

*Highlight News / October 1/2021*



- Economy will grow 2.2% before recovery, says IMF
- Deal on food investment signed with Australia
- Most stations on Laos-China Railway now complete
- Imports of foreign vehicles will be suspended to reduce the use of foreign currency
- Vietnam's GDP Growth Sees Sharp Decrease In First Nine Months of 2021 Due
- HCM City resumes retail activities in 'green zones'



## Economy will grow 2.2% before recovery, says IMF



*Cambodia News | 30 September, 2021*

The International Monetary Fund says Cambodia's gross domestic product (GDP) will grow 2.2 percent this year, down from a previous forecast of 4.2 percent annual growth. GDP was minus 3.1 percent last year after average annual growth of 7 percent in previous years. "Although activity showed signs of picking up toward the end of 2020, the rapid spread of the virus from February this year has set the economy back again," said IMF team leader Alasdair Scott in a virtual meeting with Cambodian authorities. "As in many other countries, the crisis has strained the ability of households and firms to service loans," he added. "A slow recovery is projected. Our staff projects growth of 2.2 percent in 2021, increasing gradually to pre-crisis rates of 6.5 percent after a few years." Future growth depends upon Cambodia and its neighbours controlling the spread of the Coronavirus, allowing foreign tourists to return, Scott said. Cambodia has vaccinated 83 percent of its approximately 16 million population at least once. It aims to fully vaccinate at least 91 percent of the population. "Slower progress would damage growth further," Scott warned. "These risks appear skewed to the downside at this stage." The IMF praised the government for prioritising healthcare and social assistance during the pandemic but said policymakers need to balance near-term support with longer-term sustainability. "Continued restraint

on other current spending and careful calibration of capital spending will ensure that financing needs can be met by existing government savings and existing external financing sources," Scott said. The IMF says fiscal deficits are expected to widen to nearly 6 percent this year because of falling tax revenue and higher demand for spending on health and social assistance. Public debt is now 36 percent of GDP. In 2019 it 29 percent. The IMF said pre-pandemic risks include the concentration of the banking sector assets in real estate. "Healthy banks are essential for a durable recovery," Scott said. "To that end we commend the NBC [National Bank of Cambodia] for enhancing reporting requirements. This will assist the close monitoring of banks' positions and can provide the necessary tools to implement a carefully calibrated sequence of steps to gradually return to standard prudential requirements." The IMF said the government could build a more resilient economy by encouraging diversification of industry sectors, cutting red tape and becoming more adaptable to climate change. "The IMF stands ready to support the authorities' reform efforts through policy advice and capacity development activities," the IMF team leader said. The Asian Development Bank (ADB) cut its 2021 forecast last week, saying Cambodia's economy will grow 1.9 percent this year, compared with April's 4 percent forecast. The ADB is sticking with its estimate of 5.5 percent growth next year.

Source : <https://www.khmertimeskh.com/50931917/the-commerce-minister-reaffirms-trade-cooperation-with-singapore/>

## Deal on food investment signed with Australia



*Cambodia News | 30 September, 2021*

Cambodia and Australia have signed a memorandum of understanding (MoU) on the financing arrangements for an Agri-Food Investment Desk (AFID) at the Council for the Development of Cambodia (CDC), aimed at creating jobs and improving standards in farming. The online ceremony was presided over by CDC Secretary-General and Minister Attached to the Prime Minister Sok Chenda Sophea, along with Australian Ambassador Pablo Kang. The event was organised by the CDC in collaboration with the Ministry of Agriculture, Forestry and Fisheries (MAFF) and the Australian Department of Foreign Affairs and Trade (DFAT). The CDC said the ceremony showed the commitment of the CDC, MAFF and DFAT to promoting investments in agri-food in the framework of the Cambodia-Australia Agricultural Value Chain Programme (CAVAC). This would improve food safety and reduce poverty through job creation, economic growth and environmental sustainability, the CDC said. "This MoU will serve as an important instrument to bring about more investment, promote agri-food development and to enhance competitiveness in the agriculture sector," it said. "The activation of the Agri-food Investments Desk at

the CDC will enable [a] stronger foundation for a resilient agri-food sector in Cambodia through investment diversification in terms of resources and level of technology and innovation usage while creating higher value-added employment for Cambodians in the agri-food sector." The CDC secretary-general thanked Australia for providing technical assistance and also for helping Cambodia transition to a post-Covid "new normal". Sophea also praised the Agriculture Ministry for carrying out investment promotion activities for the CAVAC programme. He said a draft investment law, which is nearing government approval, will provide incentives for investment in agriculture and agri-food, which have been classified as priority sectors. The Australian ambassador said his government supports Cambodia's economic development process. In particular, Kang said, it wanted to help the Kingdom improve agricultural productivity through promoting investment in the agri-food sector. Last month the CDC approved 376 projects worth nearly \$9.7 billion, investing in the agriculture and agro-industry sectors. The United Nations Food and Agriculture Organization defines agro-industry as "the enterprises, activities and institutions that deliver material inputs to the farming sector and transform, distribute and otherwise add value to agricultural and food products targeting an identified market demand." It says the benefits of agro-industries include jobs in off-farm activities such as processing, adding value to farmers' products and raising demand for them.

Source : <https://www.khmertimeskh.com/50944283/deal-on-food-investment-signed-with-australia/>

## Most stations on Laos-China Railway now complete



*Laos News | 01 October, 2021*

Most of the stations on the Laos-China Railway are now complete ahead of the planned opening of the railway in December. Kasy Station in Vientiane province was the most recent to be completed and was officially unveiled on September 27. The station was built by the China Railway Construction Group and is designed similar to a bus station, with one stop and three intermediate rail lines, and can accommodate up to 150 passengers. The station covers an area of 1498.7 square metres and is a combination of traditional Lao and Chinese architectural styles. The construction company used BIM model construction technology and had to deal with challenges such as the rainy season, the Covid-19 pandemic, transport of construction materials, etc. But despite these difficulties, the main structure of the building was finished 15 days ahead of schedule. The station is currently being inspected and is expected to open as planned. The Laos-China Railway is a part of China's One Belt, One Road initiative and will help to make landlocked Laos a land link, with the railway running from Kunming in Yunnan province, China, and ending in Vientiane. The next section will continue south through Thailand

to Singapore. There are 10 passenger stations in Vientiane, Phonhong, Vangvieng, Kasy, Luang Prabang, Nga, Xay, Namor, Natuey and Boten, as well as 22 freight stations. The 422.4-km Laos-China railway runs between Vientiane and the provinces of Vientiane, Luang Prabang, Oudomxay and Luang Namtha, and ends at the Chinese border in Boten. Construction of the US\$5.986 billion (37.4 billion yuan) railway began in December 2016. It is a strategic part of China's Belt and Road Initiative and Laos' plans to use its landlocked status to become a land link within the region. When it is operational, the railway will cut the cost of transport through Laos by 30-40 percent compared to travel by road.

Source : [https://www.vientianetimes.org.la/freeContent/FreeConten\\_Economic\\_190.php](https://www.vientianetimes.org.la/freeContent/FreeConten_Economic_190.php)

## Imports of foreign vehicles will be suspended to reduce the use of foreign currency



*Myanmar News | 30 September, 2021*

The Department of Commerce has announced that the import of foreign vehicles will be suspended to reduce the use of foreign currency. The aftermath of the COVID-19 outbreak has led to business delays; The statement said that the import of passenger vehicles will be suspended from October 1 in order to reduce the use of foreign currency in connection with the import of goods due to the country's

declining exports. Imports from motor vehicle sales centers and showrooms, and the issuance of individual import permits for individual employees who have been approved by the relevant departments for those who have been awarded the Good Civil Servant Badge, Good Military Service and Police Badge badges. The statement also said that the right to open a new car sales center has been suspended from October 1.

Source : <https://news-eleven.com/article/216866>

## Vietnam's GDP Growth Sees Sharp Decrease In First Nine Months of 2021 Due to Pandemic



*Vietnam News | 30 September, 2021*

Vietnam's gross domestic product (GDP) growth rate during nine-month period increased by just 1.42% due to the Covid-19 pandemic impacting all economic sectors, with several localities imposing prolonged social distancing measures, according to the General Statistics Office. Most notably, GDP growth rate during the third quarter of the year was estimated to have declined by 6.17% compared to the same period from last year, thereby marking the deepest decrease since the nation started to unveil its quarterly GDP. The agro-forestry-fisheries, along with industry and construction sectors, enjoyed respective rises of 2.74% and 3.57%, while the service sector endured a slight drop of 0.69%, according to VOV. In the first nine months, industrial production expanded 4.45% against the same

period last year. Meanwhile, total foreign investment inflows were estimated at US\$ 22.15 billion, up 4.4% against the same period last year while disbursement decreased by 3.5 percent to US\$ 13.28 billion. Export value of the foreign-invested sector stood at nearly US\$ 18.2 billion (including crude oil) and US\$ 17.1 billion (excluding crude oil), VGP cited. The health sector and social support activities achieved the highest growth rate with a rise of 21.15%, followed by the financial, banking and insurance sector which saw an increase of 8.37%. Elsewhere, the information and communication sector went up by 5.24%. Meanwhile, Vietnam's trade turnover in the first nine months of this year reached 483.17 billion USD, a year-on-year increase of 24.4%, said General Statistics Office. In September alone, the import-export turnover attained US\$ 53.5 billion, down 2 percent compared to the previous month but up 4.2% against the same period last year. Vietnam shipped US\$ 240.52 billion worth of goods abroad in the first nine months of 2021, up 18.8% year-on-year. The domestic sector contributed US\$ 62.72 billion and the FDI sector (including crude oil) US\$ 177.8 billion, increasing 8.5 and 22.8% annually, respectively. During the period, 31 products recorded an export value of over US\$ 1 billion each and together they accounted for 92.5% of the nation's total export. The export of the group of processed industrial products reeled in US\$ 214 billion, an increase of 19.5 percent from the same period last year. It was followed by agricultural and forestry products with US\$ 17.7 billion (up 17.6%)

and aquatic products US\$ 6.17 billion (up 2.4%). The US remained the biggest export market of Vietnam, spending US\$ 69.8 billion on imports of Vietnamese products, a year-on-year rise of 27.6%. China came second with US\$ 38.5 billion, up 18.3%. The EU and ASEAN followed with US\$ 28.8 billion and US\$ 20.6 billion, increasing by 11.6% and 21.2%, respectively. The import turnover in the nine-month period reached US\$ 242.65 billion, a hike of 30.5% compared to the same period last year. Of which, domestic businesses imported US\$ 83.72 billion worth of goods, up 25%, while FDI enterprises made up the majority with US\$ 158.93 billion, an increase of 33.6%, according to VNA. Throughout the reviewed period, exports and imports of goods and services rose by 14.21% and 18.46%, respectively. Regarding public investment distribution, Prime Minister Pham Minh Chinh convened a national teleconference on Sept. 29 to seek ways to disburse nearly VND 250 trillion (over US\$11 billion) in public investment capital within the next three months. In the first three quarters, the disbursed volume only reached VND 218,550, representing 47.38 percent of this year's plan. The low disbursement rate was attributed to several reasons such as slow site clearance and particularly the resurgence of the fourth Covid-19 wave which resulted in the imposition of social distancing order in dozens of localities, particularly the Southeastern region where there are many industrial hubs. Speaking at the meeting, PM Pham said disbursement of the remaining public capital is a big

challenge in the last three months given the Covid-19 pandemic, thus it requires high efforts and determination of subordinate levels. He urged authorities at all levels to roll up sleeves to strengthen inspection and supervision as well as information exchanges to detect and timely fix obstacles arising in the implementation of public investment projects. Pham tasked Deputy Prime Minister Le Van Thanh to be in charge of facilitating circulation of goods and input materials for production and implementation of the public investment projects. The Government chief urged ministries, agencies and localities to actively coordinate in handling institutional obstacles and report to the Government the issues beyond their competence for necessary amendments.

Source : <https://vietnamtimes.org.vn/vietnams-gdp-growth-sees-sharp-decrease-in-first-nine-months-of-2021-due-to-pandemic-36326.html>

## HCM City resumes retail activities in 'green zones'



*Vietnam News | 30 September, 2021*

Hanoi (VNA) – Authorities, businesses, and retailers in Ho Chi Minh City are promptly making preparations for reopening retail and distribution activities in “green zones” after a period of strict social distancing. Many districts in the southern metropolis has managed to put COVID-19 under control such as Cu Chi, Can Gio, Nha Be, 7, 5, Go Vap, Phu Nhuan, and Tan Binh, along with Thu Duc city. Nguyen Thi Kim Ngoc, Deputy Director of the

municipal Department of Industry and Trade, said the department has been working with enterprises, retailers, and producers to ensure the supply of essential goods and promote selling farm produce after September 30. It has asked the districts and Thu Duc city to devise appropriate plans to reopen traditional markets while still ensuring pandemic safety. It has also told the retail system to report on their distribution plans and pledge to guarantee sufficient supply. Facing new requirements from the market and consumers, Chairwoman of the People's Committee of District 5 Truong My Kieu said local authorities will strive to meet local demand for essential goods with stable prices, so they will keep a close watch on the pandemic situation and the market so as to resume trading activities step by step. Though local residents hope for the reopening of direct retail and distribution, they still expect trading activities will meet safety criteria to sustain the achievements in the COVID-19 fight. So far, HCM City has reopened the wholesale food markets of Binh Dien, Thu Duc, and Hoc Mon. Residents in "green zones" have also been permitted to go shopping once a week./.

Source : <https://en.vietnamplus.vn/hcm-city-resumes-retail-activities-in-green-zones/208885.vnp>

---