

Highlight News / October 26, 2021 2021



- Government approves budget bill for 2022
- More than 130,000 tourists recorded last weekend as restrictions are lightened
- Govt to buy electric vehicles for state leaders
- Dried ribbonfish marketable in Kyaukpyu
- VN's electronics industry continues to grow despite COVID-19
- More than 85.7% of enterprises in HCM City hit by COVID-19



ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

Government approves budget bill for 2022



Cambodia News | 25 October, 2021

The Cambodian government approved a draft budget bill of 32,576.9 trillion riels (approximately \$8.013 billion) for its expenditure for 2022, with national revenue set at 23,462.6 trillion riels (approximately \$5.771 billion). The draft budget bill was approved in the weekly cabinet meeting held on Oct 22. It was presided over by Prime Minister Hun Sen. The approved expenditure rose by 6.8 percent compared with 2021 – equal to 26.4 percent of the country's gross domestic product (GDP) – and national revenue increased by 18.9 percent (17.7 percent of GDP), according to a statement on the outcome of the meeting. About 58.6 percent – \$4.701 billion of total expenditure – goes to current expenditure, while the rest goes to national capital expenditure (public investment expenditure). Of the total revenue, the government plans to raise income from fiscal revenues – incomes from tax and custom, at \$4.975 billion, up 15.5 percent compared with 2021, read the statement, adding that tax income is set to increase by 22.5 percent to \$2.417 billion and customs tax by 9.5 percent to \$4.558 billion. For non-fiscal revenue, the government targets to earn \$474 million, a year-on-year increase of 11.7 percent, adding that capital revenue is set to increase by 28.2 percent to \$2.063 billion. To meet expenditure, the government targets the ceiling of borrowing at 1,600 million Special Drawing Rights (SDRs) –

approximately \$2.200 billion – while another \$300 million is expected to be collected from the first government bond issuance. An SDR is an international reserve asset, created by the IMF in 1969 to supplement its member countries' official reserves. According to the Ministry of Economy and Finance, setting the borrowing ceiling for 2022 at 1,600 million SDRs is to enable the government to sign on borrowing from China, Japan, France, Thailand, South Korea, the German Development Bank, the Asian Development Bank, the World Bank, the Europe Investment Bank and the Asian Infrastructure Investment Bank for financing programmes and public investment projects for 35 programmes. “In 2022, the government plans to issue the first government bonds of \$300 million for financing public investment projects to enhance the economic growth and productivity...,” read a statement from the Ministry of Economy and Finance issued on Oct 22. “The first government bond issuance and above-mentioned borrowing will not increase the burden of indebtedness on Cambodia,” the ministry said. “The situation of Cambodia's public debt remains ‘sustainable’ and ‘lower-risk’ in which key debt indicators of Cambodia are well below the respective indicative thresholds,” stated the ministry. As of the first semester this year, the government had a total public debt outstanding of \$9.188.9 billion, the ministry said, including debt owned by China accounts of 43.78 percent, Japan at 8.91 percent, South Korea 5.04 percent, bilateral debt with other developing partners at 5.38 percent, and write-off-

negotiation processing debt of 6.75 percent. The government also places its economic growth projection of 4.8 percent for next year, increasing from the predicted 2.4 percent growth this year. Under the country's law, the draft budget law for 2022 needs to be adopted by the National Assembly before the year-end.

Source:<https://www.khmertimeskh.com/50958209/government-approves-budget-bill-for-2022/>

More than 130,000 tourists recorded last weekend as restrictions are lightened



Cambodia News | 25 October, 2021

As restrictions in the country are beginning to be lifted and more freedom of movement is allowed, the country recorded an increase in tourists over the weekend. According to the Minister of Tourism, Thong Khon, some 139,864 tourists were recorded nationwide from October 23 to October 24. This represents an increase of 1.27 percent, compared to the number of tourists reported in the previous week. Of the 139,864 tourists recorded during the weekend, 136,498 were national tourists, or 97.59 percent. The Ministry also recorded 3,366 foreign foreigners, but numbers are expected to grow as Cambodia gears up to the country reopening in November. The most visited locations according to the Minister are Preah Sihanouk province, followed by Phnom Penh, and the provinces of Kampot, Kep, Siem Reap, Kampong Speu, Mondulhiri, Pursat, and Kandal. The Minister pointed out that the coastal

provinces, such as Preah Sihanouk, Kep, and Kampot, attracted around 42 percent of the total tourists. Siem Reap on the other hand is showing signs of recovery in the tourism front following the disastrous outbreak. Kampong Speu, Pursat, and Mondulhiri on the other hand kept their positions as popular tourist destinations. In preparation for the resurgence of the tourism sector, provincial tourism departments are aggressively promoting and implementing the SOP introduced by the Ministry of Tourism to ensure a safe passage and operations of the "new normal." Numerous renovation projects have also been implemented by the departments of tourism in the provinces during the lull of tourists in order to boost appeal.

Source:<https://www.khmertimeskh.com/50958640/more-than-130000-tourists-recorded-last-weekend-as-restrictions-are-lightened/>

Govt to buy electric vehicles for state leaders



Laos News | 26 October, 2021

The government will purchase electric vehicles for use by senior state leaders within this year, as part of its policy to cut fuel imports and reduce harmful gas emissions. By replacing gasoline vehicles with electrically-powered cars, the government believes it can make a huge cut in expenditure on state vehicles and further implement its austerity policy. However, it is not yet known how many electric vehicles will be purchased this year as the

government is collecting information from state bodies concerning the number of leaders for whom new vehicles are required. An official from the Ministry of Finance, who asked not to be named, said the ministry will first buy electric vehicles for senior officials experiencing a shortage. As a first step, the ministry last week asked electric vehicle dealers, operators and those who plan to import electric vehicles to demonstrate their cars to the ministry. Interested dealers can contact the State Asset Management Department from October 21-29, as specified in an invitation signed by the ministry's office head Mr Somboun Inthapattha. The ministry has requested vehicles that are 100 percent battery operated and use lithium ion batteries that comply with the international standards UNECE R100 and R136 and are factory-certified. Dealers must guarantee the quality of their products, be able to provide spare parts, and offer after sales service. Following demonstrations by dealers, the ministry will open competitive bidding for the purchase of electric cars for allocation to leaders. Prime Minister Phankham Viphavanh told the National Assembly in August that cutting spending on vehicles was one of his administration's top priorities in fulfilling the national austerity policy. Earlier this month, the government issued a resolution on its policy to promote the use of electric vehicles, aiming to increase the number in use in

Laos to 1 percent by 2025 and over 30 percent by 2030. The resolution signed by Prime Minister Phankham underscored the government's intention to cut imports of fuel-inefficient cars and promote the use of electricity as well as reduce pressure on the government to obtain the necessary foreign currency to import fuel. In August, the price of petrol vehicles and fuel rose by 6.25 percent and 22.11 percent year-on-year respectively, according to the Lao Statistics Bureau. In 2016, Laos imported almost 2,000 million litres of fuel, worth more than US\$1 billion, with the cost shooting up to nearly US\$2 billion last year. According to a CNBC report, the US oil benchmark has topped US\$80 per barrel for the first time since November 2014 as demand rebounds while supply remains tight. This has forced Laos to restructure petrol prices twice this month in line with changing prices on the global market.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent_Govt_to_buy_209.php

Dried ribbonfish marketable in

Kyaukpyu



Myanmar News | 25 October, 2021

Dried ribbonfish in Kyaukphyu Township, Rakhine State, is attracting a large number of buyers and is sold very well, according to a dried fish trader. "We have to buy these fish from the trawlers. At the moment, only the dried ribbonfish is in demand," said U Khin Zaw who is in the fishing business. A viss

of dried ribbonfish is sold for 4,500 kyats from the fishing trawlers and the fish is resold at 5,000 kyats per viss. In addition to the distribution in the markets in Kyaukpyu Township, these fish are also sold in MyaukU, Kyauktaw, Minbya, An, Tattaung and Yanbye towns in Rakhine State, he added. The trader also said he still can't distribute the dried ribbonfish to big cities such as Yangon, Nay Pyi Taw and Mandalay, and abroad due to the lack of contacts. Ribbonfish is a kind of sea fish and is also locally known as dried Ngathaywe in Rakhine State. It is used to make a fish paste and the dried one is cooked as a delicious dish by grilling or frying or making as a salad, as well as it is also eaten with traditional Myanmar breakfast such as hot sticky rice.—Tin Tun Oo (IPRD)/GNLM

Source: <https://www.gnlm.com.mm/dried-ribbonfish-marketable-in-kyaukpyu/#article-title>

VN's electronics industry continues to grow despite COVID-19



Vietnam News | 25 October, 2021

HÀ NỘI — Việt Nam's electronics industry, an increasingly important sector of the country's economy, continues to grow despite the negative impact of the COVID-19 pandemic, according to the Ministry of Industry and Trade (MoIT). Amid the pandemic, the sector brought home US\$77.58 billion over the past nine months of 2021, statistics from the General Department of Customs showed. Of this, the export of handsets and components contributed \$41.02 billion, up 11.5 per cent year-on-year. Among

major export markets were China with a turnover of \$9.8 billion, up 52 per cent, the US with a value of \$7.09 billion, up 1.1 per cent and the EU with \$5.56 billion, down 18 per cent. Meanwhile, the export value of electronics, computers and components topped \$36.56 billion, surging 13.6 per cent over the same period of last year with \$9.3 billion from exports to the US, up 26.5 per cent; \$7.8 billion from China, down 6.2 per cent and \$4.63 billion from the EU, up 7 per cent. As these positive nine-month figures show, the electronics industry was well on track to earn the country between \$97 billion and \$100 billion by the end of this year, compared to a turnover of \$91.98 billion in 2020, **ĐỖ Thị Thuỳ Hương**, Executive Board Member of Vietnam Electronics Industries Association (VEIA) told **Việt Nam News**. **Hương** said the electronics industry posted the highest import-export turnover in the past 10 years. It also took the lead in export turnover among processing and manufacturing industries and accounts for 30-40 per cent of national GDP in the period. Despite the challenges brought by the COVID-19 pandemic, the industry still showed positive signs over the nine-month period, **Hương** said. She attributed the industry's export turnover growth in the period to an increase in demand for communication products used for distance working and learning such as mobile phones, computers, TVs and devices. A number of companies that produced computer and electronics products in other countries were forced to close down due to the

impacts of the virus. That led to local manufacturers winning more contracts, she said. However, it could not be denied that the fourth wave of COVID-19 had impacted electronics companies, especially those in the south and two northern provinces of Bắc Giang and Bắc Ninh, Hương told Việt Nam News. She said her association would continue to support electronics enterprises in both ensuring COVID-19 prevention and resuming their business operation. Earlier in August, electronics businesses had sent eight recommendations to Prime Minister Phạm Minh Chính. They emphasised the importance of vaccinating employees of electronics enterprises as soon as possible. Businesses petitioned the State to allow them to proactively draw up solutions to ensure safe production during the pandemic and then register to these solutions with local authorities, instead of rigidly applying "three-on-the-spot" and "one road two places" models. They also suggested the Government direct local governments and health departments to unify medical guidelines on pandemic prevention. That would help promptly separate F0 cases from businesses so that they could continue their production activities. Meanwhile, the firms also petitioned a 50 per cent reduction for all types of tax such as value-added tax, corporate income tax, import tax and personal income for employees, and a tax payment extension of between six to 12 months. It has also been suggested that land rental fees, a burden on businesses, be slashed by 50 per cent with the

payment period extended by 12 months. In its report, Fitch Solutions predicted that Việt Nam's consumer electronics industry would accelerate in 2021 on the back of a recovery in consumer sentiment that occurs with the rollout of COVID-19 vaccines. The industry will continue to grow through a combination of purchasing power and demographic and economic modernisation that gave Việt Nam a strong regional outlook, with vendors set to tap into an expanding middle class and flow of first-time buyers. — VNS

Source: <https://vietnamnews.vn/economy/1065358/vns-electronics-industry-continues-to-grow-despite-covid-19.html>

More than 85.7% of enterprises in HCM City hit by COVID-19



Vietnam News | 25 October, 2021

VOV.VN - Over 85.7% of surveyed firms in Ho Chi Minh City have been adversely impacted by COVID-19 in the third quarter of the year, according to details given by the municipal Centre of Forecasting Manpower Needs and Labor Market Information (FALMI). A survey conducted by the FALMI of 11,502 local companies indicates that wholesale-retail and vehicle repair were the main sectors hit hardest by the pandemic, thereby accounting for 36.74% of those affected, following by manufacturing and processing at 16.42%. Furthermore, information and telecommunications was the sector least impacted by the pandemic, thereby accounting for just 3.69%, according to the FALMI. Approximately 42.7% of

respondents stated they were struggling to find customers or to distribute their products. In addition, 27.15% found it challenging to access funding, 18.23% believed the provision of support policies were not timely enough, and 11.92% said they faced a shortage of input materials. The FALMI also reported that among over 251,000 workers surveyed, a total of 51.62% have been hurt by the negative impact of the pandemic. Of those affected, 48.18% said they had their working hours reduced, whilst 32.21% lost jobs, 8.2% had their contracts suspended, 7.45% took partly paid leave, and 3.96% took unpaid leave. Over 39% of questioned enterprises said that they plan to reduce the number of employees moving into the final months of the year. This comes following the latest COVID-19 resurgence forcing Ho Chi Minh City to impose strict social distancing restrictions under Directive 16 in early July, thereby causing local businesses to halt their operations or scale down production.

Source: [https://english.vov.vn/en/economy/more-than-857-of-enterprises-in-hcm-city-hit-by-covid-19-](https://english.vov.vn/en/economy/more-than-857-of-enterprises-in-hcm-city-hit-by-covid-19-900306.vov)

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