

Highlight News / September 21, 2021



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

Garment exports net \$5 billion in eight months



Cambodia News | 20 September, 2021

The value of exports of garment and accessories from Cambodia rose by 3.3 percent to \$5.021 billion in the first eight months of this year, compared with 4.861 billion during the corresponding period last year, according to the statistics from the Ministry of Commerce. The value of apparel product exports accounted for 45 percent of the country's total exports of \$11.086 billion during the period. The US, the EU, UK and Japan are the major apparel export destinations of the Southeast Asia nation. The increase of exports of apparel products showed the significant progress of the garment sector despite the Covid-19 pandemic continuing. Prime Minister Hun Sen said last Friday the garment sector in Cambodia has received a surge of purchase orders. His comments were likely linked to the EU partially withdrawing Cambodia from the Everything But Arms (EBA) Act, said observers. Cambodia has received new purchase orders on garment products because of uncertainty of production in garment-producing countries such as Bangladesh, Myanmar, Brazil and Vietnam lately caused by the Covid-19 outbreak, Mr Hun Sen said. "The issue of whether or not there are preferential tariffs on imports into the European market, except for arms [EBA], is not important for Cambodia, but what is important is there is a large number of buyers from Cambodia," Mr Hun Sen added. The EU's partial withdrawal of Cambodia

from the EBA took effect On Aug 12, 2020. Under this partial withdrawal, some products of the Cambodian garment and footwear industry started facing import duties in the EU. Because of this, the share of the garment exports of the country to the EU was diverted to the US and other countries. In 2020, Cambodia exported garments worth \$7.420 billion, a year-on-year decrease of 10.24 percent, according to the 2020 annual performance report of the country's ministry of commerce. Lim Heng, vice-president of the Cambodia Chamber of Commerce, said last week that the growth in exports of Cambodia reflected control of production chains in Cambodia ensuring operations continued under the government's efforts to curb the virus crisis. "With trade pacts bilaterally and multilaterally, Cambodia is expected to receive more investment, which will boost both exports of finished products and imports of raw materials to feed the production chains," Heng added. To help the country's garment, footwear, travel bag and tourism sectors cope with the downturn caused by the COVID-19 pandemic and the accompanying lockdowns and supply chain disruptions, the Cambodian government has so far announced eight rounds of financial support programmes. "Our garment industry has been functioning normally and we have seen a remarkable rise in purchase orders because our country is now safer from Covid-19 than other garment manufacturing countries," Mr Hun Sen also said during a news conference on a Covid-19 vaccination drive. Cambodia launched a Covid-19 inoculation

campaign in February, with China being the key vaccine supplier. As of Sept 17, some 11.6 million people – 72.5 percent of the kingdom’s 16 million population – had received at least one vaccine dose, while 10.1 million (63.2 percent) had obtained both required shots and 815,581 (5 percent) had got a third dose (booster dose), the health ministry said. The country reported 648 new Covid-19 cases on Saturday, pushing the national total caseload to 103,482, the ministry said, adding that seven new fatalities were registered, bringing the overall death toll to 2,096. An additional 492 patients recovered, taking the total number of recoveries to 96,767, said the ministry. The garment industry is the largest foreign exchange earner for Cambodia. The sector consists of about 1,100 factories and branches, employing approximately 750,000 workers, mostly female, according to the Labour Ministry.

Source:<https://www.khmertimeskh.com/50937900/garment-exports-net-5-billion-in-eight-months/>

Deep port construction rescheduled for mid-2022



Cambodia News | 20 September, 2021

The listed company Sihanoukville Autonomous port has rescheduled its construction plans for the deep water port terminal to mid-2022, with construction set to take three years. The construction was previously set to break ground in mid-2021. “The construction is set to take place in mid-2022 due to the changes to the layout of the deep port,” said Thay Rithy, deputy director-general of Sihanoukville

Autonomous Port. “Once we break ground, it will take three years to complete.” As planned, the deep port terminal will have a length of 350 metres with a water depth of 14.50 metres. The port construction is estimated to cost \$218 million which will be sourced through Official Development Assistance (ODA) from Japan. After the layout design is complete, the port will select the construction company through public bidding, Rithy said. Sin Chanthy, president of the Cambodia Logistics Association, said that the improvement of the port will answer to the new demands of the transportation sector in Cambodia. The export of goods – predominantly garments and agricultural products – has increased, which requires improved capacity of ports, and the improvement of international gateways, he said. Public Works Minister Sun Chanthol previously said that the deep port will service about 93% of all large vessels travelling in the Asia-Pacific region. “Cambodia will be able to ship goods directly to the EU and US without having to stop at Singapore or Hong Kong,” Chanthol said. The deep port is the first phase of expanding the port terminal. The Sihanoukville Autonomous port also plans a second and third phase, which will be begun after the successful completion of phase one. However, Rithy did not disclose in detail what the second and third phase projects would be.

Source:<https://www.khmertimeskh.com/50937980/deep-port-construction-rescheduled-for-mid-2022/>

Phongsaly approves bamboo trading projects



Laos News | 20 September, 2021

Villagers in Phongsaly province will have more options to earn money from the fertile soil, with a new opportunity to grow bamboo for sale to a planned processing factory or to be employed in the factory. Two contracts were signed in Phongsaly province on Wednesday between provincial authorities and a private company on support for a bamboo plantation and the processing of bamboo into chopsticks, toothpicks, and paper. Under the first contract, local people will be encouraged to grow bamboo for sale to the company on 980 hectares in 13 villages of Khua district. The company has been given a 30-year concession on the project and will pay the full cost of expenditure under the 2+3 system of operations. This means growers will contribute their land and labour and care for the bamboo trees while the company will pay associated costs, provide technical advice, and supply a market for the bamboo. The total cost of the project is estimated at 3 billion kip, including 1.2 billion kip of the company's registered capital. The other contract concerns a concession for the construction of a bamboo processing plant and its operation in Phonthong village, Bountai district, on a concession area of 2.6 hectares. The factory will process the bamboo grown by villagers. This project has a total investment cost

of nearly 4.25 billion kip, including 1.5 billion kip of the company's registered capital, with a concession period of 30 years. Phongsaly is located in northern Laos and has fertile soil that is suitable for the cultivation of bamboo and other species. Due to the mismanagement of bamboo, the number of trees growing in the wild has declined in recent years. This project will encourage local people to grow bamboo on their land as well as help them to manage the crop so they can derive the most benefit.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent_Phongsaly_183_21.php

Myanmar ships over 44,000 tonnes of butter bean as of 10 September



Myanmar News | 20 September, 2021

The exports of Myanmar's butter bean to the international market exceeded 44,109 tonnes between 1 October 2020 and 10 September 2021 in the current financial year 2020-2021, generating revenue of US\$25 million, as per the Ministry of Commerce's data. A basket of butter bean is valued at K1,735-K1,775 per viss (a viss equals 1.6 kg), according to the Bayinnaung wholesale market's data. The price slightly rose in the recent days following Kyat weakening in the local forex market, although the foreign demand is extremely weak amid the COVID-19 pandemic and the political changes, the traders said. At present, the price of butter bean is valued at over K75,000 per bag depending on the size in Mandalay market. Butter bean export to

Chinese, Japanese and European markets has been falling. Now, it is relying only on the domestic market, said a trader from Mandalay market. Normally, Myanmar exports about 75 per cent of butter bean production to foreign markets—Japan, China, Denmark, Singapore, the Republic of Korea, Malaysia, Taiwan (China Taipei) and Viet Nam—with export volume of 15,000-30,000 tonnes per year. There are over 160,000 acres of butter bean plantation. The butter bean is grown in June and July and harvested in October and November. The cold season for further growing the bean is in October/November and harvest time from January to March. The butter bean is primarily cultivated in Sagaing, Bago, Magway, Mandalay and Ayeyawady regions and Mon and northern Shan states. Magway Region produces good-quality butter bean and Japan buyers prefer to purchase it.—KK/GNLM

Source: <https://www.gnlm.com.mm/myanmar-ships-over-44000-tonnes-of-butter-bean-as-of-10-september/#article-title>

Foreign Businesses Expect Vietnam to Reopen its Economy

 Myanmar News | 20 September, 2021

The value of Myanmar’s imports exceeded exports in bilateral trade with Singapore in the past ten months (Oct-July) of the current fiscal year 2020-2021, with exports reaching over \$181.4 million and imports valued at over \$2.34 billion, according to the data from the Ministry of Commerce. Myanmar trade deficit in goods with Singapore was estimated at

US\$2.158 billion in the past ten months (Oct-July) of the current financial year 2020-2021, the ministry’s statistics indicated. Singapore is Myanmar’s second largest trading partner in the region, after Thailand. In the current FY, the value of Myanmar’s bilateral trade with Singapore in normal trade and border trade topped \$2.5 billion. Myanmar exports agricultural products, footwear, textiles and clothing, minerals, and animal products to Singapore, while it imports plastic, fuel oil, capital goods, para-finished goods, consumer products, metals, and chemicals. Myanmar’s bilateral trade with Singapore was registered at \$3.5 billion in the last fiscal year 2018-2019, \$1.99 billion in the 2018 mini-budget period, \$3.83 billion in the 2017-2018 FY, \$2.96 billion in the 2016-2017 FY, and \$3.69 billion in the 2015-2016 FY.—KK/GNLM

Source: <https://www.gnlm.com.mm/myanmar-imports-surpass-exports-in-trade-with-singapore-this-fy/>

Vietnam enjoys positive trade growth with CPTPP markets

 Vietnam News | 20 September, 2021

VOV.VN - Vietnam has benefitted from implementing the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) as two-way trade between it and other CPTPP markets rose 23.36% to US\$52 billion during the seven-month period, according to the Ministry of Industry and Trade (MoIT). The value accounted for 13.86% of Vietnam’s total foreign trade turnover in the reviewed period,

said the MoIT. In July, trade exchanges between Vietnam and its CPTPP markets increased 22.16% year on year to US\$7.9 billion. July alone saw strong export growth recorded in a number of key export items, including machinery and equipment, spare parts, and phones and components. However, several export items, such as textiles and garments, computers and components, and footwear experienced a downward trajectory to the market. Exports to Japan, Singapore, Canada, and Malaysia in July endured a decline, while exports to Chile, Peru, and Australia increased significantly compared to June. Meanwhile, almost all Vietnamese imports from the CPTPP markets witnessed an upward trend during the reviewed period, with the exception of coal, glass and glass products, pharmaceuticals, and paper products. Notably, among key import items, the import of machinery and equipment increased slightly at 1.82%. Overall, Vietnam posted a trade surplus of US\$86.28 million with the CPTPP markets in the seven-month period, a decline of 75.94% against the same period from last year. The CPTPP is a free trade agreement between 11 countries around the Pacific Rim, comprising Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. The trade agreement was signed by ministers of the 11 CPTPP countries in San Diego, Chile, in March 2018.

Source: [https://english.vov.vn/en/economy/vietnam-enjoys-positive-trade-growth-with-cptpp-markets-](https://english.vov.vn/en/economy/vietnam-enjoys-positive-trade-growth-with-cptpp-markets-892032.vov)

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Foreign Businesses Expect Vietnam to Reopen its Economy



Vietnam News | 20 September, 2021

In the letter, the group of associations includes AmCham (Association of American Businesses in Vietnam), EuroCham (Association of European Businesses in Vietnam), KoCham (Association of Korean Businesses in Vietnam) and the Council of US - ASEAN businesses appreciate the direction of Prime Minister Pham Minh Chinh and the Government in the orientation to fight the pandemic and open the economy. This group assesses that it is very important for Vietnam to take measures to maintain competitiveness in the region and in the world, and not lag behind in economic recovery. The associations affirmed their commitment to support the "dual goals" of the Government, both fighting the pandemic and ensuring economic development. "We are optimistic about the future of Vietnam. We believe in the strength and resilience of the Vietnamese people and the Vietnamese economy. We are committed to accompanying Vietnam and making long-term investments." The associations also affirmed their support for the Prime Minister's policy of "safe coexistence with the epidemic" and wished to accompany the government and local leaders, especially Ho Chi Minh City and the southern provinces to reopen the economy safely, recover the economy and move towards the new normal. Besides, the associations also affirmed that foreign businesses are in need of a clear roadmap

for reopening."Investment will not increase without a clear plan on opening up and recovering the economy. Even businesses that have invested in Vietnam are suspending most of their investment plans at the moment. Potential new investors also cannot come to Vietnam without a clear entry policy," the group said. The association group also emphasized the importance of vaccines and wanted the Government to give priority to vaccinations for frontline health workers, the elderly, people with underlying diseases, shippers, retail workers of essential goods and pharmaceuticals, workers in industrial parks, cargo ports, logistics, especially in the southern region. Regarding the proposed vaccine passport and "green card, yellow card", the association group assessed this plan could be a useful part of the reopening strategy, but there are still many unclear points. "The biggest problem lies in the control application system and the coordination of ministries, sectors and localities to have a unified identification," the group said. The group of associations also mentioned many urgent issues such as the participation of private healthcare, the urgency of reopening the manufacturing sector, food security and the unified coordination of the Government, and local in Vietnam. The group also thinks that this is the right time to plan to reopen tourism safely.

Source: <https://vietnamtimes.org.vn/foreign-businesses-expect-vietnam-to-reopen-its-economy->