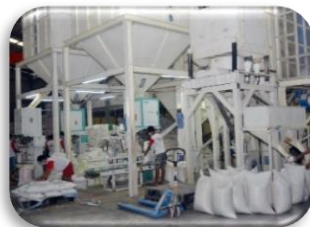
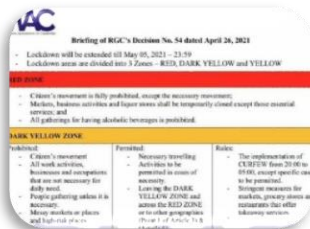


Highlight News / April 29/2021



- Yellow Zone garment factories may re-open, but with caution
- Mangoes receive official approval for export to China
- ADB positive about growth of Lao economy despite Covid-19 crisis
- Rice mills, rubber factories contribute to livelihoods of local people in Myeik District
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Yellow Zone garment factories may re-open, but with caution



Cambodia News | 28 April, 2021

A document outlining the new colour-coded designations for city areas indicates that garment factories and other manufacturing facilities in Yellow Zones may be allowed to re-open in earnest by April 29. “All work activities, occupations and businesses” are deemed “permitted” for those living and working in Yellow Zones, according to an outline detailing the COVID-affected restrictions. Ken Loo, secretary-general for the Garment Manufacturers Association of Cambodia (GMAC), told Khmer Times, pending an official announcement, that his organisation has interpreted the statement to mean factories in Yellow Zones will be allowed to resume operations. All garment factories in Phnom Penh and Takmao city, Kandal province, suspended operations earlier this month after thousands of workers were found to have contracted COVID-19. “I hope that factories will be allowed to re-open, but I have not received any official directive from the government. The industry would welcome the news with open arms because the last year has been quite difficult for garment manufacturers. Some are facing the risk of not being able to meet purchase orders on time and possibly pay penalties because of that,” Loo said. Workers living in Yellow Zones (areas with the least restrictions) may resume working. However, those in Orange Zones (those with moderate restrictions) and Red Zones will not be able to travel to and from work.

Factories in these areas will also remain shut until at least May 5 – the extended date for lockdowns. “Despite Cambodia having managed the pandemic extraordinarily well until the Feb 20 event, the garment industry is still reeling from a lack of orders coming in from overseas. People in Europe and North America are frequenting malls less and working from home. That means people are less likely to buy new clothes,” said Loo. Earlier this week, GMAC issued a legal advisory that urged employers to provide stipends for workers during factory closures. “Employers are encouraged to provide an allowance that can be any portion or all of a worker’s/employee’s wages according to their ability and this should be considered and implemented during the contract suspension in the spirit of humanity, solidarity and social responsibility,” the advisory read. Loo said that given the circumstances, he had observed factories doing the best they can to take care of their employees. They are already required to continue providing accommodation or a financial allowance in its stead. However, larger factories that supply larger purchase orders are better equipped to handle the request. “I can say that everyone is having trouble, from the owners to the employees. GMAC is working closely with authorities and stakeholders to ensure that the garment sector is revived after the global slowdown. The fashion industry generally seeks the lowest cost with the highest productivity so perhaps countries such as Bangladesh or Sri Lanka will bounce back faster and better than Cambodia,” said

Loo. GMAC has previously lobbied the government to reduce overheads for garment factories, including reducing the cost of electricity, limiting the number of holidays and advising that minimum wage increases keep the sector competitive with other garment manufacturing bases. In January, Cambodia increased its minimum wage by \$2 to \$192 per month, one of the lowest increases in nearly a decade. The monthly minimum wage has nearly doubled since 2014 when it was \$100 per month. Rival garment manufacturing countries such as Bangladesh offer about \$100 monthly, while Sri Lanka offers approximately \$50.

Source : <https://www.khmertimeskh.com/50846999/yellow-zone-garment-factories-may-re-open-but-with-caution/>

Mangoes receive official approval for export to China



Cambodia News | 28 April, 2021

Cambodian mangoes produced at a small group of approved packaging factories have been cleared for export to China. It's a result of recent improvements to the factories that allowed the fruit to pass China's phytosanitary requirements. The General Administration of Customs of China (GACC) officially approved five mango processing facilities and 37 mango plantations. The GACC made the announcement this week and revealed the list of approved factories: Hyundai Mao Legacy Co Ltd, Shangda Jian Hui International Agriculture Product and Logistics Co Ltd, Al Jazeelan Food PTE Ltd,

Long Wo Agriculture (Cambodia) Co Ltd and Boeung Ket Fresh Fruits Co Ltd. Last month, Chinese and Cambodian officials assessed several farms and processing facilities to gauge whether they were capable of producing mangoes fit for export to China. New technologies at the plants included water heat treatment and vapour heat treatments to effectively sanitise the fruits. The two countries signed a free trade agreement (FTA) in October last year. Mango exports were expected to jump dramatically under the new trade pact. Before the FTA was signed, China set a quota for up to 500,000 tonnes of "quality" mangoes to be imported from Cambodia. Penn Sovicheat, the spokesman for the Ministry of Commerce, said the ministry was pleased with the recent announcement. "We consider the permission to export fresh mangoes to China a good opportunity for Cambodian farmers. It also represents the successful efforts of our ministry to enlarge our market access and diversify our exports, especially in the agricultural sector," he said. "The Ministry of Commerce will continue to facilitate the export process within the framework of our mandate" In June last year, Cambodia and China reached an agreement to start work on implementing stricter phytosanitary measures that must be followed to prevent plant disease. Pending COVID-19-related restrictions concerning exports, the announcement should be a shot in the arm for the struggling mango industry. According to multiple media reports, prices for Cambodian mangoes have remained low this year because of an oversupply in the domestic

market. At the end of February, prices for mangoes prepared for export were about \$.17 per kilogramme, while unpackaged mangoes sold for as low as \$.04 per kilogramme. In January last year, Cambodia began exporting mangoes to South Korea. In total, Cambodia exported 945,274 tonnes of fresh mangoes last year to the European Union, South Korea, Thailand and Vietnam. These exports were worth an estimated \$473.2 million. As previously reported by Khmer Times, the government listed 340 products to be listed as exports to China under the FTA, including peppers, chillis, pineapples, vegetables, fruit, fish, meats (including processed meat), grain, crabs, seafood and a variety of canned products. Among those commodities, which are in addition to those already being exported under the ASEAN-China FTA, 95 percent will be tariff-free while tariffs for the remaining 5 percent will be dropped in the future.

Source : <https://www.khmertimeskh.com/50846766/mangoes-receive-official-approval-for-export-to-china/>

ADB positive about growth of Lao economy despite Covid-19 crisis



Laos News | 29 April, 2021

The Asian Development Bank (ADB) is optimistic about the growth of the Lao economy amid the Covid-19 crisis and lockdown measures imposed to contain the spread of the Coronavirus. According to the ADB's Asian Development Outlook (ADO) 2021, which was unveiled on Wednesday, the Lao

economy is projected to grow at 4.0 percent in 2021 and 4.5 percent in 2022. The projection is based on improved agricultural production and sustained power generation, which will offset a slow recovery in services amid the pandemic. The projected recovery follows a 0.5 percent contraction in Laos' economy last year, following a growth rate of 4.7 percent in 2019, according to the ADB report. "Growth is gaining momentum in Laos, but new Covid-19 outbreaks, along with structural challenges, pose a threat to the country's recovery," said the ADB Country Director for the Lao PDR, Sonomi Tanaka. "A swift vaccine rollout, accompanied by measures to strengthen macroeconomic management and improve investor sentiment, is needed to support the economic recovery and safeguard the welfare of households." Severe travel restrictions last year helped prevent a large-scale public health crisis in Laos but stifled domestic and external demand, resulting in high unemployment. Public finances were hard hit, with ratings agencies downgrading the Lao government's credit rating because of rising external liquidity pressure amid limited refinancing options. According to the ADB, a moderate recovery in agriculture is expected this year, mainly due to growth in livestock trade. But the planting of food crops has been delayed by cooler weather and water shortages. Industrial growth will be boosted by increased electricity production. Continuing investment in large-scale infrastructure, mining and urban property is expected in 2021 and 2022, which

will create jobs and support household purchasing power. Growth of the services sector this year will be supported by a recovery in domestic consumption following the completion of strategic infrastructure projects, including the Vientiane-Vangvieng Expressway, which will boost domestic hospitality industries. With international travel for business and leisure expected to normalise in 2022, the drivers of economic recovery in the medium term are expected to be wholesale and retail trade, transportation and communications, according to the ADB. Meanwhile, inflation in Laos was recorded at 5.1 percent last year, driven by rising food prices which were affected by diseases and natural disasters. This year, the inflation rate is expected to drop to 4.5 percent, before rising to 5.0 percent in 2022, as pressure from imported goods on the Lao kip's depreciation is partially offset by improved domestic production. Ongoing difficulties in domestic resource mobilisation, which is associated with structural challenges and weak governance, are being exacerbated by the pandemic. The country's fiscal deficit will likely remain elevated in the near term. The macroeconomic framework of Laos remains fragile, given the country's high risk of debt distress, increased debt-service pressure, and potentially higher refinancing rates. To create the fiscal space needed for more resilient growth, it is critical to make reforms for better transparency and management of public debt.

Source : https://www.vientianetimes.org.la/freeContent/FreeConten_ADB81.php

Rice mills, rubber factories contribute to livelihoods of local people in Myeik District



Myanmar News | 29 April, 2021

OK Yadana Rice Mill operates the production and distribution of rice in the Myeik District of the Taninthayi Region. Likewise, Po La Min Rubber Industrial Company Ltd is also producing the finished rubber products in the district. OK Yadana Rice Mill, located in Kyaukphya Village of Myeik Township, focuses on distributing high yield paddy seeds suitable for the region to the local farmers, purchasing paddy from farmers and rice sales in Myeik District. In running the rice mill, it uses a paddy dryer to make paddy dry before storage. It generates electricity with the use of paddy husk. Po La Min Rubber Industrial Company Ltd taking a position in Nga-in Village of Pin Oh Village-tract in Myeik Township runs its crumb rubber factory operated with the collection of raw rubber and production of the finished goods with the export purpose on a daily basis. The crumb rubber factory produces 1,350 tonnes of finished rubber products per month to export it to China, Malaysia and Singapore. Some 700 owners of rubber farms produce rubber latex from more than 146,000 acres of rubber plantations in the Myeik District. Rice mills and rubber farms, and factories create job opportunities for the local people

to earn income for their families. — District IPRD/GNLM

Source : <https://www.gnlm.com.mm/rice-mills-rubber-factories-contribute-to-livelihoods-of-local-people-in-myeik-district/#article-title>

Vietnam to lead Southeast Asia in growth: ADB



Vietnam News | 28 April, 2021

The Vietnamese economy will be the fastest growing in Southeast Asia this year at 6.7 percent driven by a manufacturing recovery and boom in trade. The regional average will be 4.4 percent, a report released Wednesday by the Asian Development Bank (ADB) forecast. Vietnam's GDP growth is expected to top 7 percent next year, also the highest in the region, which would average 5.1 percent. "Stagnant domestic consumption and weak external demand caused by the Covid-19 pandemic slowed down Vietnam's economy last year, but the growth momentum remains strong this year and next, made possible by Vietnam's success in controlling the spread of the virus," ADB country director for Vietnam, Andrew Jeffries, said. Growth would be boosted by export-oriented manufacturing, increased investment and expanding trade, the report said. The country's purchasing managers' index rose to 53.6 in March, the highest since January 2019. A rate of over 50 indicates expansion. Construction is expected to pick up quickly as the

government continues to accelerate major infrastructure work this year and low interest rates stimulate property development. Faster-than-expected recovery in China and the U.S. would significantly expand Vietnam's trade and growth prospects, the report said. China, whose GDP is set to grow by 8.1 percent this year, in the first quarter surpassed the E.U. to become Vietnam's second largest export market behind the U.S, it said. Vietnam's retail sales rose 5.1 percent in the first quarter, indicating a recovery in consumer confidence. Increased domestic consumption, along with rising international oil prices, is expected to push inflation up to 3.8 percent this year and 4 percent in 2022, the report said. Jeffries said: "But significant risks remain this year and next, including the emergence of new coronavirus variants and a delay in the government's vaccination plan. "The report warned that the uneven global Covid vaccine rollout could delay Vietnam's return to its strong pre-pandemic growth path, given its reliance on external trade. Vietnam could maintain inclusive growth by softening the pandemic's impacts on poverty and incomes, it added. A study by the ADB found that the pandemic has reduced Vietnamese people's incomes by 9.8 percent on average. The bank urged the government to adopt a sustainable long-term strategy to help poor and vulnerable people diversify their livelihoods through measures such as

vocational training and improved access to microfinance for starting businesses.

Source : <https://e.vnexpress.net/news/business/data-speaks/vietnam-to-lead-southeast-asia-in-growth-adb-4269618.html>

Vietnam lures US\$12.25 billion in foreign investment over four-month period



Vietnam News | 28 April, 2021

VOV.VN - As much as US\$12.25 billion worth of foreign direct investment (FDI) was injected into the country during the past four months of the year, equal to 99.3% compared to the same period from last year, according to the figures released by the Foreign Investment Agency. Statistics indicate that the total newly registered and adjusted capital, along with capital contributed and shares purchased by foreign investors reached US\$12.25 billion by April 20. During the first quarter of the year, foreign investment recorded an increase of 18.5% to US\$10.13 billion compared to the same period from last year for the first time, despite facing a range of adverse impacts caused by the novel coronavirus (COVID-19) pandemic. According to the Foreign Investment Agency, the production activities of firms has bounced back since the initial impact of the pandemic, with the disbursement of FDI projects during the four-month period standing at US\$5.5 billion, a rise of 6.8% compared to the same period from last year. Furthermore, there remains positive

signs that the average size of newly-licensed projects and capital adjusted projects have increased compared to last year's corresponding period. Throughout the reviewed period, financiers from abroad have invested in 17 fields in Vietnam, with the manufacturing sector taking the lead with investment capital of US\$5.2 billion, thereby accounting for 42.4% of the total registered investment. This is followed by power production and distribution with US\$5.1 billion, real estate with US\$778 million, and the wholesale and retail sectors with US\$464 million. Singapore topped the list of 67 countries and territories currently investing in the nation during the reviewed period with over US\$4.8 billion, accounting for approximately 39.6% of the total, trailed by Japan with more than US\$2.5 billion, and the Republic of Korea with roughly US\$1.5 billion. The country is currently home to 33,463 valid foreign investment projects with total registered capital of US\$394.9 billion, with the disbursement of the foreign-invested projects reaching US\$238.36 billion, equal to 60.4% of the total valid registered investment capital.

Source : <https://vov.vn/en/economy/vietnam-lures-us1225-billion-in-foreign-investment-over-four-month-period-853531.vov>