

Highlight News / July 13, 2021



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- Laos deepens reliance on China for key transport projects
- Myanmar-India border trade up by \$111.94 mln as of 2 July
- Nearly 78 pct of manufacturing, processing firms expect stable, better performance in Q3
- VinFast officially begins operations in North America and Europe



ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

Full ratification of free trade deal with China is now expected early next year



Cambodia News | 12 July, 2021

The free trade agreement (FTA) between Cambodia and China is likely to come into force next year, after winning unanimous support from the National Assembly's expert committee. The Ministry of Commerce will now submit a draft law to the National Assembly for approval. Minister of Commerce Pan Sorasak held a video meeting with Nin Saphon, chairwoman of the Ninth Committee of the National Assembly, last week. They reviewed the draft law and discussed ways of ensuring it will come into force by early 2022. The two countries signed the FTA in October 2020 after a year of talks. China already has an agreement with the Association of Southeast Asian Nations, of which Cambodia is a member. The minister emphasised the benefits of an FTA, including better market access for vegetables, fruits and other agricultural products, along with handicrafts and other goods. He added that Cambodia has the ability to produce products that comply with China's rules and hygiene standards and train highly skilled staff to strengthen the Kingdom's service sector. Sorasak said the FTA would provide more investment for Cambodia, giving opportunities to local businesses who want to expand the market for services and goods and increase exports to China. He said companies will benefit from the transfer of technology, knowledge

and new skills. The deal with China would also have the potential to attract foreign capital from elsewhere, by strengthening domestic production and improving the investment climate, he said. The minister noted the Kingdom has been hit hard by the Coronavirus pandemic so increased trade with China and more foreign investment would help the economy rebound, creating jobs and higher incomes for the Cambodian people. Cambodian exports to China surged 56 percent in the first five months of 2021, compared with the same period last year. Imports from China rose 21 percent from January to the end of May on the strength of Cambodian demand for industrial products, raw materials and construction materials. The increase in exports from the Kingdom was driven by rising Chinese demand for Cambodian agricultural produce. Exports may rise at an even faster pace over the rest of the year after China pledged to buy more agricultural produce during last month's meeting between Cambodian Foreign Minister Prak Sokhonn and his Chinese counterpart Wang Yi. Bilateral trade rose 25 percent to nearly \$4 billion. Trade between the two countries dropped 5.2 percent last year to just over \$8 billion. China is turning increasingly to Asian markets because of sanctions imposed by the US and Europe. Beijing adopted an anti-foreign sanctions law last month and Cambodia backed the move. "We support multilateralism, we support laws that support and promote multilateralism and free trade, but we do not

support unilateralism,” a Cambodian government spokesman said.

Source: <https://www.khmertimeskh.com/50891934/full-ratification-of-free-trade-deal-with-china-is-now-expected-early-next-year/>

Kampot province's tourism seaport construction falls further behind schedule



Cambodia News | 12 July, 2021

The construction of Kampot province's tourism seaport near Kampot city is behind schedule courtesy of a second delay attributable to the pandemic, says a report from the Ministry of Public Works and Transport. The report, obtained by Khmer Times yesterday, stated the construction is currently at 74 percent completion. It was originally scheduled to be finished and operational by the end of 2020. The deadline for completion had been reset for June this year. Because of the prolonged pandemic, that schedule has been reset once again, this time to 2022, according to the ministry's report. The report also stated that construction had run into the rainy season. As a coastal province Kampot is subject to fierce storms and downpours. The ministry's spokesman Vasim Sorya told Khmer Times, that the main factor for the project missing its completion target was largely down to a shortage of workers at the construction site. "In the pandemic context, the construction has been behind plan due to workers at the construction being reduced and this will result in another delay of the project," said Sorya. The project

is being built on four hectares of land located in Toek Chhou district, about six kilometres south of Kampot city. It was financed originally with a loan of \$8 million from the Asian Development Bank. That loan was increased to \$9 million as a result of additional infrastructure improvements to the port. Once completed, the port will be able to dock 300 to 400 passenger capacity ships and serve as a gateway for cruise ships connecting Thailand and Vietnam to Kampot as well as be an example of an infrastructure development project promoting sustainable growth in the Greater Mekong Sub-region.

Source: <https://www.khmertimeskh.com/50891686/kampot-provinces-tourism-seaport-construction-falls-further-behind-schedule/>

Laos deepens reliance on China for key transport projects



Laos News | 12 July, 2021

A number of Chinese-backed highway projects are underway in the small Southeast Asian country of Laos, generating both hope and fear among a nation desperately trying to raise itself from the ranks of the world's least developed countries. The new infrastructure projects are believed to be part of China's ambitious Belt and Road Initiative -- a massive economic zone linking it to Europe by land and sea. But concern is growing that the loans incurred to finance the projects may drive Laos into a "debt trap" if it cannot repay its Chinese creditors. Still, Laos has little choice but to rely on Chinese

largesse if it wants to see its economy recover, as the impoverished, landlocked country remains mired in the COVID-19 economic doldrums. According to China's state-run Xinhua News Agency, the Laotian government greenlighted in early June the route of a new expressway linking the capital Vientiane in the central part of the country with Pakse in the south. Laos is touting the 578 km, \$5.1 billion expressway as its flagship infrastructure project. The route had been proposed by the Henan Provincial Communications Planning and Design Institute, a Chinese consulting company also known as HNRBI. According to the state-run Laotian Times, the new expressway will reduce travel time from Vientiane to Pakse to seven hours from the current 10 hours, strengthening connectivity with two big foreign cities further south, Bangkok and Vietnam's commercial hub of Ho Chi Minh City. Laos has also just embarked on a study for a mock-up of another proposed expressway linking Boten, which borders China, with Bokeo Province on the border with Thailand. The 180 km expressway would cost \$3.8 billion and allow travel from southern China to Thailand via Laos in just 90 minutes. The two projects, whose details are still being negotiated, will allow China easier access to the Indochina Peninsula.

Source: <https://asia.nikkei.com/Spotlight/Belt-and-Road/Laos-deepens-reliance-on-China-for-key-transport-projects>

Myanmar-India border trade up by \$111.94 mln as of 2 July



Myanmar News | 12 July, 2021

The value of border trade between Myanmar and India climbed up to US\$193.2 million between 1 October and 2 July of the current financial year 2020-2021 although India stepped up the border security. The figures reflected an increase of \$111.94 million as against a-year ago period. India tightened the border control in wake of the coronavirus pandemic, and the traders suffered the negative impact of the outbreak. The cross-border trade between Myanmar and India has become sluggish. Myanmar conducts border trade with neighboring India through Tamu, Reed, and Thantlang border posts. Over the past nine months, trade values were registered at over \$32.39 million via Tamu border and \$160.8 million via Reed. There was no trade recorded at the Thantlang post. Myanmar conveys mung beans, pigeon peas, green grams, areca nuts, ginger, saffron, turmeric, bay leaves, fishery products, fruits, and vegetables to India, while it imports pharmaceuticals, oil cakes, electronic appliances, motorbikes, steel and other construction machines and building materials from the neighboring country.—KK/GNLM

Source: <https://www.gnlm.com.mm/myanmar-india-border-trade-up-by-111-94-mln-as-of-2-july/>

Nearly 78 pct of manufacturing, processing firms expect stable, better performance in Q3



Vietnam News | 12 July, 2021

Hanoi (VNA) – Some 39.2 percent of surveyed manufacturing and processing enterprises expect better performance in their production and business in the third quarter of 2021, and 38.6 percent believe to enjoy stable production and business, according to a survey recently conducted by the General Statistics Office (GSO). Meanwhile, 22.2 percent of responded enterprises predict they may face more difficulties than the period quarter. The GSO said that industrial production in the second quarter reported positive growth as production and business activities were maintained and gradually recovered, with the added value up 11.45 percent year-on-year. In the first half of this year, the industrial sector's added value is estimated to increase by 8.91 percent year-on-year, of which the manufacturing and processing industries grew by 11.42 percent. At present, major groups are planning to invest in Vietnam, mainly in electronic production and component manufacturing. As of June 30, the inventory rate of the manufacturing and processing industries increased by 24.3 percent year-on-year. Proposed localities continue stepping up administrative procedure reform and simplifying specialised inspection procedures. On June 1, the number of labourers working in industrial firms decreased by

1.4 percent month-on-month, and 1 percent year-on-year./.

Source: <https://en.vietnamplus.vn/nearly-78-pct-of-manufacturing-processing-firms-expect-stable-better-performance-in-q3/204495.vnp>

VinFast officially begins operations in North America and Europe



Vietnam News | 12 July, 2021

HÀ NỘI — VinFast on Monday officially kick-starts its branches in the US, Canada, France, Germany and the Netherlands in preparation for its launch in those markets, moving closer towards the goal of becoming a global smart electric car company. According to its plan, VinFast will officially launch its two smart electric car models VF e35 and VF e36 globally in March 2022. These are breakthrough electric SUVs with impressive exterior designs and top-of-the-range conveniences, meeting the highest safety standards set by NHTSA and EURO NCAP. The US, Canada, France, Germany and the Netherlands have been considered key markets in VinFast's business expansion plans since its early days. For the past year, VinFast has set up apparatus and foundations for business operations in these countries. In terms of personnel, as well as the core of Vietnamese senior managers, VinFast has also recruited automotive and business experts from leading car makers like Tesla, BMW, Porsche, Toyota, Nissan, etc. Together, they have developed an organisation, expanded partnership networks and prepared for VinFast to

enter the market. Regarding business strategy, VinFast has designed plans based on each market's features. In Europe, VinFast will particularly focus on France, Germany and the Netherlands before moving onto other countries. VinFast's car models will be appropriately designed for customer needs and operating conditions in each country. "With smart electric cars backed by VinFast's proven research and production capabilities, we are confident that VinFast can be a competitive contender with leading brands in the US today," said Jeremy Snyder, Chief Growth Officer of VinFast US. — VNS

Source: <https://vietnamnews.vn/economy/991133/vin-fast-officially-begins-operations-in-north-america-and-europe.html>
