

Highlight News / March 04/2021



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Milled rice exports decline year-on-year



Cambodia News | 03 March, 2021

Cambodia's exports of milled rice in the first two months of the year were valued at \$64.53 million, and amounted to 76,222 tonnes, according to a report from Cambodia Rice Federation (CRF). This was a decline of around 44.16 percent in January and February compared with the same period in 2020. The decrease was mainly because of a lack of containers and the continuing high cost of shipping via ocean freight. Those rates are up almost 500 percent over those of 2019. Compared with January's figures, exports of milled rice in February saw a slight increase. The report added that January's milled rice exports amounted to 34,273 tonnes sent to 28 destinations. In February, milled rice exports increased by 22 percent to 41,949 tonnes destined for 35 countries. China, including Hong Kong and Macau, remains the largest market for Cambodia's rice exports. That market accounts for 49.37 percent of total rice exports. The next largest market was the European Union, with a share of 24.91 percent amounting to 18,996 tonnes. The largest market among the EU's membership was France, which imported 8,850 tonnes. The ASEAN market accounted for 8 percent, with Malaysia and Singapore taking 6,229 tonnes. It should also be noted that during the first two months of 2021, the largest share (85.77 percent) by variety of milled rice were the fragrant rices, including romduol and

jasmine, (65,374 tonnes). White rice (10,116 tonnes) and steamed rice (732 tonnes) made up the balance.

Source : <https://www.khmertimeskh.com/50820068/milled-rice-exports-decline-year-on-year/>

Garment exports to EAEU drop significantly in 2020



Cambodia News | 03 March, 2021

Cambodian garment exports to the EAEU (Eurasian Economic Union) dropped by 36.6 percent year on year between 2019 and 2020, according to a report from Fibre2Fashion Pvt Ltd, a market driven B2B portal. The EAEU is a political, military and economic union consisting of five countries, Russia, Belarus, Kazakhstan, Armenia and Kyrgyzstan. The decline in exports to the EAEU occurred between April and June of 2020. Export volume began to make a recovery in July. The garment industry is a backbone of Cambodia's export industry with the Kingdom contributing more than half of the nation's total merchandise exports, said Fibre2Fashion. It noted that most of the garment manufacturers of Cambodia still follow the cut-make-trim technique because of underdeveloped manufacturing technologies and lower capital availability. The US and the EU are Cambodia's major apparel export destinations and account for more than three-quarters of the sector's total apparel exports. Kaing Monika, deputy secretary-general of the Garment Manufacturers Association in Cambodia (GMAC), said the Eurasian Economic Union bloc has potential

but has yet to become a major contributor to the Kingdom's exports. He added that Russia is a particularly important market because its population is the largest of the bloc's more than 180 million people. The potential garment items for export to Russia include sweaters and winter apparel. Monika noted that, in 2019, Cambodia exported nearly \$180 million to the EAEU. He referenced that a feasibility study of a trade agreement (FTA) with the bloc has been conducted and that hopefully this could lead to FTA negotiations soon. He noted that an FTA with the bloc would further help boost Cambodian garment exports. By how much remains difficult to predict because a number of relevant factors need to be taken into account. These would include the economic situation and competition with other countries. "With or without an FTA, our internal competitiveness is key because it's something which is under our control," he stressed. Minister of Commerce Pan Sorasak said in February at the conclusion of the Cambodia-Korea free trade agreement negotiations that the government will pursue an FTA with the EAEU. He remarked that a deal has been reached with four members of the EAEU, excepting Kazakhstan because of COVID-19 and as such the negotiations are behind schedule. Bilateral trade between Cambodia and the EAEU reached \$67.36 million in 2020. Exports from the Kingdom were \$52.19 million. EAEU imports from Cambodia reached \$15.17 million. Products exported to the EAEU were primarily clothes,

footwear and rice. Imports include gems, fertilisers, animal feed, tractors, paper and pharmaceuticals.

Source : <https://www.khmertimeskh.com/50820107/garment-exports-to-eaeu-drop-significantly-in-2020/>

Laos, UN strengthen development cooperation



Laos News | 04 March, 2021

The United Nations (UN) has confirmed that it will continue to support the Lao government under the Cooperation Framework, to enable the government to design a clear strategy for the development of Laos. The Cooperation Framework builds on inputs from all key stakeholders, including the UN development system and other development partners, to ensure that it responds to national strategic priorities that speak to development needs and priorities and leaves no one behind. UN Resident Coordinator to the Lao PDR, Ms Sara Sekkenes, told a Technical Meeting of the Lao Government and United Nations Joint Steering Committee that the co-creation of the next Government of the Lao PDR - UN Cooperation Framework is crucial in ensuring co-ownership. The meeting was attended by the Director General of the International Organisations Department under the Ministry of Foreign Affairs, Mr Maythong Thammavongsa, and senior officials from the ministry and UN agencies. "Planned broader consultations will help us move towards that goal and work will continue over the weeks ahead, but today's meeting is the starting point and critical to

ensuring that we set off on the right foot," Ms Sekkenes said. Mr Maythong said the important partnership between the government and the UN system recognised the UN's significant contribution in terms of policy support, technical expertise and resources in the pursuit of national development priorities. The meeting agreed on the publication of the UNPF 2019 Progress Report, tentative priority areas of the new cooperation framework under the five dimensions of the 2030 Agenda of People, Planet, Prosperity, Peace and Partnerships, and the overall imperatives of sustainable and inclusive development, social development, and effective institutions. Participants also reviewed the progress achieved under the Lao PDR-UN Partnership Framework 2017-2021 and drew lessons from the challenges and opportunities encountered. The meeting considered a recent independent evaluation of the Partnership Framework and the findings from UN analysis of development trends, challenges, and opportunities. Participants also discussed the design of the Lao PDR-UN Sustainable Development Cooperation Framework 2022-2026, guided by the 2030 Agenda for Sustainable Development and aligned with the ambitions outlined in the 9th National Socio-economic Development Plan which will soon be adopted. Mr Maythong emphasised the need to enhance government ownership in designing a clear strategic cooperation framework that responds to national priorities and lays the foundation for smooth

graduation from Least Developed Country status. The outcome of the meeting will serve as a key step for both parties to develop the new Cooperation Framework and prepare a series of joint stakeholder consultations with development partners, the private sector, and civil society, to ensure an inclusive process that can build the broader partnership needed towards the implementation of the 2030 Agenda. A High-Level Meeting of the Government of the Lao PDR and UN Joint Steering Committee is planned for mid-2021 to formally endorse the new Cooperation Framework.

Source : https://www.vientianetimes.org.la/freeContent/FreeConten_Laos44.php

Watermelon supply exceeds demand as about 1,300 trucks stuck in Muse depot



Myanmar News | 03 March, 2021

Although watermelon is fetching a good price after the Chinese New Year, about 1,300 trucks are now stranded in Muse 105th-mile zone due to China's two-day closure of border trade. Consequently, watermelon supply exceeds the demand, said Sai Min Thu Naing from Khwar Nyo Fruit Depot. "The price is regular after the Chinese New Year. However, the two-day holidays of trading disrupted the watermelon transport route. About 1,300 trucks were stuck in the 105th-mile zone. At present, only 150-200 trucks can enter China. So, there is no market equilibrium," he elaborated. China shut down the post on 25 and 28

February without a specific reason, resulting in 1,300 watermelon trucks stranded in the 105th-mile zone. A tonne of watermelon (855 variety) now receives the maximum price of 65,000 Yuan, whereas the regular price is around 45,000 Yuan. Additionally, about 200 watermelon trucks daily enter the Muse land border. The trucks continue to leave for China via Muse. Myanmar's watermelon market earlier relied only on China. Myanmar shipped 45 tonnes of seedless watermelon to the Dubai market in December 2020 and January 2021. After the country achieves success on the Dubai market, Myanmar plans to expand its market to Hong Kong SAR, the UAE and Qatar, the association stated. On 5 January 2021, the 105th-mile Fruit Wholesale Centre released a statement that the number of watermelon and muskmelon trucks for exports is set to govern the market. During the previous financial year, the growers and the traders suffered the loss due to the price instability and transportation difficulties triggered by the COVID-19. Watermelon and muskmelon will be harvested up to May-end across the country, except Kayah and Chin states. Myanmar yearly exports over 800,000 tonnes of watermelon and about 150,000 tonnes of muskmelons to China, the association stated. — NN/GNLM

Source : <https://www.gnlm.com.mm/watermelon-supply-exceeds-demand-as-about-1300-trucks-stuck-in-muse-depot/#article-title>

State Bank Deputy Governor: Bitcoin is not legal in Vietnam



Vietnam News | 03 March, 2021

Deputy Governor Dao Minh Tu affirmed that Bitcoin and other virtual currencies are completely not considered as cryptocurrencies, and not allowed to function as legal currencies in Vietnam. At the Government press conference on the evening of March 2, Deputy Governor of the Vietnam State Bank Dao Minh Tu said that Bitcoin or any other virtual currency is not a legal currency. According to him, this is a kind of virtual asset, digital currency, which is a modern product of industrial development. "It is not a means of payment and Vietnamese law does not allow the functioning of the legal currency in Vietnam," he said. Therefore, it is against the law to use this virtual currency as a means of payment or to function as a legal currency. Currently, the State Bank, the Ministry of Justice, and the Ministry of Finance are clarifying the legal basis for the management of the virtual currency and virtual assets business. "Virtual money is completely not a cryptocurrency," he stressed. Besides, Mr. Tu once again reiterated the State Bank's view on Forex investment floors (the decentralized market for trading foreign currencies). He emphasized that the provision of foreign currency trading services, domestic and international foreign currency derivative services must all be licensed by credit

institutions and commercial banks entitled by the State Bank. To date, this agency has not licensed any Forex exchange. Therefore, organizations operating on Forex are against the law and should be handled according to current regulations. The people participating in investing in these floors are therefore risky and not protected by the law. "We also recommend every citizen to be cautious, especially with a business that offers up to a few percent interest rates in the current difficult conditions," he said. There were signs of non-transparency or fraud. He also recommended that investors and people, before investing in any field, should get consult and advice from authorities and credit institutions.

Source : <https://vietnamtimes.org.vn/state-bank-deputy-governor-bitcoin-is-not-legal-in-vietnam-28767.html>

HCM City: Two-month foreign investment stands at 337.8 million USD



Vietnam News | 03 March, 2021

Hanoi (VNA) – Ho Chi Minh City recorded 337.8 million USD of foreign investment registered during the first two months of 2021, equivalent to 70.3 percent of the figure in the same period last year. Real estate attracted most of the sum, 145.1 million USD or 43 percent of the total. It was followed by science - technology (57.5 million USD, 17 percent) and processing - manufacturing industry (41 million USD, 12.1 percent), the municipal Department of

Planning and Investment said. The southern economic hub lured only three new foreign investment projects worth 115 million USD in January and February, it said, citing complex developments of the COVID-19 pandemic around the world as the reason. Up to 99.7 percent of the new capital was channeled into real estate, with 29.6 percent from Singapore and 70.1 percent from the Netherlands. From the year's beginning to February 20, HCM City saw 22 existing projects have 53.3 million USD added to their registered capital. Foreign investors also spent 169.5 million USD on capital contributions to or share purchase in local firms during the time, data showed./.

Source : <https://vietnamnews.vn/economy/890438/vietnam-racks-up-129-billion-in-trade-surplus-in-two-months.html>
