

Highlight News / June 23/2021



- Assembly approves RCEP trade agreement
- Sihanoukville expressway cooperation project expected to be completed ahead of schedule
- First train test on Laos-China railway planned for August
- Domestic palm oil slips alongside drop in import price
- RoK increases imports of Vietnamese wooden furniture
- Vietnam Airlines set to receive U\$173-million refinancing loan in July



Assembly approves RCEP trade agreement



Cambodia News | 22 June, 2021

The National Assembly yesterday approved the Regional Comprehensive Economic Partnership (RCEP), prepping the stage for the agreement to come into effect by early next year. Minister of Commerce Pan Sorasak led a delegation of the ministry's senior officials in championing the agreement during a virtual meeting with the National Assembly (NA) commissions. The commissions were led by Cheam Yeap, chairman of the NA commission on banking and finance. In his presentation, Sorasak said approval of RCEP was necessary for the maintaining of markets among the signatories to the agreement. "The RCEP agreement will establish a comprehensive, modern, high-quality partnership framework that provides mutual economic benefits that will facilitate the expansion of regional trade and investment supply chains, support to the world on the multilateral free trade system, which is based on the rule of law and, in particular, contributing to the rapid recovery of the Cambodian economy and the region from the Covid-19 crisis," he said. The draft of the RCEP agreement was approved unanimously. RCEP is set to be the world's largest free trade agreement (FTA), initially comprising 16 member countries and engaging more than 3.6 billion people, 48.1 percent of the world's population. The RCEP agreement is a trade initiative that was formally launched by ASEAN

Leaders at the 12th summit in Phnom Penh. It was signed by the RCEP ministers on Nov 15, 2020, on the occasion of the fourth RCEP summit that was held virtually in Hanoi, Vietnam. The combined gross domestic product (GDP) of RCEP member states was \$28.5 trillion in 2019, 32.7 percent of global GDP. The combined trade of the signatory countries exceeds \$11.2 trillion, 29.5 percent of global trade value.

Source : <https://www.khmertimeskh.com/50878878/assembly-approves-rcep-trade-agreement/>

Sihanoukville expressway cooperation project expected to be completed ahead of schedule



Cambodia News | 23 June, 2021

Cambodian Minister of Public Works and Transport Sun Chanthol said Monday that the construction of the Chinese-invested Phnom Penh-Sihanoukville Expressway has gone full steam despite the COVID-19 pandemic and is expected to be completed ahead of schedule. Invested by China Road and Bridge Corporation (CRBC), the \$2-billion expressway will connect the capital city of Phnom Penh and the deep-sea port province of Preah Sihanouk in the country's southwestern part. The construction of the expressway began in March 2019 and is scheduled to be completed in March 2023. It is believed that the firm will be able to finish the project by September 2022, Chanthol said, according to the live broadcast on the ministry's official Facebook page. "So far, about 55 percent of

the construction has been completed,” he told reporters during a visit to a stretch of the road in Kampong Speu province. At a width of 24.5 meters with two lanes on either side, vehicles can travel at a speed of 100 km per hour, so it will take only two hours to travel between the two destinations, compared with five hours at present, he said. The minister added that the road will play a very important role in helping boost Cambodia’s economic growth as it links the capital city to the largest seaport in the kingdom. Chanthol said that despite the COVID-19 pandemic, the work on the project continued to make headway steadily thanks to the joint effort of the Chinese and Cambodian workers. He said the project has currently created over 3,000 jobs for Cambodians, and about 66 percent of them have been fully vaccinated with two doses of the COVID-19 vaccine. “This project is very beneficial to our Cambodian workers because it provides them with technical know-how on the construction of an expressway, and we hope that after the project, they will be able to use their knowledge to help build other expressways in Cambodia,” he said. The expressway is one of the Cambodia-China cooperation projects under the framework of the Belt and Road Initiative. Nin Saphon, chairwoman of the National Assembly’s Commission on Public Works, Industry, Mines, Energy, Commerce, and Land Management, praised the CRBC for constructing the road in full compliance with technical standards. “The firm’s construction technique is very professional,” she

said during the visit. “This expressway is another testament to the unbreakable ironclad friendship between Cambodia and China.” The 187.05-km Phnom Penh-Sihanoukville Expressway is built on a build-operate-transfer basis. After completion, it will be the first ever expressway in Cambodia. Xinhua

Source : <https://www.khmertimeskh.com/50878781/sihanoukville-expressway-cooperation-project-expected-to-be-completed-ahead-of-schedule/>

First train test on Laos-China railway planned for August



Laos News | 23 June, 2021

The first trial run of a train on the under-construction Laos-China railway is scheduled to take place in August. Track has been laid along the whole length of the 422.4-km railway and the test will be conducted in August before the railway opens for operation in December, an official working on the project said. It expected that the railway will be finished according to plan and will open for public use in December, she added. Construction of all the stations along the railway is set for completion in September and October. The terminal station in Vientiane is now 70 percent complete and interior building work is currently underway, with completion scheduled in September. There are 10 passenger stations in Vientiane, Phonhong, Vangvieng, Kasy, Luang Prabang, Nga, Xay, Namor, Nateuy, and Boten. There are also 22 stations for the loading and unloading of freight. The railway, which connects Vientiane to the Chinese border, traverses the

provinces of Vientiane, Luang Prabang, Oudomxay and Luang Namtha, passing through 75 tunnels with a combined length of 197.83km, according to the Laos-China Railway Co., Ltd. Construction of the US\$5.986 billion (37.4 billion yuan) railway began in December 2016. The Laos-China railway is a strategic part of China's Belt and Road Initiative and the Lao government's plan to transform Laos from a landlocked country into a land link within the region. When it is operational, the railway will cut the cost of transport through northwestern Laos by 30-40 percent compared to transport by road. The railway runs from the Boten border crossing in northern Laos, bordering China, to Vientiane, with trains running at a maximum speed of 160km per hour. The government is confident the railway will spur socio-economic development and enable Laos to make greater progress.

Source : https://www.vientianetimes.org.la/freeContent/FreeContent_First_120.php

Domestic palm oil slips alongside drop in import price



Myanmar News | 23 June, 2021

The domestic consumption of edible oil is estimated at 1 million tonnes per year. The local cooking oil production is just about 400,000 tonnes. To meet the self-sufficiency in the domestic market, about 700,000 tonnes of cooking oil are yearly imported. The domestic palm oil has slightly declined, tracking the import price retreat, said U San Lin, chair of Myanmar Edible Oil Dealers' Association. The palm

oil fell to US\$995 per tonne in the international market. Consequently, it ranges K2,800-2,900 per viss (a viss equals 1.6 kg) in the domestic wholesale market. The oil palm plants produce fruits in abundance this time. The price is likely to extend its drop up to October if any trade barrier will not occur, U San Lin said. "Normally, oil palm plants are plentiful in Malaysia this time. They produce the fruits from June to October," U San Lin added. In early January 2021, production slump in importing countries Malaysia and Indonesia, caused by erratic weather conditions and the COVID-19 impacts, high imports by certain countries under tax reduction, a tax hike on exports in producing countries and the short storage of palm oil in those countries contributed to the rise in edible oil price. The palm oil price stood at \$1,055-1,200 per tonne in the foreign market. Last 7 January, Myanmar Edible Oil Dealers' Association issued a notice to import the palm oil from foreign countries sustainably for self-sufficiency, distribute the edible oil at a fair price to the consumers and ensure that there will be no edible oil shortage in regions and state when there is a rise in imported oil price. The domestic consumption of edible oil is estimated at 1 million tonnes per year. The local cooking oil production is just about 400,000 tonnes. To meet the self-sufficiency in the domestic market, about 700,000 tonnes of cooking oil are yearly imported. — NN/GNLM

Source : <https://www.gnfm.com.mm/domestic-palm-oil-slips-alongside-drop-in-import-price/>

RoK increases imports of Vietnamese wooden furniture



Vietnam News | 23 June, 2021

VOV.VN - Vietnam raked in US\$369.2 million from exporting timber and wooden products to the Republic of Korea (RoK) during the five months of the year, an increase of 7% against the same period last year, according to the General Department of Vietnam Customs. Plywood and wood flooring exports also accounted for the highest proportion with turnover reaching US\$98 million during the first four months, up 0.6% over last year's same period, followed by wooden furniture with US\$87 million, up 16.9%. Wood chips are the third largest export item in terms of the structure of timber and wooden exports to the RoK market with US\$19.23 million, representing a year-on-year fall of 8.4%. According to statistics compiled by the Korea International Trade Association (KITA), the RoK's wooden furniture imports enjoyed a surge of 7.9% last year to reach US\$1.22 billion. The opening four months of the year saw the RoK import 142,200 tonnes of wooden furniture worth US\$449.68 million, a rise of 19.8% in volume and 25.2% in value from the same period last year. Amid a range of complicated developments caused by the global spread of the novel coronavirus (COVID-19) pandemic, the growing trend of wooden furniture consumption in the RoK is anticipated to create greater opportunities for Vietnamese businesses to bolster exports to this

potential market in the near future, according to industry experts.

Source : <https://english.vov.vn/en/economy/rok-increases-imports-of-vietnamese-wooden-furniture-868020.vov>

Vietnam Airlines set to receive US\$173-million refinancing loan in July



Vietnam News | 23 June, 2021

The refinancing loan package worth VND4 trillion (US\$173 million) set to be disbursed for Vietnam Airlines in late June or early July, Director of Vietnam Airlines' Communication Department Dang Anh Tuan told local media, adding that the national flag carrier has completed all necessary legal procedures regarding this process. Last year, the National Assembly ratified a resolution that allows the Government to work out a VND12-trillion (US\$522 million) rescue package for Vietnam Airlines. Under the plan, the Government has assigned the State Bank of Vietnam (SBV) to provide a refinancing loan worth VND4 trillion (US\$173 million) at a 0% interest rate for Vietnam Airlines' lenders. The airline, in which the State currently holds an 86.19% stake via the Commission for State Capital Management (CSCM), also gets the permission to sell additional shares worth VND8 trillion (US\$345.68 million) to existing shareholders to raise its registered capital. Tuan said Vietnam Airlines is finalizing a plan for such share issuance, which is scheduled to complete in the

fourth quarter of this year. At the SBV's press conference held on June 21, Director General of the SBV Department of Credit for Economic Sectors Nguyen Tuan Anh said three banks of Southeast Asia Commercial Bank (SeABank), Vietnam Maritime Commercial Bank (MSB), and Saigon-Hanoi Commercial Bank (SHB) have committed to providing a combined loan worth VND4 trillion (US\$173 million) sourced from SBV's refinancing fund. "All parties are actively negotiating for the soon conclusion of a credit contract so that the said amount could be disbursed in late June or early July," Tuan added. The move was seen as welcome news for Vietnam Airlines, following a recent report from the Ministry of Planning and Investment (MPI) that the airline is on the brink of bankruptcy with an overdue debt of VND6.24 trillion (US\$272 million). Vietnam Airlines estimated its losses in the first quarter to be at around VND4.8 trillion (US\$209 million), a record figure in a quarter. The losses could even go up to VND10 trillion (\$436 million) for the first six months of this year, stated the report. As of March 31, Vietnam Airlines recorded negative undistributed after-tax profits of over VND14.2 trillion (US\$618 million), higher than its registered capital of VND14.18 trillion (US\$617 million). The issue, it continues to persist, could lead to the delisting of Vietnam Airlines' shares on the Ho Chi Minh City

Stock Exchange (HoSE). On April 15, the HoSE has already issued a warning to the airline.

Source : <http://hanoitimes.vn/vietnam-airlines-set-to-receive-us173-million-refinancing-loan-in-july-317807.html>
