world, the Lao government is tightening prevention and control measures, especially along borders to prevent people entering Laos illegally. Health authorities remain vigilant in enforcing measures to prevent the import of the virus and its possible spread, with a sizeable number of people crossing borders every day. On February 2, as many as 2,635 people entered Laos through land borders, according to the taskforce. Some 1,705 people entered Laos from Thailand, 47 came from China, 881 came from Vietnam, and two people arrived from Cambodia. Dr Phonpaseuth said everyone entering Laos had their temperature taken, had samples tested, and were placed in quarantine for 14 days. There are 32 quarantine centres nationwide, which currently accommodate 2,572 people. All of them have tested negative for the virus, according to the taskforce. Worldwide, more than 104.3 million cases of Covid-19 have been reported, including more than 2.2 million people who have died, according to the taskforce.

Source : <https://www.vientianetimes.org.la/freeContent/>

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Laos' trade deficit reaches US\$78mil in December 2020



Laos News | 03 February, 2021

VIENTIANE (Xinhua): Laos recorded a trade deficit of US\$78mil in December 2020, according to the latest information from the Lao people's Democratic Republic Trade Portal website. Laos' export during December were worth US\$468 million, while the value of import was US\$546 million, said the report. The country's leading exports included copper ore, bananas, pulpwood and waste paper, camera parts, copper and copper products, clothing, rubber, coffee, cassava and rice. The main imports included land vehicles excluding motorcycles, mechanical equipment (excluding motor vehicles), electrical equipment and appliances, diesel, steel and steel products, vehicle spare parts including mirrors and chains, steel bars and transformed steel, plastic products, and chemical products. China remained as the top export destination for Laos, followed by Vietnam and Thailand, while the main countries for imports are Thailand, China and Vietnam, according to the report. These figures do not include earning from the export of electricity and will be updated when available.

Source : <https://www.thestar.com.my/aseanplus/aseanplus-news/2021/02/03/laos039-trade-deficit-reaches-us78mil-in-december-2020>

Truckers seek reductions in Myanmar COVID-19 restrictions



Myanmar News | 03 February, 2021

Truck drivers servicing the Yangon-Mandalay-Muse route are requesting the relevant authorities to reduce COVID-19 restrictions for long-distance transport personnel. They are also seeking the extension of the validity of their COVID-19 health certificates from three days to seven days as the journey from Yangon to Muse - the largest trade border between Myanmar and China - takes a week to complete. This means that truck drivers will have to undergo testing twice on the expressway for them to successfully deliver their goods to their destination. They also requested for permission for them to drive for 24 hours straight as they are currently forbidden to drive through the night. "The three-day validity period of the health certificates is the issue. We are not allowed to drive overnight and we face many difficulties driving from Muse to Yangon and Yangon back to Muse. We have to pay for a health test every three days. We need to undergo testing twice for us to complete the journey but drivers of private cars do not need to do this. This makes us upset," said truck driver Ko Thet Lwin. "The validity of health certificates was previously fourteen days. Now it is only valid for three days. We have to take at least seven days to complete a journey. We have to pay K10,000 for a test. This

means we have to pay K20,000 for the whole trip,” said another truck driver. - Translated

Source : <https://www.mmmtimes.com/news/truckers-look-for-reductions-myanmar-covid-19-restrictions.html>

Number of newly-established firms surges 21.9 percent in January



Vietnam News | 03 February, 2021

Hanoi (VNA) – Nearly 10,100 enterprises were established in January, a 21.9 percent increase over the same time last year, according to the General Statistics Office of Vietnam. The firms registered a total capital of 155.1 trillion VND (6.74 billion USD), and 115,900 workers, year-on-year surges of 25.9 percent and 37.2 percent, respectively. Meanwhile, 4,015 businesses registered to add 240 trillion VND to their capital. In total, an additional 395.1 trillion VND was poured into the economy in January, climbing 10.5 percent year-on-year. Average registered capital of the companies rose 3.2 percent from the same month last year to 15.4 billion VND. In the month, there were 6,503 businesses resuming operations./.

Source : <https://en.vietnamplus.vn/number-of-newly-established-firms-surges-219-percent-in-january/195842.vnp>

Vietnam rice prices hit 10-year high



Vietnam News | 03 February, 2021

The Hanoitimes - Vietnam is expected to export more than six million tons of rice this year. Vietnam's 5% broken rice price has risen to around US\$500-505 per ton in early 2021, the highest since December 2011. "Such a high price indicates high quality of Vietnamese rice," said Vice Chairman of Vietnam Food Association (VFA) Do Ha Nam, pointing out growing demand for rice from major markets, including the Philippines, as a key factor for higher prices. Since the beginning of 2021, major rice buyers of the region, including China, Bangladesh and the Philippines are importing a large amount of rice. Meanwhile, Thailand, one of the world's largest rice exporters, could see its export volume reduced this year given an appreciation of the Bath value. Tran Thanh Hai, deputy director of the Ministry of Industry and Trade (MoIT)'s Import and Export Department, expected the current Covid-19 situation would be a major factor keeping high demand for rice in the global market. Sharing the same view, General Director of Trung An Hi-tech Farming Company Pham Thanh Binh noted the outlook for Vietnam rice exports remain bright thanks to the country's recent signing of new free trade agreements. Under the EU-Vietnam Free Trade Agreement (EVFTA), EU country members have committed to allocating tariff quota of nearly 10,000 tons of rice for Vietnam in 2021, while the UK-Vietnam Free Trade Agreement (UKVFTA) would

reduce import tariff for Vietnamese rice into the UK to 0%. To ensure sustainable rice export in the future, agricultural expert Hoang Trong Thuy suggested local producers should focus on product quality with high value (aromatic rice, Japonica rice) and study the target market's preferences to ensure efficiency in the trading process. "Otherwise, Vietnam would face difficulties in competing with low quality rice from India or Pakistan," added Mr. Thuy. This year, the VFA forecast Vietnam to export more than six million tons of rice. In 2020, the country exported 6.15 million tons of rice worth US\$3 billion, down 3.5% year-on-year in volume but up 9.3% in value. As of January 18, the MoIT has issued rice export licenses for 205 traders.

Source : <http://hanoitimes.vn/vietnam-rice-prices-hit-10-year-high-316147.html>
