

*Highlight News / July 23/2021*



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## Air passengers drop by 92 percent in first half



*Cambodia News | 22 July, 2021*

Air passengers handled through the three international airports in Cambodia dropped by 92 percent to 136,680 in the first semester of this year. Report from the Cambodia Airports, the company that manages the Kingdom's international airports, showed that Phnom Penh International Airport (PNH) handled 120,922 passengers, a 89.4 percent decrease, while Siem Reap International Airport (REP) saw a 99.9 decrease with 359 passengers. Sihanoukville International Airport (KOS) handled only 15,399 passengers, down 91.8 percent, added the report. Cambodia Airports stated that aircraft movements decreased by 78.7 percent. However, cargo saw a positive growth with 14 percent increase during the period. Passengers through the airports dropped by 81.3 percent, to 2.13 million, last year. Chea Vannak – AKP

Source: <https://www.khmertimeskh.com/50898857/air-passengers-drop-by-92-percent-in-first-half/>

## Preah Sihanouk province tops domestic tourism destinations



*Cambodia News | 22 July, 2021*

Preah Sihanouk province reigns supreme among domestic tourists as the industry undertakes a strategic pivot towards locals. A total of 532,380 domestic travellers visited the coastal province in the first quarter of this year, a 117.9 percent increase

over the same period last year. The province attracted nearly 59 percent of all travellers who took a coastal holiday. Coastal provinces, including Preah Sihanouk, Kep and Kampot saw a marked 10.6 percent decline over the same period last year. “The communication around the road improvements in the city of Sihanoukville may have driven the increase in tourists to the area which other provinces perhaps do not enjoy,” Arnaud Darc, a board member for the Cambodia Tourism Federation (CTF) told Khmer Times. The government has undertaken construction of the \$2 billion, 134 kilometre-long, Phnom Penh-Sihanoukville expressway with support from the China Road and Bridge Corporation. The project is said to be more than halfway finished and is anticipated to be complete by 2023 and will assume the mantle of being the longest road in the Kingdom. Officially, the project is supposed to improve connectivity between the capital and the country's only deep seaport. However, experts have said that the road will also inevitably drive more tourists to the province. Darc said that people are choosing to visit Sihanoukville because the city's road infrastructure has been completely renovated. He also noted that the expressway will eventually shorten the drive to the province to just two and a half hours. “I have seen the advancement of the road and they are doing very well,” he said, stressing that it will certainly improve tourism to the province. According to the official figures, Phnom Penh saw the largest decline in domestic tourists (36.8 percent) with 374,196 local tourists, followed by

Siem Reap city (30 percent) with just 115,255 domestic travellers. Like Sihanoukville, Siem Reap is also undertaking major roadwork renovations and has committed to building 38 new roads in the city. Sources have also confirmed that the city is pressing forward with the new “Grand City Siem Reap” project as the Tourism Ministry works to diversify its attractions. They say that the road improvements are linked to the development of the “smart city”, which will serve as a model for other smart cities in Phnom Penh and Battambang. “The master plan as approved by the government will support the ASEAN Smart Cities Framework. While tourism has dropped now, tentative plans for the project include amusement parks and shopping areas so that Siem Reap is less dependent on Angkor Wat for tourists,” a source said under the condition of anonymity. He added that he requested to be left unnamed because he did not have time to have his comments checked by superiors in time for publication. “Locals have seen and been to Angkor Wat and they want more,” he continued. CTF President Luu Meng previously told Khmer Times that the project, while temporarily cumbersome for existing businesses in the area, was welcome because the city rarely enjoys a lull in tourism long enough to merit substantial renovations. Darc, who is also president of the Cambodia Restaurant Association, echoed Meng, expressing optimism that the improved road network will inevitably improve the flow of domestic tourists to the city. “Similar to Sihanoukville, the

improved roads will inevitably lead to a resurgence in domestic travel to Siem Reap,” said Darc.

Source: <https://www.khmertimeskh.com/50899216/preah-sihanouk-province-tops-domestic-tourism-destinations/>

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## EU pledges 42.9 million euros to address Covid-19 impact on education and nutrition



*Laos News | 23 July, 2021*

The European Union (EU) will provide 42.9 million euros to Laos to address the impact of the Covid-19 pandemic on education and nutrition. The EU Ambassador, Ms Ina Marčulionytė, paid a courtesy visit to the Minister of Finance, Mr Bounchom Oubonpaseuth, in Vientiane recently to personally inform him of the positive outcome of the EU Education and Nutrition Budget Support Programme’s assessment. The EU Budget Support Strategic Steering Committee has approved the payment of 42.9 million euros (515 billion kip) to the National Treasury Account in the coming weeks, according to the EU delegation in Laos. Of this amount, 26.4 million euros (318 billion kip) will be made available for the EU Education Budget Support Programme, also known as the “Basic Education Support Programme”, and 16.4 million euros (197 billion kip) for the EU Nutrition Budget Support Programme, also known as the “Support to the Lao PDR National Nutrition Strategy and Plan of Action”. “This budget support to education and nutrition

areas is exceptional by its nature and by its amount. This support needs to go towards the effort to support the implementation of the Education and Sport Development Strategy 2021-25 as well as the National Nutrition Strategy 2016-25. This support is not intended to finance the budget deficit nor financial obligations towards third parties, it is to help the government to cope with the Covid-19 crisis and the needs of students and vulnerable population of this country," Ms Marčiulionytė said. Laos will also benefit from public financial management reforms to improve financial reporting, and develop administrative capacity for revenue collection, public procurement and budget execution. Efforts have been made by the Lao government to improve transparent financial data systems and for regular updates on reforming public finance management. The EU is one of the most important development partners of Laos, in terms of grant aid for development and humanitarian programmes. Education and nutrition are among the main focal sectors of the EU's bilateral cooperation with Laos. Education has achieved very good results to date. Budget allocation and investment in education needs to continue to keep children in schools, to provide access to learning support, to provide alternative platforms of teaching and to help teachers to adjust to a new environment. It is a priority for the EU to support the Lao government during this challenging time to maintain spending on education and to protect progress made over the past years in improving access to education, the

teaching quality, and the management of the education system in Laos. In the field of nutrition, progress in recent years, including a reduction in the prevalence of stunting among children under five (from 44 percent to 33 percent), is at stake as the pandemic has impacted diets, food security and overall service delivery. The EU budget support programme aims to support basic nutrition in Laos while leaving no one behind and adopting a crosscutting approach, which takes in other focal sectors such as education, health, environmental protection, governance and agriculture.

Source : [https://www.vientianetimes.org.la/freeContent/FreeConten\\_EU142.php](https://www.vientianetimes.org.la/freeContent/FreeConten_EU142.php)

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## Myanmar-India border trade up by \$110 mln as of 9 July



*Myanmar News | 22 July, 2021*

Between 1 October and 9 July in the current budget year, trade volume via the Tamu border gate totalled over \$32.6 million, with exports valued at \$31.73 million and imports \$0.88 million. The value of border trade between Myanmar and India amounted to US\$193 million between 1 October and 9 July of the current financial year 2020-21 amid the closure of border posts by India. The border trade during the period increased by \$110 million compared with the same period of the previous budget year. The Myanmar-India total border trade during the period was shared by Myanmar's export of \$ 191.89 million and its import of \$1.52 million. Most India-Myanmar

border trade passes through the Tamu crossing, and the Reed crossing in Chin State is the second busiest. Officials will enforce the health rules and regulations when the border trades are running as usual. Between 1 October and 9 July in the current budget year, trade volume via the Tamu border gate totalled over \$32.6 million, with exports valued at \$31.73 million and imports \$0.88 million. In the same period, the total trade volume via the Reed border trading post stood at \$160.8 million, with exports valued at \$160.2 million and imports \$0.64 million. Myanmar exports mung beans, pigeon peas, green grams, areca nuts, ginger, saffron, turmeric, bay leaves, fishery products, fruits, and vegetables to India. At the same time, it imports pharmaceuticals, oil cakes, electronic appliances, motorbikes, steel and other construction machines and building materials from the neighbouring country. — ACM/GNLM

Source: <https://www.gnlm.com.mm/myanmar-india-border-trade-up-by-110-mln-as-of-9-july/>

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## Standard Chartered revises forecast for Vietnam down



*Vietnam News | 22 June, 2021*

Hanoi (VNS/VNA) - Standard Chartered has lowered its growth forecast for Vietnam for 2021 from 6.7 percent to 6.5 percent. The bank maintains its 7.3 percent growth forecast for 2022, and continues to expect a post-COVID-19 economic acceleration. "We believe Vietnam is moving towards

its goal of becoming a regional supply-chain hub, a modern industrial economy and a high-income country in the future," said Tim Leelahaphan, Economist for Thailand and Vietnam, Standard Chartered. "Vietnam managed the COVID-19 situation well in 2020, further enhancing its appeal to foreign investors. The country had already benefited from the ongoing supply-chain shift in recent years. In the near term, the country's pandemic management will be crucial to the outlook," he went on. Standard Chartered's economists anticipate domestically oriented sectors such as retail are likely to be the hardest-hit if the current COVID-19 wave persists. The focus now is on whether the impact on the industrial sector will be temporary or more long-lasting. While the global pandemic has weighed on Vietnam's economy via reduced tourism, supply-chain disruptions and weaker overseas demand, external indicators are showing a strong recovery. Exports in the first half of the year rose 28.4 percent year-on-year and imports rose 36.1 percent. According to the UK-based bank, rising inflation is reducing the likelihood of further interest rate cuts. The bank does not expect rate hikes despite improving economic and credit growth from the last quarter of 2020. It also expects the State Bank of Vietnam (SBV) to keep its refinancing rate at 4.0 percent through to the end of 2023 to support credit growth. The possibility of a rate hike may gradually emerge if inflation and growth accelerate faster than expected. Standard Chartered has recently lowered its US dollar – Vietnamese dong

forecasts to 22,900 at the end of the third quarter of 2021 (from 23,100) and to 22,850 at the end of 2021 (23,000). Its end of 2022 forecast remains unchanged at 22,500. The balance of payments remains highly supportive of the currency, with strong exports and high net FDI inflows. Earlier, on July 20, the Asian Development Bank (ADB) also lowered its forecast for Vietnam's gross domestic product (GDP) growth in 2021 to 5.8 percent from its previous prediction of 6.7 percent in April, as the fourth wave of COVID-19 infections hampers the country's recovery. Vietnam's economic growth accelerated from 1.8 percent in the first half of 2020 to 5.6 percent in the same period this year as the global recovery from the pandemic boosted exports, the bank said. However, the ongoing wave of COVID-19 infections has led to disruptions in supply chains and prolonged social distancing measures in many provinces and cities whose growth rates are high. These have severely affected the circulation of goods and greatly limited economic activity in 2021. Also as part of the report, the bank is projecting 7.2 percent economic growth for developing Asia in 2021, compared with its forecast of 7.3 percent in April, as new COVID-19 outbreaks slow the recovery in some regional economies. Excluding the newly industrialised economies of Hong Kong (China); the Republic of Korea; Singapore; and Taiwan (China), developing Asia's updated growth outlook is 7.5 percent for 2021 and 5.7 percent for 2022, compared with earlier projections of 7.7 percent and 5.6 percent, respectively./.

Source : <https://en.vietnamplus.vn/standard-chartered-revises-forecast-for-vietnam-down/205062.vnp>

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## RoK becomes largest foreign investor in Vietnam



*Vietnam News | 22 June, 2021*

RoK investment at US\$2.05 billion in first half. According to the Ministry of Planning and Investment, Vietnam attracted US\$15.27 billion worth of foreign direct investment (FDI) in the first half of 2021. This includes US\$2.05 billion from the RoK, accounting for 13.4 percent of FDI pledges to Vietnam. Other leading investors include Japan and Singapore. During the reviewed period, Japanese and Singaporean investors focused on new FDI projects in Vietnam, while RoK pledges were made to existing projects. Specifically, US\$750 million was added to the LG Display Vietnam Hai Phong's project. The additional amount brought the investment capital of the entire project to US\$3.25 billion in total, making it the foreign-invested project with the highest value in the port city. LG Electronics is also considering building a new research and development (R&D) center in Vietnam. In addition to LG Electronics, numerous large RoK corporations operate effectively in Vietnam, such as Samsung, Doosan, Hyundai and Posco. In particular, Samsung has invested nearly US\$20 billion in Vietnam, focusing on the provinces of Bac Ninh and Thai

Nguyen, and on Hanoi and Ho Chi Minh City. Prospects of FDI attraction According to the Institute for International Trade under the Korea International Trade Association (KITA), Vietnam has established itself as one of the most attractive investment markets in Southeast Asia. Exports and investment from the RoK to Vietnam have increased continuously over the years, proving Vietnam's attractiveness in the eyes of RoK investors. Speaker of the RoK National Assembly Park Byeong-seug, speaking recently with Vietnamese National Assembly Chairman Vuong Dinh Hue, praised the Vietnamese investment environment. He said more than 8,000 RoK businesses are operating in Vietnam and many others are seeking investment opportunities in the country. Economists say RoK investors are interested in the Vietnamese investment environment because of the country's attractive investment attraction policy, improved quality of human resources, and effective measures for Covid-19 prevention and control. To help RoK investors expand investment in Vietnam, Park said the RoK expects to lift its relationship with Vietnam to the level of a comprehensive strategic partnership. Hue affirmed that Vietnam stands ready to work with the RoK to advance the relationship to new heights and suggested the two countries' foreign ministries and relevant agencies define the content of cooperation for such partnership level.

Source: <http://ven.vn/rok-becomes-largest-foreign-investor-in-vietnam-44733.html>