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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

Cambodia explores cross-border transactions of CBDC-like Bakong, now used by 200,00 people



Cambodia News | 9 August, 2021

The National Bank of Cambodia (NBC) continues progressing with its central bank digital currency- (CBDC)-like initiative known as Bakong, disclosing several project milestones. NBC's director general and the Bakong project lead Chea Serey said in a Wednesday interview with The Nikkei that Bakong's electronic wallet reached 200,000 users in June, doubling from three months earlier. Based on blockchain technology, the Bakong payment and money transfer service was originally launched by the NBC in October 2020. The digital money project has amassed nearly six million users in the first half of 2021, including those reached indirectly through member bank mobile apps, recording a total of 1.4 million transactions worth nearly \$500 million, Serey noted. The official disclosed that the NBC is currently exploring cross-border transactions through Bakong, closely working with Thailand's central bank and Malaysia's largest bank, Maybank. Serey explained that the cross-border Bakong transactions would provide Cambodian people in foreign countries with a "safe and efficient way to send money to their families." She noted that the new payment method would be beneficial for many Cambodian women migrating to Malaysia. Serey also reportedly said that Bakong's launch has significantly increased the use of Cambodia's

national currency riel, which is part of the country's dual-currency system alongside the United States dollar. However, the digital money project alone will not be able to switch Cambodia from a U.S. dollar-based economy to the riel, she added. "There are other policies that need to be in place, like having a stable exchange rate and inflation rate," Serey stated, concluding that the mission of Bakong is to "increase the usage of the local currency," with the long-term goal to "solely use" the country's local currency. According to data by Wall Street Journal, the U.S. dollar is currently used for 90% of financial transactions in Cambodia. Additionally, the NBC director general expressed a skeptical stance on Bitcoin (BTC), the world's most-valued cryptocurrency. Serey said that the crypto industry needs regulation and consumer protection measures to avoid the consequences of volatile prices, stating: "There are no fundamentals, and if you were to allow investors to go into this, who is going to take responsibility when the price crashes?" Developed by NBC in collaboration with Japanese blockchain technology company Soramitsu, Bakong allows Cambodian citizens to pay at stores or send money through a mobile app, supporting settlements and remittances in riel or U.S. dollar. At the project's launch, Serey emphasized that Bakong should not be referred to as a CBDC but rather a payment and money transfer service. Cointelegraph.com

Source: <https://www.khmertimeskh.com/50911542/cambodia-explores-cross-border-transactions-of-cbdc-like-bakong-now-used-by-20000-people/>

Kingdom's 2021 salt production will meet domestic demand



Cambodia News | 10 August, 2021

Domestic salt production can supply domestic demand this year, relieving Cambodia of the need to engage in imports according to Kampot province's department of Industry, Science, Technology and Innovation. Department director Sok Kim Choeun said on Sunday that salt production in the province, which is a leading salt producer in Cambodia, saw a decrease compared to its 2020 yield due to unfavourable weather at the beginning of the harvest. As of July 2021, salt production in Kampot province stood at 68,682 tonnes, down from last year's 85,000 tonnes. There is a sufficient salt in inventory though (about 37,000 tonnes) to supply domestic demand for the remaining months of this year, he said. Kim Choeun added that the remaining salt is not only enough for the domestic market this year, but some may hold over for next year. "The [inventoried] salt may remain in supply over the next four months, in time for the next harvest," he noted. Kampot province's salt fields comprise 3,700 hectares. Last year's yield was harvested from only 2,857 hectares. According to the Salt Producers Community of Kampot-Kep, Cambodia needs an average of between 80,000 to 100,000 tonnes per year to supply the domestic market. Cambodia has also imported salt from abroad previously. Those imports were mostly used in the industrial sector for washing clothes and making ice. In 2019, some salt

farmers dropped production in favour of selling their salt fields which pushed production lower. That resulted in imports of about 30,000 tonnes being needed to bridge the ensuing demand gap. Salt is currently priced at 10,000 riels (\$2.5) to 12,000 riels (\$3) per 50kg sack.

Source: <https://www.khmertimeskh.com/50911832/kingdoms-2021-salt-production-will-meet-domestic-demand/>

Govt to provide budget for purchase of Covid vaccine in 2022



Laos News | 10 August, 2021

The Ministry of Health plans to obtain additional supplies of Covid-19 vaccine in 2022 so that more free vaccinations can be offered to people if the virus outbreak continues into next year. Accepting the delivery of UK-donated vaccines in Vientiane last week, Minister of Health Dr Bounfeng Phommalaisith said he highly valued the United Kingdom's assistance, which was one of the latest shipments of vaccine to arrive in Laos. The ministry has asked the government to provide a budget for the purchase of more vaccines because the provision of free vaccine through the UN-led COVAX Facility will end this year. The government is also hoping to receive financial assistance from members of the public and other donors. The ultimate aim is for the whole population to be vaccinated, Dr Bounfeng said, with 50 percent to be immunised this year. Because of the government's financial constraints in buying Covid-

19 vaccine, donor countries are purchasing vaccine on Laos' behalf, he added. Laos expects to receive 7.5 million doses of vaccine this year, donated by the governments of other countries as well as through the COVAX Facility. "This will help to drive the vaccination programme forward and bring us closer to our goal of vaccinating 50 percent of the population by the end of this year," Dr Bounfeng said. It is estimated that it will cost almost US\$18 to immunise just one person, meaning that almost US\$100 million is required to vaccinate everyone, according to the minister, citing an estimation made jointly by the Ministry of Health, the World Bank, the World Health Organisation, and Unicef. Vaccinations have already been rolled out in target areas, namely places where cases of the virus have been identified, at-risk areas such as provinces bordering on virus outbreak countries, and in provinces with large populations. On Monday the National Taskforce for Covid-19 Prevention and Control announced 170 new cases of Covid-19, bringing the total to 8,561. Twenty-one of the new cases were transmitted locally, with two in Vientiane, one in Vientiane province, nine in Bokeo, six in Savannakhet, and three in Champassak. Meanwhile, 149 imported cases were recorded, including 44 in Vientiane, seven in Khammuan, 25 in Saravan, two in Savannakhet, and 71 in Champassak. Savannakhet province has now recorded almost 3,000 cases of

Covid-19. Four provinces have not recorded any cases of the virus, namely Xekong, Xaysomboun, Huaphan and Attapeu.

Source:https://www.vientianetimes.org.la/freeContent/FreeContent_Govt_to_154.php

Marine product exports plummet to \$626 mln as of 23 July



Myanmar News | 10 August, 2021

Export earnings from the fisheries sector nearly ten months (1 Oct-23 July) of the current Financial Year 2020-2021 plunged into US\$626.59 million, according to the statistics released by the Commerce Ministry. Myanmar's marine product exports have dramatically declined this year, owing to the COVID-19 impacts and the transport difficulty. Although some offshore and inshore trawlers started to go fishing from 15 July, they are battered by the high cost of fuel oil and fishing equipment and supplies. Additionally, the exporters companies pull down the price. The domestic fish industry flounders due to COVID-19 pandemic. The coronavirus pandemic shut down the wedding, donation events, festivities and restaurants. It also imposes difficulties on transportation. The restrictions caused slump in fish consumption in local market. Moreover, the marine product exports through Sino-Myanmar border has 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 marine products, accounting for US\$254 million out of overall marine product export value of \$850 million in the past financial year 2019-2020. At the present time, 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's Republic of China (GACC). The Myanmar Fisheries Federation stated that only G2G pact can tackle problems faced in the export of farm-raised fish and prawn, and ensure smooth freight movement between countries to bolster exports. During the last FY 2019-2020, MFF expected to earn more than \$800 million from marine product exports against the target. Myanmar exports marine products such as fish, prawn, and crab to markets in 40 countries, including China, Saudi Arabia, the US, Japan, Singapore, Thailand, and the countries in the European Union. The MFF is

making concerted efforts to increase the marine product export earnings by developing fish farms which meet international standards and adopting the advanced fish farming 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, the marine 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 agricultural sector to a large extent. Also, fisheries sector contributes a lot to the national gross domestic product (GDP). Its marine product 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 marine products worth \$530 million in the 2013-2014 FY, 330,000 tonnes worth \$480 million in the 2014-

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

Source: <https://www.gnlm.com.mm/marine-product-exports-plummet-to-626-mln-as-of-23-july/#article-title>

Vietnam remains attractive destination for US investors



Vietnam News / 9 August, 2021

Washington D.C., (VNA) – Vietnam remains an attractive destination for US investors in the Indo-Pacific, heard a webinar recently held by The Asia Group. The event aimed to share business opportunities and updates on the fight against COVID-19 and economic prospects in Vietnam, drawing over 40 executives and representatives from US firms in the fields of energy, finance, technology, manufacturing such as Blackstone Group, Google, Facebook, Ford, UPS and Walmart. Speaking at the event, Vietnamese Ambassador to the US Ha Kim Ngoc highlighted Vietnam's economic achievements, and informed participants about the country's incentives in foreign direct investment (FDI) attraction. He underscored the Vietnamese Government's determination to selectively attract FDI and strengthen Vietnam's role in restructuring the global supply chain. As for the US investors, the active development of the Vietnam –

US comprehensive partnership and Vietnam's network of free trade agreements are conducive to their activities in the country, he said. Vietnam is ready to hold constructive dialogues, deal with difficulties and ensure a stable business environment for US enterprises, he added. According to the ambassador, the Vietnamese Government has been exerting utmost efforts to effectively fight the pandemic, maintain important supply chains and create favourable conditions for economic development. He thanked the US administration, people and business community for supporting Vietnam, especially the delivery of two batches of five million Moderna vaccines. Ngoc also suggested US businesses continue helping Vietnam access more vaccines, medical supplies and COVID-19 medicines, thus contributing to Vietnam's economic development. On the occasion, he also highly valued the US firms' support for Vietnam regarding the currency valuation investigation, and asked for their continued backing in the case related to timber so as to maintain trade and investment growth for the benefit of both sides. Participants at the event expressed their trust in Vietnam's determination and efforts against the pandemic. They vowed to continue partnering with Vietnam in the joint effort. Several firms expressed interest in specific issues such as addressing differences in digital trade, and considering a direct flight between the two nations. They wished that the Vietnamese Embassy in the US will continue serving as a bridge to collect recommendations and

feedback while raising understanding about Vietnam among the US business community./.

Source: <https://en.vietnamplus.vn/vietnam-remains-attractive-destination-for-us-investors/206018.vnp>

Vietnam to open e-payment for 80% of population by 2025



Vietnam News | 9 August, 2021

Vietnam strives to gain 80% of its population having an e-payment account and attain the rate of e-commerce payments of 50% by 2025. These are the targets set out in the Prime Minister's Draft Decision on the National Strategy for Digital Economy and Society Development to 2025, with a vision to 2030 which is under public consultation. This draft decision is aimed at developing digital infrastructure, digital data, digital identity, digital payment, digital skills, digital human resources, creating the foundation for the development of the digital economy and digital society. According to the draft, 75% of electricity and water payment will be cashless and 90% of the points of sale will apply non-cash payment methods. The draft also targets 90% of Vietnam's population who will buy goods on e-commerce platforms. Those who are capable of using basic digital skills will make up about 70%. At least 50% of farmers are trained in basic digital skills. Meanwhile, 100% of high-school students and students are equipped with digital skills. By 2025, 70% of the population will have a digital identity for use in all digital services. Each digital identity will be used on average 100 times per year. The draft sets

out the development of 5G and next-generation mobile network infrastructure, commercialize 5G mobile networks, and universalize smartphones by 100%. The rate of universalization of 4G/5G mobile broadband network services will reach 100% and fiber optic broadband network infrastructure will cover 100% of households. To achieve the goals, the Ministry of Information and Communications proposed to review and amend financial regulations and policies, fees, and charges in the direction of eliminating cashless payment barriers in order to encourage people to make cashless transactions. The ministry will submit to the Prime Minister for approval and carry out the Cashless Payment Development Program in Vietnam in the 2021-2025 period. A program to promote mobile money services will be implemented, with priority given to regions where the prevalence of banking services is still low. According to the State Bank of Vietnam, in the first quarter of 2021, the country recorded 156.2 million internet transactions with VND8.1 trillion (US\$355.3 million), rising 28.4% in value. In the same period, 395 million transactions were carried out via mobile phone with a total value of more than VND4.6 trillion (\$201.8 million), an increase of 103% and 5.3 million transactions through QR code with nearly VND4.5 trillion (\$197.5 million), up 146% in value.

Source: <http://hanoitimes.vn/vietnam-to-open-e-payment-for-80-of-population-by-2025-318297.html>