

Highlight News / May 11, 2021



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- Revocation of withholding tax exemption on corn exports causes price downtrend
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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

## Despite surge in pandemic, Cambodia's economy projected to return to positive growth in 2021



*Cambodia News | 10 May, 2021*

The Cambodian economy is expected to return to positive growth in 2021 after experiencing a contraction last year, the ASEAN+3 Macroeconomic Research Office (AMRO) said in a press statement. "Despite disruptions in domestic activity due to the recent lockdown, the Cambodian economy is projected to grow by 4 percent in 2021, led by a robust recovery in manufacturing and supported by continued fiscal stimulus," AMRO lead specialist Seung Hyun Hong said in the statement. "The recent spike in community cases underscores the need for the government's strong response to contain the pandemic and speed up the vaccination rollout to achieve herd immunity," he said. In 2020, growth was estimated to contract by 3 percent as containment measures in Cambodia and its major trading partners and tourist markets weakened the country's key growth drivers, he added. The statement was issued after Hong, along with AMRO director Toshinori Doi and chief economist Hoe Ee Khor, made virtual annual consultation with the Cambodian authorities from April 19 to May 4. Cambodia logged 520 new COVID-19 cases on Sunday, pushing the national case tally to 19,237 with 120 deaths, the Ministry of Health said. The Southeast Asian nation launched an anti-COVID-19 inoculation drive on Feb 10. To date, more than 1.77

million out of the kingdom's 16-million population have been vaccinated against the virus, a government report said.

Source: <https://www.khmertimeskh.com/50854097/despite-surge-in-pandemic-cambodias-economy-projected-to-return-to-positive-growth-in-2021/>

## Cambodia formulates way forward if trade privileges are lost



*Cambodia News | 10 May, 2021*

of state at the Ministry of Commerce, during a virtual seminar on the implications of less-development country graduation in the textile and clothing sector. The workshop was co-organised by the World Trade Organization (WTO), United Nations Department of Economic and Social Affairs (UN DESA), United Nations Conference on Trade and Development (UNCTAD) and International Trade Center (ITC) with participants from less-developed countries including Cambodia, Bangladesh, Laos and Nepal. Speaking at the seminar, Rithi highlighted the importance of the garment sector in driving Cambodia's economic growth and the benefits of preferential tariffs for Cambodia's export growth. He also underlined the impact that leaving least-developed country status could have on trade preferential tariffs, attractiveness for investment and Cambodia's competitiveness in the garment and apparel sector and opportunities for trade assistance. To overcome the challenges after a Less-Developed Country (LDC) status loss, the ministry has made preparations, he said. "To address these challenges,

the ministry has prepared policies and strategies for Cambodia so it can strengthen its competitiveness and prepare for its successful exit from the status of a least-developed country,” he said, citing that those policies and strategies are diversification of export markets through bilateral and multilateral free trade agreements and the promotion of support from development partners as well as the formulation of trade policies and strategies. LDCs consist of low-income countries confronting severe structural impediments to sustainable development. They are highly vulnerable to economic and environmental shocks and have low levels of human assets. Cambodia made the transition from a low income to a lower-middle-income country in 2015. Cambodia still has LDC status, as defined by the United Nations, and will probably retain its trade privileges for a while to come. The country is likely facing transition out of its current LDC status by around 2030 if it returns to its pre-pandemic growth rates, according to projections made by the Asian Development Bank.

Source:<https://www.khmertimeskh.com/50854075/cambodia-formulates-way-forward-if-trade-privileges-are-lost/>

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## China sends new aid package to support Covid-19 battle



*Laos News / 11 May, 2021*

A new aid package amounting to 15.5 billion kip (10 million Chinese yuan) provided by the Chinese government arrived in Vientiane on Monday to bolster efforts to contain the coronavirus outbreak. Laos is struggling to contain the outbreak, which began in the middle of April, sparked by two Thai nationals who entered Laos illegally and visited other parts of the country in the company of two Lao women. As of May 10, the total number of cases had skyrocketed to 1,327, when 25 new cases were reported. Some 237 Covid patients have been discharged from hospitals and one woman has died from the disease. As the outbreak spreads, the government has mobilised assistance from various sectors and friendly countries to supplement the government’s resources. Accepting the delivery of China’s new aid package at Wattay International Airport, Chairman of the National Taskforce for Covid-19 Prevention and Control, Prof. Dr Kikeo Khaykhamphithoune, said he highly valued China’s assistance. Dr Kikeo, who is also Deputy Prime Minister, described the aid as ‘timely assistance’ in the fight against Covid-19. The support package includes ventilators, disinfectant, masks for medical staff, gloves and protective clothing for medical staff, and Covid-19 test equipment. Chinese Ambassador

to Laos Jiang Zaidong represented the Chinese government to hand over the supplies. Dr Kikeo, representing the Lao government and people, expressed heartfelt gratitude to the government and people of China for the assistance and the aid previously provided. On May 4, China sent 25 medical specialists and staff and medical supplies to help Laos tackle the Covid-19 crisis. The specialists and staff have been working in Vientiane and the provinces to help their Lao counterparts in the battle to contain the virus. China was the first country to donate Covid-19 vaccines to Laos and has so far provided more than one million doses of Sinopharm vaccine, according to a source at the Lao Ministry of Health. Speaking at the handover ceremony on Monday, Dr Kikeo said China's assistance reflected the concern, attention and caring nature of the Party, government and people of China towards Laos during these times of hardship and challenges. It also reflected the friendship engendered through the spirit of comprehensive strategic partnership of cooperation in line with the four goods - good neighbours, good friends, good comrades and good partners - and the building of a community with a shared future between Laos and China. China's support is a contribution to the marking of the 60th anniversary of diplomatic ties between the two countries and Laos-China Friendship Year 2021.

Source: [https://www.vientianetimes.org.la/freeContent/FreeContent\\_China\\_89.php](https://www.vientianetimes.org.la/freeContent/FreeContent_China_89.php)

## Revocation of withholding tax exemption on corn exports causes price downtrend



Myanmar News | 11 May, 2021

According to the Myanmar Corn Industrial Association, Myanmar revoked a two per cent withholding tax exemption on corn exports during the new wave of coronavirus, and so the corn price is expected to fall. The withholding tax exemption status for corn exports to Thailand duly expired amid the pandemic. The two per cent WHT had to be paid starting from 1 May. "The two per cent WHT was levied on corn exports through the land border. During the pandemic, the tax was temporarily exempted. At present, the exempt status is revoked. Consequently, the lower commodity price is likely to happen," Chair U Min Khaing said. Myanmar is conveying corns to Thailand through the land border, with a tonne of corn fetching up about 8,000 baht. Myanmar intends to ship 1 million tonnes of corn to Thailand this year. About 600,000 tonnes of corn have been delivered so far, the association stated. Thailand gives the green light to corn imports through Maesot under zero tariff (with Form-D) between 1 February and 31 August. Thailand has granted tax exemption on corn imports between February and August. However, Thailand imposed a maximum tax rate of 73 per cent on corn import in

order to protect the rights of their growers for the corns are imported during the corn season of Thailand as per the notification of the World Trade Organization regarding corn import of Thailand, a corn exporter said. Myanmar exported 2.2 million tonnes of corns to the external market in the past financial year 2019-2020 with an estimated value of \$360 million, the Ministry of Commerce's data indicated. Corn is cultivated in Shan, Kachin, Kayah and Kayin states and Mandalay, Sagaing and Magway regions. Myanmar has three corn seasons—winter, summer and monsoon. The country yearly produces 2.5-3 million tonnes of corns. — NN/GNLM

Source: <https://www.gnml.com.mm/revocation-of-withholding-tax-exemption-on-corn-exports-causes-price-downtrend/#article-title>

### Vietnamese firms' overseas investment surges in first four months



Vietnam News | 10 May, 2021

Hanoi (VNA) – Vietnamese firms invested 545.9 million USD in overseas projects in the first four months of 2021, a year-on-year rise of 7.9-fold, according to the Ministry of Planning and Investment. There were 18 new projects receiving investment certificates with total registered capital worth 142.8 million USD, up 2.7-fold against the same period last year. In addition, 403.2 million USD was pumped into nine existing projects, surging 25.5-fold. A major part of the capital outflow - 270.8

million USD - was poured into science-technology projects, accounting for 19.6 percent of the total figure. Wholesale and retails followed with 147.8 million USD. The US was the top destination for Vietnamese capital in the period with 302.3 million USD, holding a lion's share of 55.4 percent. Cambodia came second with 89.1 million USD, followed by France, Canada, Germany and the Netherlands. As of April 20, Vietnam had 1,417 valid overseas projects totaling 21.8 billion USD, mainly in the sectors of mining (36 percent of total capital) and agro-forestry-fisheries./.

Source: <https://en.vietnamplus.vn/vietnamese-firms-overseas-investment-surges-in-first-four-months/201241.vnp>

### Four-month State budget revenue goes up 7.3 percent



Vietnam News | 10 May, 2021

HÀ NỘI — A new report has found 43 per cent of US-based respondent companies cited Việt Nam among their top three buying geographies as of early 2021, doubled from 2019, according to the Q1 2021 report from QIMA, a US provider of supply chain compliance solutions. The report surveyed more than 700 businesses with international supply chains. The data shows a 16 per cent year-on-year increase in demand for inspections and audits in Việt Nam in the first quarter of this year, which represents a third consecutive quarter of growth that had initially begun as a post-lockdown rebound in mid-2020, the article cited a report from QIMA, a provider of supply chain

compliance solutions. This growth is more than just a return to pre-pandemic levels, as Q1 2021 inspection demand has, on average, doubled compared to Q1 2019. The appetite for Việt Nam sourcing is far from satisfied and is poised to redefine the sourcing landscape in 2021: around a third of buyers globally and 38 percent of US-based buyers name it among countries from where they plan to buy more in 2021. The website says Việt Nam was not the only country in the region to benefit from expanded business volumes, as data on inspection and audits demand in Southeast Asia show double-digit growth across the board, fueled by the renewed interest from American and European brands alike.

— VNS

Source: <https://en.vietnamplus.vn/fourmonth-state-budget-revenue-goes-up-73-percent/201236.vnp>

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