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## CMA: Loan restructures increasing



*Cambodia News | 20 May, 2021*

Restructured loans at member institutions of the Cambodia Microfinance Association (CMA) totalled about \$1.5 billion as of April, according to the organisation. CMA's Executive Director Phal Vandy told local media that loans doubled from February to March this year and have increased at an even faster rate since then. Loans extended in April were seven times higher than February and Vandy said he expects loans to increase even more in May. He said during the first five months of 2021, more than 35,800 loans totalling more than \$176 million were refinanced. Vandy urged all CMA members to continue to assist debtors facing difficulties by restructuring loans. The National Bank of Cambodia (NBC) said all financial institutions should continue restructuring loans until mid-2021. NBC first issued the directive to restructure loans in March 2020 in an effort to maintain financial stability in the country as the pandemic started to affect the economy. Four sectors were prioritised in the directive: tourism, the garment industry and transportation. According to a summary of the directive by local law firm Tilleke and Gibbons, the NBC recommended that financial institutions perform due diligence by verifying that a debtor is struggling financially and that these struggles are short term. Loans that were 90 days late or less were meant to be automatically restructured. The directive said banks and financial

institutions could reduce principal amounts, lower interest rates, extend pay schedules and offer grace periods as part of their restructure. Banks and financial institutions participating in the government-recommended restructuring programme were directed to provide monthly reports on the loans to the NBC. Last month, the Association of Banks in Cambodia (ABC) and CMA issued a joint directive ordering member financial institutions to further relax repayment measures to allow debtors to stay home during lockdowns and protect themselves from COVID-19. The directive ordered member institutions to suspend payments, reduce interest to zero and waive accrued interest for three months. Earlier this month, the NBC called out Active People's Microfinance Institution for continuing to demand payment from customers affected by the pandemic despite guidelines that expressly forbade the practice. Local media reported that the microfinance institution was refusing claims from clients living in locked down areas by challenging the veracity of their residence location as well as going after guarantors and family members to collect overdue payments and threatening debtors in default with assertions that they would no longer be able receive loans from any institution if they refused to make payments.

Source: <https://www.khmertimeskh.com/508>

[59588/cma-loan-restructures-increasing/](https://www.khmertimeskh.com/508)

## First crude oil shipment due this month



*Cambodia News | 20 May, 2021*

Singapore-based KrisEnergy will make its first shipment of crude oil to international markets this month with a batch of up to 300,000 barrels, according to Cheap Sour, director-general of Petroleum at the Ministry of Mines and Energy. It comes nearly five months after the first drop of crude oil was drilled out of the Block A of the Apsara area in Cambodian waters in the Gulf of Thailand. “KrisEnergy will export crude oil to international markets in the first phase with an amount between 275,000 barrels to 300,000 barrels,” Sour said yesterday. He added the markets for exporting crude oil have yet to be unveiled. The five oil wells in Block A of the Apsara area have been continuously pumped, receiving only about 2,000 barrels per day, lower than the 7,500 barrels per day that was hoped for and anticipated. The first drop of crude oil was pumped out in late December last year, making Cambodia an oil-producing country for the first time. That news was reported by the head of the Royal Government of Cambodia on December 29, 2020. It was announced that oil sector revenue would be directed to the education and health sectors. Neither the timeframe for a second shipment of crude oil or its amount has been unveiled. After it was revealed that KrisEnergy’s forecast of a peak production rate of 7,500 barrels of oil per day (bopd) would not be achievable, the company brought in engineering

consultants Netherland, Sewell & Associates Inc (NSAI) to assess the situation. KrisEnergy reported that its gross production rate at the Apsara oil field, also known as Mini Phase 1A, was 2,493 bopd. Oil experts spoken to by Khmer Times said generally offshore oil wells need to produce 9,500 minimum barrels a day to be profitable. When asked for a comment, a KrisEnergy spokesman said: “The company will release any material information to all stakeholders as and when appropriate.” KrisEnergy’s oil production dreams in the Khmer Basin appear to be dead in the water after the oil and gas company revealed it was not able to form a viable debt restructuring plan and will lose its revolving line of credit from Singapore-based DBS Bank. The company said there continued to be “material concerns” that it would not be able to operate as a going concern, indicating the company will likely need to cease operations because of its lack of production in its Cambodian project. It also noted that, “The development of CBA [Block A concession offshore Cambodia] formed the basis of the company’s restructuring as the company expected the bulk of the KEL Group’s future revenue to come from CBA once its Apsara Mini Phase 1A commenced production.” It underwent its first debt restructuring plan in 2016 and was suspended from the Singapore stock exchange in August 2019. With one of its last lifelines – revolving credit amounting to \$200 million from DBS – having been revoked, the company is running out of room to manoeuvre. The Keppel Corporation, KrisEnergy’s largest

shareholder, said the amount outstanding in the revolving credit facility, to which the company has provided a guarantee, was \$188.7 million. It continued that the \$188.7 million and the carrying values of its loan receivable and contract assets “would be significantly and negatively impacted by the current situation of KrisEnergy, especially if it cannot continue to be a going concern.” On April 12, Sour said his ministry was awaiting an announcement from KrisEnergy before determining whether it would terminate its contract and potentially penalise the company.

Source: <https://www.khmertimeskh.com/50859589/first-crude-oil-shipment-due-this-month/>

## Laos extends lockdown as

### COVID-19 cases continue to surge



*Laos News | 20 May, 2021*

The Lao government has decided to extend the current nationwide lockdown to June 4 as COVID-19 cases in the Southeast Asian country continued to surge. The Lao government will extend the lockdown for 15 days until June 4 as the COVID-19 situation in the country is not yet fully under control, according to a notice issued by the Prime Minister's Office on Thursday. Under the lockdown, individuals will not be allowed to enter or exit an infected area or at-risk area as determined by the National Taskforce Committee for COVID-19 Prevention and Control, except those authorized by the relevant local authorities for transportation of goods, delivery of

food, medical services, hospital visits, or vaccination. Meetings or gatherings of more than 10 people are prohibited, according to the notice. The Lao Ministry of Health also urged the public to implement anti-epidemic measures including checking body temperatures, practicing social distancing, wearing a mask, and washing hands. As of Thursday, the total number of confirmed cases of COVID-19 recorded in Laos is 1,751, with 740 recoveries. Laos confirmed its first two COVID-19 cases on March 24 last year. Enditem

Source : [http://www.china.org.cn/world/Off\\_the\\_Wire/2021-05/20/content\\_77514635.htm](http://www.china.org.cn/world/Off_the_Wire/2021-05/20/content_77514635.htm)

## Myanmar hit with rising prices of medicine



*Myanmar News | 20 May, 2021*

YANGON – Prices of medicines have started to climb and households are carrying smaller stocks with the uncertain foreign exchange outlook, said pharmacists. Prices of medicines have climbed by about 5-10 per cent in recent weeks affecting about 80 per cent of the medicine market as the value of the Kyat has fallen by about 20 per cent against US\$ dollar, according to pharmacies at Shwe Pyae Sone wholesale market. “Prices of imported medicines have increased but surgical masks have not. Buyers are not buying much for stock as before and only what they need to use. Although many trade routes blocked, medicines are still coming through,” said Ko Pho Hla from Ko Pho Hla pharmacy. “Prices of

medicines have increased. The medicines we are selling are imported from India,” said a pharmacist from Mingalar Taungnyunt Town. Although medicines taken by most people are not out of stock, some medicines are in short of supply. “At the present, Betadine is short of supply and we are still considering whether to restock Biogesic or not as prices have increased,” said a pharmacist in Thingangyun Township.

Source: <https://elevenmyanmar.com/news/myanmar-hit-with-rising-prices-of-medicine>

## Tomatoes grown this year yield good price in Mandalay region



*Myanmar News | 20 May, 2021*

TOMATO growers in the Mandalay Region enjoy good prices due to the high consumption of Taiwanese tomatoes, which have seen their decline yields this year due to the COVID-19 outbreak. Farmers’ cultivation has declined this year due to lower domestic consumption and falling prices due to the COVID-19 outbreak last year. U Win Tun, a tomato grower in Mandalay, said that although the market yield is low, it is getting 800 to 1,000 kyats per viss this year, depending on market demand, while it was only 300 to 400 kyats last year. “Yields have decreased due to reduced cultivation. As a result, prices have risen due to the demand for Taiwanese tomatoes in the market,” he said “It costs between K1,500,000 and K2 million per acre to grow Taiwanese tomatoes. Therefore, it is less profitable

for farmers if they do not earn more than K500 per viss. Farmers are planned to grow more this year because of good prices,” he added Taiwanese tomatoes are grown twice a year in January and September. They are a good crop for farmers because of their excellent yields.—Min Htet Aung (Mandalay Sub-printing House)/GNLM

Source: <https://www.gnlm.com.mm/e-paper/>

## COVID-19 causes alarming withdrawal rate from local market



*Vietnam News | 20 May, 2021*

VOV.VN - The COVID-19 pandemic continues to deal a crushing blow to business operations in Vietnam as the number of local enterprises withdrawing from the market outpaced those newly established in the first quarter of this year. Data from the General Statistics Office (GSO) show that as many as 40,323 businesses stopped operations in the first quarter, up 15.5% compared to the same period last year. In contrast, the number of newly established firms reached 29,300, down 1.4%. Economists believe that the figure represents cause for concern as this is the first time in a decade that the number of businesses withdrawing from the market has outstripped the number of newly-established ones. A report released by the Vietnam Chamber of Commerce and Industry (VCCI) in mid-March indicates the pandemic has exerted a range of adverse impacts on business production. Accordingly, 87.2% of affected businesses said the pandemic has had an impact on

their access to customers, cash flow and workforce. Some of them were forced to lay off workers due to disruption occurring in supply chains. The negative impact of the pandemic has also cast a shadow on the employment market locally. Approximately 1.1 million people of working age were unemployed during the first quarter of the year, marking an increase of 12,100 people compared to the same period last year, according to GSO statistics. Although the Government has moved to take drastic solutions aimed at supporting businesses, plenty of firms have failed to bounce back, says the VCCI in its report. Tourism, retailing, transportation, vehicle manufacturing, and beverage production are among the hardest hit industries. Notably, newly established businesses are most vulnerable to market volatility. Nguyen Van Ket, director of SKD Vietnam Engineering Co., Ltd, reveals that the pandemic has caused a decline in the number of export orders, while the postponement of the import of raw materials for production, coupled with escalating prices, has led to many businesses encountering numerous difficulties in terms of sustaining their operations. Economists have therefore underscored the importance of removing hurdles faced by enterprises and carrying out economic institutional reform. The Government has moved to extend the deadlines for the payment of value added tax, corporate income tax, personal income tax, and land rent as part of efforts to support businesses. Economist Tran Dinh Thien suggests that the government maintain a stable policy

environment and avoid increasing taxes and fees during this challenging period, alongside offering financial support packages and tax payment extensions for local firms in need.

Source : <https://english.vov.vn/en/economy/covid-19-causes-alarming-withdrawal-rate-from-local-market-859312.vov>

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## Vietnam's GDP growth to expand by 7% in 2021: AMRO report



*Vietnam News | 20 May, 2021*

Vietnam's GDP growth is expected to rebound to 7% in 2021, driven by a recovery in goods and service export, resilient domestic economy, and healthy investment inflows, according to the ASEAN 3 Macroeconomic Research Office (AMRO). In its Annual Consultation Report on Vietnam published on May 19, which was produced based on AMRO's virtual 2020 Annual Consultation Visit to Vietnam and data and information available up to February 11, 2021, the office said Vietnam's manufacturing output continued to expand thanks to robust exports and positive spillover from global supply chain restructuring. The economic recovery is expected to continue on the back of an increase in domestic consumption following the relaxation of mobility restrictions, and an acceleration in public investment disbursement, it noted. The report said continued policy support of the Government remains essential to bolster national economic recovery. Effective food

supply chain management and stable fuel prices will help the Vietnamese government keep inflation below 4 % in 2021, the report stressed. Vietnam needs to step up its efforts to develop domestic supporting industries in order to strengthen its participation and increase its value-add in the global value chains. The ASEAN 3 Macroeconomic Research Office (AMRO) is an international organisation established to contribute towards securing macroeconomic and financial stability of the ASEAN 3 region, comprising 10 ASEAN member nations, China, Hong Kong (China), Japan and the Republic of Korea. The Annual Consultation Report was prepared in fulfillment of AMRO's mandate. The organisation is committed to monitoring, analysing and reporting to its members on their macroeconomic status and financial soundness.

Source: <https://english.vov.vn/en/economy/vietnams-gdp-growth-to-expand-by-7-in-2021-amro-report-859391.vov>