

Highlight News / November 02, 2021



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

Cambodia's current international reserves are about \$21 billion



Cambodia News | 01 November, 2021

Cambodia's international reserves are about \$21 billion, which is higher than the minimum level that developing countries are mandated to possess, the National Bank of Cambodia said. At the World Bank's annual Forum on the Reserve Management and Advisory Partnership (RAMP), the National Bank of Cambodia (NBC) recently stated that it has good cooperation with the World Bank, including management of international reserves. The World Bank also provides technical assistance and capacity building to National Bank of Cambodia officials. The National Bank of Cambodia has also focused on climate change by investing some of its reserves in areas that take into account environmental, social and governance (ESG) and incorporating ESG into its investment guidelines. Regarding the use of financial technology, the National Bank of Cambodia has supported the development of modern payment systems and launched the Bakong payment system using Blockchain technology as a payment system to improve the financial environment, transparency, accountability and interoperability to facilitate both local payments and regional integration. In August 2021, foreign exchange reserves for Cambodia was \$20.1 billion. Though Cambodia's foreign exchange reserves fluctuated substantially in recent months, it tended to decrease through September 2020 –

August 2021 period ending at \$20.1 billion in August 2021, according to Knoema.com. Reserve Requirement is one of the monetary policy instruments used by the National Bank of Cambodia in order to control the speed of credit growth. Currently, the reserve requirement rate for foreign currency (esp. USD) and local currency have been treated differently. The reserve requirement rate in foreign currency and domestic currency are set at 12.5 percent and 8 percent, respectively. The National Bank of Cambodia has offered interest rates on the 4.5 percent of reserve requirement in foreign currency, while the remaining 8 percent is not offered interest. No interest is offered to the reserve requirement in riel.

Source:<https://www.khmertimeskh.com/50962529/cambodias-current-international-reserves-are-about-21-billion/>

Cambodia exports over 460,000 tonnes of milled rice in 10 months



Cambodia News | 01 November, 2021

Cambodia exported some 460,169 tonnes of milled rice in January-October this year, netting \$393 million, according to figures from the Ministry of Agriculture, Forestry, and Fisheries (MAFF). The total milled rice export decreased by 14 percent compared to the same period last year. China remains the top market for Cambodian rice importing some 230,000 tonnes, followed by EU countries and ASEAN nations with 115,000 tonnes and 43,000

tonnes, respectively. Some 70,000 tonnes others were shipped to other destinations including Australia and countries in Africa. Of the total exports, fragrant rice accounted about 71 percent or some 327,000 tonnes. MAFF Minister Veng Sakhon explained the decreasing amount of milled rice export largely by doubling in transport fees and shortage of containers for shipping the commodity in the light of Covid-19 pandemic. In the January-October, Cambodia exported more than 6.3 million tonnes of agricultural products, mainly milled rice, paddy rice, mangoes, banana, pomelos, pepper, and other products to 68 countries. This netted over \$4 billion, 87.5 percent increase compared to the same period last year. Chea Vannak – AKP

Source:<https://www.khmertimeskh.com/50962463/cambodia-exports-over-460000-tonnes-of-milled-rice-in-10-months/>

Prepare to reopen the country, PM tells National Assembly



Laos News | 2 November, 2021

Addressing the opening of the National Assembly on Monday, Prime Minister Phankham Viphavanh told members that Laos needs to consider the steps to take to reopen the country, including the start of services on the Laos-China railway. The NA's 9th legislature began its second ordinary session with a debate on ways to deal with the Covid-19 outbreak and revitalise the economy, which has been severely impacted by the pandemic. Assembly President Dr

Xaysomphone Phomvihane declared the session open and gave the floor to Prime Minister Phankham Viphavanh to outline the socio-economic development plan for 2022, which seeks to address the country's financial and economic difficulties. Among those attending the opening session were Party Secretary General and President Thongloun Sisoulith and other senior state and Party leaders. In his address, PM Phankham said the government needs to set out a strategic plan on comprehensive preparations to open up the country, including the start of railway services. Laos and China have agreed to inaugurate the Laos-China railway on December 2. International experts say the Covid-19 pandemic is likely to continue and that more potent variants of the virus could develop. This makes it essential to immunise as many people as possible. The government expects to vaccinate at least 70 percent of the adult population by the end of 2021 – a figure that exceeds the original target of 50 percent. So far, more than 3.28 million people have received a first dose of a Covid-19 vaccine, accounting for 44.78 percent of the total, while more than 2.8 million people or 38.38 percent are now fully vaccinated. Outlining the main features of the 2022 development plan, PM Phankham said his administration would continue to promote local and foreign private investment in order to finance large-scale projects such as expressways, trade centres,

industrial parks, tourist attractions and hotels. The premier promised to make breakthroughs in the development of a digital economy and do more to promote commercial-scale production and services, as well as bolster exports and imports. The prime minister again pledged to take action to reform state enterprises, saying that most operate inefficiently. Over past years, every government administration has invested heavily in state enterprises, hoping they would become a main source of revenue and key drivers of the economy. “In fact, most state enterprises have performed poorly. Some [enterprises] have accumulated enormous debts, placing an added burden on the government,” the premier said. He added that the reform of state enterprises was “an important and urgent task”. The PM promised that the government would accelerate modernisation of the revenue collection system in order to maximise revenue collection and prevent the loss of money owed to the state. The government also pledged to streamline the registration of businesses to make the system more efficient. In addition, PM Phankham told the Assembly that a taskforce had been formed to address public debt and create a debt payment plan until 2025. He underlined the need to address currency value fluctuations, which have arisen due to chronic budget and trade deficits, high level of debt, limited reserves, a lack of liquidity among local banks, and

imbalances in the demand and supply of currency. The government projects a 3 percent growth in gross domestic product – less than the target of 4 percent previously approved by the National Assembly. The ongoing Assembly session will continue until November 17. Issues tabled for debate included the progress made in fulfilling the socio-economic development and budget plans for 2021, and plans for 2022. Reports on plans for hydropower development from 2021-30 and development plans for the hydroelectricity and mining sectors from 2021-2025 are also scheduled for presentation. The government will also deliver its 20-year Vision (2021-2040), 10-year Strategy (2021-2030) and national digital economic development plan for 2021-2025. Amendments to seven laws — on government, state budget, enactment of legislation, judgment enforcement, tobacco control, telecommunications, and national heritage will be debated. Four draft laws — on land vehicles, surveying and mapping, national borders, and high-tech development will also be debated and approved by Assembly members.

Source:https://www.vientianetimes.org.la/freeContent/FreeContent_Prepate_214.php

Myanmar foreign trade down by \$263 mln this FY



Myanmar News | 01 November, 2021

MYANMAR's external trade as of 22 October in the current mini-budget year 2021-2022 (Oct-March) sank to US\$1.4 billion, which shows a drastic drop of \$263 million as against the year-ago period, the Ministry of Commerce's data showed. The international trade stood at over \$1.66 billion in the corresponding period of last FY 2020-2021, according to data released by the ministry. This month, Myanmar's export was worth over \$697 million whereas, the country's import was relatively low at \$703.68 million. The border trade dropped owing to the closure of border post by the main trade partner China amid the coronavirus impacts. However, the maritime trade was registered an increase of \$115 million. At the present time, the traders have transaction problem triggered by the restriction of the private banks. Myanmar exports agricultural products, animal products, minerals, forest products, and finished industrial goods, while it imports capital goods, raw industrial materials, and consumer goods. The country's export sector relies more on the agricultural and manufacturing sectors. The Ministry of Commerce is focusing on reducing trade deficit, export promotion and market diversification. The external trade stood at \$29.58 billion in the 2020-2021 FY, as per the Commerce Ministry's statistics.—KK/GNLM

Source: <https://www.gnlm.com.mm/myanmar-foreign-trade-down-by-263-mln-this-fy/#article-title>

Number of businesses resuming operations in October up 29.8 percent



Vietnam News | 01 November, 2021

Hanoi (VNA) – A total of 4,304 companies resumed their operations in October, up 29.8 percent against September, and down 14.7 percent year-on-year, according to the General Statistics Office. In the month, Vietnam saw 8,233 new enterprises established, with a total registered capital of 108.6 trillion VND (4.77 billion USD) and 58,800 labourers, up 111.2 percent in quantity, 73.9 percent in capital, and 17.9 percent in the number of employees compared to those of September. However, the figures were still down 32.5 percent in quantity, 34.4 percent in capital, and 18.8 percent in the number of labourers compared to those of the same period last year. In October, 3,492 firms suspended operations, up 55.9 percent month-on-month; 3,048 stopped operation pending completing dissolution procedures, up 21.5 percent; and 806 units completed dissolution procedures, up 33 percent. In the first ten months of 2021, 93,700 new companies were set up, with a combined capital of nearly 1.3 quadrillion VND and 707,700 employees, down 15.7 percent in the number of firms, 18.2 percent in capital and 16.8 percent in the number of labourers year-on-year. In the period, 35,300 firms resumed

operations, down 6.3 percent year-on-year. Meanwhile, 48,500 companies temporarily ceased operation for fixed period; 35,000 others stopped operation awaiting to complete dissolution procedures; and 13,600 firms dissolved, up 16 percent, 15.7 percent and 0.8 percent year-on-year, respectively. To help businesses overcome difficulties, the Government issued Decree No. 92/2021/ND-CP dated October 27 detailing the implementation of Resolution No. 406/NQ-UBTVQH15 of the National Assembly Standing Committee on solutions to support businesses and people affected by the COVID-19 pandemic. The decree outlines four groups of tax exemption and reduction measures, including reducing corporate income tax payable in 2021 for businesses, organisations with a revenue of no more than 200 billion VND and a decrease in revenue in 2021 compared to 2019; tax exemption (personal income tax, value-added tax and other taxes) in the third and fourth quarters of 2021 for business households and individuals that have production and business activities in district-level localities affected by the pandemic in 2021; reductions in value-added tax rates for groups of goods and services in various industries; and exempting late payment interest arising in the 2020 and 2021 for businesses and organisations that saw losses in 2020./

Source: <https://en.vietnamplus.vn/number-of-businesses-resuming-operations-in-october-up-298-percent/211683.vnp>

Time for Vietnam to resume international commercial flights



Vietnam News | 01 November, 2021

VOV.VN - Vietnam is considering reopening its skies to air travel and trade exchanges with other countries as it is shifting its COVID-19 strategy to living safely with and effectively controlling the virus. The country has closed its skies to air travel in order to prevent the spread of the SARS-CoV-2 virus since April 2020. Now it is the right time for it to resume international flights in a bid to boost trade exchanges and air travel as the virus is being gradually brought under control. In addition, the country is shifting from its 'Zero COVID' strategy to 'adapting flexibly to and living safely as well as effectively controlling COVID-19'. Several days ago, Deputy Prime Minister Pham Binh Minh agreed in principle to the resumption of regular inbound and outbound flights between Vietnam and other countries with a high safety level. The Ministry of Transport is therefore scheduled to submit a detailed plan regarding the matter to the Prime Minister before November 5. Last week saw the Civil Aviation Authority of Vietnam (CAAV) propose that the Ministry of Transport consider the gradual reopening of regular international commercial flights in four stages, with first flights starting ahead in the fourth quarter of this year. Indeed, a number of countries such as Russia and Singapore have expressed a strong desire to resume commercial flights to Vietnam in order to promote tourism and investment cooperation. Most

recently Asiana Airlines of the Republic of Korea signed a tripartite agreement with the administration of Phu Quoc City and Phu Quoc Air Terminal to conduct flights to Vietnam and vice versa. One of the main obstacles to the reopening of the skies to air travel is the recognition of vaccine passports between Vietnam and other countries. However, this problem has largely been resolved due to the vaccination coverage in many places, even in Vietnam, increasing. Recently, the Vietnamese Government announced that it has agreed to temporarily recognise vaccine passports from 72 countries and territories globally. Furthermore, September saw Vietnam receive four flights bringing vaccinated passengers from France, the United States, and Japan on a trial basis. All of these flights were conducted in a safe manner, with passengers undergoing a home quarantine for just seven days as opposed to a period of 14 days. Dang Anh Tuan, head of Communication Department of Vietnam Airlines, says the national flag carrier still operates regular outbound flights to countries such as Australia, Japan, and the Republic of Korea, but has yet to launch inbound flights. In his opinion, Vietnam is at risk of losing out to regional rivals unless it resumes international commercial flights soon. "Several regional countries such as Singapore and Thailand has reopened their borders, and if we are still slow in this process, we will lose all competitive advantages, not only in the field of tourism but also post-pandemic investment opportunities," emphasises Tuan. According to Tuan,

Vietnam should prioritise destinations such as Japan, Australia, the Republic of Korea, and Taiwan (China) that have been able to control the epidemic in a competent way. In addition, these countries represent major Vietnamese tourism and investment markets. A representative of a local airline stated that if the plan is granted approval by the Government, a regular flight schedule should be announced early in order to give all foreigners time to prepare their plans. "The reopening of regular international flights will convince investors and tourists that Vietnam is ready to open its skies, integrate and live safely with COVID-19," stresses the representative.

Source: [https://english.vov.vn/en/economy/time-for-vietnam-to-resume-international-commercial-flights-](https://english.vov.vn/en/economy/time-for-vietnam-to-resume-international-commercial-flights-901972.vov)

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