

Highlight News / September 09/2021



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Ministry shares bleak data on the garment industry future



Cambodia News | 08 September, 2021

An opening meeting was held ahead of negotiations next week between the Garment Manufacturers Association of Cambodia (GMAC) and trade unions regarding minimum wage for workers. Workers currently earn \$192 per month. Unions are seeking an increase to \$214.20, Cambodian Trade Unions Coalitions President Far Saly told Khmer Times. “We submitted a proposal for the negotiations to the party representing employers and to the Royal Government but we have not received a response. The ministry made a presentation about the economic factors and other elements. The party representing employers also made a presentation of their own,” Saly said. GMAC Secretary-General Ken Loo said employers are anticipated to maintain that wages should decrease this year because of disruptions to the supply chain, reduced demand, lower productivity and increased freight fees. “When assessing the real situation that the industry is facing, it is clear that we are not in any position to raise the minimum wage further next year. In fact, Cambodia was probably the only major exporter of apparel that raised its minimum wage this year. Many of our competitors have already announced that they will not increase minimum wages next year,” said Loo. Vietnamese, Indonesian and Bangladeshi workers were not granted minimum

wage increases this year. Laos has not increased wages since 2018. On average, workers in those countries earn less than Cambodian labourers. But Loo stressed the main priority is for all parties to work together to protect jobs, ensure the industry remains solid during the pandemic and livelihoods of employees are protected as demand for apparel stabilises. Kim Chansamngang was named vice-chairman for the workers’ professional organisation and Nang Sothy was named deputy chairman for the employer’s professional organisation, the Ministry of Labour and Vocational Training said in a statement. Loo said the ministry shared data with unions showing that exports had decreased, worker productivity had gone down during the pandemic and the sector was less competitive regionally because of last year’s minimum wage increase. “We need to rely on scientific data and not sentiments when fixing the minimum wage,” he stressed. GMAC warned that a wage increase of 11 percent would “definitely scare off existing investors and potential new investors”. “There are other high costs that employers have to absorb to operate under this critical situation. We hope the union will be more sensible in their final decision/demand,” said Kang Monika, GMAC deputy secretary-general.

Source : <https://www.khmertimeskh.com/50931076/ministry-shares-bleak-data-on-the-garment-industry-future/>

Fresh mango exports up 251 percent in first eight months



Cambodia News | 08 September, 2021

The export of Cambodian fresh mangoes to international markets saw a remarkable increase of 251 percent to 163,828 tonnes during the first eight months of this year. The figures were updated by a recent report of the Ministry of Agriculture, Forestry and Fisheries (MAFF). At the same time, the Kingdom exported 14,087 tonnes of mango jam and over 4,000 tonnes of mango syrup, up 195 and 79 percent, respectively compared to the same period last year. Main markets for Cambodian mango products include Vietnam, Thailand, China, Korea, Hong Kong, Singapore, Kuwait, the Philippines, Japan, United Kingdom, the U.S., Kazakhstan, and Russia. More than 100,000 hectares of land in Cambodia are being used to grow mangoes, especially in Kampong Speu, Kampot, Battambang and Banteay Meanchey provinces, and about 1.5 million tonnes of the fruit could be harvested annually. C. Nika – AKP

Source : <https://www.khmertimeskh.com/50931274/fresh-mango-exports-up-251-percent-in-first-eight-months/>

World Bank highlights opportunities and challenges for Lao economy



Laos News | 09 September, 2021

The Lao economy is projected to steadily recover in the medium-term, but growth will remain below pre-

pandemic levels at 4.5 percent in 2022, according to a new World Bank report. The World Bank's "Economic Monitor for Laos A Path to Recovery" highlighted the economic outlook and risks that could threaten the growth of the Lao economy in the coming years. "The recovery is expected to be supported by solid export growth as external demand rebounds, a gradual recovery of the services sector and investment in infrastructure. After the conclusion of the Laos-China railway this year, the development of secondary infrastructure is expected to take place along the railway corridor," the report said. There are also plans for investments in mega projects, including an expressway between Vangvieng district in Vientiane province and the Laos-China border and other southern routes. Exports will benefit from China's Generalized Scheme of Preferences for 97 percent of products exported by Laos, and the signing of the Regional Comprehensive Economic Partnership, according to the World Bank. At the monthly cabinet meeting held in Vientiane recently, the government instructed different sectors to prepare for the official opening of the US\$5.9-billion Laos-China railway project on December 2. The government believes the railway link will stimulate economic activity and productivity for exports along the Laos-China economic corridor. However, the World Bank recommended that momentum on business reforms and trade

facilitation will need to increase to boost private investments and exports, and to maximize the benefits from improved regional connectivity. This year, the Lao economy is projected to grow at 3.6 percent, down from the 4 percent growth anticipated in March 2021, according to the World Bank's Lao Economic Monitor. The growth is driven by agriculture and the industrial sector, following the rebounding of electricity, mining and manufacturing exports. Laos' main exports to other countries, notably to China, include cassava, bananas, coffee beans, live animals and rubber, which accounted for nearly 90 percent of agricultural exports in January-May 2021. The total value of agricultural exports increased from US\$504 million in January-May 2020 to US\$691 million in January-May 2021, supported by external demand and prices. Conversely, the main risks that could interrupt economic growth in Laos include slower growth for key trading partners and delays in the rollout of the vaccination program in the region, which is essential to revive international tourism and foreign investments. Another challenge for Laos is a prolonged community outbreak, which is interrupting and delaying resumption of economic activities. The government is struggling to contain the spread of the virus. Recent lockdowns imposed in several provinces negatively impacted the national economy and the livelihood of the people. On top of that, persistent foreign currency liquidity

constraints pose a risk to external solvency when debt service dues are high.

Source : https://www.vientianetimes.org.la/freeContent/FreeContent_World176.php

Myanmar pharmaceutical imports top \$397.46 mln in nine months



Myanmar News | 08 September, 2021

The import value of Myanmar pharmaceutical products was estimated at US\$397.46 million in the nine months (October-June) of the current financial year 2020-2021, according to Myanmar Customs Department. Myanmar imports 90 per cent of medicine and medical products through foreign markets, the Myanmar Chambers of Commerce for Pharmaceutical & Medical Device (MCCPMD) stated. India is the main supplier for Myanmar. Also, it is imported by Bangladesh, China, Germany, Indonesia, Japan, the Republic of Korea, Malaysia, the Philippines, Singapore, China (Taipei), Thailand, the US and Viet Nam. Most commonly prescribed drugs are available in the market. Only some are out of stock for now. At present, pharmaceutical import is regularly flowing. However, the prices of pharmaceuticals were up by 5 to 10 per cent owing to the Kyat depreciation in the local forex market. The COVID-19 related medical devices including surgical masks and pulse oximeters are highly demanded in the country amid the COVID-19 surging cases, a market observer said. The Trade

Department granted a temporary import licence exemption for 92 HS code lines up to three months starting from 1 September, in a bid to facilitate the trade during the COVID-19 crisis. The Ministry of Commerce also cut the red tape for imports of some pharmaceuticals which have been imported. The Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) is accelerating its effort to facilitate the inflow of essential medicines in the devastating time of the COVID-19 crisis, along with the related committees, departments concerned, traders and entrepreneurs. The federation formed a task force on 25 July 2021, with an aim to ensure adequate stock of essential medicine for prevention, control and treatment of the COVID-19 and have a smooth trade flow. – KK/GNLM

Source : <https://www.gnlm.com.mm/myanmar-pharmaceutical-imports-top-397-46-mIn-in-nine-months/>

Export outlook

depends on virus control



Vietnam News | 08 September, 2021

HCMC – Vietnam's agro-forestry-fishery export revenue between January and August reached US\$32.1 billion, up 21.6% year-on-year, while the import value of these products amounted to US\$28.8 billion, resulting in a trade surplus of US\$3.3 billion, down 48.2% year-on-year, according to the Ministry

of Agriculture and Rural Development. In August, the country exported US\$3.4 billion worth of agro-forestry-fishery products, down 21.6% year-on-year and down 22% month-on-month. Only three groups of products, including cassava, milk and dairy products and cereals saw the export value increase over the July figures. Woodwork, tra fish and shrimp and vegetables reported the strongest drop in exports, falling by over 50%, 30% and 26%, respectively, the local media reported. The sharp fall in agro-forestry-fishery exports was attributed to the impact of the ongoing fourth wave of the Covid-19 pandemic. Several processing and export firms have operated at 30%-40% of capacity, while many others had to suspend their operations to prevent the spread of the disease. Despite the gloomy export picture in August, the good performance of agro-forestry-fishery exports in previous months kept up the total export value during the eight-month period. The export value of the main agricultural products amounted to over US\$13.9 billion, up 13.6% year-on-year, while forestry and seafood exports earned some US\$11.2 billion and over US\$5.6 billion, up 42.7% and 7.1%, respectively. Numerous products such as coffee, rubber, cassava, cashew nuts, pepper, vegetables, fruits, shrimp, tra fish and woodwork enjoyed high export values, with rubber exports rising by 23.3% in volume and 61.4% in value year-on-year. The United States was Vietnam's

largest buyer of agro-forestry-fishery products during the eight-month period, with a value of over US\$9.3 billion, followed by China with some US\$6.1 billion. The ministry will continue to boost agro-forestry-fishery exports to other markets, including Peru, Australia, Brazil, ASEAN and Russia, and create favorable conditions for local exporters to ship farm produce to the European Union, Britain and China. The data from the ministry also indicated that Vietnam's import bill regarding these products over the past eight months soared by 44.1% year-on-year to US\$28.8 billion. The main agricultural products reported a surge of 57.7% in import turnover at US\$17.8 billion, while the country spent US\$2.5 billion, US\$1.4 billion and US\$2.2 billion buying meat, fishery and forestry products, respectively. Cambodia was the country's biggest farm produce supplier between January and August, with a value of US\$2.9 billion.

Source : <https://vietnamnews.vn/economy/1026158/export-outlook-depends-on-virus-control.html>

Canadian businesses believe in

Việt Nam's medium-term

economic outlook



Vietnam News | 08 September, 2021

HÀ NỘI — Canadian entrepreneurs have voiced their belief in Việt Nam's economic outlook despite the fourth wave of COVID-19 and the adverse impacts of the pandemic on the country's activities

and growth. In an interview with the Vietnam News Agency's correspondent, Marc Djangji, Chartered Financial Analyst (CFA) at the ASEAN Strategy Group Limited advisory firm, said the Southeast Asian nation was one of the world's most dynamic stock markets and its economy has stayed resilient until the first half of 2021. Việt Nam's economic activities would be restrained in the coming months due to the spread of COVID-19. Industries, manufacturing and construction, which serve as a driving force for the economy, were bearing the brunt of current outbreaks, he said. Djangji underlined that Việt Nam's recovery would depend on the implementation of the COVID-19 vaccination drive, speaking highly of the country's strong sense of collective responsibility and solidarity. According to him, the Vietnamese economy will remain stable and be driven by industrialisation and urbanisation in the medium term. The country will continue to benefit from its integration into the global supply chain, foreign direct investment attraction and a rapid growth rate in manufacturing. Echoing Djangji's views, Phil Witherington, Chief Financial Officer at Manulife insurance company, said although the resurgence of COVID-19 might cause short-term impacts, the Vietnamese market's potential in the long-term remained robust and stable. The Vietnamese Government had taken essential steps and worked with firms to protect workers and customers in Việt Nam, as well as exerted efforts in economic development. He went

on to say that Việ Nam was among countries seeing economic success in the region and one of Manulife's largest markets in Southeast Asia. With a projected population of 120 million people by 2050, Việ Nam is viewed as an attractive destination for Canadian businesses. In addition to trade, cooperation opportunities have emerged in other fields of investment, financial services and infrastructure development, among others. The country posted a gross domestic product growth rate of 5.64 per cent in the first half of this year. Việ Nam's GDP is forecast to hit 4.8 per cent this year, according to the World Bank. — VNS

Source : <https://vietnamnews.vn/economy/1026159/canadian-businesses-believe-in-viet-nams-medium-term-economic-outlook.html>
