

Highlight News / June 25/2021



- World Bank optimistic about economy
- Cambodia-South Korea trade reaches \$377 Million January-May
- Australia, Germany, and Switzerland provide nearly US\$13 to improve Mekong basin
- Min Than-Maung Hlaw bridge completes 27%
- Manageable-scale elephant foot yam growers earn extra income
- Vietnam attracts over 15 billion USD of FDI in six months
- Australian businesses interested in agritech in Vietnam



World Bank optimistic about economy



Cambodia News | 24 June, 2021

The Cambodian recovery is beginning to take shape with the World Bank projecting that the economy will “expand moderately in the short-term”. The Kingdom’s economy contracted 3.1 percent last year and is forecast to grow by 4 percent this year under baseline conditions, according to the World Bank. Economic growth will be buoyed by increased domestic investment, vaccination efforts and fiscal stimulus, the global body said in its biannual country report. “Cambodia’s economy is tourism-dependent. Regardless of a recovery in domestic tourism after the easing of lockdowns, global tourism is expected to remain below pre-pandemic levels until 2023,” the World Bank said. Noting that the 2021 budget has boosted domestically financed public investment to make up for losses in foreign direct investments, the World Bank stated increased effort is needed to improve the business climate ahead of the full ratification of the Cambodia-China Free Trade Agreement and the Regional Comprehensive Economic Partnership. The World Bank found that the industries hardest hit by the pandemic such as construction and manufacturing were characterised by a narrow export base that existed before the pandemic such as in labour-intensive, low value-added goods. “Global economic recovery, supported in part by the significant US stimulus, will revive trade in goods and could provide an external

boost to growth of as much as 1 percentage point on average,” it added. The global organisation, which is charged with monitoring economic growth and distributing loans in support of national development, noted that Cambodian employment has yet to return to pre-pandemic levels after reaching historic highs in 2019 of 82 percent. Cambodian employment dipped as low as 65 percent in October before rising to 72 percent two months later. “The negative impacts of the Covid-19 pandemic on non-farming businesses remain substantial, with weak consumer demand driving losses in business revenue,” the report read. However, the agriculture sector has remained resilient amid the pandemic with the manufacturing sector showing signs of having “gradually recovered”. “The easing of traditional manufacturing industries, namely garment, footwear and travel goods, have been partly offset by the newly emerging manufacturing [electrical, electronic and vehicle parts including bicycles] and agro-processing industries.” Domestic tourism and demand for retail trade have done little to make up for the gap in international exports, according to the report. A World Bank study revealed 54 percent of Cambodian households had reported a loss in household income during the pandemic. As a result, authorities have called on housing developers to accept delays on mortgage payments with the loan-to-deposit ratio rising to 120 percent last year, up from 78.7 percent from more than a decade ago. “The country’s external competitiveness eroded,

partly caused by rapidly rising wages – made worse by the dollarised economy – and exacerbated by challenges in doing business and investment climate reforms.”

Source: <https://www.khmertimeskh.com/50879999/world-bank-optimistic-about-economy/>

Cambodia-South Korea trade reaches \$377 Million January-May



Cambodia News | 24 June, 2021

Bilateral trade between Cambodia and South Korea reached \$377 million for the first five months of 2021.

This represents a 6.2 percent increase compared to the same period last year. Data from the Korea International Trade Cambodia (KITA) showed that Cambodian exports to South Korea reached \$139 million, a growth of 0.4 percent over the same period last year. The Kingdom imported \$237 million worth of goods from South Korea Jan-May, up 10 percent for the same period in 2020. Cambodia's primary exports to South Korea include garments, footwear, travel goods, beverages, rubber, medicines, agricultural products and components for electronic equipment. Imports from South Korea include vehicles, electronics, kitchen equipment and plastic products, among others. The two countries have already completed negotiations for an FTA and expect it to be inked later this year, according to Pan Sorasak, Minister of Commerce. Lim Heng, vice president of Cambodia Chamber of Commerce, said that the trade pact will contribute to increased

Cambodian exports. “Once the trade pact enters into effective, it will boost production domestically as well as exports and attract more investment to the country to process more export goods,” Heng said. Bilateral trade volume between Cambodia and South Korea amounted to \$884 million in 2020, down 17 per cent from \$1.032 billion in 2019.

Source: <https://www.khmertimeskh.com/50879943/cambodia-south-korea-trade-reaches-377-million-january-may/>

Australia, Germany, and Switzerland provide nearly US\$13 to improve Mekong basin



Laos News | 25 June, 2021

Australia, Germany, and Switzerland are committing to provide nearly US\$13 million in funding to the Mekong River Commission (MRC) to respond to pressing challenges while safeguarding the ecological function of the Mekong River and improving people's livelihoods. The contribution aims to assist Cambodia, the Lao PDR, Thailand, and Vietnam as well as follows a recent wave of Development Partners funding the MRC, as the Commission begins implementing its Strategic Plan 2021-2025 under a new direction to overcome the multiple threats that the basin faces. “This support is timely and crucial to the MRC in implementing activities that balance the demands of economic development, social improvement, and protection of the environment,” MRC Secretariat CEO Dr An Pich

Hatda said on the sidelines of a signing ceremony during the Informal Development Partners Meeting in Vientiane on Thursday. Under the new Strategic Plan, the MRC will ensure that new national power generation plans consider the full range of viable generation sources, including water, food and energy, as well as the complementary use of wind and solar energy. It will promote gender diversity, equity, and inclusion in the water sector. The MRC will also explore how the operations of water infrastructures throughout the basin should be coordinated to maximise their benefits and limit adverse environmental impacts on the Mekong mainstream and people. It will continue to foster regional dialogue among the basin countries, and deepen its engagement with China as well as all other partners throughout Asean and the Lancang-Mekong Cooperation, for the benefit of all Mekong constituents. The new funding commitment was signed by MRC Secretariat CEO Dr An Pich Hatda and three development partners from the Australian Ambassador to the Lao PDR, Mr Paul Kelly, the German Ambassador to the Lao PDR, Mr Jens Lütkenherm, and Mr Jean-François Cuénod, Regional Director of the Swiss Agency for Development and Cooperation. Australia is providing AUD 5.1 million or about US\$3.8 million additional technical support to the MRC on other key areas, including the MRC Flood and Drought Management Centre, and the reinvigoration of the MRC data and information systems. Meanwhile, a German contribution of EUR3 million (approx.

US\$3.55 million) in support of the new plan, the funding would be dispersed over three years beginning in 2022, with US\$1.2 million allocated to the MRC's core funding mechanism, and the balance allotted to the MRC-GIZ Cooperation Programme for technical support. The Swiss Agency for Development and Cooperation, committed US\$5.3 million to support the implementation of the new Strategic Plan over the next five years to work with the MRC, its Member Countries and other Development Partners in shifting the region towards a more sustainable and resilient path, making sure that no one will be left behind. The MRC Strategic Plan 2021–2025 is a key tool for the Commission to implement a new ten-year Basin Development Strategy, one that presents a new paradigm shift for the basin to address current and emerging challenges while improving the overall state of the basin in the coming decade.

Source : https://www.vientianetimes.org.la/freeContent/FreeContent_Australia122.php

Min Than-Maung Hlaw bridge completes 27%



Myanmar News | 24 June, 2021

The concrete Min Than-Maung Hlaw bridge is 2,100 feet long, 33 feet wide and is of 26 feet of water clearance height. Min Than-Maung Hlaw bridge crossing Taninthayi River is constructed with spending of K13,910 million. So far, the construction of the bridge has completed 27 per cent, according

to the Bridge Department of the Ministry of Construction. Taninthayi bridge is constructed with the crossing of Taninthayi River flowing through Myeik and Kyunsu townships in the Taninthayi Region. The Taninthayi bridge (Min Than-Maung Hlaw bridge project) is expected to cost K13,910 million (over K13 billion). "So far, the construction of the project is completed 27 per cent. The construction project started on 1 December 2018. The whole project construction period will be dependent upon the allocation of the budget," said an official from the bridge department. The concrete Min Than-Maung Hlaw bridge is 2,100 feet long, 33 feet wide and is of 26 feet of water clearance height. The bridge is being constructed by Rural Road Development Department Fund and Region Rural Development Department. — ACM/GNLM

Source: <https://www.gnlm.com.mm/min-than-maung-hlaw-bridge-completes-27/#article-title>

Manageable-scale elephant foot yam growers earn extra income



Myanmar News | 24 June, 2021

Myanmar elephant foot yams are primarily purchased by China, Japan, and the Republic of Korea. The locals from Kyeikdon town, Kayin State are growing the elephant foot yam in the backyard of their house on a manageable scale. The yams are cultivated two or three feet apart and they are growing well without using fertilizer. The cultivated yams could be harvested in the next three years.

Each yam plant could produce about one or five visses while some yams can yield about six visses. Last year, the price of fresh yams reached the maximum of K 1,500 per viss (a viss equals 1.6 kg). Myanmar elephant foot yams are primarily purchased by China, Japan, and the Republic of Korea. — Kyeikdon IPRD/GNLM

Source: <https://www.gnlm.com.mm/manageable-scale-elephant-foot-yam-growers-earn-extra-income/#article-title>

Vietnam attracts over 15 billion USD of FDI in six months



Vietnam News | 24 June, 2021

Hanoi (VNA) – Foreign investors have poured 15.27 billion USD of investment in Vietnam so far this year, equivalent to 97.4 percent of the amount recorded in the same period last year, according to the Ministry of Planning and Investment (MPI). The ministry reported that as of June 20, 9.55 billion USD had been injected into 804 newly-licensed projects, up 13.2 percent year on year. Meanwhile, 4.12 billion USD had been added into 460 underway projects, a year on year rise of 10.6 percent. Foreign investors also poured 1.61 billion USD in share purchase deals in Vietnam, according to the ministry. Meanwhile, the disbursement of FDI in the period rose 6.8 percent year on year to 9.24 billion USD. Among the 18 sectors attracting FDI, manufacturing-processing lured the highest amount at 6.98 billion USD, accounting for 45.7 percent of

the total investment, followed by power production and distribution with 5.34 billion USD, making up nearly 35 percent of the total investment. Singapore leads the 80 countries and territories investing in Vietnam with investment of 5.64 billion USD, followed by Japan with 2.44 billion USD, and the Republic of Korea with 2.05 billion USD. As of June 20, the country had hosted 33,787 FDI projects worth 397.89 billion USD totally, of which 241.1 billion USD, or 60 percent, had been disbursed. The export revenue of the foreign-invested sector has continued to rise at 32.2 percent to 116 billion USD (including crude oil), accounting for 74.1 percent of the country's total export revenue. The sector's revenue excluding crude oil reached 115.3 billion USD, up 32.6 percent year on year. The sector imported 102.6 billion USD worth of goods in the period, up 38.7 percent year on year. As a result, in the first half of this year, it enjoyed a trade surplus of 13.4 billion USD including revenue from crude oil. The MPI also reported a trade deficit of 14.9 billion USD by domestic businesses./.

Source : <https://en.vietnamplus.vn/vietnam-attracts-over-15-billion-usd-of-fdi-in-six-months/203576.vnp>

Australian businesses interested in agritech in Vietnam



Vietnam News | 24 June, 2021

Sydney (VNA) – Local businesses in Australia's New South Wales (NSW) have shown their interest in joining the agricultural technology as well as food

and beverage sectors in Vietnam – a promising market in their eyes. Vietnam's fast and sustainable growth over the past many years has made the market attractive to companies in NSW, said Karla Lampe, Director for International Engagement & Market Development at NSW Treasury at an online conference held this week to explore business opportunities in Vietnam. She said that the advantages in population and the increase in the middle-income people have created more trade and investment opportunities for Australian firms. Lampe said that Vietnam is currently the ninth largest trade partner of NSW, stressing that NSW businesses place agritech, food and beverage at the top priority for investment in Vietnam. Meanwhile, Rebecca Ball, Australian Deputy Consul-General in Vietnam and Cambodia said that Vietnam's attention to agritech development is a great chance for Australia to engage in the market. According to Ball, Australia can help Vietnam improve farming productivity, water resources, animal feeds and pest management, and origin trace through introducing effective agricultural solutions, thus responding to challenges in food security and food safety. In the first quarter of 2021, Australia's export revenue of farm produce from Vietnam increased 44 percent year on year, she noted, adding that Vietnam is likely to become the fifth biggest export market of Australian agricultural products in the end of 2021

from the current eighth position. At the event, representatives from numerous of successful businesses in Vietnam and Australian agencies shared their experience and answered questions regarding Vietnamese agritech, food and beverage sectors./.

Source: <https://en.vietnamplus.vn/australian-businesses-interested-in-agritech-in-vietnam/203572.vnp>