

Highlight News / October 05, 2021 2021



- Cambodia exports \$3 bn agricultural products in first nine months
- ADB-funded Koh Tonsay port starts construction this month
- Laos exports first 50 tonnes of rice to EU
- MoC facilitates import of COVID-19 medical supplies and equipment
- 10,000 businesses a month close their doors permanently in 2021
- Vietnamese manufacturing hit by pandemic



ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

Cambodia exports \$3 bn agricultural products in first nine months



Cambodia News | 4 October, 2021

Cambodia exported agricultural products worth a total of 5.9 million tonnes from January to September this year, a year-on-year increase of 88 percent compared with the same period last year, showing positive growth of the sector despite the Covid-19 pandemic. Figures from the Ministry of Agriculture, Forestry and Fisheries show the main agricultural products were milled rice, paddy rice, mangoes, bananas, cassava, cashew nuts, rubber, corn and pepper. The agricultural products earned some \$3,489 million, of which milled rice export was valued at \$350 million, paddy rice at \$429 million and non-agriculture products at \$2,711 million, read a report on the data. The January-September export of milled rice saw a decrease of 15.9 percent to 410,698 tonnes to 68 foreign markets, while paddy rice exports rose by 82 percent to 1,627 million tonnes. Minister of Agriculture, Forestry and Fisheries Veng Sakhon said the amount of milled rice export was largely because of the price of transport surging during the pandemic. However, the export of non-rice products saw an increase during the period. The total non-rice agricultural products increased by 107 percent. Hun Lak, chairman of the Board of the Cambodia Rice Federation and president of Longmate Agriculture, a banana farm in Kampot province, said that despite the Covid-19 pandemic, the growth in agricultural production shows a

positive result. “The agricultural production chain in recent years has been growing steadily, especially fruit trees such as bananas, mangoes, cashews – also lentils. Especially the export of fresh mangoes will increase this October,” Lak said. Prime Minister Hun Sen said in August that economic growth is trending in the countries that depend on the agriculture sector. In Cambodia, the agricultural sector has been growing, he said. “As of September, the rice cultivation in the rainy season has been made surplus over targets. It is a good sign for the agricultural sector,” he said. Cambodia exported more than 13 million tonnes of agricultural products last year, valued at \$3,433 million.

Source: <https://www.khmertimeskh.com/50946665/cambodia-exports-3-bn-agricultural-products-in-first-nine-months/>

ADB-funded Koh Tonsay port starts construction this month



Cambodia News | 4 October, 2021

Koh Tonsay tourism port, on the Koh Tonsay Island, four kilometres off Kep province’s mainland, is set to break ground in the middle of this month and should take 15 months to complete. The Koh Tonsay port is part of Asian Development Bank’s (ADB’s) Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project phase II. The procurement of the Koh Tonsay tourism port ended on Sept 16. It was organised by ADB and a construction contract was provided to a local firm – Vimean Chey Group – for \$1.6 million. The construction of the port was

discussed in a virtual meeting held on Sept 30, with participation from officials from Kep provincial administration, the Ministry of Economy and Finance, the Ministry of Public Works and Transport, the Ministry of Tourism, representatives of ADB and the contracted firm. The construction activities are set for Oct 14 and it should take the 15 months to complete – around Jan 15, 2023. Rao Sokha, deputy governor of Kep province, said that the facility will contribute to the tourism sector on the island, aiding travel for tourists and local people. “The port will facilitate the travel of tourists to the island because, currently, tourists and people have to jump down at the coastal line once they arrive on the island,” said Sokha. Infrastructure established at the Koh Tonsay Tourism Port includes a 130 metre pier, a floating roof platform for docking off from cruise ships and ferries, kiosks for ticket and money exchange, a terminal hall, an information desk, an administration office, a survivor counter and toilets. Additionally, it will also include a 740 metre concreted walkway linking the pier tourism terminal on the platform to restaurants and bungalows along the beach. The province is currently renovating an onshore international tourist port, located across the Chhak Kep bay from Koh Tonsay Island. It is about 80 percent completed, according to Sokha. Renovated as a standard tourism port, it will handle modern ships with 200-300 passengers from other ports in other coastal provinces and neighbouring countries such as Vietnam and Thailand. In Kampot province, the \$8 million tourism port, funded by the ADB, is under

construction. The current 84 percent completed-port construction is expected to reach finalisation before the end of this year.

Source:<https://www.khmertimeskh.com/50946664/adb-funded-koh-tonsay-port-starts-construction-this-month/>

Laos exports first 50 tonnes of rice to EU



Laos News | 5 October, 2021

Laos has exported its first 50 tonnes of rice to the European Union, giving farmers new hope of boosting their incomes and earning more foreign currency for Laos. The first shipment of the Thadokkham-8 (TDK8) rice variety is being sold to Belgium by Champahom Trading Import-Export Sole Co., Ltd., according to Lao National Television. The sale is part of a project to promote rice production for commercial purposes under the Ministry of Agriculture and Forestry, supported by a loan from the World Bank. “I have observed the potential for the cultivation of rice for export, particularly Thadokkham-8, which can be grown in both the wet and dry seasons,” Champahom Director Mrs Bounhieng Phommisay told the media. The 50 tonnes of rice being sold to Belgium is valued at US\$29,000. The company encouraged farmers to grow TDK8 rice in Pakngum and Xaythany districts of Vientiane on a total area of 600 hectares. Mrs Bounhieng said the company planned to work with

all the relevant sectors to encourage farmers to grow more rice and increase their yields so they could export more. This is aimed at increasing the amount of rice exported to 3,000 tonnes a year. Deputy Minister of Agriculture and Forestry Dr Bounkhuang Khambounheuang told Vientiane Times on Monday that many European buyers want to buy rice from Laos because of the country's clean agriculture. However, one of the main challenges is for farmers to produce rice that meets the rigorous standards required by EU countries. "We have to follow all the procedures recommended by importers, starting from planting the seeds to transplantation, harvesting, drying and milling the rice," he said. "Thadokkham-8 should not be mixed with other grains. We have to train more farmers and producers how to ensure the quality of rice grown for export." Dr Bounkhuang said Thadokkham-8 can be grown in the central and southern provinces, particularly Savannakhet and Champassak. It is essential to set up groups of producers and farmers to ensure the quality of rice and secure export markets, he added. Mrs Bounhieng said the opportunities for Lao producers and businesses would improve significantly after the Laos-China railway becomes operational in December this year. However, Lao entrepreneurs need to be well prepared if they are to boost exports along the Laos-China economic corridor. Laos has huge potential to produce rice for

export to China, a market of 1.4 billion people. To be successful, the relevant government sectors need to work as a team to identify which crops are required by the EU and Chinese markets, the quality required, and how Laos can supply sufficient crops to meet the needs of these markets.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent_Laos_exports_194.php

MoC facilitates import of COVID-19 medical supplies and equipment



Myanmar News | 4 October, 2021

The Ministry of Commerce is joining hands with relevant departments in working hard to ensure people have access to essential medical supplies for prevention, control and treatment activities of COVID-19, including liquid oxygen and oxygen cylinders, arranging the continuous importation by airways, sea and border trade points. Yesterday, three bowsers containing 19.97 tonnes of liquid oxygen and seven tonnes of masks were imported through Chinshwehaw and Myawady border trade points. One of the liquid oxygen vehicles led to Yangon. It is reported that the Ministry of Commerce is giving priority to the import of essential medical supplies required in prevention, control and treatment of COVID-19 through the SOPs coordinated with the relevant departments in order to avoid delays, and announcements and notices related to the import of medicines and related products have also been made available to the

public on the Ministry's website, commerce.gov.mm.—MNA

Source: <https://www.gnlm.com.mm/moc-facilitates-import-of-covid-19-medical-supplies-and-equipment/#article-title>

10,000 businesses a month close their doors permanently in 2021



Vietnam News | 4 October, 2021

HÀ NỘI — In the first 9 months of 2021, the number of businesses closing their doors permanently reached 90,300, up 15.3 per cent from the last same term, said the General Statistics Office (GSO). GSO's report on the socio-economic situation in September 2021 said an average of 10,000 businesses a month withdraw from the market. The report also said that 3,899 new enterprises opened in September, down 32.3 per cent compared to the previous month and a 62.2 per cent reduction on the same period in 2020. In the first nine months of 2021, the total number of newly-established enterprises reached 85,500, down 13.6 per cent over the same period last year. The average registered capital of a newly established enterprise was VNĐ14 billion, down 3.1 per cent. Capital registered in September was about VNĐ62.4 trillion, down 8.1 per cent over the previous month and down 69.3 per cent over the same period in 2020. However, the number of registered employees stands at 49,900, an increase of 15 per cent compared to August 2021. This is a decrease of 39.9 per cent compared to the same period last

year. The prolonged COVID-19 pandemic has pushed many businesses close to bankruptcy. The report said that the true number of enterprises that have closed their doors may be higher, as many businesses could not carry out the procedures for withdrawing, due to COVID-19 restrictions. In addition, the number of enterprises suspending business for a definite time was 45,100 enterprises, up 16.7 per cent over the same period last year. 32,400 businesses stopped operating while waiting for dissolution procedures, up 17.4 per cent, while 12,800 enterprises completed dissolution procedures, up 5.9 per cent. In the first nine months of this year, 32,300 enterprises returned to operation, down 6.6 per cent compared to last year. Together with the number of newly-established enterprises, 117,800 businesses joined the market, down 11.8 per cent from the last same term. — VNS

Source: <https://vietnamnews.vn/economy/1052154/10000-businesses-a-month-close-their-doors-permanently-in-2021.html>

Vietnamese manufacturing hit by pandemic



Vietnam News | 4 October, 2021

HÀ NỘI — The Việt Nam Manufacturing Purchasing Managers' Index (PMI) remained at 40.2 in September, signalling a further marked deterioration in business conditions across the sector due to the severe impacts of the COVID-19 pandemic, according to IHS Markit. In a report released last week, IHS Markit said the Vietnamese manufacturing

sector saw a further sharp fall in production during September as the sector continued to be severely impacted by the current wave of the COVID-19 pandemic in the country and the restrictions put in place to try and contain the spread of the virus. Temporary business closures, transportation difficulties and staff shortages all contributed to a fourth successive reduction in manufacturing output in Việt Nam, and one that remained considerable. New orders also fell sharply, and to the greatest extent since April 2020. Alongside a sharp reduction in domestic new business, firms pointed to a much sharper reduction in new export orders than that seen during August. According to IHS Markit, employment levels decreased at the sharpest pace since the survey began in March 2011. Some panellists reported that employees had resigned due to a lack of work, while others scaled back staffing levels amid pauses in production. The sustained period of restrictions on output and sharply falling staffing levels led to a surge in backlogs of work. Outstanding business rose for the first time in four months, and at a pace that was by far the strongest in the survey's history. As well as lowering staffing levels, manufacturers also reduced their purchasing activity in response to lower production requirements. Meanwhile, supply-chain delays intensified, with lead times lengthening at a new record pace for the third consecutive month. Issues with the supply of raw materials contributed to further upward pressure on purchase prices, while there were widespread reports of higher transportation

costs. As a result, input prices continued to rise sharply, with the rate of inflation slightly faster than in August. On the other hand, selling prices rose only slightly, and at the weakest pace since June. Firms indicated that weak demand meant they offered discounts in order to try to secure sales. Restricted production volumes impacted inventory holdings. Inventories of purchases rose as inputs were kept in stock rather than being used in production. In turn, falling output meant that stocks of finished goods continued to decrease. Firms generally expect output to recover over the coming year, with production set to start rising during the final quarter of 2021 should the pandemic be brought under control and restrictions lifted. Business sentiment picked up from the 15-month low seen in August, but remained relatively muted. Commenting on the latest survey results, Andrew Harker, Economics Director at IHS Markit, said: "The themes seen in recent months were repeated across the Vietnamese manufacturing sector in September, according to the latest PMI data. Firms again faced huge restrictions on their ability to produce, leading to a steep fall in employment and a surge in backlogs of work following a sustained period of reduced output." However, he noted: "On a more positive note, there are signs that the latest wave of the pandemic has peaked and vaccination programmes are making good progress. If cases continue to trend down and restrictions are eased, then firms should be able to see growth resume over the final quarter of the year." Industrial production Industrial

production in the third quarter of 2021 faced many difficulties due to the complicated development of the COVID-19 pandemic, especially in localities implementing prolonged social distancing measures, said the General Statistics Office (GSO). According to the GSO report released last Wednesday, the index of industrial production (IIP) in the third quarter decreased by 3.5 per cent over the same period last year. Meanwhile, IIP increased by 6.29 per cent in the first quarter and 11.18 per cent in the second quarter. However, in the first nine months of this year, the IIP surged by 4.45 per cent over the same period last year. In the four major industries, the mining industry saw a decrease of 7.17 per cent year on year in this index. The remaining three industries had IIP increases over the same period last year, including processing and manufacturing (up 6.05 per cent), electricity production and distribution (5.24 per cent), and the group of water supply, management and treatment of waste and wastewater (4.14 per cent). Due to the impacts of the pandemic, the third quarter was the first quarter of this year with a decrease in IIP. Meanwhile, this index of some key level 2 industries increased sharply in the first nine months of the year, including metal (up 28.4 per cent year on year); electronic products, computers and optical products (7.7 per cent); apparel (4.8 per cent); leather (4.5 per cent); prefabricated metal products (3.4 per cent); and other non-metallic mineral products (2 per cent). On the other hand, a number of industries had IIP reductions, such as crude oil

and natural gas exploitation (down 12.4 per cent year on year); beverages (4.2 per cent); print (2.2 per cent); and chemical products (1.1 per cent). The pandemic made this index of many localities fall in the first nine months. Specifically, IIP fell 12.9 per cent year on year in HCM City; 11.2 per cent in **Bến Tre**; 9.9 per cent in **Đồng Tháp**; 9.8 per cent in **Cần Thơ**; and 9.5 per cent in Khánh Hòa. Other localities with IIP reductions included Trà Vinh (7.3 per cent) Bà Rịa - **Vũng Tàu** (5.3 per cent); and **Vĩnh Long** (4.5 per cent). Meanwhile, a number of localities had growth in IIP in the first nine months, including Ninh **Thuận** (up 32.6 per cent year on year); **Đắk Lắk** (25 per cent); **Hải Phòng** (19.7 per cent); **Nghệ An** (18.3 per cent); Gia Lai (17.4 per cent); Hà **Tĩnh** (16.6 per cent); Thanh Hóa (15.3 per cent); **Quảng Ngãi** (14.9 per cent); Hà Nam (14.4 per cent); and Bình **Phước** (14 per cent). The GSO also reported that the consumption index of the processing and manufacturing industry in the first nine months increased by 2.8 per cent year on year. Of which, this index in September increased by 12.4 per cent month on month but decreased by 11.2 per cent year on year. The average inventory rate of the processing and manufacturing industry in the first nine months was 81.1 per cent, higher than the rate of 75.6 per cent in the same period last year. In September, the inventory index of this industry increased by 3.5 per cent month on month and 28.2 per cent year on year. — VNS

Source:<https://vietnamnews.vn/economy/1052153/vietnamese-manufacturing-hit-by-pandemic.html>
