

Highlight News / August 9, 2021



- Supermarkets report higher sales but little panic buying
- Cambodian banana exports reach 270,222 tonnes Jan-July
- PM pledges massive cut in state vehicle spending
- Exports to Viet Nam cross \$150 mln in seven months
- Myanmar attracts over \$428 mln of FDI from Singapore this FY
- Apparel sector faces supply chain disruption
- Phones enjoy robust growth despite COVID-19 challenges



ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

Supermarkets report higher sales but little panic buying



Cambodia News | 6 August, 2021

Sales rose at the Kingdom's biggest supermarket chain as a 14-day curfew encouraged shoppers to stock up on essentials. Lucky Supermarkets said bulk buying more than offset a drop in alcohol sales due to a ban on them during the two-week period. Shoppers in Phnom Penh have been ordered to be home by 9PM since Friday 30 July, with the curfew due to end next Thursday. Fresh food markets such as Boeung Keng Kang in Phnom Penh remain open in spite of new Coronavirus cases there, but supermarkets say they are doing better business than before. "DFI Lucky Supermarkets saw an overall increase in sales, particularly in fresh food items as customers see our stores as a safer option, compared to a wet market," a spokesperson said. "When the Government announced the alcohol ban, we saw a marginal increase in alcohol sales for a short period of time." The Cambodian unit of Hong Kong's Dairy Farm International Holdings says it will continue to monitor the situation after the alcohol ban is lifted on. Even if the curfew is extended the retailer says it isn't worried about being unable to restock its shelves. "We have seen a trend of customers stocking up on basic groceries over the past months, so when the Government makes restriction announcements, it will generally generate higher basket sales with lower frequency as customers restrict their number of visits," a spokesperson said.

Siem Reap's 10pm to 4am curfew is due to end on Saturday (August 7). Battambang imposed a 14-day curfew on Wednesday (4 August) due to the high rate of infections there.

Source: <https://www.khmertimeskh.com/50910154/supermarkets-report-higher-sales-but-little-panic-buying/>

Cambodian banana exports reach 270,222 tonnes Jan-July



Cambodia News | 6 August, 2021

Cambodia is looking to China to further ramp up banana exports which surged 61 percent Jan-July this year compared to the first seven months of 2020. Exports rose to 270,222 tonnes of fresh bananas during the measurement period, 40 percent of which went to China and 11 percent to Vietnam. China and Cambodia signed a free trade agreement last year which has helped the Kingdom's farmers ship more bananas, mangoes and milled rice there, helping offset declining sales in Europe. Bananas from Cambodia and Vietnam have overtaken Philippine exports to China, according to a report in BusinessMirror in April. The Philippines Banana Planter and Exporter Association said export profits dropped 15 percent because the Coronavirus outbreak increased shipping costs and delayed transport. This year almost 40 percent of China's banana imports have come from Cambodia and Vietnam, the report said. Exports to Japan are just beginning. They accounted for about 1 percent of the Kingdom's banana shipments in the first seven months of the year. Lak said the opening of

Cambodia's fresh banana export port to the Japanese market shows that the Kingdom's products meet international standards. What needs to be done next is to improve the quality and set a competitive price, he said. Cambodia grows mainly Cavendish bananas, which are a key agricultural export, along with rice, rubber, cassava, cashew nuts, corn, pepper, beans, mangoes and vegetables. Last year, the country exported over 300,000 tonnes of fresh bananas, bringing in \$450 million for Cambodia.

Source:<https://www.khmertimeskh.com/50910140/cambodian-banana-exports-reach-270222-tonnes-jan-july/>

PM pledges massive cut in state vehicle spending



Laos News | 8 August, 2021

Prime Minister Phankham Viphavanh has told the National Assembly (NA) that his administration will make huge reductions in spending on vehicles. He made the commitment last week when addressing an extraordinary session of the NA's ninth legislature. For years extravagance has been the norm with regard to the amount spent on vehicles purchased for use in state affairs, especially for use by state officials, which has placed an added burden on overall state expenditure. Speaking to Assembly members about the government's austerity policy, the premier said "The number one of what we are going to do starting in the next few days is 'cutting

spending' on state vehicles." "There are thousands of excessive state vehicles." Striving for effective state investment and spending is one of the measures being introduced by the government to tackle financial and economic difficulties. Attempts to resolve this chronic issue have now been formally recognised and classified as a national agenda, requiring collective and urgent action. Mr Phankham told NA members that cutting spending on vehicles is one of the measures being used to implement the national agenda. The government also presented a draft decree on state vehicles to lawmakers, which defines the exact number of vehicles needed for each purpose. "According to the decree, there are numerous excessive cars," PM Phankham told the NA session, which was televised. The prime minister said he would sign the decree after the NA session. Citing the decree, the prime minister said a member of the Politburo the top decision-making body in Laos will be provided with two vehicles an SUV and a sedan unlike before when one member was given several vehicles. The extra vehicles will be transferred to state bodies that currently have insufficient cars for use in state affairs. When the planned balance is achieved, the premier said the government would not purchase any more new vehicles. Retired senior officials would no longer be given a vehicle or vehicles as before, PM Phankham said. This rule would be applied to officials ranging

from Politburo members. But the PM added that there would be an exception for senior officials who had already retired. Members of the public praised the prime minister's commitment after the announcement was televised by Lao National Television, with everyone expressing hope that steps would be taken to fulfil the pledge. "It is excellent that a regulation is formulated and promulgated, but will action be taken to fully realise it?" a Facebook user with the first name Phoukeo commented. "I pray for it to be fully realised," another Facebook user named Manilay said. In addition, PM Phankham said the government is considering buying electric vehicles for state use, saying they are much more energy-efficient after test driving an electric car. The spending cut on state vehicles comes following growing pressure for the country to rein in expenditure amid growing financial difficulties, an issue that has been escalating for many years. PM Phankham's predecessor Thongloun Sisoulith, who is now President, also pushed for spending cuts on state vehicles, which resulted in Party and state leaders returning their expensive European-brand cars. They were replaced by cheaper-brand cars, while limits have been placed on the number of vehicles used by senior officials.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent_PMpledges_153.php

Exports to Viet Nam cross \$150 mln in seven months



Myanmar News | 7 August, 2021

The value of export to Viet Nam in the past seven months (October-April) of the current financial year 2020-2021 exceeded US\$150 million while import was valued at only \$25 million, according to the data of the Ministry of Commerce. The value of trade between Myanmar and Viet Nam totalled \$375.35 million in the current FY. Myanmar's export items to Viet Nam are base metal, pulses, rice, broken rice, rubber, cigarette, garment, maize, tobacco and other products, whereas it imports electrical equipment and apparatus, transport equipment, plastics, mechanical appliances, paper, paperboard, fertilizers, pharmaceuticals, cotton fabric, artificial and synthetic fabrics, woven fabrics, cotton fabric, chemical elements and compounds, dairy product and other products. Bilateral trade with Viet Nam grew year over year, however the global pandemic affected the trade. Viet Nam is listed as the eighth largest trade partner of Myanmar, with an estimated capital of \$2.224 billion as of June 2021, according to statistics released by the Directorate of Investment and Company Administration.—Htet Myat /GNLM

Source: https://gnlm.com.mm/exports-to-viet-nam-cross-150-mln-in-seven-months/?__cf_chl_jschl_tk__=pmd_cfcf817504600ea9f297f5b3a29321e15ac8f26b-1628373934-0-gqNtZGzNAG2jcnBszQpi#article-title

Myanmar attracts over \$428 mln of FDI from Singapore this FY



Myanmar News | 7 August, 2021

Thirteen Singapore-listed enterprises brought in US\$428 million into Myanmar between October 2020 and June 2021, according to the data released by the Directorate of Investment and Company Administration (DICA). The UK-listed enterprise brought in large investments of \$2.5 million in May 2021 and became the top source of FDI in Myanmar. Singapore is placed as the second largest investor in Myanmar. Singapore companies mainly put investments into urban development, real estate, power and manufacturing sectors. Those enterprises listed from Brunei, China, Thailand, India, Malaysia, Republic of Korea, Viet Nam, Marshall Island, Samoa, Hong Kong (SAR) and China (Taipei) also made investments this year. Myanmar has drawn foreign direct investment of more than US\$3.76 billion during Oct-Jun period, including expansion of capital by existing enterprises and investments in the Thilawa Special Economic Zone, 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. Power sector received six large project and livestock and fisheries sector attracted six projects. Other service sector drew five projects while agriculture sector pulled two projects and one

foreign enterprise each entered industrial estate and the hotel and tourism sectors. MIC intends to reach FDI target of \$5.8 billion for the current FY 2020-2021. Singapore has stood as the largest foreign investor in Myanmar since 2012, pulling in the FDI of \$1.85 billion in the FY 2019-2020, \$2.4 billion in the FY 2018-2019, \$724.4 million in the mini-budget period (April-September, 2018), \$2.16 billion in the 2017-2018 FY, \$3.8 billion in the 2016-2017 FY, \$4.25 billion in the 2015-2016 FY, \$4.29 billion in the 2014-2015 FY, \$2.3 billion in the 2013-2014 FY and \$418 million in the 2012-2013 FY respectively. Additionally, Singapore emerged as the second largest foreign investor in the Thilawa Special Economic Zone, after top investor Japan.–KH/GNLM

Source: <https://gnlm.com.mm/myanmar-attracts-over-428-mln-of-fdi-from-singapore-this-fy/>

Apparel sector faces supply chain disruption



Vietnam News | 8 August, 2021

HCMC - Stagnant business and production activities as a result of the impact of Covid-19, increased pressure over delivery to partners, and high transport costs are threatening the supply chains of the apparel sector. "The supply chain of the apparel sector is nearing paralysis. If the situation does not improve, the prestige of Vietnam's apparel sector will be seriously damaged in the eyes of international customers," said Vu Duc Giang, chairman of the Vietnam Textile and Apparel Association (VITAS). Since the coronavirus outbreak in Vietnam,

many textile and garment firms in the southern region have suspended their operations, while a number of medium and small enterprises have withdrawn from the market, Giang added. Though the stay-at-work mode was applied at firms, the production situation was yet to get better. Le Uyen Trang Nha, general director of Viking Vietnam in HCMC, said that to maintain production, the firm arranged accommodation and dining rooms for employees, which hiked production costs. As 150 employees are staying at the factory for work, the firm must spend an extra VND450 million in costs each month. Apart from increased production costs, the unstable sentiment of live-in employees has reduced labor productivity by 20%-30%. Besides, many workers have left HCMC to return to their home towns to avoid the transmission of Covid-19, hindering operations. Giang predicted that a mere 60%-65% of employees who rushed home would return to HCMC for work after the pandemic is brought under control, leading to a severe shortage of manpower. In addition, the slower circulation and transportation of goods have contributed to disrupting the supply chains of the apparel sector. The social distancing order under the prime minister's Directive 16, which is being applied in many provinces and cities to prevent the spread of Covid-19, has slowed down the transport of materials, according to VITAS. Local exporters have also faced difficulties in export activities as shipping costs were revised up sharply over the past few months. The fee to ship a 40-foot container from Vietnam to Europe has hit

US\$11,000. Moreover, due to stagnant production, many international partners have canceled orders in Vietnam and placed orders elsewhere. VITAS has repeatedly proposed the Government offer preferential and priority policies to the apparel sector, including allowing firms to operate normally if a district where the firms are located in provinces or cities in the southern region has undergone 15 days without new infections, but in vain, Giang said.

Source: <https://english.thesaigontimes.vn/83598/apparel-sector-faces-supply-chain-disruption.html>

Phones enjoy robust growth despite COVID-19 challenges



Vietnam News | 7 August, 2021

VOV.VN - Phones and components continued to lead the way among Vietnam's key export items during the opening seven months of the year with their value increasing by 11.9% to reach US\$29.35 billion, according to the General Department of Vietnam Customs. July alone saw the export turnover of the commodity group surge by 30.5% to US\$4.3 billion compared to the previous month, while other export items endured a downward trajectory. The Ministry of Industry and Trade reports the country produced over 128 million mobile phones during the past seven months, despite facing a number of complicated developments caused by the COVID-19 pandemic. The electronics industry is anticipated to witness vigorous growth in the remainder of the year thanks to an increasing demand for consumption of communication equipment, coupled

with the closure of electronic manufacturing companies globally due to the COVID-19 pandemic, according to industry insiders. Nguyen Thi Thu Thuy, deputy director of the Export Promotion Centre under the Vietnam Trade Promotion Agency (Vietrade), emphasised that the Vietnamese economy continues to witness a number of significant changes in terms of its export structure, especially for high-tech products such as precision mechanical products, electronics and components. At present, Vietnam exports computers and electronic components to over 100 markets worldwide, with China, ASEAN, Japan, and the Republic of Korea (RoK) viewed as its leading markets. It is also accelerating exports of the products to the EU market, including the Netherlands, Germany, the Czech Republic, Poland, and Finland. The export of computers, components and electronic products for the entire year is anticipated to reach approximately US\$50 billion, representing an annual increase of 13.5%, experts estimate.

Source: [https://english.vov.vn/en/economy/phones-enjoy-robust-growth-despite-covid-19-challenges-](https://english.vov.vn/en/economy/phones-enjoy-robust-growth-despite-covid-19-challenges-880683.vov)

880683.vov
