

Highlight News / February 09, 2021



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

Cambodian exports to US show strength in 2020



Cambodia News | 08 February, 2021

Cambodia's 2020 exports to the US remained strong despite the COVID-19 pandemic crisis as the Kingdom's exports to its other primary trading partners declined. Figures from the US Census Bureau showed that Cambodia exported \$6.577 billion of goods to the world's largest economy, a year-on-year increase of 22.8 percent. The census bureau data also showed that Cambodia imported \$343 million of goods from the US in 2020, a decline of 33 percent compared with 2019 figures. Bilateral trade between the two countries reached an all-time high of \$6.921 billion in 2020, up 17.8 percent from the year before. Cambodian exports to the US are primarily garments, footwear and travel products. US imports to the Kingdom include vehicles, animal feed and machinery. Cambodian garment sector exports fell 6.4 percent in 2020 because of the drop in external demand and production chain disruptions, according to the ministry report. The strength of Cambodia's exports to the US was largely down to non-garment products, according to Permanent Secretary of State of the Ministry of Economy and Finance Vongsey Vissoth. Non-garment products include bicycles, furniture and electronic components. Cambodian exports in bicycles reached \$600 million in 2020, up an impressive 130 percent over the sub-sectors' 2019 results. Exports of furniture also hit \$600 million, said Vissoth.

Because of the strong demand for non-garment products, Cambodia plans to boost non-garment manufacturing exports to seize the momentum towards capturing new markets in the year ahead, said Vissoth at the public forum on macroeconomic and budget law for 2021, which was held in late January. Vissoth said that the government will support the manufacturing sector in boosting exports by enacting reform to attract better investment and coordinate with businesses in the combating of informal expense (corruption) to enhance the country's comprehensive investment environment and competitiveness. Cambodia's exports to the US are made under Most-Favoured Nation status and via the Generalized System of Preferences (GSP). Earlier this year, Cambodian-produced travel goods and bag products became subject to duty rates when enabling legislation that would have extended duty free status under the GSP was shelved as the last congressional session came to a close. It is expected that status will be reinstated during this new US congressional session. Importers and buyers will be able to claim refunds once the US congress extends the programme.

Source: <https://www.khmertimeskh.com/50811365/cambodian-exports-to-us-show-strength-in-2020/>

Sihanoukville wastewater facility nearly complete



Cambodia News | 08 February, 2021

The Ministry of Public Works said on Saturday that the construction of a wastewater treatment plant in

Sihanoukville is 93 percent complete. Minister of Public Works Sun Chanthol said during an inspection visit that the wastewater treatment plant will enhance the image of the coastal beach province for tourism and investment. Increasing the capacity of water treatment plants and building sewage systems in Preah Sihanouk province is to prevent wastewater from flowing into the sea and to protect the environment. Once operational, the plant will be able to purify wastewater up to 30,000 cubic metres per day before releasing it to the sea. The plant is on 16 hectares of land in the city connected to the drainage system, the ministry said. Chanthol said the plant should be powered by solar energy. It is the second-largest wastewater treatment in the Kingdom after Siem Reap province. With an inflow of investments building condos, resorts, commercial buildings and manufacturing plants, Preah Sihanouk province has rapidly and significantly developed in recent years. Because of rapid development, the amount of wastewater has increased drastically, which led to the construction of the new wastewater plant and drainage system in the city. The government has injected funds into infrastructure development to enhance the province as one of the most attractive tourism spots in the country. Some \$300 million was spent on constructing 34 roads in the province and other facilities to support the tourism sector. The 34-road inauguration ceremony is set to be held ahead of Khmer New Year, which falls in mid-April.

Source:<https://www.khmertimeskh.com/50811473/sihanoukville-wastewater-facility-nearly-complete/>

China provides additional 300,000 doses of Covid-19 vaccine



Laos News | 09 February, 2021

The Ministry of Health has received 300,000 doses of Covid-19 vaccine from China and has begun vaccinating over 600 medical workers as part of efforts to prevent the spread of the virus. The vaccines were provided under a Covid-19 response grant from China and were officially handed over on Monday by the Chinese Ambassador to Laos, Jiang Zaidong, to Minister of Health, Associate Prof. Dr Bounkong Syhavong. The vaccines were manufactured by China's Sinopharm (China National Pharmaceutical Group Co., Ltd.) and follow a previous donation of 2,000 doses from the company. Russia has also provided a number of doses of Sputnik V, a Covid-19 vaccine developed by Russia's Gamaleya Research Institute. The vaccine will be given to medical workers and at-risk frontline workers in Laos, Associate Prof. Dr Bounkong said. It is anticipated that about 20 percent of the Lao population, or about 1.6 million people, will be vaccinated this year. Vaccination coverage is expected to rise to 50 percent of the population by 2022 and to 70 percent in 2023, with more people to be vaccinated in the following years. Laos also expects to receive Covid-19 vaccines from the Gavi

COVAX Facility – an initiative working to ensure global equitable access to Covid-19 vaccines. The vaccines funded by the COVAX Facility are expected to be administered in April, according to the Ministry of Health. All vaccines take time to provide immunity and no vaccine can be guaranteed to provide total immunity in every individual, the minister said. This means it is possible for someone to fall ill even after being vaccinated. Authorities are also considering acquiring Covid-19 vaccines produced in Germany, Japan and other countries, after they have been approved by regulators. The Chinese and Russian vaccines provided to Laos are among 10 Covid-19 vaccines listed in the Emergency Use Listing procedure of the World Health Organisation (WHO). So far, no Covid-19 vaccine has been officially certified for safety or effectiveness by the WHO.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent_China_27.php

K500 million in loans granted to Mandalay farmers



Myanmar News | 08 February, 2021

Approximately K500 million in loans were granted to farmers from nine townships in Mandalay Region on February 2. The loans - enabling the farmers to purchase updated farming machineries - were granted with cooperation between the Myanmar

Agricultural Development Bank (Mandalay) and the Japan International Cooperation Agency, said a representative from the bank. "We can increase farming productivity by transitioning from traditional to industrialised agriculture. As such, we are providing support where we can. The farming standards will improve, costs will be cheaper and more work will be accomplished," said Myanmar Agricultural Development Bank (Mandalay) Manager Daw Yin Nwe. "(The use of modern farming machineries) will allow us to grow crops in time while reducing waste. We can also reduce utilization of human resources as the number of workers is getting scarcer and wages in rural areas are also on the rise," she said. Recent reports stated that the Japan International Cooperation Agency is committed to supporting the development of Myanmar's economy and infrastructure. It has inked an agreement with the country's Ministry of Agriculture, Livestock and Irrigation to cooperate on agriculture crop value chain projects covering produce such as spinach, pumpkins, tomatoes, carrots and broccoli, said the report. - Translated

Source: <https://www.mmtimes.com/news/k500-million-loans-granted-mandalay-farmers.html>

Sales of Tatmadaw linked products decline



Myanmar News | 08 February, 2021

There has been a significant decrease in the sales of products and services associated with the Tatmadaw as Myanmar's populace continue their protest against the military's forced transfer of power. The Myanmar Times found that many brands linked to the military force are now in low demand. These include Myanmar Beer, MyTel SIM cards and top-up cards, Ruby Cigarettes and highway express buses such as Shwe Mann Thu and Shan Ma Lay. "I used to sell three 12-can packs of Myanmar Beer daily but now I cannot even sell one pack in a day. The buying demand plummeted noticeably in recent days. It is difficult for us to sell if there are no buyers so we have stopped selling Myanmar Beer for now," said Ko Tayzar, a liquor agent from North Okkalapa township, Yangon. The Myanmar Times also found that many users who were previously using MyTel SIM cards and fibre services have now signed on with other operators such as Telenor and Ooredoo. A 'Stop Buying Junta Businesses' campaign was launched on social media on February 2 following the military takeover of the country's government the day before. Leaders from the 88-Generation Peace and Open Society reissued the campaign statement on February 5. "I am using other express bus lines instead of Shwe Mann Thu to send items to the rural side. This is how I am participating (in the campaign)," said Ma Nilar, an online clothing retailer.

Products listed under the Stop Buying Junta Businesses campaign include Myanmar Beer, Dagon Beer, Mandalay Beer, MyTel SIM card and fibre internet services, Kantharyar Private Hospital, Shwe Mann Thu and Shan Ma Lay express lines and 7th Sense Production, among others. - Translate

Source: <https://www.mmtimes.com/news/sales-tatmadaw-linked-products-decline.html>

Bad debts of 20 banks up 4.5% in 2020



Vietnam News | 08 February, 2021

HÀ NỘI — The non-performing loans (NPLs) of 20 local banks at the end of 2020 rose by 4.5 per cent year-on-year to VNĐ83.4 trillion (US\$3.58 billion), according to the banks' latest financial statements. Fifteen of the banks reported a decrease in bad debt ratio last year, with some successfully controlling the ratio at below 1 per cent. As of December 31, 2020, the bad debt ratio of Vietnam Technological and Commercial Joint Stock Bank (Techcombank) was 0.5 per cent, lower than the 1.3 per cent recorded as of December 31, 2019. The bank currently has the lowest bad debt ratio in the sector. For Commercial Joint Stock Bank for Foreign Trade of Vietnam (Vietcombank), the bad debts at the end of 2020 were VNĐ5.22 trillion, down by more than 50 per cent. The bad debt ratio of the bank sharply dropped from 1.01 per cent at the end of the third quarter of 2020 to 0.62 per cent at the end of 2020, also the lowest level in the bank's history. At Asia Commercial Joint Stock Bank (ACB), the ratio of

bad debts on outstanding credit inched up from 0.54 per cent to 0.6 per cent. However, the rate was among the lowest levels in the system. Similarly, the bad debt ratio of Bac A Commercial Joint Stock Bank (BacABank) slightly increased but was still controlled below 1 per cent. The bank's ratio of bad debts on outstanding credit rose from 0.69 per cent as of late 2019 to 0.79 per cent. The fifth bank with bad debt ratio of less than 1 per cent was Commercial Joint Stock Bank for Industry and Trade of Vietnam (VietinBank). According to the bank's financial statement, the ratio of bad debts as of December 31, 2020 was 0.94 per cent, down compared to the 1.16 per cent at the end of 2019. This was also the lowest bad debt ratio in the 2016-20 period of VietinBank. Nam A Commercial Joint Stock Bank (NamABank)'s bad debt ratio was also below 1 per cent. The bank's total bad debts decreased by nearly half from the previous year to VNĐ744 billion, helping the bad debt ratio to fall from 1.97 per cent to 0.83 per cent. The year saw KienLongBank as the bank with the highest growth in bad debt ratio. The bank's NPLs jumped 5.5 times to VNĐ1.88 trillion. However, the NPLs of the banks would be higher if including debts that were restructured to aid COVID-19 affected borrowers according to the Government's incentive policy. The State Bank of Việt Nam reported commercial banks restructured loans worth about VNĐ350 trillion for COVID-19 affected borrowers by the end of 2020. Banking expert **Cấn Văn Lực** said if half of the

loans became bad loans, the bad debt ratio would increase to more than 3 per cent by the end of 2021. To control the risk of bad loans, banking expert **Nguyễn Trí Hiếu** recommended as well as recovering bad loans, banks must set aside provisions for bad loans and risky loans. Some banks have already increased provisions. VietinBank, for example, increased its provisions from 120 per cent to 130 per cent. — VNS

Source: <https://vietnamnews.vn/economy/871751/bad-debts-of-20-banks-up-45-in-2020.html>

Fruit and vegetable exports decline by 7.6% in January



Vietnam News | 08 February, 2021

VOV.VN - Vietnamese fruit and vegetable exports in January endured a drop of 7.6% to US\$260 million compared to the same period from last year, largely due to unpredictable developments relating to the COVID-19 pandemic, according to the Ministry of Agriculture and Rural Development (MARD). The MARD's Agro-Processing and Market Development Authority stated that China was the leading importer of local fruit and vegetables last year, making up 56.3% of the total market share, although fruit and vegetable exports to this market fell by 25.7% to US\$1.84 billion compared to 2019. Elsewhere, the United States market ranked second with US\$168.8 million, followed by Thailand with US\$157.2 million, the Republic of Korea with US\$143 million, and Japan with US\$127.7 million. Furthermore, January saw the country's import value of fruit and

vegetables enjoy an annual increase of 22.3% to US\$140 million, with China, the US, and Australia representing the three largest suppliers to the Vietnamese market. Moreover, the import value of fruit and vegetables from China in 2020 decreased by 21% compared to 2019's figures, while imports from the US and Australia witnessed respective increases of 2.3% and 1%. Due to complicated developments relating to COVID-19, the nation's fruit and vegetable export activities have been significantly impacted as consumers have changed their shopping habits with several countries also moving to tighten import procedures as a way of securing their borders. Experts have therefore advised local firms to strive to strengthen their supervision over product quality to avoid violating quarantine regulations, and ensure that food and safety rules are followed as a means of facilitating relevant customs clearance processes.

Source: [https://vov.vn/en/economy/fruit-and-vegetable-exports-decline-by-76-in-january-](https://vov.vn/en/economy/fruit-and-vegetable-exports-decline-by-76-in-january-836248.vov)

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