

Highlight News / February 19/2021



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Ministry, private firms cooperate to boost Cambodia's safe agricultural products



Cambodia News | 18 February, 2021

Sixteen contracts and two Memorandums of Understanding (MoU) have been signed to boost Cambodia's safe agricultural products such as vegetables, cassava, yellow watermelon, mango, and chicken. The agreements were signed by the Ministry of Agriculture, Forestry and Fisheries and representatives of private firms, under the presidency of Veng Sakhon, Minister of Agriculture, Forestry and Fisheries in Phnom Penh. Senior officials of the Ministries of Agriculture, Forestry and Fisheries, and Economy and Finance, as well as delegates from IFAD, development partners, private sector, donors and vegetable production groups also witnessed the official signing. The agreements are part of the ASPIRE – Agriculture Services Programme for Innovation, Resilience and Extension. Addressing the function, Meas Piseth, Secretary of State at the Ministry of Agriculture, Forestry and Fisheries, spoke highly of ASPIRE, stressing that this programme contributed significantly to safe food supply and market for domestic vegetables, reducing imported agricultural products. It also sustains the quantity of food supply in Cambodia and further develops the agricultural sector, he added. Lim Nary – AKP

Source : <https://www.khmertimeskh.com/50815361/>

ministry-private-firms-cooperate-to-boost-cambodias-safe-agricultural-products/

Japan-Cambodia forum 'reinforces urban development' in Kingdom



Cambodia News | 18 February, 2021

A second forum reinforcing the development of Cambodian cities into "smart" municipalities took place online between the Kingdom's Ministry of Land Management Urban Planning and Construction (MLMUPC) and the Ministry of Land, Infrastructure, Transport and Tourism in Japan. It aimed to push the continuation of business opportunities between the two nation and encourage more investment from Japan, said Chea Sophara, minister at the MLMUPC. He added the forum was also convened to strengthen the unity and friendship of both nations and was held in the context of the global COVID-19 pandemic which has affected the Kingdom's economy, across virtually all sectors and impacted the nation's most vulnerable groups. Akaba Kazuyoshi, minister of the Ministry of Land, Infrastructure, Transport and Tourism in Japan, said at the public-private sector talks that Japan will share good practices and experiences with Cambodia regarding urbanisation, especially the efficient use of technical digitalisation. Sophara thanked the Japanese government and the people of Japan for supporting Cambodian infrastructure in Cambodia such as roads, bridges, irrigation systems, flood management systems, clean water supplies, hydro-dam development, repairs of ancient temples,

environment protection and the developing of human resource training among other achievements. He added that through the first Cambodia-Japan public-private forum in 2019, both parties boosted the development of cities, focusing on the development of smart cities such as Phnom Penh, Battambang, and Siem Reap province. "The government has considered the private sector as the engine for pushing economic growth and playing a key role in bolstering social and economic development, developing employment, boosting SMEs [small and medium enterprises], promoting public-private sector partnerships and strengthening the context of the Fourth Industrial Revolution [IR4.0]," Sophara added. He also said that through the rectangular strategy phase IV, which builds on growth, employment, equity and efficiency of the three previous phases, the Cambodian government has focused on the strengthening of urbanisation management and city development for an environment designed for living, quality of life, safety and well-being. It also delivers socio-economic efficiency aligned with the smart city concept and the targeting of sustainable development and inclusion. Sophara added that real estate development and construction have become the pillars of economic growth. Between 2000 and 2020, investment capital injected into the construction sector was \$60.8 billion. In January 2021 alone, the Council for the Development of Cambodia licensed 144 Japanese investment projects worth \$2.79 billion including 66 investment projects equivalent to

\$340 million located in Cambodia's special economic zones.

Source : <https://www.khmertimeskh.com/50815380/japan-cambodia-forum-reinforces-urban-development-in-kingdom/>

New report proposes action plan to boost FDI opportunities



Laos News | 19 February, 2021

Developing a holistic investment strategy along with continued regulatory reforms will help Laos attract more diverse and higher-quality foreign direct investment (FDI), a new report suggests. The approach will allow Laos to expand its economy, generate more jobs, and achieve shared prosperity, according to the report, which was published by the International Finance Corporation, a member of the World Bank Group. The report was presented at an online meeting on Thursday, chaired by Deputy Prime Minister and Minister of Planning and Investment, Dr Sonexay Siphandone. Conducted in partnership with the government of Japan, the report titled 'Investment Reform Map for Laos - A Foundation for a New Investment Policy and Promotion Strategy' lays out a proposed action plan for targeted reforms to realise the positive impact of FDI on the local economy. Over the past 15 years, FDI has been a major contributor to Laos' strong economic growth. However, the report reveals that most of the investments have been in natural resources, generating limited job opportunities and failing to unlock the full potential of FDI. It says the

volume of investments has been low in non-resource sectors, which have high potential for job creation. Dr Sonexay welcomed the report, saying it provided a timely and in-depth analysis of the private investment context in Laos. “This will help policymakers determine the current and potential positioning of domestic economy in light of regional and international linkages,” he said. “The report’s proposed reform action plan will also help advise the government on priority reforms to capitalise on FDI opportunities, enabling economic diversification and promoting productivity and efficiency.” The report recommends a strategic FDI shift to help the economy venture into knowledge-intensive industries, as well as removing unnecessary restrictions on FDI entry and establishment, providing enhanced incentives, and introducing an investor grievance mechanism. IFC Senior Country Manager for Vietnam, Cambodia and Laos, Kyle Kelhofer, said the report clearly shows how targeted reforms can help spur a favourable investment climate and enhance Laos’ competitiveness in attracting higher-quality FDI. “This will help create jobs, transfer knowledge to domestic firms, and foster their integration into global value chains, diversifying the economy for sustainable and inclusive growth,” he said. The report shows FDI in the non-resource sectors made up less than 40 percent of total approved FDI stock during 2005-2017. This can be primarily attributed to the high cost of doing business in Laos, triggered by a range of complex and time-consuming investment entry

procedures. In laying out its recommendations, the report also provides a comprehensive analysis of the current investment climate in Laos.

Source : https://www.vientianetimes.org.la/freeContent/FreeConten_New35.php

Myanmar’s corn exports on the rise but Thai imports more than halved



Myanmar News | 18 February, 2021

Corn exports to Thailand at the Myawady trading post are growing but imports from the Southeast Asian neighbour have fallen. More than 200 trucks’ worth of corn are exported to Thailand everyday. This growth is attributed to the tax holiday for the export of the commodity from February 1 onwards. The importation of Thai products, however, has decreased by more than half. “The export of corn to Thailand is rising after we received permission to export the crop tax free. But imports from Thailand have dropped noticeably,” said a worker on duty at the BCF Zone Cargo gate on No.2 Friendship bridge. “The political unrest and closing of banks are very damaging to trade,” said the worker. The border trade post previously saw approximately 50 trucks transporting various agriculture products such as ground nuts, chillies, onions, fish and prawns a day. This figure has increased with approximately 200 to 300 trucks transporting corn to Thailand daily. Traders are also facing difficulties conducting business due to the suspension of banking services.

“There are ongoing protests and banks are closed. We cannot send money or make payments for products. We have orders but we cannot pay taxes due to the closing of banks. The internet connectivity is not good either,” said a Myawady border trader. He said that the number of trucks entering Myanmar from Thailand at the border has reduced by more than half. “Previously, around 400 trucks from Thailand entered Myanmar everyday. Now, only around 150 trucks are entering,” he said.” - Translated

Source : <https://www.mmmtimes.com/news/myanmars-corn-exports-rise-thai-imports-more-halved.html>

Mandalay market sees 10 pc drop in prices



Myanmar News | 18 February, 2021

The disruption of banking and transportation services as a result of mass protests in the country has led to the suspension of Myanmar's agriculture exports. This has brought about a drop of prices by 10 percent, said the Mandalay Brokerage House. The Mandalay Brokerage House caters to three markets – exports to China, exports via Yangon and the domestic market. Vice-chair of the brokerage house U Chun said the suspension of banking services due to the country's recent political unrest has led to difficulties in trade with China and India. As such, prices of commodities have dropped by 10 pc

compared to the end of January, he said. “There are only a few transactions as banks are closed and we cannot transfer money. There is also no traffic at the borders. There is no demand for exports at the moment and there is no border trade,” he said. “The business will only return when the country is stable and when the banks reopen,” he added. The vice-chair went on to point out that the local market still sees trade as per usual. “Some speculators with surplus in cash are hoarding goods but the local consumer market is still running,” he said. - Translated

Source : <https://www.mmmtimes.com/news/mandalay-market-sees-10-pc-drop-prices.html>

Vietnam earns 2.6 billion USD from garment exports in January



Vietnam News | 18 February, 2021

Hanoi (VNA) – Vietnam raked in 2.6 billion USD from exports of textiles and garments in January 2021, up 3.3 percent year-on-year, according to the Ministry of Industry and Trade. The ministry said in January 2021, the textile production index and the apparel production index increased by 16.6 percent and 9.9 percent, respectively, over the same period in 2020. The production of fabrics was estimated at 92.4 million sq.m, up 20.4 percent. According to Vu Duc Giang, Chairman of the Vietnam Textile and Apparel Association (MITAS), the COVID-19 pandemic will continue to affect the sector until 2022. If COVID-19

vaccines are available in the first and second quarter of 2021, the pandemic is expected to be controlled by the end of 2023. Then, the textile and garment market could see recovery, Giang said. He said textile and garment businesses must change production and business models as the pandemic has made global purchasing power for apparel products, including many traditional export garment products of Vietnam, fall by 70-80 percent. This is a big challenge for the Vietnamese textile and garment industry. Businesses need to learn about changes in domestic and global markets to find solutions in production and business this year, according to Giang. He said the domestic textile and garment industry needs to build production chains, especially with countries in blocs that have signed trade agreements with Vietnam and ASEAN. The textile and garment industry also needs to have a sustainable development strategy, including changes in production and business models according to the needs of brands and global consumers. They should pay attention to standards, certificates of origin and certification of environmental assurance, energy saving, renewable energy and product safety. To implement a sustainable development plan for the textile and garment industry, VITAS proposes the Ministry of Industry and Trade and the Government to issue the textile and garment development strategy in the

2030-2040 period. That would create favourable conditions to call investment to industrial zones to produce material that faces a supply shortage. The Ministry of Industry and Trade said that the textile and garment industry has great development opportunities from the recently signed free trade agreements, especially the potential of increasing exports to major markets. Of which, the Regional Comprehensive Economic Partnership (RCEP) signed in November 2020 is expected to create opportunities for Vietnam's textile and apparel products and also to replace some other export markets. Because the pandemic is not controlled and that has a great impact on the major export markets of Vietnamese textile and garment products such as Europe. RCEP is a positive factor for production and business activities of Vietnam's textile and garment industry in 2021 and beyond. Le Tien Truong, Chairman of the Vietnam National Textile and Garment Group (Vinatex), said in addition to the efforts of garment makers, the government should consider lowering borrowing costs so that they can meet new requirements as well as invest in producing materials to meet rules of origin contained in new free trade agreements. He also suggested the government introduce specific policies to support the garment sector's development and direct the relevant agencies to reduce logistics costs and other tax burdens. At the

same time, the Ministry of Industry and Trade should continue helping enterprises take full advantage of free trade agreements by issuing guidelines on rules of origin and opening a portal for enterprises to examine the benefits of such pacts. Vietnam aims to export 39 billion USD worth of garment products this year, according to national textile and garment group Vinatex. Last year, Vietnam's garment export revenue was estimated at 35 billion USD due to the impact of the pandemic, as well as US-China trade tensions, protectionism and Brexit./.

Source : <https://en.vietnamplus.vn/vietnam-earns-26-billion-usd-from-garment-exports-in-january/196399.vnp>

Vietnam consumer spending

recovery getting underway in 2021



Vietnam News | 18 February, 2021

The Hanoitimes - A recovery in consumer spending in Vietnam this year is in line with Fitch Solutions' forecast that the country's economy will grow by a real rate of 8.6% year-on-year over 2021 from 2.91% in the previous year. The growth rate of Vietnam's household spending in 2021 is forecast at 7% year-on-year, marking a strengthening on the 0.8% year-on-year growth in household spending estimated last year, according to Fitch Solutions, a subsidiary of Fitch Group. "It also indicates a return to Vietnam's previous consumer spending growth trajectory, which averaged an annual increase of 6.6% over the 2015-2019 period," stated Fitch

Solutions in a note. According to Fitch Solutions, all of the main consumer spending categories (except food and non-alcoholic drinks spending and health spending) are expected to post double digits year-on-year nominal growth in 2021. Food and non-alcoholic drink spending were prioritized in household budgets over 2020, and so growth in spending on these items, while remaining positive, will be slightly lower than that of 2020, stated Fitch Solutions. Fitch Solutions forecast food and non-alcoholic drink spending to grow by 6.6% year-on-year in 2021, decelerating from the estimated 12.6% year-on-year growth in 2020. Meanwhile, spending within other consumer categories is expected to see slower growth compared to 2020, as households cut spending on non-essential items and retail and business operations in these categories were curtailed due to lockdown closures. As such, these categories will grow from a relatively lower base over 2021 and thus will report stronger growth over the year. A recovery in consumer spending in Vietnam this year is in line with the agency's forecast that the country's economy will grow by a real rate of 8.6% year-on-year over 2021, a strengthening on the estimated 2.9% year-on-year growth in 2020. Fitch Solutions suggested government stimulus measures enabled some protection to Vietnamese consumers and the nation's economy in 2020. Although the unemployment average did tick up slightly, to an estimated 2.5% in 2020 from an estimated 2.2% in 2019, "this figure would have been considerably higher, if the government had intervened to offer

financial support to businesses and households in 2020," Fitch Solutions stressed. Fitch Solutions projected unemployment levels to revert to pre-Covid-19 levels, decreasing to an average of 2.2% for 2021. While inflation is projected to slightly tick up by 3.5% year-on-year in 2021, from an estimated 3.2% in 2020, it did not expect this level of inflationary pressure to derail the consumer recovery outlook. Covid-19 restriction poses no significant threat to consumer spending. On January 15, Deputy Prime Minister Vu Duc Dam announced that foreigners coming from countries/territories that have reported the new Covid-19 variant must be quarantined for more than 14 days. While Fitch Solutions expected stricter measures to curb the Covid-19 infections, the agency said it does not believe that these restrictions will pose a significant threat to consumer spending, when the whole of 2021 is taken into account. In January 2021, Vietnam retail sales recorded its highest year-on-year growth of 6.4% since the start of the Covid-19 pandemic in January 2020. This growth trajectory is largely driven by the country's effective control of the Covid-19 virus in the second half of last year, and also highlights the recovery in retail sales after government restrictions and closures led to a contraction in retail sales in the previous six-month period, noted Fitch Solutions. Fitch Solutions said strong growth in retail sales in the June-December period of 2020 was due to retailers and shopping malls offering sales promotions to stimulate the domestic consumption. The State Bank of Vietnam

(SBV), the country's central bank, also reduced policy rates by 0.25-1% in October 2020, further encouraging consumer spending.

Source: <http://hanoitimes.vn/vietnam-consumer-spending-recovery-getting-underway-in-2021-316196.html>
