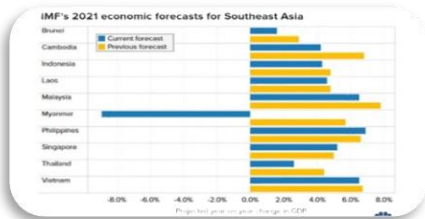


Highlight News / April 23/2021



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- Laos locks down capital over COVID-19 outbreak tied to Thailand
- Local, foreign investment operating as usual in Bago
- Myanmar's border trade reaches \$5.6 bln in first six months of FY
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- Vietnam posts trade deficit of US\$1.31 billion in first half of April



Lockdowns, movement restrictions could affect economic outlook



Cambodia News | 22 April, 2021

As curfews laid way to lockdowns last week and parts of the capital were designated “red zones” on Monday, the international community is beginning to reassess Cambodia’s economic outlook for 2021. The Economist Intelligence Unit (EIU), a division of well-respected UK weekly publication, The Economist, will probably downgrade Cambodia’s real gross domestic product (GDP) growth forecast for 2021 from 4.6 percent to between 3 and 4 percent, Nikkei Asia reported. “The outbreak and ensuing lockdowns will weigh upon consumer and business sentiment, suppressing private consumption [which accounts for around 70 percent of GDP] and fixed asset investment,” Nikkei Asia quoted EIU Analyst Imogen Page-Jarrett as saying. The International Monetary Fund currently projects that the Kingdom will see real GDP growth of 4.2 percent this year. However, the recent spate of government restrictions to curb the spread of the pandemic has put that into question. Already, the effects of the lockdowns are shaking the hospitality and manufacturing pillars as authorities ordered garment factories to shut and prohibited restaurants from allowing dine-in guests. Major businesses have also been mandated to operate with a maximum of 2 percent of regular staffing numbers, cutting household incomes for the near future. Earlier this week, Prime Minister Hun Sen warned the

government may be forced to extend lockdown measures by another two weeks if people do not adhere to regulations. “Households and firms will delay unnecessary purchases and investments, limiting spending to essentials. The lockdowns will also negatively affect disposable income and employment,” Page-Jarrett also said. Last week, the IMF adjusted its economic forecast for Southeast Asia in large part because of the slower-than-expected recovery in tourism. It readjusted its outlook for Cambodia from 6.8 percent GDP growth to 4.2 percent. “Tourism is an important driver of growth in many of these countries, notably Thailand, but also Cambodia and Laos, so there is an important degree of uncertainty exactly about when tourism can return and when borders can reopen. This is going to be dependent on global progress with the vaccine, as well, frankly, as on the health protocols that are introduced at the country level to host tourists coming from abroad,” said Jonathan Ostry, deputy-director at the IMF’s Asia and Pacific Department, on April 13 at an IMF news briefing. “We have marked down the ASEAN countries, we have the pandemic creating concerns in Indonesia, Malaysia and the Philippines and we have the tourism-dependent countries including Thailand, Cambodia and Laos – those we have marked down. We are both concerned about the outlook for tourism when those markets will reopen and the additional lockdowns and containment measures that the disease’s unexpected turning is creating,” Ostry told CNBC. The Asian Development Bank forecast in

March that a best-case scenario of a two-month outbreak in Cambodia would result in a \$283 million loss in GDP, while a moderate case would cause a 1.59 percent drop in GDP, equivalent to \$391 million, while a worse-case would result in a \$711 million loss. EIU forecasts that herd immunity, which it defines as 60 percent of the population being inoculated, will not be achieved in Cambodia before 2025 if the current pace of vaccinations continues. Johns Hopkins University in Baltimore, United States, estimates that 10,202 people are being vaccinated each day in Cambodia. The Ministry of Health announced that more than 1.241 million people had been vaccinated by Friday.

Source: <https://www.khmertimeskh.com/50843002/lockdowns-movement-restrictions-could-affect-economic-outlook>

Logistics group calls on gov't to ease restrictions to ensure deliveries



Cambodia News | 22 April, 2021

As lockdowns strain businesses trying to operate under restrictions and fears of food insecurity loom, the Cambodia Logistics Association (CLA) is appealing for government intervention to help alleviate the strain on enterprises trying to get their goods to the marketplace. In a statement released on Tuesday evening and reviewed by Khmer Times, the CLA said that despite the logistics sector being named an essential service, “disruptions have caused most of our business activities to be

temporarily suspended”. “Obstacles currently being encountered are companies with offices in ‘Red Zones’ needing to be temporarily closed. Almost 100 percent of staff with travel permits are not allowed to drive to work by authorities. A large [amount] of transportation is restricted or banned. The activities of customs, which is the most necessary component to complete customs clearance, is banned as well,” the CLA said. The CLA appealed to authorities for traffic permits for all types of heavy-duty trucks travelling in and out of lockdown areas from 8pm to 5am to be respected, that additional travel permits be distributed to truck drivers and an additional 25 percent of traffic permits be distributed to office staff so that they can travel in and out of offices. “Some companies in our sector have fewer than 10 employees and most have fewer than 100, which cannot be limited to just 2 percent of operations,” the CLA noted. Yesterday, Khmer Times reported that lockdowns had affected rice millers and the logistics centres, resulting in delayed deliveries. “During this time, heavy transportation through Phnom Penh is impossible. Not only [for] us, but also other sectors are facing the same problem,” said Lun Yeng, secretary-general for the Cambodia Rice Federation (CRF). Yeng did stress that the CRF had supplied approximately 1,000 tonnes of milled rice, saying “We can guarantee the supply of milled rice in both the domestic and foreign markets this year.” Vu Duong, a vegetable vendor in the capital’s Toul Tom Pong district, said she has been forced to raise prices because it had become increasingly difficult

to source produce from the countryside. Normally, her fruit and vegetables travel from the outskirts of Phnom Penh or from as far as Vietnam. However, the lockdowns have resulted in her being unable to serve her regular customers. “Every day I sell out of tomatoes because there are not enough coming. I used to have three different types of fish for sale but now there is only one. I want to say that I am sorry to my customers, but it is more expensive getting food delivered to me these days,” she said. Tim Squires, managing director for Ostra Fine Foods, told Khmer Times that his firm has intensified its focus on supermarkets including Aeon, Lucky and Super Duper as restaurants and hotels have been forced to suspend dine-in services. Ostra Fine Foods specialises in importing premium seafood for local clientele. It operates two segments – the dine-in Oyster Bars and its wholesale business supplying supermarkets, restaurants and hotels in Phnom Penh and Siem Reap. Squires’ company usually imports seafood directly from the US, Canada and Europe weekly. He said that uncertainty whether customs clearance agents will be able to conduct their duties, coupled with reduced demand, has led to a “perfect storm preventing the importation of goods”. “Cambodia is heavily reliant on imported goods across all food sectors. If the lockdown continues, Cambodia’s ability to feed itself will be severely tested,” Squires said. “Because the community is unable to travel between provinces and the Vietnamese border is firmly closed, the availability of fresh produce such as seafood is currently very low

also. This will become increasingly important because wholesale suppliers cannot meet the demand of supermarkets,” he added. Squires also shares the CLA’s plight, noting that Ostra Fine Foods is forced to operate with a skeleton staff because the majority of his workforce is unable to reach the workplace to support day-to-day operations.

Source: <https://www.khmertimeskh.com/50843076/logistics-group-calls-on-govt-to-ease-restrictions-to-ensure-deliveries/>

Laos locks down capital over

COVID-19 outbreak tied to Thailand



Laos News | 23 April, 2021

Laos locked down its capital and closed its international borders to most traffic on Thursday (Apr 22) after identifying a COVID-19 cluster connected to its bigger neighbour Thailand. Residents of the capital Vientiane are barred from leaving the city and outsiders must get permission to enter. Its international borders were closed except to trucks carrying goods and in cases allowed by the nation’s COVID-19 task force, state news agency KPL reported. It said the lockdown order signed by Prime Minister Phankham Viphavanh also prohibits all Vientiane residents from leaving their homes except for essential food shopping, hospital visits and other authorised tasks. The restrictions last until May 5. The report said they were ordered after 28 new COVID-19 cases were confirmed on Wednesday, bringing the country’s total to 88. The total population

of Laos is about 7.5 million, including about 700,000 in Vientiane. The government-owned Vientiane Times reported on its website that 26 of the 28 new cases are residents of the capital who had contact with a student at the National University of Laos who had caught the virus from a Thai man. It said the other two were workers who had returned from Thailand to the southern province of Champassak. Neighbouring Thailand is fighting its worst wave of COVID-19, but has not imposed a national lockdown this year so far, though many provinces have ordered quarantines for visitors, especially from places with active outbreaks. Thai officials reported 1,470 new cases on Thursday, pushing the total past 48,000. It also reported seven deaths, its highest for a single day, bringing total fatalities to 117. Vientiane was locked down from Apr 1 to 19 last year after the country's first nine COVID-19 cases were reported. Under the new restrictions, all gatherings of more than 20 people, including wedding parties, cultural festivals and religious activities are prohibited, and entertainment venues, bars, massage parlours and gyms are closed. Enterprises deemed essential and allowed to keep operating include hospitals, banks, supermarkets, restaurants and public utilities. KPL reported that the Foreign Ministry has been instructed to help facilitate the exit of foreigners who wish to return to their home countries.

Source: <https://www.channelnewsasia.com/news/asia/covid-19-laos-lockdown-capital-vientiane-outbreak-tied-thailand-14672574>

Local, foreign investment operating as usual in Bago



Myanmar News | 22 April, 2021

The local and foreign investment mostly flow into industry, manufacturing, industrial zones and food production sectors in Bago Region. Currently, 135 foreign investments totalling US \$2.3 billion and 40 investments made by Myanmar citizens totalling K977 billion were permitted in these sectors. Eighty per cent of local and foreign investments were made near the vicinity of Bago Township. Currently, about 55,000 factory workers return to their work at Nyaung Inn Industrial Zone as there is peace and tranquillity in Bago Region. At about 50 miles from Yangon, Bago Township, the commercial city of Myanmar, is a major transport hub. It is also located on the East/West Economic Corridor. It is the country's second-largest rice-producing area. It has the potential to receive more investment in the agriculture and livestock breeding sectors as there are plenty of fishing ponds and fields. Therefore, it can create job opportunities for the citizens. — Tin Soe (Bago)/GNLM

Source: <https://www.gnln.com.mm/local-foreign-investment-operating-as-usual-in-bago/#article-title>

Myanmar's border trade reaches \$5.6 bln in first six months of FY



Myanmar News | 22 April, 2021

Myanmar's trade with foreign countries through border posts reached US\$5.6 billion as of 2 April in the current financial year 2020-2021, which started in October, according to the figures released by the Ministry of Commerce. During the period, the country's export via land borders amounted to \$3.7 billion while its import shared \$1.9 billion. This FY's border trade down by over \$264 million, compared to the same period of the last FY2020-2021 when it amounted to \$5.9 billion, the Ministry's figures said. Muse topped the list of border checkpoints with the most trade value of \$2.5 billion, followed by Myawady with \$729 million. The country conducts border trade with neighbouring China through Muse, Lwejel, Kampaiti, Chinshwehaw and Kengtung with Thailand via Tachilek, Myawady, Kawthoung, Myeik, Hteekhee, Mawtaung and Meisei borders, with Bangladesh via Sittway and Maungtau and with India through Tamu and Reed checkpoints, respectively. From 1 October to 2 April of this FY, the country's foreign trade has totalled over \$7.8 billion while its sea trade valued at \$4.1 billion, according to the Ministry's report. Myanmar mainly exports agricultural products, animal products, marine products, minerals, forest products, manufacturing

goods, and others. In contrast, capital goods, intermediate goods and consumer goods are imported to the country. —ACM/GNLM

Source: <https://www.gnln.com.mm/myanmars-border-trade-reaches-5-6-bln-in-first-six-months-of-fy/>

Vietnam credit growth expands by 3.34% by mid-April



Vietnam News | 22 April, 2021

The central bank would continue to monitor the economic performance to adjust monetary policy accordingly, with the aim of keeping the inflation rate around 4% for this year. Vietnam's credit growth as of April 16 reached 3.34% against late 2020 and a surge of over 15% compared to the same period of last year. The figures were revealed during a press conference on the performance of the banking sector in the first quarter held by the State Bank of Vietnam (SBV) today [April 22]. The growth rate by the end of March was 2.93% compared to late 2020, equivalent to VND9,460 trillion (US\$411 billion). "In just two weeks, the credit growth had expanded by an addition of 0.41 percentage points," said a SBV's representative. As of April 5, credit institutions and banks have restructured debt payment for 262,000 customers with a total outstanding loan of VND357 trillion (US\$15.5 billion). Meanwhile, over 660,000 customers with existing loans of VND1,270 trillion (US\$55.14 billion) were subject to waiver, freezing and reduction of interest rates. From January 23 to date, banks have provided new loans worth over

VND3,160 trillion (US\$137.3 billion) for around 456,000 customers with preferential lending rates lower than the level in the pre-Covid-19 pandemic .Data from the central bank showed by mid-April, the growth rate of M2, which measures money supply that covers cash in circulation and all deposits, increased 2.9% against the end of 2020 and 15.66% year-on-year.According to SBV's representative, the bank would continue to maintain its current policy rates to create rooms for credit institutions to lower interest rates for customers, while foreign exchange policies are kept in line with the actual macro-economic performance and the objective of monetary policy.In the coming time, the SBV is expected to closely monitor the market situation to ensure inflation rate around 4% in 2021 and aid economic recovery.A key task for the SBV is to tighten credit into risky fields, including real estate, stock market and BOT/BT transportation projects, along with providing continuing support for enterprises and people severely affected by the pandemic.

Source : <http://hanoitimes.vn/vietnam-credit-growth-expands-by-334-by-mid-april-317092.html>

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