

Highlight News / July 06, 2021



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

Cambodian tourism sector envisages new normal



Cambodia News | 05 July, 2021

Nearly two months after the World Health Organization declared Coronavirus to be a “global health emergency” last year, the government announced that it would clamp down on tourist visas. Now, the tourism and hospitality sectors are charting their future with an eye towards reopening. The Kingdom’s hotel and restaurant sector retracted by 36 percent last year, according to official figures. Heads of the restaurant, tourism and travel associations are refusing to throw in the towel. Instead, they are reflecting on what worked for them during the pandemic and are looking forward to an eagerly anticipated recovery that will bring innovation and creativity to the forefront. The sentiment among associations is that Cambodia will likely open up by the end of the year, in part because of strong vaccination efforts and the fact that Phnom Penh, particularly is among the most vaccinated capitals in the world. Ronni Dalhoff of Diethelm Travel told Khmer Times there is a high likelihood that the Kingdom will probably re-open to international tourists before neighbouring Thailand and Vietnam as a result. Diethelm Travel is part of an association called CAM-DMC, which is an association of 17 destination management companies in the western market. Dalhoff said he anticipates a “rebranding” of Cambodia to international visitors with future guests booking

longer stay vacations in Cambodia rather than making the Kingdom a part of a larger Southeast Asian circuit. “People will travel slower, stay longer and move around less,” Dalhoff said. “They don’t want to go through as many airports. This is a unique opportunity for Cambodia. We no longer want to be the ‘Angkor Wat stopover’ after Thailand or Vietnam. There is a big chance that Cambodia will open up before Vietnam so this is a great opportunity to promote Cambodia as a standalone destination. Right now, I think the biggest demand is coming from the United Kingdom but the countries with the most lenient travel restrictions will be the ones that will be most interesting to look at.” Members of all associations said there had been a “talent drain” in the travel and leisure industries – many highly skilled veterans of the tourism and hospitality sectors have resorted to selling insurance or farming, they said. “The pandemic has been devastating for both owners and the workforce, we saw the industry halting business and, at the same time, trying to operate a U-turn to figure out how to incorporate things like curbside pickups, ghost kitchens and meal kitchens,” Arnaud Darc, president of the Cambodia Restaurants Association, said. Darc is also the founder of the famed Thalias Hospitality Group. He said restaurants had seen between a 50 and 60 percent drop in revenue last year and losses have compounded by almost the same amount during the first half of 2021. “We know that some changes are here to stay and the challenges have, of course, proven difficult to manoeuvre, but they

also show the grit and perseverance of an industry at the frontline of social and political change,” the former president of the European Chamber of Commerce said. “I am confident that when businesses relaunch and industries reopen, we will reach new heights in the years to come. In the meantime, it is a matter of getting through the next few months.” Darc believes that a number of the changes made to acclimatise to the pandemic will persevere through the pandemic, particularly technological innovations such as contactless payments and online ordering. He said that the CRA has been working with members to help disseminate information, share valuable input and raise concerns with government officials to help lessen the impact on restaurants. CRA recently put forward a list of nine recommendations to government officials to help ease the burden on businesses but declined to make them public, saying it was simply too early to discuss them widely. “In March last year, when we first knocked on the doors of the Ministry of Tourism and Economy and Finance, they opened the door and gave us a seat at the table to help mitigate the impact to the economy. We have established a fruitful dialogue with the government and many of our suggestions have been put into action,” Darc said. Last week, the government announced its ninth round of relief measures to help cushion the impact of the pandemic. Under the programme, workers in the tourism sectors, such as hotels, guesthouses, restaurants and travel agencies will continue to receive \$40 per month. Businesses in the capital and

four other provinces including Siem Reap, Preah Sihaouk, Kep, Kampot, as well as border towns Bavet and Poipet, will be exempt from any monthly taxes. Luu Meng, president of the Cambodia Tourism Federation, said his group, along with the CRA, echoed Darc saying that the government had been “extremely understanding” regarding the concerns in the tourism industry. He said that while the much-needed stimulus package was a welcome response to the industry’s request, he believed that a stronger effort was needed to ensure that landlords lower rent for businesses to help them survive through to the reopening. “Our partners, particularly at the Ministry of Economy and Finance, understand the needs of the industry and recognise the key role tourism has in Cambodia. We have raised the issue of rents but it has not really [got] through to landlords. Businesses, especially [small and medium-sized enterprises] have zero revenue and often the largest cost they have is rent. Some have given 20 or 30 percent discounts, while others don’t care at all,” Meng said. “The tourism industry will certainly rebound. Technology will have a big role in what the industry looks like ahead. The developments in Siem Reap with the 38 new roads and establishment of new tourist attractions are a great choice to broaden the experience beyond Angkor Wat.”

Source: <https://www.khmertimeskh.com/50887125/tourism-sector-envisages-new-normal/>

MBCC's new president foresees more Malaysian businesses in Cambodia



Cambodia News | 05 July, 2021

The newly elected President of The Malaysian Business Chamber of Cambodia (MBCC), K M Tan plans to give priority towards enhancing the cohesion of members by organising events that focus more on engagements and involvement by all of them. He also plans to actively connect with relevant government agencies and other business chambers through regular dialogues and networking events. His aim is to establish sub-committees to lead business and social activities together with organising corporate social responsibility events with various stakeholders. Tan told Khmer Times that the trust and support given to him by the MBCC members to take the helm of the chamber, makes him feel extremely honoured and privileged to be elected as the President of MBCC. "My feelings can be summarised in three words – thankful, touched and promise. I am thankful and touched by the support and trust given to me and I promise I will devote my best to work with the executive board members in steering MBCC to the next level," said Tan. Along with Tan being elected as the President of MBCC, Mohan Bandam has been elected as the new Vice President. Tan said: "We are very pleased that Mohan has been elected as my Vice President. With his three decades of experience, of integrating with business communities and government

agencies in Cambodia, his wisdom will be a perfect complement to our executive board in carrying out our missions." Currently MBCC has 70 to 80 members and one of Tan's vision is to broaden the members' base. He intends to form a special membership committee and set strategies to grow the membership numbers by adopting more inclusive policies. "We would like to attract more Malaysian businessmen as well as Malaysian individuals who are holding top executive positions in non-Malaysian companies to join MBCC to enhance its influence in business community in Cambodia and regionally," added Tan. Malaysian investors have the longest history in Cambodia's Foreign Direct Investment (FDI) in well-diversified industries such as banking, financial institutions, energy, telecommunications, manufacturing, professional services, education, infrastructure, construction, real estate, hotels, retails, F&B etc. Tan said: "Over the past three decades we have not only invested in Cambodia in monetary terms, but also contributed in train-up of uncountable Cambodian talents in various industries. We have developed strong bonds with Cambodian society in multiple aspects compared to other nationals, which we shall leverage on this to make Malaysian businesses become perfect mates to Cambodians as business partners when there is any domestic or international business emerging." The Annual General Meeting was held on Friday starting with a 10 seconds silence in remembrance of the late former MBCC's President, Teh Sing who passed away peacefully in

a Phnom Penh hospital on April 26 at the age of 69. “We will continue his legacy to make MBCC a reputable business chamber and uphold the values we hold true to,” Tan said during the AGM. “During this year 2021, the Covid-19 pandemic situation is getting worse starting from the February 20 Community Event. In May, MBCC had taken the initiation to organise the vaccination drive for all the MBCC members, their beloved family as well as other Malaysians in Cambodia. In June, MBCC together with 25 other Malaysian entities and individuals joined hands and contributed medical supplies worth \$12,000 to the Ministry of Health,” the other Vice President Syed Azmeer AlHussaini mentioned in his report of MBCC’s activities during the AGM. Malaysian Ambassador Eldeen Husaini Mohd Hashim when addressing the members and the election of a new president, K M Tan, said that he looked forward to working with the MBCC to further enhance Malaysia’s presence in the sphere of economy and social activities. “We have worked well so far and I expect that this collaboration and relationship will be further enhanced to facilitate Malaysians in Cambodia and Malaysia in making its mark as the premier investment country in Cambodia. I would also like to express my deepest sadness on the demise of Teh Sing, the long serving president who passed away in April. Let’s work together and build Malaysia’s presence,” Ambassador Eldeen said.

Source: [https://www.khmertimeskh.com/50887084/mbccs-new-president-foresees-more-malaysian-businesses-in-cambodia//](https://www.khmertimeskh.com/50887084/mbccs-new-president-foresees-more-malaysian-businesses-in-cambodia/)

Laos to increase coffee exports to EU



Laos News | 06 July, 2021

Laos will be able to export more coffee to the European Union (EU) states following the adoption of a new roadmap for exports. The roadmap is aimed at increasing productivity and sustainability in production and processing, while simultaneously enhancing the capacity of Lao exporters, improving the domestic economy and securing better lives for rural citizens. The Coffee Sector Export Roadmap offers guidance on strengthening quality in compliance with international standards, fostering dynamism in the sector, and connecting to global opportunities. Small producers and firms can also benefit from sections of the roadmap on capacity building, organisation and trade information. The coffee industry in Laos has great potential in terms of value, being the main cash crop for many small-scale farmers. Unsurprisingly, coffee is Laos’ third largest agricultural export. Coffee is currently exported to more than 26 countries in Asia, Europe and North America. However, the coffee sector faces pressing challenges that limit efforts to engage in regional and global coffee trading. These constraints vary from reaching buyers in high-

potential markets, improving systematic quality management, and increasing the productivity and sustainability of the sector. In addition, the Covid-19 pandemic is exacerbating existing problems and further complicating the future of Lao coffee farmers and enterprises. The launch of the roadmap saw 80 participants meeting in person and online. The Ministry of Industry and Commerce, along with the Ministry of Agriculture and Forestry, led the roadmap's development. The International Trade Centre provided technical assistance as part of the Asean Regional Integration Support from the European Union (ARISE Plus), an EU-funded initiative focusing on promoting inclusive economic growth, climate change resilience, mitigating vulnerability and job creation in Laos. The Coffee Sector Export Roadmap is also aligned with government priorities and ongoing initiatives in the sector, including support for the goals of the Lao Coffee Sector Development Strategy till 2025. Officials said it is crucial for the country to continue collaboration in implementing the roadmap. During a discussion at the launch of the roadmap on Friday, participants shared ideas for the adoption of the roadmap.

“The coffee sector has become an important source of agricultural production and exports. Going forward, the sector has even more potential to contribute to economic growth and job creation. This

roadmap provides a detailed action plan to leverage the strengths and addresses the constraints in domestic competitiveness,” said the Minister of Industry and Commerce, Khampheng Xaysompheng. The Governor of Champassak province, Vilayvong Boudakham, said: “We see a big potential to export more coffee to the EU, especially organic and fair trade certified coffee. European consumers are ready to pay a higher price for their cup of coffee, if it is organic and respectful of the environment, and if it provides decent jobs and makes a positive social impact in communities.” The Ambassador of the EU to Laos, Ms Ina Marčilionytė, added, “This inclusive approach ensures that the roadmap is designed to reflect the sector's goals, and outlines a realistic and effective path for achieving them.”

Source: https://www.vientianetimes.org.la/freeContent/FreeContent_Laos_to_129.php

About 7,000 cattle stranded in Muse



Myanmar News | 06 July, 2021

The Ministry of Commerce grants a permit to each company for 100 cattle export, and the permit is valid for three months. The companies can be taken legal action if they do not sell the cattle during the three months. With China stepping up border security for COVID-19, live cattle trading has ground to a halt, and about 7,000 cattle have been stranded in Muse town since December 2020. The domestic companies are sending cattle in line with Standard

Operating Procedure to China through the Muse border. “Before COVID-19, cattle were highly demanded. During the early outbreak of coronavirus, about 10 traders from China entered Myanmar to purchase over 1,000 herds of cattle per day. The resurgence of COVID-19 in Myanmar prompted China to tighten its border areas with Myanmar. Consequently, it was seven months that live cattle trading was halted. We are not sure when the cattle trading will go back to normal,” a cattle trader explained the reasons for trade suspension. “The traders are facing many hardships as it is difficult to take care of the cattle in yards during the rainy season. The traders have been burdened by labour wages, cost of feedstuff, healthcare services, and other general costs,” said a trader from Muse. Furthermore, Chinese traders are constantly purchasing the cattle on the black market across border between Myanmar and China, said Chair U Soe Naing of the Mandalay Region Cattle Exporters Association. At present, the black market has been stronger. The legitimate market has halted since late 2020. “The illegal market is happening. At present, the border trade is illegally carried out like the trade four years ago,” U Soe Naing stressed. Following about 10,000 cattle stranded in Muse last year, traders embarked on the illegal sales, he continued. For legitimate trade, China permits live cattle import only after ensuring the cattle is free from 20 diseases including Foot and Mouth Disease, along with vaccination certificates, health certificates, and farming registration certificates. Yet, those import

criteria do not matter on the black market. That is why Mandalay Region Cattle Exporters Association requested the officials concerned to deal with this black market and strive for resumption of the cattle trade. Myanmar’s live cattle export is heavily relying on China market due to a good price although Myanmar has other external markets such as Laos, Thailand, Malaysia and Bangladesh. The Ministry of Commerce grants a permit to each company for 100 cattle export, and the permit is valid for three months. The companies can be taken legal action if they do not sell the cattle during the three months. Live cattle export was allowed in late 2017 to eradicate illegal exports, creating more opportunities for breeders, promoting their interests and generating more revenues. Myanmar shipped US\$360 million worth of animal products, including cattle, to the external markets in the financial year 2018-2019. The value of animal product exports dropped by \$100 million in the 2019-2020 FY as against a year-ago period, following negative impacts of COVID-19. — Htet Myat/GNLM

Source: ที่มา: <https://www.gnlm.com.mm/about-7000-cattle-stranded-in-muse/#article-title>

Vietnamese economy predicted to maintain 6.7% growth this year



Vietnam News | 05 July, 2021

VOV.VN - United Overseas Bank (UOB) of Singapore has maintained its forecast that the Vietnamese economy will expand by 6.7% over the course of the

year 2021. The bank recently released a report detailing economic growth during the second quarter, noting the country's economic growth trajectory has remained on track. Vietnam's fourth outbreak of COVID-19, which initially started on April 27, has resulted in movement restrictions and lockdowns which have caused great disruption for a range of business and manufacturing operations, it said. UOB said it believes that the recent COVID-19 outbreaks, coupled with the discovery of new variants, certainly pose a downside risk to the economy, particularly as vaccination rates are low compared to neighbouring countries. Most notably, the second quarter of the year has seen GDP growth stay strong, hitting 6.6%. Furthermore, exports continued to record growth, whilst foreign direct investment (FDI) inflows remain upbeat this year, a reflection of investor confidence and Vietnamese relevance within the global supply chain. Moving forward, UOB forecast that Vietnamese GDP growth will likely reach 6.7% this year, higher than the 6% target set by the National Assembly.

Source: <https://english.vov.vn/en/economy/vietnamese-economy-predicted-to-maintain-67-growth-this-year-871461.vov>

the same period from last year, according to the Ministry of Industry and Trade. Of the total, exports brought back roughly US\$157.63 billion, recording a rise of 28.4% year on year. Notably, 25 commodities earned US\$1 billion or more each from exports, making up 88.9% of total export turnover. During the initial six months, the US represented the biggest importer of Vietnamese goods, purchasing US\$45.1 billion worth of items, marking annual growth of 43.3%. Elsewhere, China was the biggest exporter of Vietnamese goods over the reviewed period, with turnover estimated to stand at US\$53.6 billion, rising by 53.6% year on year. June alone witnessed Vietnam secure trade value of approximately US\$54 billion, up 25% against the same period from 2020.

Source: <https://english.vov.vn/en/economy/import-export-turnover-rises-32-in-first-half-2021-871469.vov>

Import - export turnover rises 32% in first half 2021



Vietnam News | 05 July, 2021

VOV.VN - The opening half of 2021 witnessed Vietnamese import-export turnover reach US\$316.73 billion, marking an increase of 32.2% compared to