

Highlight News / September 29/2021



- Cambodia-Thailand eight month trade inches up
- Vietnam's exports to Cambodia up 16.7 percent in eight months
- Economic recovery in Laos, region slow due to pandemic
- Rubber prices in Mon State are higher than the same period last year
- Vietnam expects 710,000 newly-established enterprises in next five years
- HCM City wants tax reduction for COVID-affected businesses



ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (Aiti)



Cambodia-Thailand eight month trade inches up



Cambodia News | 28 September, 2021

The bilateral trade between Cambodia and Thailand was valued at \$5,238 million in the first eight months of this year, inching up 3.14 percent compared with the same period last year. Figures from Thailand's Ministry of Commerce showed that from January to August Cambodia exported \$623 million worth of products to Thailand, a year-on-year decrease of 31.70 percent. The country's imports from Thailand in the period rose by 10.76 percent to \$4,614 million. Agricultural products accounted for the majority of Cambodian exports to Thailand, while Thai exports to Cambodia primarily consisted of energy resources, agriculture fertiliser, food supplies and cosmetics. Cambodia's products, mainly agricultural products, exported to Thailand have always been disrupted by the barrier of sanitary and phytosanitary conditions. In August, Thailand banned exports of Pailin longan fruits from Cambodia in a move like the ban China imposed on Thailand's export companies of agricultural products to China. Lim Heng, vice-president of the Cambodia Chamber of Commerce, said yesterday that the improvement of sanitary and phytosanitary conditions need to be addressed. "Once they banned us from exporting agricultural products to their countries related to sanitary and phytosanitary [conditions], so, in order to reach markets, we need to work and process the sanitary and phytosanitary talks," he said. He hoped that

more agricultural products would be eligible for exports to China and other destinations. "When Thailand banned Cambodia from exporting Pailin longans, the ministry of agriculture pushed talks with China and the Chinese government responded positively and immediately. Through the talks, we do hope that Cambodia will soon reach protocol signs on many agricultural products for export," he said. The two countries have placed high hopes to continue pushing bilateral trade up to \$15 billion by 2023. Two-way trade between the countries was valued at \$7.236 billion last year, down 23 percent from 2019. Recently, the supermarket chains in Thailand – Big C and retail store 7-Eleven – debuted their stores in Phnom Penh. They also unveiled plans to increase shops in Cambodia. About 70 percent to 80 percent of products displayed in those markets are imports from Thailand and the rest are supplied locally.

Source : <https://www.khmertimeskh.com/50943079/cambodia-thailand-eight-month-trade-inches-up/>

Vietnam's exports to Cambodia up 16.7 percent in eight months



Cambodia News | 28 September, 2021

Vietnam earned \$3.15 billion from exporting goods to Cambodia in the first eight months of 2021, up 16.7 percent year-on-year. However, Vietnam reported a trade deficit of \$354.4 million with Cambodia in the reviewed period. One of the reasons behind the trade deficit was increases in import turnover of six main products from Cambodia

compared to the same period last year, with the imports of cashew nut and rubber witnessing the highest rises. Vietnam spent almost \$1.83 billion on importing cashew nuts from Cambodia in the first eight months, a 7.1-fold hike year-on-year. Meanwhile, Vietnam's rubber imports from the neighbouring country were 5.3 times higher than the figure of the same period last year, reaching \$821.8 million. Vietnam's registered investment in Cambodia hit over \$2.85 billion, mainly in agriculture, including cashew and rubber planting. Vietnamese businesses have invested in Cambodia to take advantage of cheap labour costs and favourable conditions in terms of land, climate and incentives, and then exported their products back to Vietnam. To balance the trade value with Cambodia, Vietnam needs to promote processing to improve the added value of export goods, increase yields and quality of cashew and rubber, and seek to expand export markets for cashew nuts and rubber products. Attention should also be paid to strictly controlling the import of these goods to ensure origin rules, and enhancing inspection of commodities exported to Vietnam through Cambodia. VNA

Source : <https://www.khmertimeskh.com/50942886/vietnams-exports-to-cambodia-up-16-7-percent-in-eight-months/>

Economic recovery in Laos, region slow due to pandemic



Laos News | 29 September, 2021

Economic recovery in East Asia and the Pacific, including in Laos, has been undermined by the spread of the Delta variant of Covid-19, prolonging distress for firms and households, the World Bank said on Monday. Economic activity began to slow in the second quarter of 2021, and growth forecasts have been downgraded for most countries in the region, according to the World Bank's East Asia and Pacific Fall 2021 Economic Update. GDP growth in Laos is projected to rebound to 2.2 percent in 2021, up from 0.5 percent in 2020. This forecast has been revised downwards from the 4 percent growth projected in March 2021 due to the recent Covid outbreak, according to the EAP update. "The agriculture and industry sectors are expected to drive growth, supported by external demand – as key trading partners gradually recover. However, the sluggish recovery of services is expected to weigh on growth," the World Bank stated. The economy is expected to gradually recover in the medium-term, but growth will remain below pre-pandemic levels in 2022, reflecting the impact of both cyclical and structural factors on the economic outlook. The World Bank forecasts that Laos' economy will grow by 4.5 percent in 2022 and 4.8 percent in 2023. The report highlighted that the economy of China (one of Laos' main trading partners) is projected to expand by 8.5 percent in 2021 and 5.4 percent in 2022. Meanwhile, economic growth in Asean member countries will gradually recover from the current stagnation, with Thailand projected to grow at 1 percent in 2021 and 3.6 percent in 2022. The projected growth rate in

Vietnam is 4.8 percent in 2021 and 6.5 percent in 2022; in Cambodia (2.2 percent in 2021 and 4.5 percent in 2022); Malaysia (3.3 percent in 2021 and 5.8 percent in 2022); and Indonesia (3.7 percent in 2021 and 5.2 percent in 2022). The World Bank's Vice President for East Asia and the Pacific, Manuela Ferro, said "The economic recovery of developing East Asia and Pacific faces a reversal of fortune." "Whereas in 2020 the region contained Covid-19 while other regions of the world struggled, the rise in Covid cases this year has decreased growth prospects for 2021. However, the region has emerged stronger from crises before and with the right policies could do so again." According to the report, the Delta variant is spreading because pre-vaccine containment strategies are proving insufficient, and vaccination rollout has been slow. In the pre-Covid-19 vaccine era, many countries in the region were able to contain the virus by imposing short periods of stringent restrictions on domestic and international mobility and then transitioning to intensive testing, tracing and isolation. This approach proved very effective and was implemented with varying degrees of success in Cambodia, Laos and Vietnam, and less so in Indonesia and the Philippines. East Asia and Pacific Chief Economist Aaditya Mattoo said "Accelerated vaccination and testing to control Covid infections could revive economic activity in struggling countries as early as the first half of 2022, and double their growth rate next year." "But in the longer term, only deeper reforms can prevent slower growth and increasing

inequality, an impoverishing combination the region has not seen this century," he added.

Source : https://www.vientianetimes.org.la/freeContent/FreeContent_Economic_190.php

Rubber prices in Mon State are higher than the same period last year



Myanmar News | 28 September, 2021

In Mon State, a pound of rubber costs 1,150 kyats, up from 700 kyats in the same period last year. According to rubber traders, the increase was not due to higher border prices but to the recent depreciation of the Burmese currency and the purchase of alternative rubber. "If you look at the main rubber market, you can see that exports on the Chinese border are closed," he said. Most of them are bought from China. Rubber prices are not high when the Chinese border is closed, and the current situation is that when the Burmese currency depreciates, people holding Burmese currency are more likely to buy goods. We do not want to hold Myanmar currency there. When the value of Myanmar currency gradually depreciates, it is likely that something new will replace the currency. There, the price of a pound of rubber was 1,150 / 1,200 kyats. Today, with the dollar / gold price at an all-time high, more and more people are just wanting to keep things. I heard that gold is now 22 lakh kyats. Yesterday it was only 2 million kyats. If you buy after the volatility of the Myanmar currency That would be nice. That's the way it is. There is no legal trade at the border. Nothing opens except a handle. Transit

was seen passing through the Myawaddy border. In fact, the price of rubber does not go up as much as the dollar, " said an official from the Mon State Rubber Entrepreneurs Association. In the same period last year, a pound of rubber fetched 700/800 kyats, but this year, when the dollar is high, the price of rubber has not risen to 1,600 kyats. Acids are more than double the price. In some townships, it is inconvenient for some migrant workers to be allowed to return to their original communities in some townships, according to rubber traders.

Source : <https://news-eleven.com/article/216737>

Vietnam expects 710,000 newly-established enterprises in next five years



Vietnam News | 28 September, 2021

Hanoi (VNA) – The Ministry of Planning and Investment (MPI) has coordinated with relevant ministries, sectors, agencies and localities to build a draft resolution on supporting and developing businesses in the 2021-2025 period, with a target of about 710,000 newly-established enterprises in the period. Under the document, various support policies will be designed to assist businesses in recovering, expanding and improving their competitiveness. In 2025, Vietnam expects to have over 2.1 million companies. In the period, about 10 start-ups are hoped to reach the value of over 1 billion USD, while about 35-40 percent of total firms are expected to launch science- technology application and innovation activities, and 100 percent of companies are hoped to access digital

transformation, with 100,000 firms getting support in the field. To this end, the MPI will give eight groups of solutions, focusing on improving the investment and business environment, expanding domestic and foreign markets, strengthening the credit access for businesses, especially those hit by COVID-19. Alongside, the ministry also proposed support to human resources development and the fostering of connectivity among enterprises so that they can join domestic and international value chains and gradually lead the chains in the next five years./.

Source : <https://en.vietnamplus.vn/vietnam-expects-710000-newlyestablished-enterprises-in-next-five-years/208759.vnp>

HCM City wants tax reduction for COVID-affected businesses



Vietnam News | 28 September, 2021

HCM CITY — The HCM City People's Committee has made several suggestions for a Ministry of Finance decree to support businesses and individuals affected by the COVID- 19 pandemic, including ensuring bank lending rates are no more than 2 per cent higher than deposit interest rates. In a document it sent to the Government, it also suggested reducing corporate income tax, value added tax and land rents, extending tax payment deadlines and subsidising interest. It called for cutting corporate income tax by 50 per cent for businesses with annual revenues of less than VND200 billion (US\$8.8 million) this year and by 30 per cent for 2022 and 2023. It

said the costs of testing workers, medical treatment, food and living costs, and personal protective equipment such as masks should be tax deductible. It called for waiving income tax, value added tax, natural resources tax, and environmental protection tax on household and individual businesses in the second half of 2021 and the next two years, and income tax for some employees. It sought a halving of value added tax for the last three months of this year and the next two years. The deadline for filing tax should be extended until the second quarter of next year without penalty for late payment, it said. It suggested that the land rent payable should be cut by 50 per cent for all businesses this year, and fully waived for tourism and related businesses. Procedures to borrow from banks and rolling over debts should be simplified, it added. — VNS

Source : <https://vietnamnews.vn/economy/1049629/hcm-city-wants-tax-reduction-for-covid-affected-businesses.html>
