

Highlight News / April 27, 2021



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

Garment employers urged to provide additional allowances in 'spirit of humanity'



Cambodia News | 26 April, 2021

With more than 200 factories in the garment, footwear, bags and travel goods sector ordered closed in the capital and Takhmao city, Kandal province, the Garment Manufacturers of Cambodia (GMAC) is encouraging businesses to provide a stipend to the tens of thousands temporarily out of work. Garment factories in Phnom Penh and Takhmao were ordered to shut on April 14 for two weeks after nearly 800 workers from 36 establishments were found to have contracted COVID-19. The industry is a key pillar of the Kingdom's economy and employs upwards of 800,000 people. The sector exported some \$9.5 billion of goods last year despite the pandemic. Employers are not obliged to pay employees from April 15 to April 28 in accordance with Article 116 of the Labour Law, but are required to provide accommodation and transportation, or their equivalent value financially. "However, seeing the hardship our workers are enduring during this critical time, GMAC strongly appeals to all members in the lockdown regions to kindly consider a certain amount of cash allowance to your workers," said Ken Loo, secretary-general for GMAC. Loo told Khmer Times that the association has not set a standard amount to be distributed because factories would have to decide how much they are able to allocate

individually. He said the industry could see possible penalties imposed by buyers and, maybe, prohibitive air freight costs. "The lockdowns have resulted in no operations, which means that there are no exports and that could result in some orders not being fulfilled in time. This poses a real danger to businesses because they may not be able to complete purchase orders for clients and will have to pay a significant fine," he said. "The industry has been hurting since even before the pandemic, beginning with Everything but Arms [partial removal of European Union trade tariffs] and then leading to the global slowdown. While Cambodia was protected from the virus, we could not escape the economic fallout and the reduced international orders that followed." Garment exports were down 10 percent last year, while footwear fell by 11 percent and travel good exports declined by 10 percent. Firms face an uphill battle as they aim to climb out of the current economic slowdown. While economists have predicted that the pandemic and subsequent recovery will result in a boom equivalent to that post the second world war, the spillover to Cambodia may be inhibited by the most recent outbreak of Coronavirus. Already, the International Monetary Fund has downgraded its outlook for Cambodia, saying that the Kingdom will see 4.2 percent gross domestic product growth in 2021 – down from its previous forecast of 6.8 percent.

Source: <https://www.khmertimeskh.com/50845549/garment-employers-urged-to-provide-additional-allowances-in-spirit-of-humanity/>

Cambodia, Thailand's trade valued via at \$2 billion in first quarter



Cambodia News | 26 April, 2021

Bilateral trade between Cambodia and Thailand continued to contract amid the efforts of both governments battling to overcome the COVID-19 pandemic and return social and economic development to normal. Figures from Thailand's Ministry of Commerce showed that From January to March this year Cambodia exported \$330 million of goods to its neighbour, a 48.9 percent decrease compared with the same period last year. Imports from Thailand decreased 21.3 percent to \$1,769 million. The bilateral trade decreased by 21.3 percent to \$2,097. Agricultural products accounted for the majority of Cambodian exports to Thailand, while Thai exports to Cambodia primarily consisted of energy resources, agriculture fertiliser, food supplies and cosmetics. The two-way trade between the Kingdom of Cambodia and the Kingdom of Thailand was valued at \$7,236 million last year, a year-on-year decrease of 23 percent, of which Cambodia exported \$1,148 million to Thailand, a year-on-year decrease of 49 percent.

Source:<https://www.khmertimeskh.com/50845150/cambodia-thailands-trade-valued-via-at-2-billion-in-first-quarter/>

Govt orders preparations for worsening Covid scenario



Laos News | 27 April, 2021

The government has instructed the relevant authorities to review and draw up plans of the essentials they need to deal with the Covid-19 outbreak as the number of cases continues to rise. The Prime Minister's Office on April 26 issued a notice asking Covid-19 prevention and control taskforces at all levels to compile a list of the resources they required, including medical equipment, medicines, and money to finance efforts to contain the outbreak. The taskforces were told to coordinate with external and internal sectors to mobilise assistance such as medical experts and staff, equipment, medicines, and financial support. The National Taskforce for Covid-19 Prevention and Control was instructed to work with central and local authorities to prepare and ensure that sufficient quarantine and treatment centres were available in addition to hospitals. As the number of cases rises each day, priority will be given to people who are seriously ill. They will be admitted to hospital, while those with mild symptoms could be sent to other arranged treatment centres. The government stressed the need to increase the number of medical staff and volunteers working at all treatment centres so that everyone can be cared for. Authorities were also told to intensify border patrols to prevent people

entering Laos illegally. The government told police officers to monitor places of entertainment and tourist attractions that had been ordered to close, to ensure they strictly comply with the order and to take action against those that break the rules. The Ministry of Information, Culture and Tourism was told to work with the media to publicise the government's policies and measures to contain the outbreak, while promptly dismissing fake news. The government instructed the Ministry of Public Works and Transport to work with the relevant sectors to facilitate the import and export of goods as well as goods transport within the country to ensure sufficient supplies of goods and food. Central and local state departments in areas where Covid-19 cases have occurred were told to arrange for civil servants and staff under their supervision to work from home. The government also assigned the relevant authorities to assess the economic impacts of the lockdown, which has been imposed in Vientiane and eight provinces, with recommended policies and measures to help overcome these impacts. In addition, the government gave the green light to accept payments offered by businesses to buy Covid-19 vaccines to immunise their employees.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent_Govt_orders_79.php

Markets, banks, hospitals, bus lines resume normal operations; people peacefully visit pagodas



Myanmar News | 26 April, 2021

The pagodas, including buildings or temples of other religions, were reopened to the public starting 8 February following the COVID-19 health rules. The pilgrims and visitors, including monks and nuns, peacefully visited the pagodas. Similarly, the people of other religions peacefully do their religious affairs at their respective religious buildings. Moreover, the public parks and playgrounds in Nay Pyi Taw, Yangon, Mandalay and other regions and states are reopened as usual. The markets are alive with the vendors and sellers. Simultaneously, the banks, hospitals, airlines, train services, boat services and bus services also resume their operations. —MNA

Source: <https://www.gnlm.com.mm/markets-banks-hospitals-bus-lines-resume-normal-operations-people-peacefully-visit-pagodas/#article-title>

VEPR: Vietnamese economy could grow by 6.3 pct in 2021



Vietnam News | 26 April, 2021

Hanoi (VNA) – The Vietnamese economy could grow by about 6-6.3 percent in 2021, said chief economist Pham The Anh from the Vietnam Institute for Economic and Policy Research (VEPR) during a workshop recently held to announce the Vietnam Quarterly Macro-Economic Report. The VEPR's report said the global economy has shown signs of

recovery thanks to the availability of COVID-19 vaccines, but instability remains while growth is uneven among nations and economies. In the first quarter, Vietnam's economic growth hit 4.48 percent thanks to the Government's drastic actions to control the pandemic from the early stage, along with the signing of the European Union – Vietnam Free Trade Agreement and the EU-Vietnam Investment Protection Agreement. Additionally, disbursement of public investment capital has been stepped up and progress of key public investment projects accelerated while the wave of investment and trade is shifting to Vietnam, helping maintain a stable macro-economic environment with inflation under control. However, Anh also warned that Vietnam is facing challenges in an uncertain economic environment. The resurgence of the COVID-19 pandemic in many countries resulting in lockdown measures is prolonging the disruption of supply chains this year, weakening the resilience of enterprises. Geo-political conflicts among major powers could also expose Vietnam to unexpected risks. Other risks are related to fiscal imbalance, slow and low investment, vulnerable financial-banking system, and growth's heavy reliance on foreign-invested sector. The VEPR suggested that the top priority should be given to social welfare policies, targeting the right persons. The report also proposed that corporate support policies should be continued with more substantial measures and greater focus. According to Anh, Vietnam should gradually

build fiscal cushion to prevent shocks like COVID-19 or its unexpected developments in coming years./

Source: <https://en.vietnamplus.vn/vepr-vietnamese-economy-could-grow-by-63-pct-in-2021/200628.vnp>

Vietnam remains safe destination for development of FDI inflows



Vietnam News | 26 April, 2021

VOV.VN - FDI attraction must be more selective with a specific focus on the main evaluation criteria such as quality, efficiency, technology and environmental protection, said Deputy PM Pham Binh Minh at the Connections for Development Forum 2021 in Hanoi on April 26. Minh noted that Vietnam should be proactively catching up with the fourth wave of FDI taking place globally amid fierce competition of FDI and the adverse impacts of the COVID-19 pandemic. The foreign direct investment (FDI) sector will continue to be an important driving force behind great contributions to meeting the nation's aspirations and prosperity goals, with the Government playing a vital role in dealing with crucial issues in terms of FDI attraction, said Deputy Prime Minister Pham Binh Minh. During the event themed "Seizing new opportunities for localities and businesses", the Deputy PM emphasised that the Government will focus on resolving four main issues as a means of successfully attracting greater FDI inflows in the country in the future. Moving forward, priority will be given to maintaining a stable macro-political environment which will ultimately serve as a competitive advantage amid unpredictable

fluctuations occurring globally, and fresh challenges caused by the impact of the novel coronavirus (COVID-19) pandemic. Furthermore, the Government will also focus on fine-tuning the legal system, improving the state governance capacity over macro-economic management as a way of attracting greater FDI inflows in a selective manner, while simultaneously enhancing the competitiveness of the local economy and striving to develop an independent and autonomous economy. The Government will also look to support domestic firms as they enter into joint ventures with capital contributions of foreign-invested enterprises, particularly in terms of projects which make use of technologies in order to develop national products. Moreover, policies relating to investment incentives will be perfected with a mechanism being set up to strengthen connectivity among investment, trade, and tourism activities. The Government will also seek to prioritise investment in relation to infrastructure development, reduce transaction costs, and enhance the competitiveness for businesses and investors, with a specific focus on strengthening transparency. Most notably, the Government will encourage further investment in education, science, and technology, with human and technological capacity anticipated being the driving force behind growth over the coming decades. Along with greater investment attraction, localities will implement support policies for investors through projects at the fastest speed possible, in the shortest time, and with the most efficiency. This will be done

through improving the domestic business environment and simplifying administrative procedures, especially those relating to land clearance procedures. These efforts are expected to reduce investment costs, strengthen investors' confidence, and provide support for domestic enterprises as they participate more deeply in the value chain of global production and distribution.

Source: <https://vov.vn/en/economy/vietnam-remains-safe-destination-for-development-of-fdi-inflows-853072.vov>
