

Highlight News / October 27/2021



- Commerce Minister signs free trade agreement with South Korea
- Cambodia plans the inaugural issuance of \$300 million sovereign bonds of \$300 million next year
- Asean Summits open with Covid response dominating discussion
- Domestic rice price falls slightly
- Vietnamese trade with Asia reaches over US\$313 billion in nine months
- National economy under inflationary pressure



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Commerce Minister signs free trade agreement with South Korea



Cambodia News | 26 October, 2021

Cambodia and South Korea have signed a free trade agreement (FTA), cutting import tariffs by more than 90 percent. Commerce Minister Pan Sorasak inked the deal with South Korean Trade Minister Yeo Han-koo in a virtual ceremony on Tuesday. Under the deal, initially agreed in February, Cambodia will lift tariffs on 93.8 percent of products and South Korea will remove them on 95.6 percent of imports from the Kingdom. The Commerce Ministry said the FTA will create a wider market for Cambodia's products. It said the agreement will enter into force 60 days after both sides inform each other of the completion of internal ratification procedures. In the year through September Cambodia's exports to South Korea rose 5.2 percent to \$259.1 million according to the Korea International Trade Association. Imports were worth \$461.4 million, a year-on-year increase of 13.4 percent. Last year bilateral trade fell 18 percent by value to \$885 million because of the impact of the Coronavirus pandemic Cambodia imports vehicles, electronics, kitchen appliances, beverages, pharmaceuticals and plastics from South Korea. It exports garments, textiles, footwear, electronics and auto parts. This is Cambodia's second FTA, after it ratified a deal with China in September.

Source : <https://www.khmertimeskh.com/50959287>

[/commerce-minister-signs-free-trade-agreement-with-south-korea/](https://www.khmertimeskh.com/50959287/commerce-minister-signs-free-trade-agreement-with-south-korea/)

Cambodia plans the inaugural issuance of \$300 million sovereign bonds of \$300 million next year



Cambodia News | 26 October, 2021

The Royal Government of Cambodia plans to issue the first \$300 million worth sovereign bond to raise fund to finance public investment projects, aiming at boosting the country's economic growth and productivity. The Ministry of Economy and Finance released the executive summary of the Draft Law on Financial Management for 2022, approved in the cabinet meeting held here last Friday under the chairmanship of Prime Minister Hun Sen. The sovereign bond issuance is part of a reduction in foreign loans, with the government's focus on mobilising financial sources domestically. The fund from sovereign bond will add to concessional loans from development partners for 2022 of SDR 1.6 billion, or some \$2.2 billion, to support about 35 public investment projects related to energy, irrigation, physical infrastructure and other prioritised sectors. The ministry stated that the issuance of sovereign bond and the above-mentioned loan will not create a debt burden on Cambodia. The situation of Cambodia's public debt remains at low risk as key debt indicators is well below the respective indicative thresholds. Chea Vannak – AKP

Source : <https://www.khmertimeskh.com/50958999>

[/cambodia-plans-the-inaugural-issuance-of-300-million-sovereign-bonds-of-300-million-next-year/](https://www.khmertimeskh.com/50958999/cambodia-plans-the-inaugural-issuance-of-300-million-sovereign-bonds-of-300-million-next-year/)

Asean Summits open with Covid response dominating discussion



Laos News | 27 October, 2021

The 38th and 39th Summits of the Association of Southeast Asian Nations (Asean) opened on October 26 with discussion focussed on joint efforts to contain the Covid-19 outbreak, among other issues. The summits and their related meetings took place online and under the chairmanship of Brunei, which is the Asean Chair for 2021. Prime Minister Phankham Viphavanh led the Lao delegation attending the summits under the theme “We care, we prepare, we prosper”. At the 38th Summit, Asean leaders reviewed and highly valued the progress made on Asean community building despite member states contending with outbreaks of Covid-19. The leaders discussed joint efforts to respond to the pandemic. They noted the establishment of health centres and the Covid-19 response fund as well as the establishment of an emergency and natural disaster response fund. Laos has contributed US\$100,000 to the Asean Covid-19 response fund and another US\$50,000 in humanitarian aid for Myanmar via the Asean Coordinating Centre for Humanitarian Assistance on Disaster Management. The region’s leaders also discussed exchange visits by people within the region as well as a travel cooperation framework within Asean amid the pandemic. PM Phankham, on behalf of the Lao government, expressed heartfelt gratitude to Asean member countries for the valuable support and

assistance extended to help Laos deal with the Covid-19 outbreak. The prime minister called for further cooperation among Asean member countries in the fight against the pandemic. Strengthened cooperation in the fields of regional connectivity and supply chains was also tabled for discussion. The meeting noted that initial preparations had begun for the drafting of a post-2025 Asean community vision. The 38th Summit adopted several documents including initiatives on strengthening Asean’s synergy in response to natural disasters and on promoting multilateralism and blue sea economic cooperation. At the 39th Summit, Asean leaders reviewed cooperation between Asean and its dialogue partners, and noted the important role played by Asean in the regional and international arenas. PM Phankham underlined the importance of Asean centrality, consensus and solidarity when it comes to Asean relations with outsiders. The leaders also discussed other regional and international issues of mutual interest. Asean leaders also attended summits with Asean dialogue partners - the 22nd Asean-R. Korea Summit, the 24th Asean-China Summit, and the 9th Asean-USA Summit. The Asean leaders and their dialogue partners highly valued their cooperation and pledged further collaboration, notably in the fight against Covid-19.

Source : https://www.vientianetimes.org.la/freeContent/FreeConten_Asean_210_21.php

Domestic rice price falls slightly



Myanmar News | 26 October, 2021

According to the Myanmar Rice Federation (MRF), the price of domestic consumption high quality and low-quality rice has fallen slightly. During these days, the high-quality Pawsan was priced at K47,000 per bag, whereas the price dropped to K 46,000 per bag, right now. Similarly, the price of rice for Kyarpyan moved in the range of K49,000-K50,000 per bag, but the price declined to K47,500-K48,000 per bag. Likewise, the low-quality rice price was set at K26,500 per bag in earlier days, it has dropped to K25,000 per bag presently. The 90 days rice was being traded for K31,000 per bag earlier. Now, it is priced at only K30,000 per bag. The decrease in the domestic price of rice is likely due to less demand for rice, said U Zaw Khaing, CEC of the Myanmar Rice Federation. This scheme is implemented by MRF, Myanmar Rice and Paddy Traders Association, rice wholesale centre (Wahdan) , traders and brokers, with a view to offering the rice at a fairer price starting from 14 September 2021. About 5,000 108- pound rice bags have been sold as of 20 October 2021. Ayeyawady Pawsan, Shwebo Pawsan, Pawkywel, short matured rice varieties (90 days) and sticky rice are being sold at a cheaper price between K23,500 and K54,000 per bag. About one to five 108- pounds bags can be individually purchased. Those who want to buy them can come and buy at the Wahdan rice wholesale centre located at No 100 between Lanthit and Wahdan

Street, Port Compound, Lanmadaw Township, Yangon through the contact numbers (09421167474 and 01218266-68) of the centre. — NN/GNLM

Source : <https://www.gnlm.com.mm/domestic-rice-price-falls-slightly/#article-title>

Vietnamese trade with Asia reaches over US\$313 billion in nine months



Vietnam News | 26 October, 2021

VOV.VN - Asia remains an important trade partner for Vietnam, with the total import- export turnover soaring by 25. 7% year on year to reach over US\$313 billion during the opening nine months of the year despite challenges caused by COVID-19, according to the General Department of Vietnam Customs. Vietnam exported goods worth US\$115.03 billion, a rise of 14% , while its imports soared by 32. 7% to US\$197. 77 billion, resulting in a trade deficit of more than US\$82 billion. The country's key export items to markets throughout the region include phones and components, computers, electronic products and components, iron and steel, raw materials for garments and textile, leather and footwear, machinery, equipment, tools and spare parts. China is Vietnam's largest trading partner in Asia, with their two-way trade reaching US\$119. 5 billion in nine months. It was followed by the Republic of Korea with US\$56.39 billion, ASEAN with US\$50. 97 billion, and Japan with US\$30. 91 billion. Since the beginning of the year, Vietnam has recorded a huge trade deficit with all markets in the

Asian region as it heavily relies on raw materials imports for the electronics, garment and textile and footwear industries, as well as for machinery manufacturing. Most notably, the country racked up a large deficit of US\$1.57 billion with Japan during the reviewed period.

Source : <https://english.vov.vn/en/economy/vietnamese-trade-with-asia-reaches-over-us313-billion-in-nine-months-900573.vov>

National economy under inflationary pressure



Vietnam News | 26 October, 2021

VOV.VN - Inflation has been kept at a low rate in Vietnam since the beginning of the year, although pressure is starting to build up moving into the remaining months of the year and early 2022, according to economists. The General Statistics Office (GSO) reports that the opening nine months of the year saw average inflation rise by 0.88% year-on-year due to a poor purchasing power caused by the impact of the COVID-19 pandemic. This figure is rather low, making it easier for the country to rein in inflation this year. Dr. Nguyen Duc Do, deputy head of the Finance-Economic Institute, forecasts that this year's inflation is likely to hover at around 2%, with the current rise in food prices coming as a result of supply chain disruption not lasting long. "When the pandemic is completely controlled, food prices will drop again," explains Do. "Generally, COVID-19 causes people's incomes to decrease, and when the

purchasing power is low, prices are unable to soar sharply," Dr. Do explained. "For some materials, their prices may increase sharply, but the proportion of these products in the consumer price index (CPI) basket is not large. For instance, steel prices have increased sharply in recent times, but steel is part of a group of housing, electricity, water, fuel and construction materials that account for less than 20% of the currency basket," he analyses. In contrast, other experts warn there remain factors that are set to fuel inflation in the remaining months of the year and into the start of 2022. Dr. Pham The Anh of Hanoi-based National Economics University, says the low CPI rate mirrors the true nature of the ailing economy which has been hit hard by COVID-19, although it will be a different story when the nation moves to fully reopen its economy. "When the economy opens up and market demand increases again, inflationary pressure will rise considerably, especially given the current monetary context," says the economic expert. "Deposit interest rates are low, there is almost no demand for production loans, and banks are also finding it difficult to mobilise capital. Meanwhile, huge amounts of money have been poured into the stock and real estate markets. The property bubble has already happened, prompting housing prices to increase double or triple in the past year. Therefore, room for the monetary policy is very narrow," analyses Dr. Anh. Sharing Dr. Anh's view, Dr. Nguyen

Duc Thanh, director of the Vietnam Institute for Economic and Policy Research, says that production costs will also start to pick up very strongly ahead in the coming months, with this taking time to incorporate rising costs into product prices. According to the expert, commodities prices are currently starting to rise, although the purchasing power is not much, meaning that it is possible the country falls into a mixed situation of both inflation and stagnation. “Vietnam needs bailout packages to support post-pandemic economic recovery, but monetary policies should be implemented in a flexible way so as not to pressure inflation,” Dr. Thanh suggests.

Source : <https://english.vov.vn/en/economy/national-economy-under-inflationary-pressure-900562.vov>
