

Highlight News / July 20, 2021



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

Officials meet with their EU counterparts to talk recovery



Cambodia News | 19 July, 2021

Senior government officials and European counterparts met last Friday to discuss Cambodia's economic plan. New trade policies to help the Kingdom recover from the pandemic were the focus of the conversation as well as the World Trade Organization's role in shaping the post-pandemic recovery. The two sides exchanged views on the role of economic development under the World Trade Organization (WTO) framework, with a special focus on reforms and the new WTO Dispute Resolution System. Commerce Minister Sok Sopheap will represent Cambodia at the 12th (WTO) Ministerial Conference to be held in November. A number of key issues including the ratification of a new fisheries subsidies agreement and electronic trade negotiations are said to be on the agenda during the Ministerial Conference. Sopheap stressed the importance of providing flexible and Special Differential Treatment policies to least-developed countries, particularly in regard to fishing subsidies, as the global recovery begins to take shape. He also briefed Brussels on Cambodia's Covid-19 Recovery Plan 2021-2023. Garcia Bercero, director and chief negotiator for the European Commission, and Petros Sourmelis, head of trade for the European Union, highlighted the need for sustainable development during the post-pandemic recovery. Sopheap also gave the closing remarks at the China Future Forum,

where he touted the strength of multilateral relationships between ASEAN and Asia's largest economy. "Now, we are exploring new initiatives to facilitate increased ASEAN and China trade investment flows and enhancing the trading environment, including exploring the possibility of upgrading the ASEAN-China Free Trade Agreement (ACFTA) upgrading protocol to provide market access and higher standards for a more comprehensive and open ACFTA. "Moreover, with RCEP ratification in the future, the potential to expand and strengthen ASEAN and China trade relations is unlimited because this agreement represents one-third of global GDP [gross domestic product] and 30 percent of the world's population. This mega-trade agreement is modern, comprehensive and high quality. More importantly, it will help reduce trade costs for businesses and further integrate ASEAN into the global supply chain for electronics, vehicles, textiles and garments," said Sopheap. Total trade between ASEAN and China reached more than \$579 billion in 2019 and total foreign direct investment amounted to \$8.97 billion the same year.

Source: <https://www.khmertimeskh.com/50896690/officials-meet-with-their-eu-counterparts-to-talk-recovery/>

Cambodian exports reach \$8 billion

Jan-June



Cambodia News | 19 July, 2021

Cambodia exported \$8.201 billion in the first six months of 2021, a 17 percent increase compared to

the same period last year, according to a report from the Ministry of Economy and Finance. Figures from the ministry's Department Directorate of Customs and Excises showed that the exports of garment products; cloth, footwear and travel goods, amounted to \$4.721 billion, a 0.9 percent increase over last year. Non-garment products exports of \$1.899 billion, including bicycles, electronic components, auto parts and other industrial materials, rose by 50 percent compared to the first semester of 2020. Agricultural product exports netted \$1.580 billion. during the period. The Kingdom's primary export markets are the US, the EU, Canada, Japan, China, South Korea and the ASEAN nations. Increasing exports are seen as an indication of positive signs in local production and manufacturing despite the pandemic, although the garment sector has taken a significant hit compared to other sectors. Vongsey Vissoth, permanent secretary of state at the Ministry of Economy and Finance, said recently that non-garment product exports will increase while garment exports are expected to see a contraction. He added that the recovery of the US economy and other primary export destinations for Cambodian non-garment products will keep production chains in the country busy. Nguon Meng Tech, director-general of Cambodia Chamber of Commerce, said that export growth is the driving force behind positive activity among the production chains. "It is a good result from the government's efforts to push active production chains to [maintain] exports [generating]

jobs and economic growth," Meng Tech said. Last year, Cambodia shipped garment, non-garment and agricultural products worth \$16 billion, a 14 percent increase compared to 2019 results.

Source:<https://www.khmertimeskh.com/50896757/cambodian-exports-reach-8-billion-jan-june/>

Covid restrictions extended, some lifted to ease economic impacts



Laos News | 20 July, 2021

The surge in imported cases of Covid-19 has prompted the government to extend the virus control measures outlined in Prime Ministerial Order No. 15 for another 15 days until August 3. However, some restrictions have been lifted to minimise the impacts on the economy and people's livelihoods. A severe Covid outbreak and job losses in Thailand have forced many Lao nationals working there to return home, with at least 15 percent of returnees testing positive for the virus. "Although the number of community-acquired cases in Laos is falling, we must remain alert and prepare to accommodate Lao workers returning from neighbouring countries," Deputy Head of the Prime Minister's Office, Mrs Thipphakone Chanthavongsa, told a press briefing on Monday. "We have to encourage them to enter Laos legally to keep the virus in check. What we fear is that people are entering illegally, which could result in a major community outbreak." Newly eased restrictions Indoor and outdoor sports facilities in

Vientiane and provinces where is no ongoing virus outbreak may reopen, but must be legally registered businesses. Sports centres must not serve alcohol and must comply with all virus prevention measures. Massage parlours and spas in Vientiane and provinces where there is no ongoing virus outbreak may also reopen but managers and staff must have had two doses of a Covid vaccine and services must end at 8pm. Vocational schools, teacher training colleges and other higher education centres in Vientiane may reopen but must strictly comply with all virus prevention measures. Measures to remain in place Authorities will continue tracing people known to be carrying the virus after testing and expedite the rollout of the vaccination programme. Pubs and bars, karaoke bars, other entertainment venues, cinemas, snooker halls, and internet cafes will remain closed. Contact sports including football and martial arts remain prohibited in any province with a virus outbreak. Factories and handicraft units in red zones (infected villages) will remain closed, except where employees have received two doses of a Covid vaccine and there are on-site dormitories. Entering or exiting red zones is banned, unless permission is given by authorities. Parties of all kinds remain banned. Members of the public are urged to comply with all virus prevention measures such as temperature checks, social distancing of at least one metre, wearing face masks, and using hand

sanitiser. Previously eased restrictions Shopping malls, retail shops, supermarkets, minimarts, night markets and fresh markets will remain open. Barber shops and beauty salons that are not located in red zones can remain open but social distancing must be observed. Restaurants, cafes, tourist sites, and food gardens in provinces without a community outbreak can offer dine-in service, but customers must comply with all virus control measures. People may take out boats to fish in rivers through which international borders run, between the hours of 8am and 6pm, but authorities must specify the number of fishing boats that can use the river each day.

Source:https://www.vientianetimes.org.la/freeContent/FreeContent_Covid_restrictions_139.php

Fishery exports plummet to \$606 mln as of 9 July



Myanmar News | 18 July, 2021

Export earnings from the fisheries sector over the nine months (1 October-9 July) of the current financial year 2020-2021 plunged to US\$606 million, which is a significant decrease of \$113 million from the year-ago period, according to statistics released by the Commerce Ministry. The figures stood at \$719 million during a year-ago period. Myanmar's fishery exports have slightly declined this year, owing to the COVID-19 impacts and the transport difficulty. The fishery exports through the Sino-Myanmar border have ground to a halt following the consequences and safety measures on the imported seafood amid

the COVID-19 pandemic, traders stressed. Myanmar's fishery export was experiencing a downturn due to the import restrictions triggered by the detection of the COVID-19 on fish imports in China. China was the second-largest buyer of Myanmar's fishery products, accounting for US\$254 million out of overall fishery export value of \$850 million in the past financial year 2019-2020. At present, China shut down the border areas in wake of the COVID surge in Myanmar. The fishery sector is dependent on maritime trade only. Food and Agriculture Organization (FAO) and World Health Organization (WHO) issued guidelines to ensure food safety during the COVID-19 pandemic in April 2020. The permitted companies are advised to carry out food safety plans, follow the guidelines of WHO and FAO, formulate the safety management system and suspend the exports if any suspicious foodborne virus or virus infection risk are found in the products. The export is likely to resume once the products meet food safety criteria set by the General Administration of Customs of the People Republic of China (GACC). Myanmar Fisheries Federation stated that only the G2G pact can tackle problems faced in the export of farm-raised fish and prawns and ensure smooth freight movement between countries to bolster exports. During the last FY2019-2020, MFF expected to earn more than \$800 million from fishery exports and it reached a target. Myanmar exports fisheries products, such as fish, prawns, and crabs, to markets in 40 countries, including China, Saudi Arabia, the US, Japan, Singapore, Thailand, and

countries in the European Union. The MFF is making concerted efforts to increase fishery export earnings by developing fish farming lakes that meet international standards and adopting advanced fishing techniques. To ensure food safety, the foreign market requires suppliers to obtain Hazard Analysis and Critical Control Points (HACCP) and Good Aquaculture Practices (GAqP) certificates. To meet international market standards, fishery products must be sourced only from hatcheries that are compliant with GAqP. The MFF is working with fish farmers, processors, and the Fisheries Department under the Ministry of Agriculture, Livestock, and Irrigation to develop the GAqP system. Processors can screen fishery products for food safety at ISO-accredited laboratories under the Fisheries Department. Myanmar's economy is more dependent on the agricultural sector to a large extent. Also, the fisheries sector contributes a lot to the national gross domestic product (GDP). Its fishery production including shrimps and saltwater and freshwater fish are far better than the regional countries. If the country can boost processing technology, it will contribute to the country's economy and earn more income for those stakeholders in the supply chain, Yangon Region Fisheries Department stated. There are 480,000 acres of fish and prawn breeding farms across the country and more than 120 cold-storage facilities in Myanmar. Myanmar exported 340,000 tonnes of fishery products worth \$530 million in the 2013-2014FY, 330,000 tonnes worth \$480 million in the

2014-2015FY, 360,000 tonnes worth \$500 million in the 2015-2016FY, 430,000 tonnes worth \$600 million in the 2016-2017FY, 560,000 tonnes worth \$700 million in the 2017-2018FY and 580,000 tonnes worth over \$730 million in the 2018-2019FY, respectively, according to the Commerce Ministry. – KK/GNLM

Source: <https://www.gnln.com.mm/fishery-exports-plummet-to-606-mln-as-of-9-july/>

Việt Nam named among world's top 20 host economies for FDI for the first time



Vietnam News | 19 July, 2021

HÀ NỘI — Việt Nam was named among the world's top 20 host economies for foreign direct investment (FDI) for the first time in 2020 with an inflow of US\$16 billion. The country was up five places against last year's ranking to reach 19th on the list, according to UN Conference on Trade and Development (UNCTAD)'s World Investment Report 2021. While global FDI flows fell by 35 per cent to \$1 trillion amid the COVID-19 pandemic, the lowest level since 2005 and almost 20 per cent lower than the 2009 trough after the global financial crisis, the FDI in Southeast Asia, considered an engine of global FDI growth for the past decade, contracted by 25 per cent to \$136 billion, said the report. It stated that Việt Nam remained among the three largest recipients in the region with a decline of only 2 per cent, while the remaining two of Singapore and Indonesia suffered drops of up to 21 per cent and 22 per cent,

respectively. According to UNCTAD, a slight decline in FDI to the country was due to significantly lower investment contractions in manufacturing and realty activities. However, thanks to the rise in investment in electricity projects, including a \$5 billion gas-fired power plant proposed by ExxonMobil (US) and a \$2.2 billion coal-fired power plant developed by Thai MNEs in the Quảng Trị Economic Zone, the flow of FDI was still okay. As investors, Singapore and Japan topped the list of countries and territories having investment projects, in which Singapore's reached \$5.64 billion, 37 per cent of the total and Japan invested \$2.44 billion, a surge of 67 per cent in investment compared to 2019. UNCTAD pointed out local measures to promote investment, including the permission for certain disputes between foreign investors and the State to be taken to international arbitration, were keys to attract FDI inflows. The report also said the Vietnamese government has expanded the list of business lines eligible for investment incentives, along with the publishing of a detailed list of conditions applied for businesses to be considered high-tech enterprises eligible for tax incentives as good points. "Việt Nam for the first time introduced a negative list on market access, affording foreign investors with national treatment (NT) except in the sectors included in that list. The country also raised the cap on foreign ownership in domestic airlines." According to the report released late June, the US continued to be the world's largest FDI recipient, followed by China and Hong Kong (China). UNCTAD expected global FDI flows to

bottom out in 2021 and later recover some lost ground, with an increase of about 10-15 per cent. The report said: "This would still leave FDI some 25 per cent below the 2019 level," adding current forecasts show a further increase in 2022 when the upper bound of projections would bring FDI back to the 2019 level. The report concluded: "Prospects are highly uncertain and will depend on, among other factors, the pace of economic recovery and the possibility of pandemic relapses, the potential impact on FDI of recovery spending packages, and policy pressures." In the first six months of 2021, the total FDI commitments to Việt Nam declined by 2.6 per cent year-on-year to \$15.27 billion, the FDI disbursement rate, however, rose by 6.8 per cent to stay at \$9.24 billion. Currently, Việt Nam has totally 33,787 foreign investment projects with a combined registered capital of \$397.89 billion, while the disbursed amount stood at US\$241.1 billion, 60.6 per cent of the committed amount. — VNS

Source: <https://vietnamnews.vn/economy/994904/viet-nam-named-among-worlds-top-20-host-economies-for-fdi-for-the-first-time.html>

Information-communications

technology sector earns nearly 65

billion USD in H1



Vietnam News | 19 July, 2021

Hanoi (VNA) –Total revenue of the information and communications technology (ICT) sector is estimated at nearly 65 billion USD in the first half of

2021, up 22 percent year-on-year, according to the Ministry of Information and Communication. Of the figure, 57.6 billion USD came from the hardware and electronics industry. The export turnover of hardware and electronic products is estimated at 50.5 billion USD, accounting for 31.6 percent of the country's total export value with a trade surplus of 7.7 billion USD. The earnings mainly came from the export of computers and spare parts and mobile phones and components. The telecoms industry posted a total revenue of nearly 66 trillion VND (2.86 billion USD) during January-June, up 5.29 percent against the same period last year. This year, the ministry set a target of around 140 billion USD in the revenue of the ICT sector, a year-on-year rise of 14 percent. By the end of June, the sector had around 47,000 enterprises, which employed 1.055 million workers. /.

Source: <https://en.vietnamplus.vn/informationcommunications-technology-sector-earns-nearly-65-billion-usd-in-h1/204863.vnp>