

Highlight News / February 08, 2021



- Cambodia, EuroCham to boost SME, technology, science and green industry
- CDC approves 5 more investments worth more than \$50 million in investment capital
- PM: Reform state investment, act to avert economic crisis
- Myanmar affirms continuation of projects, resumption of business amid COVID-19
- No plans by MasterCard to initiate changes in Myanmar yet
- Covid-19 boosts online shopping for Tet
- EU firms show optimism on Vietnam's business climate in 2021



ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

Cambodia, EuroCham to boost SME, technology, science and green industry



Cambodia News | 07 February, 2021

Cambodia and European Union (EU) are committed to join hands in boosting the development of SME, technology, science and green industry in Cambodia. The commitment was underlined in a meeting between Cham Prasidh, Senior Minister and Minister of Industry, Science, Technology and Innovation and Mr Tassilo Brinzer, newly-appointed Chairman of the European Chamber of Commerce in Cambodia (EuroCham) here in Phnom Penh. Prasidh briefed Brinzer on the cooperation between the two sides on technology development, small and medium sized enterprises (SME) promotion, green technology, climate change and human resource betterment. He also spoke highly of EuroCham, especially its good relations and cooperation with Cambodia in economy and beyond. Both sides also reaffirmed earlier discussion of the ministry and EuroCham on draft law on investment, settlement of overlapping works on registration of products, intellectual property, patents, standard, science, technology and innovation. Lim Nary – AKP

Source:<https://www.khmertimeskh.com/50811281/cambodia-eurocham-to-boost-sme-technology-science-and-green-industry/>

CDC approves 5 more investments worth more than \$50 million in investment capital



Cambodia News | 06 February, 2021

Five more companies have been granted the investment licenses to invest in Takeo, Kampong Speu, Kampong Chhnang, Kandal, and Svay Rieng provinces. According to a press release of the Council for the Development of Cambodia (CDC) issued this afternoon, with a total investment capital of \$50.5 million, the newly approved projects are expected to generate some 2,230 jobs. The five new projects cover the production of furniture, cars' and machinery's spare parts, electronic devices, and garments. Since early this month, CDC has given green light to 10 investment projects, including the above projects, with a total investment of about \$600 million, creating some 6,580 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. C. Nika – AKP

Source:<https://www.khmertimeskh.com/50811151/cdc-approves-5-more-investments-worth-more-than-50-million-in-investment-capital/>

PM: Reform state investment, act to avert economic crisis



Laos News | 08 February, 2021

Prime Minister Thongloun Sisoulith has told authorities in charge to reform state investment and

ensure spending is effective, as part of measures to strengthen the macro-economy and prevent a crisis in the coming years. The leadership of state entities involved in ineffective investment must take responsibility for mistakes made in accordance with the law, the prime minister told the annual meeting of the finance, planning and investment sector on Friday. “There must be a focus on investment ‘priorities’ to ensure effectiveness in accordance with the budget law,” he told the meeting. This would help prevent the accumulation of even more debt, he added. The prime minister’s advice comes after reports emerged that state investment in many projects in recent years had failed to fully yield fruit. There was no proper bidding process before contracts were awarded for some projects, resulting in the amount invested being unreasonably high, while many projects were deemed unnecessary. Such issues have enlarged the budget deficit and debt has spiralled to a high level. Wasteful spending has created budgetary tension and the Covid-19 pandemic has worsened Laos’ fragile economy. PM Thongloun told the meeting that steps to address financial and economic difficulties would be outlined in the national agenda for the coming years. He asked participants to suggest recommendations to address the current difficulties and submit them to the government for consideration. The premier, who was recently elected as Party Secretary General –

the top post in the Lao People’s Revolutionary Party – said the Party Central Committee and Politburo (the top political body) would also hold talks to outline measures to address the difficulties.. The government would also seek recommendations from scholars, experts and think tanks in this regard. Such collective action is needed to prevent an economic crisis, he said. He told the meeting to translate the resolution adopted by the recent 11th Party Congress into the finance and socio-economic development plan. Specifically, the prime minister underlined the need to do more to streamline procedures that would improve the business environment. “There have been repeated talks about this (by the government) but there are still complaints,” he said. “We are increasingly relying on private and foreign investment to generate income. We have agreed to encourage investment that supports both domestic supplies and exports to facilitate them quickly.” Deputy Prime Minister and Minister of Finance, Mr Somdy Duangdy, Deputy Prime Minister and Minister of Planning and Investment, Dr Sonexay Siphandone, and relevant officials attended the two-day meeting. Mr Thongloun asked the meeting to follow the investment promotion plan, for which he had previously given guidance, concerning investment promotion along the under-construction Laos-China railway, which is set for completion at the end of this

year. Participants were told to introduce conditions that would encourage foreign investors to partner with Lao entrepreneurs in various areas of business. He also told the meeting to maximise revenue collection while tightening up spending, especially with regard to the purchase of vehicles. The prime minister stressed the need to address what it is commonly referred to as “ill issues” within the finance sector, a clear nod to revenue losses because of embezzlement by corrupt officials. Given that almost every state-owned enterprise is making a loss, the prime minister asked for reform, including through cooperation with foreign partners. “This must be addressed. There must be reform,” he told the meeting. He suggested learning lessons from Chinese and Vietnamese state-owned enterprises, as they are very profitable. The prime minister underlined the need to better manage the high inflation rate, fluctuating currency exchange rates, the gap in the exchange rate between banks and other markets, domestic debt repayment, and the slow implementation of some mining and

Source:https://www.vientianetimes.org.la/freeContent/FreeContent_PM_26.php

Myanmar affirms continuation of projects, resumption of business amid COVID-19



Myanmar News | 06 February, 2021

The newly formed State Administration Council met with members of Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) earlier this week, according to state media. During the meeting, Commander-in-Chief of Defence Services Senior General Min Aung Hlaing, who chairs the council, told businesses from the agriculture, livestock, construction, trade and manufacturing sectors that his administration had not restricted any ongoing projects during the state of emergency. The Senior General affirmed that ongoing projects would not be suspended and work will continue on projects involving foreign investors. An international code of ethics would be maintained, while state policies and laws would be adhered to. Meanwhile, measures to reopen the economy amid COVID-19 were also considered, with businesses involved in helping the grassroots in overcoming socio-economic difficulties and easing travel restrictions in trains, cars and via air discussed, state media reported. The Senior General confirmed that pagodas, temples and other religious buildings would be reopened and advised that factories that produce food from the agriculture and livestock

sectors should be reopened. Exports of quality food products should also be increased to meet global demand. He also called for the resumption of garment factories, stability in banking services and reopening of domestic tours and hotels in phases.

Source: <https://www.mmtimes.com/news/myanmar-affirms-continuation-projects-resumption-business-amid-covid-19.html>

No plans by MasterCard to initiate changes in Myanmar yet



Myanmar News | 07 February, 2021

Mastercard is monitoring Myanmar's current political situation before deciding on its next plan of action, said an official from the company. Members of the public have expressed concerns that the leader in digital payment systems might cease its operations in the country if international sanctions are imposed due to the ongoing political unrest. "Mastercard will continue to monitor the situation. To date, there are no plans to change the way things are done in Myanmar," Mastercard replied in response to a question from The Myanmar Times. The official did not comment on what would happen if international sanctions were to be imposed. Mastercard first partnered with CB Bank to provide digital payment systems in Myanmar approximately eight years ago. A number of foreign direct investments have suspended operations following the military's forced transfer of power on February 1, said earlier reports.

Most of the country's domestic operations are still running as usual, it added.

Source: <https://www.mmtimes.com/news/no-plans-mastercard-initiate-changes-myanmar-yet.html>

Covid-19 boosts online shopping for Tet



Vietnam News | 07 February, 2021

The Hanoitimes - E-commerce floors have pre-stocked goods and integrated new technology for online shopping activities. Covid-19 has beefed up online shopping for the Tet holiday as it is the time when Vietnamese consumers spend the most throughout year. Ms. Thu Hang, an accountant from Techcombank in Hanoi, is busier than usual with financial settlements at the end of the year, and online shopping on e-commerce sites is a salvage solution for her to prepare for Tet, especially in the context of the outbreak of Covid-19. Tet on e-commerce sites This year, Tet items such as kitchen guard meat, dried bamboo shoots, mushrooms, sausages, and clean food are more available on e-market than the previous year at the convenience of local consumers like Ms. Thu Hang. Many retailers have offered more promotions and diverse products with reasonable prices. In order to meet the demand of online shopping during the Lunar New Year, e-commerce floors have pre-stocked goods and integrated new technology for online shopping activities. Compared to the previous Tet holiday, Tiki, a Vietnamese online marketplace, increased at least its goods supply by 30%, focusing on packaged

food, beverages, nutritional products, milk, spices. “We expect sales in this year’s Lunar New Year at Tiki will grow up to 70% over the same period last year”, a representative from Tiki said. Shopee, owned by Singapore-based tech group Sea, has worked with its vendors, brands and shipping partners to launch a new program for Tet delivery during the Lunar New Year. Traditional retailers go online Brick-and-mortar retailers such as Saigon Co.op, Big C and Megamarket have turned to their websites and apps to stimulate consumption. Co.opmart supermarkets saw an increase of 30-40% in online orders in recent days. Sales of Tet gift baskets through e-retailing have increased by 200% compared to the same period last year. Hanoi Trade Corporation (Hapro) in cooperation with BRG Retail has promoted online shopping channel through its BRG Shopping app and Facebook fanpage, according to Deputy General Director of Hapro Do Tue Tam. According to a representative of BigC/GO!, the supermarket chain also receives orders via Zalo and offer free delivery during this Tet season, in addition to receiving orders by phone and website as usual. “Covid-19 has created an opportunity for businesses to boost the process of digital transformation, including online sales. We believe that this year's Lunar New Year will see a boom in online shopping,” Mr. Nguyen Anh Duc, General Director of Saigon Co.op, said.

Source: <http://hanoitimes.vn/covid-19-boosts-online-shopping-for-tet-316205.html>

EU firms show optimism on Vietnam's business climate in 2021



Vietnam News | 07 February, 2021

The latest Business Climate Index (BCI) unveiled by the European Chamber of Commerce (EuroCham) in Vietnam on February 3 indicates that European Union companies in Vietnam ended 2020 with overall optimistic view about the country's business climate. The BCI picked up 6 points in the fourth quarter of 2020 to reach 63.6 percentage points for the whole year, the highest since the outset of COVID-19, Vietnam news agency (VNA) reported. The index stood at a record low of 27 percentage points in the first quarter of last year, following the first wave of COVID-19 in Vietnam. The BCI steadily grew throughout the year as the result of Vietnam's successful containment of the novel coronavirus and the enforcement of the EU-Vietnam Free Trade Agreement (EVFTA) which took effect in August. The two factors have improved confidence in local economy and boost business activities. According to the BCI report, about 57 per cent of surveyed EuroCham members believed the Vietnamese economy is likely to stabilise and improve in the first quarter of 2021, compared to 39 per cent in the third quarter of last year. A more optimistic sentiment is also seen among European business leaders compared to the last three months of 2020. One third of the surveyed company members forecast that the number of their employees would increase in this quarter while 57

per cent planned to maintain the same level of headcount. Some 30 per cent believed investment is likely to expand and 43 per cent expected increases in the volume and revenue of orders. Some 70 per cent said they have benefited from the EVFTA since the trade deal entered into force last year. About 33 per cent, however, said public administrative procedures are likely to be their biggest obstacle to maximise advantages from the pact. EuroCham Chairman Nicolas Audier said the latest BCI provides a positive outlook on Vietnam's business climate and perspectives for 2021. Confidence of the business community on the economy has been strengthened over the last year, showing the Vietnamese government's swift response to COVID-19 and promotion of the EVFTA, he said, adding that these would lay basis for the country's economic growth over the next five years. European business leaders expect growth in both investment and trade brought about by the EVFTA, he continued, they also expect that several barriers would be removed to ensure the smooth and successful implementation of the trade deal.

Source: <https://vietnamtimes.org.vn/eu-firms-show-optimism-on-vietnams-business-climate-in-2021-28010.html>
