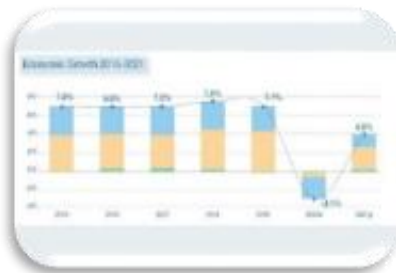


*Highlight News / March 18/2021*



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## Economic forecast for 2021 projects

### 3.5 percent GDP growth



*Cambodia News | 17 March, 2021*

The Kingdom is forecast to register gross domestic product (GDP) growth of 3.5 percent, a sharp reversal of 2020's contraction of 3.1 percent, the Ministry of Foreign Affairs and International Cooperation has said in its macroeconomic situation report. After registering 7.1 percent GDP growth in 2019, the Kingdom is forecast to reach GDP growth of 6.9 percent by 2024. The industrial sector is poised to fuel the bulk of that growth, followed by services, real estate and business and agriculture. The overall industrial sector is forecast to grow by 5.9 percent because of increased garment exports but will be held back by low capital investment in construction. The sector's growth retracted by 1.2 percent in 2020. The garment segment is forecast to grow by 4.6 percent and construction by 2.9 percent. Both the garment and construction industrial sub-sectors retracted last year. In 2020, the garment industry shrunk by 6.4 percent with the construction segment contracting by 2.4 percent last year. The ministry projected that the garment sector will grow by 4.6 percent in 2021 versus its 6.6 percent pre-pandemic growth due to an anticipated slow recovery in external demand. "Already, the situation is better than in 2020 with the vaccine rollouts and the optimism surrounding them. Growth is expected to be over that of 2020, but I cannot comment on how much," Ken Loo, Secretary-

General for the Garment Manufacturers Association of Cambodia, told Khmer Times. "Cambodia will face stronger market competition due to the containment of the pandemic, the impact of the changes to the Everything But Arms preferential trade deal with the EU, Vietnam's free trade agreement with the EU and lower growth in labour productivity," GMAC said. To address these difficulties, the ministry has offered three solutions including increasing productivity, reducing costs associated with electricity, transportation and logistics and the promotion of trade. The services sector is forecast to grow by 3.4 percent led by the transportation and communications segment. That segment is projected to grow by 4.5 percent. The hotel and restaurant segment is forecast to grow by 0.3 percent. It retracted a staggering 36 percent last year. The 2021 projection sees the wholesale and retail trade services segment growing by 3.2 percent, with the agriculture sector projected to grow by 1.3 percent with crop production contributing 1.6 percent to that increase. Inflation is projected to rise for the third consecutive year, from 2.8 percent in 2020 to 3.1 percent this year due to an expected increase in international oil prices. The value of the riel against the \$US is predicted to drop to 4,065 riels from 4,080 in 2020. The Kingdom's international reserves grow to \$21.33 million last year from \$18.76 million in 2019.

Source : <https://www.khmertimeskh.com/50825871/economic-forecast-for-2021-projects-3-5-percent-gdp-growth/>

## Cambodia's exports to Vietnam increase



*Cambodia News | 17 March, 2021*

Cambodia's exports to Vietnam rose in 2020 despite both nations imposing strict cross-border movement control to fight the pandemic. Data from the Ministry of Commerce showed Cambodia's exports to Vietnam rising by 14.8 percent in 2020 to \$385 million. Cambodian imports from Vietnam decreased by 3.1 percent to \$2,633 million. Bilateral trade between the countries amounted to \$3,018 million, a year-on-year decrease of 1.13 percent. The increase of Cambodian exports to Vietnam reflected an increased demand for agricultural products, said Lim Heng, vice-president of Cambodia Chamber of Commerce. Cambodia's main exports to Vietnam are raw agricultural products – rice, milled rice, cashew nuts and rubber. Imports are mainly steel, petrol, garments and textiles, leather and footwear. Cambodia has imposed strict checks on goods and border-crossing transport. People crossing the border must enter a 14 day quarantine. Prime Minister Hun Sen has called for provinces that share borders with neighbouring countries to facilitate the transport of goods. "I call for paying attention to strengthening quarantine practices, but also the facilitation of businesses running at the border areas to expand. Our markets depend on trade with neighbouring countries from whom we import much into our country and our exports to them as well," the

premier said.

Source : <https://www.khmertimeskh.com/50825872/cambodias-exports-to-vietnam-increase/>

## Laos: Bananas remain top agricultural export



*Laos News | 17 March, 2021*

Laotian bananas continue to be a top earner among all agricultural products, with the total export value of agricultural produce in 2020 reaching almost US\$1 billion. This is despite trade restrictions due to the pandemic. According to the Lao Ministry of Industry and Commerce, the value of bananas sold to countries neighboring Laos, mainly China and Thailand, in 2020 increased to about US\$227.4 million. The amount of bananas grown for export has steadily increased, as more plantations created under the contract farming system become ready for harvesting. However, the number of investors and banana plantations decreased after the government stopped awarding concessions for new plantations, also ending agreements with companies that had violated regulations. The Lao government says banana plantations should be operated in line with good agricultural practices and its policy on clean, green and sustainable agricultural development. In 2018, Laos earned US\$600 million from the export of agricultural produce, rising to US\$750.8 million in 2019 and US\$943 million in 2020. About 80 percent of the produce was sold to China.

Source : <https://www.freshplaza.com/article/9303635/laos-bananas-remain-top-agricultural-export/>

## Union Minister for Foreign Affairs holds video conference with Brunei Darussalam's Minister of Foreign Affairs II



*Myanmar News | 17 March, 2021*

U Wunna Maung Lwin, Union Minister for Foreign Affairs of the Republic of the Union of Myanmar received a bilateral video conference from Dato Erywan Pehin Yusof, Minister of Foreign Affairs II of Brunei Darussalam at 1:30pm on 15 March 2021 from the Ministry of Foreign Affairs, Nay Pyi Taw. At the meeting, the two Ministers exchanged views on matters pertaining to ASEAN and ASEAN's relationship with its Dialogue Partners. Union Minister U Wunna Maung Lwin also briefed recent development in Myanmar including the government's efforts to address the violent protests by exercising utmost restraint to maintain law and order. Senior Officials from the Ministry of Foreign Affairs also attended the Meeting. —MNA

Source : <https://www.gnlm.com.mm/union-minister-for-foreign-affairs-holds-video-conference-with-brunei-darussalams-minister-of-foreign-affairs-ii/>

## Soros-linked group calls for release of employee in Myanmar



*Myanmar News | 18 March, 2021*

Open Society Foundations, a philanthropic organisation founded by American billionaire George Soros, has called for the immediate release of an employee held in Myanmar, saying allegations of financial misconduct are

false. Open Society has helped fund Myanmar media outlets and civil society groups for years. State media announced on Monday that the authorities had accused the organisation's local branch, Open Society Myanmar (OSM), of directing funds to the civil disobedience campaign opposing military rule in the country. Bank accounts belonging to OSM were frozen and last week, a finance officer was taken into custody, according to the Global New Light of Myanmar newspaper, a long-time mouthpiece of the military. Arrest warrants were issued for another 11 OSM employees, the paper added. It said OSM transferred funds without seeking permission from the Foreign Exchange Management Department. The group then exchanged US\$1.4 million (S\$1.9 million) into Myanmar's kyat currency "without following the necessary rules and regulations", the paper said. The New York-headquartered Open Society said on Tuesday that there was no truth to the claims and called for the "immediate release" of the detained finance officer. "We are alarmed by reports that the authorities are seeking to interrogate other staff members," said a statement from the group. "These allegations suggest a worrying attempt to attack and discredit those who wish for a return to peace and democracy in Myanmar. "Claims of financial misconduct, including that OSM acted illegally by withdrawing its own funds in local currency from the SMID bank, are false. "The Myanmar newspaper published a picture of Ms Aung San Suu Kyi meeting Mr Soros in 2016 in New York, and of her meeting his son Alexander Soros in Myanmar, but it did not

link Ms Suu Kyi or Open Society Foundations to any alleged irregular transfer of funds.

Source : <https://www.straitstimes.com/asia/se-asia/soros-linked-group-calls-for-release-of-employee-in-myanmar>

## Vietnam maintains positive outlook for economic recovery in 2021: WB



*Vietnam News | 17 March, 2021*

In its latest Vietnam Macro Monitoring report, the WB said, looking ahead, special attention should be paid to how the COVID-19 vaccinations will be rolled out domestically and globally as they will impact the pace of Vietnam's economic growth. Further fiscal and monetary policy interventions may be needed to support recovery of private demand. According the WB, the Vietnamese government quickly introduced strict but targeted measures to suppress this new outbreak of COVID-19 in Hai Duong, the epicenter, including during the Tet holiday. As a result, the number of new cases started decreasing, and restrictions were partly eased in the second half of the month. In the meantime, Vietnam has approved three types of vaccines. The government also approved a resolution to purchase a total of about 150 million doses of COVID-19 vaccines, and prioritized recipient groups. The WB noted that industrial production slowed as factories closed in observance of the Tet holidays. Industrial production index dropped by 7.2% year-on-year in February

2021. This decline is mainly reflecting the cross-year difference in the timing of the Tet holidays, when factories shut down for a week. The two-month moving average still registered an increase of 8.8% year-on-year in the first two months of 2021. Metals production, and electronics, computers and optical products continued to grow by 8.6% and 3.2%, respectively in February, thanks to strong external demand. Despite the new COVID-19 outbreak, retail sales in February grew by 0.3% month-on-month and by 8.3% year-on-year due to higher consumption demand associated with the Tet holidays. While lower than pre-COVID-19 performance, this growth suggests that the government's targeted response to the outbreak mitigated the spillover of the negative impacts of anti-COVID stringency measures on economic activities to provinces outside the epicenter. Vietnam's merchandise exports fell by 4.2% year-on-year while imports grew by 11.8% year-on-year in February 2021, resulting in the first month of trade deficit since April 2020. Preliminary data show that exports to the US and China rose while those to EU, ASEAN, the Republic of Korea, and Japan decreased. The increase in imports was driven by a doubling of imports from China in February 2021 compared to the same period last year, mirroring January 2021 import patterns. In January 2021, imports of phones, computers, electronics and their parts, and machinery

accounted for half of total imports from China and grew by over 75% year-on-year. This reflects both Vietnam's heavy reliance on imported inputs in manufacturing. In the first two months of 2021, the Vietnamese government collected VND286.7 trillion of revenues, which is 0.6% higher than the same period last year. This good performance – the first time that government total revenue is increasing since the beginning of the COVID-19 crisis a year ago reflects the ongoing recovery and the elimination of most tax incentives that were adopted in April 2020. The Ministry of Finance proposal for a second round of tax and land rental deferrals is being discussed by the cabinet. The total size of the package was estimated at VND115 trillion (US\$5 billion). If approved and implemented well, it is expected to help businesses and households maintain their economic activities, particularly in tourism, which remains depressed.

Source : <https://vov.vn/en/economy/vietnam-maintains-positive-outlook-for-economic-recovery-in-2021-wb-843720.vov>

## Vietrade, Alibaba.com partner to help firms with online export



*Vietnam News | 17 March, 2021*

HÀ NỘI — Việt Nam needs to research solutions and prepare all necessary conditions to open border for foreign tourists from July 2021, according to Nguyễn Hữu Thọ, chairman of the Việt Nam

Tourism Association. About 95 per cent of domestic tour operators providing tours for foreign visitors had to stop operating since the beginning of 2020 due to the COVID-19 pandemic. Thousands of hotels were closed and millions of workers in the tourism industry were put out of work. Therefore, the tourism industry needs new solutions to overcome the current crisis, Thọ said. Opening borders to foreign tourists is the only solution to recover the tourism sector that contributed 9.2 per cent of total GDP in 2019, Thọ said. The effective control of COVID-19 is an advantage for the domestic tourism industry to be able to welcome foreign tourists from the beginning of the third quarter of 2021. Now, regional countries with developed tourism sectors have plans to open borders to welcome back international visitors, reported the *Đầu tư* (Investment) newspaper. Specifically, Thailand has announced it would reopen the tourism market for foreign visitors from July 2021, Singapore welcomes international visitors who have negative COVID-19 test certificates and Indonesia will open its doors to Bali. Meanwhile, the European Union is planning to provide a "vaccine passport" to help people travel freely. This also helps the tourism and aviation industries resume operations, according to Thọ. Nguyễn Thị Thanh Hương, deputy director of the Việt Nam National Administration of Tourism, said the administration is studying a plan to reopen the tourism market for international visitors. Việt Nam cannot receive massive numbers of foreign tourists, but it cannot be



slow due to competition from other regional countries. The domestic travel companies can choose key markets with high demand visiting Việt Nam, build tour packages and choose a convenient airport destination and an independent resort to receive the international visitors, HƯƠNG said. Many localities want to welcome international and domestic tourists but they are afraid of the pandemic, so they do not dare do that, she said. LƯƠNG Hoài Nam, member of the Việt Nam Tourism Advisory Council (TAB), said the vaccine is a basic measure and the only way for the world to get rid of COVID-19. The population that gets vaccinations becomes a safe community. This group has about 200 million people and this figure is growing rapidly, especially in developed countries. Many foreigners are beginning to think about finding an attractive tourism destination after getting vaccinated. That is a good opportunity for Việt Nam to recover plans on economic development, including tourism and aviation sectors. It should not wait for the pandemic to end to plan re-opening its tourism market for foreign visitors. It needs to have this plan now for vaccinated visitors, Nam said. He said before having the COVID-19 vaccine, a safe area is a well-controlled place like Việt Nam, but when this vaccine is available, the safe area is a place with high vaccination rates like Israel. There will be more countries with high vaccination rates including the US and Europe. Therefore, Việt Nam should not be slow to receive visitors from safe areas as well as

building up tours for Vietnamese tourists to those safe areas. VŨ THẾ Bình, permanent vice president of the Việt Nam Tourism Association, said the opening of the tourism market for foreigners may face opposition from many, but Việt Nam needs to prepare plans to recover the tourism sector. The association will have a plan to welcome foreign visitors back from the third or fourth quarter of 2021. In the first days of March, a lot of travel agencies in HCM City welcomed guests on tours. Some companies also have departures after the Lunar New Year, according to **Đại Đoàn Kết** newspaper. NGUYỄN Minh MÃN, head of the TSTourist Company's Communications Department, said that in March, the company organised many tours from HCM City to domestic tourist destinations such as Phú Quốc, Sa Pa - Hà Nội - Ninh Bình, Đà Nẵng, Buôn Ma Thuột, Phan Thiết, Đà Lạt and Huế. It will increase the tours in April. Other companies also welcomed many groups of tourists in HCM City and to neighbouring provinces such as Đồng Nai, Bình Dương and Bà Rịa-Vũng Tàu. Most travel companies hope that the tourism market will recover in the second quarter of 2021. According to them, in 2021, small groups of tourists is a new trend. That means a group of 10-15 tourists instead of a group of 30-50 people. To ensure a safe trip for guests, travel companies affirm that they implement anti-pandemic regulations of the Ministry of Health for the tourism sector. However, the travel businesses want to have affiliate programmes

between parties, including aviation, railway, road, service providers, travel agencies and hotels to create attractive tour packages. — VNS

Source : <https://vov.vn/en/economy/vietrade-alibabacom-partner-to-help-firms-with-online-export-843718.vov>

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