

Highlight News / May 25, 2021



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

NBC extends loan restructures to end of year



Cambodia News | 24 May, 2021

The National Bank of Cambodia (NBC) released a series of measures on Monday to extend relief to customers suffering financially from the effects of COVID-19. The measures include maintaining financial institutions' reserves at seven percent until further notice and extending the reorganisation of loans until December 31. Customers living in "closed areas" may refinance their loans up three times during this grace period, according to NBC's announcement. The NBC also encouraged financial institutions to consider reducing or waiving fees on a case-by-case basis. Last week, the Cambodia Microfinance Association (CMA) reported that by April about \$1.5 billion in loans at CMA member institutions had been restructured since measures were first introduced. CMA 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.

Source: <https://www.khmertimeskh.com/50861450/nbc-extends-loan-restructures-to-end-of-year/>

New Phnom Penh International Airport construction now 40 percent complete



Cambodia News | 24 May, 2021

The construction of the \$1.5 billion new Phnom Penh Airport was 40 percent complete as of May and proceeding as planned in the face of the deadly Coronavirus pandemic, authorities said. The airport is being built in Kandal province and a part of Takeo province. It is set to start operations in 2023. Kong Sophorn, governor of Kandal province, said work is ongoing as scheduled. Three main constructions – the terminal hall, airfield, and control centre – are already in place. The terminal hall construction includes check-in areas, arrival and departure terminal and other supporting facilities. The airfield construction will ultimately consist of four runways, service taxi ways and air readiness certification. The control centre is more than 100 metres high. "Once the new airport is completed and in operation, it will provide an economic boost to Kandal province as well as to Cambodia as a whole because the airport is one of the largest in the region and will handle more tourist passengers to Cambodia," Sophorn said. Announced officially in 2018, the 4F-class New Phnom Penh International Airport is constructed across more than 2,600 hectares of land in Kandal Stung district and Sa'ang district in Kandal province and a smaller part of Takeo province. The 4F class airport is the highest in the class of airports. The 4F-classification allows the take off and landing of all

sizes of aircraft. The airport's construction consists of three stages. The first stage is from 2018 to 2023, the second up to 2030 and the third stretches to 2050. The new international airport will replace the existing Phnom Penh International Airport, with initial plans having the facilities being constructed on partially reclaimed land adjacent to Boeng Choeung Loung, a large lake in Kandal province about 30 kilometres south of Phnom Penh. The new Phnom Penh International Airport is being funded by local firm Overseas Cambodia Investment Corporation (OCIC), which has a 90 percent stake in the project with 10 percent belonging to the state-run State Secretariat of Civil Aviation (SSCA). "We are aware that the pandemic has disrupted many projects and the economy, but the construction of the airport in Kandal province and other airport projects in the country have been on schedule," SSCA spokesman Sin Chansereyvutha said. Earlier this year, the OCIC announced its project to build flyovers connecting the new airport and the centre of Phnom Penh. The company will build the 21-kilometre flyover in two phases. The first phase of about 10 kilometres will pass through Hun Sen Boulevard and Street 271, all the way from the Kbal Thnal junction to National Road 2. The second phase stretch of 11 kilometres will connect National Road 2 to the new airport. The flyover project will cost around \$400 million and construction of its first phase will begin next year. Currently, two other airports are under construction in Cambodia – New Siem Reap International Airport and Dara Sakor International Airport.

Chansereyvutha said the construction of Dara Sakor International Airport is expected to commence later this year or early next year. The company is currently in the process of applying for airprone certification, one of the essential requirements before an airport can be given the green light.

Source:<https://www.khmertimeskh.com/50861152/new-phnom-penh-international-airport-construction-now-40-percent-complete/>

China's Chongqing province eyes stronger economic ties with Laos



Laos News | 25 May, 2021

China's Chongqing province has expressed a wish to enhance bilateral trade with Laos by creating cities of friendship and setting up various trade facilities between the two countries. Representatives of the Lao National Chamber of Commerce and Industry (LNCCI) in Chongqing province made the suggestion during a meeting with the Lao Ambassador to China, Mrs Khamphao Ernthavanh, while attending the 3rd Western China Fair of Investment and Trade last week. The two LNCCI representatives, Zhang Yi and Fei Cui, who are President and General Manager of the representative office respectively, visited the Lao ambassador and her delegation at a hotel after a dinner during the fair. According to the Laos-China Economic and Trade Association, Chinese trade officials affirmed the achievements made by the

LNCCI in promoting exchange between Laos and Chongqing province and nearby areas. These included exchange visits, cultural exchanges, and economic and trade exchanges. They said they hoped this cooperation would continue and planned to take advantage of the 60th anniversary of the establishment of diplomatic relations between the two countries this year to further promote collaboration. The expected opening of the Laos-China railway in December will enable ties to be further strengthened. Closer cooperation will also be enabled through the creation of China's Chongqing-Champassak Sister City, Banan-Meuangxay friendly cooperation, and Beibei-Pakxe Friendly City relations. Chinese officials said they wished to continue to build bilateral trade and create more overseas storage bases. They also hoped to operate more flights between Laos and China, encourage the expansion of Chinese business in Laos, and promote education cooperation between Laos and Chinese universities and vocational schools. They suggested that Laos continue to actively participate in China's high-end forums, exhibitions and related activities, expand the promotion of related policies and investment promotion, and encourage large businesses that are members of the LNCCI to visit China and work with counterparts there.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent_China_99.php

CMP garment exports top \$1.4 bln in five months



Myanmar News | 24 May, 2021

The garment sector is among the prioritized sectors driving up exports. The CMP garment industry emerged as a promising one, with preferential trade from Western countries. Myanmar's garment export exceeded US\$1.4 billion in the first five months (Oct-Feb) of the current financial year 2020-2021, according to the data released by the Ministry of Commerce. The factories are facing cancellation of order and slump in output, new orders. However, the Swedish fashion retailer H&M is gradually placing orders from Myanmar again after it paused in March. Then, more international fashion retailers such as Primark and Bestseller starts to resume new orders. The garment sector is among the prioritized sectors driving up exports. The CMP garment industry emerged as a promising one, with preferential trade from Western countries. Nevertheless, we cannot still expect normalcy for now due to the possible disruption in the logistics and supply sector and other serious consequences amid the political instabilities and the COVID-19 impacts, traders stressed. Myanmar's manufacturing sector recorded an accelerated downturn in the previous months as political changes led to factory closures. The layoff is extended, and some workers were forced to return to their hometowns. Turning to prices, higher material costs and unfavourable exchange rate movements contributed to a sharp increase in cost

burdens, the HIS Markit stated. Myanmar's manufacturing sector is concentrated mainly in garment and textiles produced on the Cutting, Making, and Packaging basis. It contributes to the country's GDP to a certain extent. At present, Myanmar's garment export drastically dropped on the slump in demand by the European Union market. Consequently, some CMP garment factories permanently and temporarily shut down and left thousands of workers unemployed. Myanmar mainly exports CMP garments to markets in Japan and Europe along with the Republic of Korea, China, and the US. The export value of CMP garments was only \$850 million in the 2015-2016FY, but it has tripled over the past two FYs. In the 2016-2017FY, about \$2 billion was earned from exports of CMP garments. The figure increased to an estimated \$2.5 billion in the 2017-2018FY and \$2.2 billion in the 2018 mini-budget period (from April to September). According to the Commerce Ministry, it tremendously grew to \$4.6 billion in the 2018-2019FY and \$4.8 billion in the 2019-2020FY. — KK/GNLM

Source: <https://www.gnlnm.com.mm/cmp-garment-exports-top-1-4-blm-in-five-months/#article-title>

High rubber price boosts profit in Homalin Township



Myanmar News | 24 May, 2021

The rubber farmers from Homalin Township, Sagaing Region make handsome profits on account of the price increases, according to Homalin Township Agriculture Department. Rubber earlier fetched

K700 per pound. The price of rubber has risen to K900 per pound at present. Rubber price fluctuates each month. An acre produces typically 800-1,000 pounds, and the growers receive profits of K400,000-500,000. Rubber sheets from Homalin Township are delivered to Monywa and Mandalay cities. Rubber cultivation started in Homalin in 2005. The acres grew year over year, and the number of rubber acres reached 8,187 in 2021. This year, 531 of the acres can be tapped. About 300,000 pounds of natural rubber are yearly produced. Moreover, a mixed cropping system is practised in the township. The coffee plants are also grown under rubber trees. The coffee seeds also raised the income of the farmers, according to the township Agriculture Department. — Hmway Kyu Zin/GNLM

Source: <https://www.gnlnm.com.mm/high-rubber-price-boosts-profit-in-homalin-township/#article-title>

Vietnam removed from list of beneficiaries of EAEU tariff preferences under GSP



Vietnam News | 24 May, 2021

Hanoi (VNA) – Vietnam will be removed from the list of countries entitled to tariff preferences offered by the Eurasian Economic Union (EAEU) under the Generalised Scheme Preferences (GSP) from October 12, according to the Ministry of Industry and Trade's Vietnam Trade Promotion Agency (Vietrade). The move is likely to have tremendous impacts on Vietnamese exporters to EAEU countries, namely Russia, Belarus, Kazakhstan, Armenia and

Kyrgyzstan, particularly Russia which remains the Southeast Asian country's biggest buyer in the bloc, the Vietrade said in an announcement last week. The agency recommended exporters to come up with plans to adapt to the change and to explore tariff preferences and corresponding preferential rules of origin under the EAEU – Vietnam Free Trade Agreement in place of the GSP. Vietnam is among 75 developing countries removed from the list, alongside two least-developed nations. Despite impacts of COVID-19, two-way trade between Vietnam and the EAEU expanded 6.5 percent to 5.2 billion USD last year, of which Vietnam's exports to the EAEU totalled 3.1 billion USD and imports 2.1 billion USD, up 7.2 percent and 5.5 percent, respectively, from the previous year. Of the figure, trade with Russia accounted for 93.7 percent./.

Source: <https://en.vietnamplus.vn/vietnam-removed-from-list-of-beneficiaries-of-eaeu-tariff-preferences-under-gsp/201933.vnp>

Opportunities for Vietnam to maintain stable rice export to Philippines



Vietnam News | 24 May, 2021

Hanoi (VNA) – The Philippines's lowering tariffs on imported rice would open up opportunities for Vietnam to maintain stable supply of the product for the country and helping it stabilise the domestic market, the Vietnamese Ministry of Industry and Trade said. However, given the fierce price competition with traditional rice exporters like Thailand and India, the ministry urged domestic

firms to foster cooperation and connectivity with cooperatives and major farming households to minimise intermediate stages, thus cutting costs and enhancing competitiveness. At the same time, exporters should study and observe relevant regulations set by the Philippines, including those on customs declaration, the ministry said, noting that they should negotiate and sign contracts with only businesses that have been granted with the Sanitary Phytosanitary Import Clearance (SPS-IC) by the Philippine Department of Agriculture. They also need to keep updated on the market, as the tariff cut under the Philippine President's order can be changed anytime, and draw up plans to prevent business risks, while stepping up inspections and supervisions over rice quality to absolutely ensure the prestige of Vietnamese rice, the ministry suggested. Earlier, in an executive order, Philippines President Rodrigo Duterte cut the Most Favoured Nation (MFN) tariff rates on rice to 35 percent from 40 percent for in-quota purchases and 50 percent for out-quota volume for one year. According to the General Department of Vietnam Customs, in the first four months of this year, Vietnam shipped over 715,000 tonnes of rice valued at some 380 million USD to the Philippines, accounting for 36.27 percent of the total exported rice./.

Source: <https://en.vietnamplus.vn/opportunities-for-vietnam-to-maintain-stable-rice-export-to-philippines/201927.vnp>