

Highlight News / May 06/2021



- Nearly 100 factories reopen in Yellow Zones but virus remains
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Nearly 100 factories reopen in Yellow Zones but virus remains



Cambodia News | 05 May, 2021

At least 95 factories and enterprises have restarted production just a week after the government's lockdown measures in Phnom Penh and Takmao city were divided them into three zones. The reopening factories are in the Yellow Zones, said Secretary of State of Ministry of Labour and Vocational Training Heng Sour. He added 15,000 workers have resumed their jobs. "The restart of production chains in the factories and enterprises is a good sign in the manufacturing sector although the COVID-19 pandemic has not ended yet," Sour noted. The secretary of state said up to 50 percent of workers could resume their work but the rest remained affected by Red and Orange zone restrictions. The resuming of the production chain via factory reopening comes as the government and Garment Manufacturers Association in Cambodia (GMAC) have appealed to international buyers not to fine factories for being late with product deliveries. They said lateness of product delivery was caused by hundreds of factories and enterprises having shut down production temporarily to respect the government's lockdown measures. In the first quarter of this year, Cambodia's export of garment products – clothes, footwear and travel goods decreased – by 10 percent to \$2.4 billion. According to figures from the Ministry of Economy and Finance, cloth exports were valued at \$1.775 billion a year,

footwear at \$316 million and travel goods at \$319 million. Kaing Monica, deputy secretary-general of the GMAC, called on the private sector, people and the workers to participate in the measures of the government to promote efficiency to return to normality soon. "If this situation persists, there will be problems in trade because international trade is planned and certain. In the garment sector there are export seasons, such as summer exports and winter exports," he said. Cambodia's exports were valued at \$9.5 billion in 2020, down from \$10.6 billion registered a year earlier.

Source : <https://www.khmertimeskh.com/50851509/nearly-100-factories-reopen-in-yellow-zones-but-virus-remains/>

Hattha Bank receives greenlight to raise \$25 million in capital



Cambodia News | 05 May, 2021

Hattha Bank has received permission from the National Bank of Cambodia (NBC) to raise \$25 million in additional capital to lend to customers in an effort to assist Cambodia's economic recovery during the COVID-19 pandemic. Hattha Bank Plc. is a leading bank in Cambodia, licensed by the NBC. The bank's Chief Executive Officer, Okhna Hout leng Tong confirmed Hattha receiving approval to raise additional capital on Monday. He told local media that it is intended to facilitate assisting small and medium-sized enterprises (SMEs) – which he called the backbone of the nation's economy – as they attempt to navigate through the pandemic. leng

Tong added that the measure would indirectly help to provide more jobs because the loans will enable businesses to further grow their operations. He added that it was the bank's responsibility to extend credit to borrowers to build their businesses and provide advice in an effort to help them to excel and grow. On April 29, Hattha Bank announced it would reopen its eight branches located within Phnom Penh. Having been operating for more than 25 years with microfinance deposit-taking institution (MDI) status in the market, with its rapidly growing success, Hattha Bank transformed its status from MDI to commercial bank in 2020 and continued to provide diversified financial services to individual and SME businesses. It then jumped into the retail consumer financial market and signed up corporate customers in urban areas through its 177 branches and 129 ATMs nationwide. According to its website, Hattha Bank is a subsidiary of Bank of Ayudhya (Krungsri), the fifth-largest commercial bank in Thailand, and a member of MUFG Bank, Japan's largest banking group and one of the largest and most diversified financial groups in the world. The NBC issued a circular on loan restructuring on March 27 last year to help clients affected by the COVID-19 financial crisis. As of March, Cambodia Microfinance Association (CMA) members had restructured more than \$1.4 billion in loans for nearly 300,000 borrowers since the NBC first issued the directive, according to CMA Communications Department Director Kaing Tongngy . He highlighted the importance of the financial system, saying that

problems will likely spill over into other sectors. He encouraged the general public to seek mediation or intervention from the CMA if faced with a credit issue that member institutions cannot resolve. At the same time, the communications director asked that customers enduring limited or no impact from the pandemic to continue to repay their loans on a regular basis and provide institutions with additional possibilities to help other customers. He said CMA membership includes more than 100 microfinance institutions and four banks – Hattha Bank Plc, Phillip Bank Plc, SBI LY HOUR Bank Plc and AEON Specialized Bank (Cambodia) Plc.

Source : <https://www.khmertimeskh.com/50851507/hattha-bank-receives-greenlight-to-raise-25-million-in-capital/>

Number of new Covid infections remain high



Laos News | 06 May, 2021

The number of new cases of Covid-19 recorded in Laos remains high despite the government's reinforced measures to contain the spread of the virus. On Wednesday, 46 cases were confirmed, bringing the countrywide total to 1,072, according to the National Taskforce for Covid-19 Prevention and Control. The highest number of new infections was reported in Vientiane with 19, followed by Bokeo province with 15 new cases. Champassak province recorded six cases and Savannakhet province six cases. No deaths have been reported so far. The positive test results were obtained after 1,072

samples were tested for the virus. More than 3,760 people have been admitted to 57 quarantine centres across the country and samples taken from them have been sent for Covid-19 tests. The number of new infections in Vientiane dropped this week when only eight new cases were reported on Tuesday, down from 16 on Monday, but then rose to 19 cases on Wednesday. To date, almost all provinces have recorded cases of the virus. A total of 586 have been reported in Vientiane, 157 in Champassak province, 133 in Bokeo province, 38 in Savannakhet province, 14 in Vientiane province, and 13 in Luang Prabang province. The government has extended the lockdown until May 20 in a further attempt reduce the number of infections and contain the outbreak. Vientiane authorities have set up two makeshift hospitals at the Lanexang Indoor Stadium and the Lao Football Federation's sports centre in Chanthaboury district's Huayhong village to accommodate patients. Members of the public have been urged not to panic, not to spread fake news and to rely only on official sources for information concerning the virus. The government is advising everyone to act responsibly and to join the battle to prevent the virus spiralling out of control. Meanwhile the vaccination programme is being expedited to ensure that 22 percent of the population is immunised by the end of this year. As of April 29, a total of 192,454 people in Laos had received their first dose of the Covid-19 vaccine and more than 68,500 people had been given their second inoculation. With more and more people coming to

get vaccinated, the Covid-19 taskforce says everyone must maintain social distancing, wear a face mask and comply with all the guidelines imposed by the government to avoid any risk of contracting the virus. People who need to leave their homes are advised to wear a face mask, regularly wash their hands with soap, and avoid touching their mouth and eyes.

Source : https://www.vientianetimes.org.la/freeContent/FreeContent_Number86.php

Output and new orders in April fall fivefold: IHS Markit



Myanmar News | 05 May, 2021

The output and new orders in April showed five times the decline in the manufacturing sector in Myanmar due to current situations, according to PMI indexes released by IHS Markit on May 3. The data revealed another substantial decline in the manufacturing conditions across Myanmar, with large parts of the economy remaining closed due to the current situation. Five components of the PMI indexes are output, new orders, employment, suppliers' delivery times and stocks of purchases and the indexes are based on the calculation of the five components. The survey said all five of the PMI components had positive directional influences on the headline figure in April, but four (except for the suppliers' delivery times) remained well inside negative territory. The output and new orders both fell at the fifth-fastest rates in the survey history, while stocks of purchases

and employment contracted at the third- and fourth-quickest rates on record, respectively. The headline IHS Markit Myanmar Manufacturing PMI™ – a composite single-figure indicator of manufacturing performance – rose from 27.5 in March to 33.0 in April, indicating an eighth consecutive monthly deterioration in operating conditions at Myanmar's manufacturing sector. The purchasing activity declined markedly again in April. Looking ahead, although firms expect output to rise by April 2022 on balance, overall expectations were the weakest in over two years. Around 60% of firms recorded lower production in April than in March. A combination of material shortages, unfavourable exchange rate movements and higher transportation costs led to the strongest rate of input price inflation since November 2018. The weak demand environment made it difficult for firms to pass on cost burdens, with selling prices increasing only modestly in April. The survey is carried out by IHS Markit based on the data received from the manufacturing sector and supported by Nikkei Inc from Japan.

Source : <https://elevenmyanmar.com/news/output-and-new-orders-in-april-fall-fivefold-ihs-markit>

Export-import growth hits

10-year high



Vietnam News | 05 May, 2021

HÀ NỘI — Việt Nam witnessed the growth of exports and imports in the first four months of 2021

hitting a 10-year record high, data of the General Statistics Office (GSO) shows. From January-April, exports totalled US\$103.9 billion, an increase of 28.3 per cent against the same period last year. The domestic sector exported \$25.76 billion worth of goods and services, up 12.8 per cent year-on-year and accounting for 24.8 per cent of the total overseas shipments, while the foreign-invested sector contributed \$78.14 billion, up 34.4 per cent and representing 75.2 per cent of the total. Highest growth was seen in the heavy industry and mining sector, which generated \$57.58 billion in export revenue, a year-on-year rise of 33 per cent. It was followed by the light and craft industries, 27.5 per cent; and agriculture and forestry, 8.8 per cent. The US was Việt Nam's largest buyer during the period, with a value of \$30.3 billion, up 50.1 per cent year-on-year. China came second, purchasing \$16.8 billion worth of goods and services from Việt Nam, up 32.4 per cent; followed by the EU, \$12.6 billion and 18.1 per cent. Four-month imports rose by 30.8 per cent from a year earlier to \$102.6 billion. Some 93.9 per cent of the imports were capital goods, worth a total of \$96.31 billion, up 31.4 per cent. The remainder was consumer goods, valued at \$6.3 billion, up 22.5 per cent. China remained as Việt Nam's biggest seller with \$33.1 billion worth of goods and services shipped to Việt Nam, up 47.8 per cent year-on-year, followed by the Republic of

Korea (\$16.9 billion), ASEAN (\$14.1 billion), and Japan (\$7.2 billion). The GSO also reported trade surplus of \$1.29 billion and total retail sales of goods and services of close to VNĐ1.7 quadrillion (\$73.5 billion) in the first four months of the year, up 10 per cent year-on-year. — VNS

Source : <https://vietnamnews.vn/economy/939944/export-import-growth-hits-10-year-high.html>

Vietnam's production rises at fastest pace since Nov 2018



Vietnam News | 05 May, 2021

HCMC – Vietnam's production in April 2021 rose at the fastest pace since November 2018 amid sharp new order growth, according to a report released by IHS Markit on May 4. New orders rose at a sharper rate, with firms responding by upping their rate of job creation and ramping up purchasing. Input costs continued to rise sharply, leading to the fastest increase in selling prices in nearly a decade. Meanwhile, there were some signs that supply-chain disruption had started to ease during the month. The Vietnam Manufacturing Purchasing Managers' Index (PMI) increased for the third straight month, posting 54.7 in April following a reading of 53.6 in March. The manufacturing sector was boosted in April by signs that customers were willing to commit to larger orders than they previously did, given the general improvement in demand and control of the Covid-19 pandemic. The total new orders increased for the eighth straight month running and at the fastest pace

in close to two and a half years. New export orders also continued to rise amid an improving international demand climate. Higher new orders led to a similarly-sized expansion of manufacturing output, with production also up at the fastest pace since November 2018. Companies boosted production by increasing workforce numbers. Staffing levels were expanded for the third month running and to the greatest extent since December 2018. This increased capacity, however, was not sufficient to prevent a first rise in backlogs of work in 15 months due to the strength of new order growth. Besides raising staffing levels, firms also posted a sharp and accelerated expansion of purchasing activity. Respondents indicated that the increase in input buying was both in response to higher new orders and as part of efforts to build reserves to support production growth in the months ahead. Efforts to expand inventory holdings were generally successful in April, with both stocks of purchases and finished goods increasing. In both cases, the rate of accumulation was solid and faster than at the end of the first quarter. There were some signs that recent severe disruption to supply chains eased in April. While suppliers' delivery times continued to lengthen, the latest deterioration in vendor performance was modest and the softest since last September. Supply shortages and rising shipping costs continued to feed through to higher input prices. The rate of cost inflation remained substantial and was only slightly slower than that seen in March. In turn, firms raised their selling prices sharply, with

the rate of inflation quickening to the fastest for close to a decade. Expectations that the pandemic will remain under control led to higher demand, and the introduction of new product lines, supported ongoing confidence among firms regarding the 12-month outlook for production. "The Vietnamese manufacturing sector hit the ground running at the start of the second quarter. Output and new orders each rose to the greatest extent since late 2018, and there were encouraging reports that customers were often happy to place larger orders amid greater confidence in the sustainability of the current expansion," said Andrew Harker, economics director at IHS Markit. "Inflationary pressures remained elevated, with output prices increasing at the fastest pace for almost a decade. There were some signs, however, that the severity of the difficulties in supply chains may be easing, which will hopefully reduce some of the upward pressure on prices," Harker added.

Source : <https://english.thesaigontimes.vn/81734/vietnam%e2%80%99s-production-rises-at-fastest-pace-since-nov-2018-.html>
