

Highlight News / August 2, 2021



- Trade with Thailand slips Jan-June over ongoing pandemic concerns
- Cambodia earns nearly \$3 billion from agricultural exports in first seven months
- Inflation Rate Increased by Nearly Four Percent in June this Year
- Manufacturing sector attracts \$256.8 mln this FY
- Exports to Japan cross \$582 mln in seven months
- Vietnam earns nearly 19 billion from textile exports in H1
- Electricity prices to be reduced for customers affected by pandemic



ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

Trade with Thailand slips Jan-June over ongoing pandemic concerns



Cambodia News | 31 July, 2021

Bilateral trade between Cambodia and Thailand fell during the first six months of 2021 by 1 percent to 3.982 billion from the \$4.025 billion recorded during the first semester of 2020, according to official figures. Cambodian exports dropped 33 percent to approximately \$516 million while imports from Thailand were pegged at \$3.466 billion, resulting in a trade deficit of some \$2.95 billion. Commerce Ministry Undersecretary of State Penn Sovicheat told media that a drop in consumer demand did not trigger the steep decline in bilateral trade. “The decline in Cambodia’s exports to Thailand may be due to the spread [of the virus] in the provinces along the Thai-Cambodian border, which has led to restrictions on cross border shipments,” he said. Yesterday, eight provinces bordering Thailand were ordered to temporarily close borders until August 12. Bilateral trade between Cambodia and Thailand – the Kingdom’s fifth-largest trading partner has been in decline since the onset of the pandemic.

Source:<https://www.khmertimeskh.com/50905250/trade-with-thailand-slips-jan-june-over-ongoing-pandemic-concerns/>

Cambodia earns nearly \$3 billion from agricultural exports in first seven months



Cambodia News | 1 August, 2021

In the first seven months of 2021, Cambodia exported a total of 5,032,968.60 tons of agricultural products to 64 countries, an increase of 2,342,981.39 tons, equivalent to 87.10% compared to the same period in 2020 which was at 2,689,987.22 tons. This is according to the results of agricultural exports released on July 31. According to the report, the estimated value for the first seven months of 2021 obtained from agricultural exports (price unit based on exporters’ invoices) was \$2.96 billion, of which: Rice exports amounted to \$261 million and agricultural exports other than rice amounted to \$2.37 billion. According to the report, overall agricultural exports in the first seven months of 2021 increased by 87.10%, of which non-rice products increased by 108.63% and rice exports decreased by -27.27% due to lack of containers for storage and increased shipping costs.

Source:<https://www.khmertimeskh.com/50905815/cambodia-earns-nearly-3-billion-from-agricultural-exports-in-first-seven-months/>

Inflation Rate Increased by Nearly Four Percent in June this Year



Laos News | 2 August, 2021

The inflation rate in Laos increased in June this year compared to the same period last year, climbing 3.96 percent. According to the Lao Statistics Bureau, rising inflation has had a direct effect on the cost of living in Laos. Food prices, as well as nonalcoholic beverages, have increased by 4.09 percent in June this year, while clothing prices have increased by 3.06 percent, furniture prices have increased by 3.11 percent, with alcohol and tobacco increasing by 4.63 percent. Transportation costs have increased by five percent, while post and telecommunication costs have increased by up to 8.32 percent, and goods and services have increased by 8.36 percent, according to a report issued by the National Statistical Center, under the Ministry of Planning and Investment. A shortage of domestic production, as well as the second wave of Covid-19, has also exacerbated inflation. The majority of products in Laos are imported, causing a trade deficit, while the demand for foreign currency is increasing (Thai Baht and US Dollar), which has weakened the local currency (LAK). Residents and merchants in Vientiane Capital have urged the government to intervene and address the rising cost of living. Consumers, particularly those with low incomes, have been heavily impacted by the rising cost of

living, which comes at a time when thousands of migrant workers pour back into the country from Thailand.

Source:<https://laotiantimes.com/2021/08/02/inflation-rate-increased-by-nearly-four-percent-in-june-this-year/>

Manufacturing sector attracts

\$256.8 mln this FY



Myanmar News | 31 July, 2021

Myanmar's manufacturing sector is largely concentrated in garment and textiles produced on the Cutting, Making, and Pack basis, and it contributes to the country's GDP to a certain extent. The majority of foreign enterprises eye the manufacturing sector for investments in the past nine months (Oct-June) of the current financial year 2020-2021, pumping the estimated capital of US\$256.85 million into 23 projects, the Directorate of Investment and Company Administration stated. The manufacturing enterprises and businesses that need a large labour force are prioritized, stated Myanmar Investment Commission. At present, labour-intensive enterprises are facing financial hardship amid the COVID-19 negative impacts and political changes. Myanmar's manufacturing sector is largely concentrated in garment and textiles produced on the Cutting, Making, and Pack basis, and it contributes to the country's GDP to a certain extent. At present, Myanmar's garment export drastically dropped on the back of a slump in demand by the

European Union market. Consequently, some CMP garment factories permanently and temporarily shut down and left thousands of workers unemployed. Myanmar has drawn foreign direct investment of more than US\$3.76 billion in the past nine months of the 2020-2021 financial year, including expansion of capital by existing enterprises and investments in the Thilawa Special Economic Zone, the DICA's statistics indicated. Of 44 foreign enterprises permitted and endorsed by MIC and the respective investment committees between 1 October and 30 June of the current FY, 23 enterprises pumped FDI into the manufacturing sector. The power sector received six large projects and the livestock and fisheries sector attracted six projects. Other services sectors drew five projects while the agriculture sector pulled two projects and one foreign enterprise each entered industrial estate and the hotel and tourism sectors. — HH/GNLM

Source: <https://gnlm.com.mm/manufacturing-sector-attracts-256-8-mln-this-fy/>

Exports to Japan cross \$582 mln in seven months



Myanmar News | 31 July, 2021

The value of export to Japan in the past seven months (October-April) of the current financial year 2020-2021 touched about US\$582.2 million while import was valued only at \$231.87 million, according to the data of the Ministry of Commerce. The value of trade between Myanmar and its development partner Japan exceeded over \$817 million in the

current FY. Myanmar's export items to Japan are garments, marine products, rice, black sesame, green grams, rubber and other products. In return, it imported machines and machine equipment, electronic equipment, fertilizers, chemical products, medicines, automobiles, and other products. Bilateral trade values have registered \$1.92 billion in the last FY2019-2020, \$1.89 billion in the FY2018-2019, \$1 billion in the 2018 mini-budget period, \$1.92 billion in the 2017-2018FY, \$2 billion in the 2016-2017FY and \$1.84 billion in the 2015-16FY, respectively. This FY, three enterprises from Japan were approved to make initial investments of \$518 million into the country, according to the data of the Directorate of Investment and Company Administration (DICA). Japan has made up over 34.7 per cent of total FDIs in the Thilawa Special Economic Zone. The Japan International Cooperation Agency (JICA) offers loans such as ODA loans and two-step loans intending to bring about socio-economic development in Myanmar. — GNLM

Source: <https://gnlm.com.mm/exports-to-japan-cross-582-mln-in-seven-months/>

Vietnam earns nearly 19 billion from textile exports in H1



Vietnam News | 1 August, 2021

Hanoi (VNA) – Vietnam's garment-textile export turnover hit nearly 19 billion USD in the first six months of 2021, up more than 20 percent year-on-year. The positive results was attributed to early post-

pandemic recovery of markets. However, Chairman of Chairman of the Vietnam National Textile and Garment Group (Vinatex) Le Tien Truong, said businesses are facing new challenges due to severe impacts of the fourth wave of COVID-19 outbreaks, which started from late April in the country. According to Chairman of the Vietnam Textile and Apparel Association (VITAS) Vu Duc Giang, Vietnam set to earn 39 billion USD from garment and textile exports in 2021. To realise the target, businesses need to proactively seek sources of raw materials for domestic production in order to take advantage of opportunities from new-generation free trade agreements that Vietnam has joined. Businesses need to promote chain-based production and have specific measures to expand markets, thus further pushing exports, Giang suggested. Representatives from other garment and textile companies said businesses should pay attention to modernising production equipment, expanding production and improving workers' capacity, thus meeting high quality orders and demanding requirements of importers./.

Source: <https://en.vietnamplus.vn/vietnam-earns-nearly-19-billion-from-textile-exports-in-h1/205623.vnp>

Electricity prices to be reduced for customers affected by pandemic



Vietnam News | 1 August, 2021

NDO - The Prime Minister on July 31 agreed with the proposal of the Ministry of Industry and Trade (MoIT)

on the fourth phase of electricity price reduction for certain customers affected by the COVID-19 pandemic. The MoIT and the Vietnam Electricity Group (EVN) proposed the PM reduce electricity bills for living purposes of customers in provinces and cities that are applying social distancing order according to the Government Directive 16. Accordingly, EVN will cut electricity prices by 15% (before VAT) for consumers consuming less than 200kWh per month and by 10% (before VAT) for those consuming over 200kWh per month. The price reduction will be applied in two months and will include the August and September electricity bill periods. In addition, the beneficiaries also include quarantine facilities which do not collect quarantine costs or collect part of the quarantine costs. These facilities will receive 100% reductions on electricity bills in the seven months from June to December 2021.

Source: <https://en.nhandan.vn/business/item/102335-02-electricity-prices-to-be-reduced-for-customers-affected-by-pandemic.html>