

Highlight News / November 03/2021



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Q3 exports to China see 52% increase in value



Cambodia News | 2 November, 2021

Cambodia's goods export to China saw a significant increase in value as the Kingdom expects to see trade growth with the world's second biggest economy in years to come. The goods export to China was valued over \$1.1 billion in the third quarter this year, a year-on-year increase of 52.74 percent, figures from the Ministry of Commerce stated. Cambodia imported \$6.8 billion worth of goods from China, a 36.32 percent increase compared to the same period last year. This made the bilateral trade at \$7.9 billion, a year-on-year increase of 38.36 percent. The two countries reached a bilateral free trade agreement, which the Cambodian government ratified recently. The trade pact is to open more markets for Cambodia's products, mainly agricultural products to China, said government officials and key insiders. Lim Heng, vice-president of the Cambodia Chamber of Commerce, said yesterday that bilateral trade amount will increase further, and more products from Cambodia exported to China will increase expectedly. "With the bilateral trade, Cambodia expects to have more investments from China. This will make Cambodia one of the distribution centres of products in Asean invested by Chinese investors," Heng said. The main products Cambodia exports to China's market are milled rice, cassava, fresh mango, and banana, while imports of raw materials for garment production chains,

building materials, vehicles etc. The Ministry of Commerce's spokesman Pen Sovicheat said currently more agricultural products are in lists that the Chinese side is checking on the standard of sanitary and phytosanitary. "More products from Cambodia have entered foreign markets and to the China market. Cambodia's products have earned support," he said. "China is working to recognise the standard of sanitary and phytosanitary to allow designed potential products to be shipped to China." Cambodia and China are committed to increasing bilateral trade to \$10 billion by 2023, from \$8.1 billion last year. That was down by 5.2 percent from 2019, according to a ministry report. Bilateral trade in 2020 fell 5.2 percent from the year before to just over \$8 billion. Last year, Cambodian imports from China dropped nearly 7 percent as lockdowns forced the closure of the Kingdom's garment factories.

Source : <https://www.khmertimeskh.com/50963082/q3-exports-to-china-see-52-increase-in-value/>

Cambodia's agricultural exports up over 47 percent in first 10 months



Cambodia News | 2 November, 2021

Some 4,221,153 tonnes of agricultural products, besides milled rice and paddy rice, have been exported to foreign markets during the first ten months of this year, despite the global COVID-19 crisis. The figure represents an increase by 47.72 percent compared to the same period in 2020, pointed out a recent report from the Ministry of

Agriculture, Forestry, and Fisheries. According to the report, the exported agricultural products included cassava, cashew nuts, corn, fresh banana, pomelos, mangos, pepper, chili, and so on. While the export of corn, tobacco, and mixed vegetables saw a decline, that of pomelos, mango products (fresh, jam, syrup), cashew nuts, beans, soybeans, and pepper increased sharply, between 120 and over 400 percent, it underlined. In brief, the report said, from January to October Cambodia exported almost 84 types of agriculture products, apart from milled rice and paddy rice, to different countries around the world, generating an estimated income of about \$2.833 billion.

Source : <https://www.khmertimeskh.com/50963305/cambodias-agricultural-exports-up-over-47-percent-in-first-10-months/>

Govt eyes 2,000 billion kip from bitcoin mining



Laos News | 2 November, 2021

The government expects to earn 2,000 billion kip in revenue from bitcoin mining - the first time such revenue would be earned from the mining and trade of the digital currency. This new revenue source would contribute to the 28,963 billion kip in total domestic revenue projected for 2022, Minister of Finance Bounchom Ubonpaseuth told the second ordinary session of the National Assembly (NA)'s 9th legislature on Monday. Presenting the 2022 draft budget plan to the session, the minister said the new source of revenue would increase the projected

revenue for 2022 by 20 percent compared to the target for 2021. The expected revenue from the digital currency comes after the government recently gave the green light to six companies to trial a programme to mine and trade cryptocurrency in Laos, including Bitcoin. The six companies are Wap Data Technology Laos, Phongsouthavy Road & Bridge Construction Co., Ltd., Sisaket Construction Company Limited, Boupoua Road- Bridge Design Survey Co., Ltd., the Joint Development Bank, and the Phousy Group. The Ministry of Technology and Telecommunications has been entrusted to work with the Ministry of Finance, Bank of the Lao PDR, Ministry of Planning and Investment, Ministry of Energy and Mines, Ministry of Public Security, and Electricite du Laos to draft legislation relating to the mining and trading of the cryptocurrency. The projected increase in revenue of 3,754 billion kip (compared to 2021), including 2,000 billion kip earned from the mining of Bitcoin, would enable the government to spend more on priority programmes. These include increasing supporting allowances to cover the living expenses of officials and security force personnel, expenditure on efforts to respond to the Covid-19 outbreak, and the payment of debts. The minister told NA members that domestic revenue accounts for 15 percent of gross domestic product (GDP). In addition, the government expects to receive 2,460 billion kip in foreign grants, accounting for one percent of GDP. The government is projected to spend 34,595 billion kip in total over 2022, including 6,750 billion kip on projects financed

by loans and grants. Total spending is forecast to increase by 3,011 billion kip compared to 2021 and account for 18.14 percent of GDP.

Source : https://www.vientianetimes.org.la/freeContent/FreeConten_Govteyes_215_21.php

KOICA grants US\$13m for upgrade of national road No. 8



Laos News | 3 November, 2021

The Korea International Cooperation Agency (KOICA) Office in Laos and the Ministry of Public Works and Transport on October 21 signed a Record of Discussion on the 'Upgrading 6 Bridges and Road Safety on National Road No. 8 (Asian Highway 15) project'. According to the KOICA Office in Laos, the project will run from 2021 to 2023, for which KOICA will provide grant aid of US\$13 million. The Record of Discussion was signed online by the Acting Country Director of the KOICA Office in Laos, Mr Sangjun Kim, Director General of the Department of Roads, Mr Litta Khattiya, and Director General of the Department of Transport at the Ministry of Public Works and Transport, Mr Bounta Onnavong. National Road No. 8 links Road 13 South in Borikhamxay province to the Laos-Vietnam border over a distance of 132km. From 2016 to 2018, the KOICA office in Laos undertook a feasibility study of the project to upgrade national road No. 8 on the Asian Highway Network (AH15) in cooperation with the Department of Roads, which provided US\$3.5 million. The feasibility study was completed and yielded comprehensively good results. The project aims to

upgrade six bridges to improve their safety to the level of Asian Highway Class II and enhance connectivity between Laos and neighbouring Vietnam and Thailand, as well as connectivity nationwide. It will also strengthen the capacities of government officials in the public works and transport sector through the transfer of Korea's advanced technological skills including bridge maintenance and Road Safety Audit. Director General of the Department of Roads, Mr Litta Khattiya, representing the Ministry of Public Works and Transport, said "I would like to thank KOICA for the financial support through this project. Road No. 8 is a top priority project of the Ministry of Public Works and Transport and connects to Asian Highway 15. The Ministry of Public Works and Transport wants to upgrade this road to Asian standards to link with the Asian Highway network. This will cut the cost of logistics and enhance the safety of road users, especially the women and children who live along Road No. 8." The KOICA Office in Laos believes this project will help improve accessibility to neighbouring countries and solve logistical problems on Road No. 8. Local residents and authorities will benefit from this project through their use of the upgraded road and learning about traffic safety.

Source : https://www.vientianetimes.org.la/freeContent/FreeConten_KOICA_215_21.php

China greenlights import of Myanmar industrial crops



Myanmar News | 2 November, 2021

Chinese authorities from Yunnan Province which is close to Myanmar's Chinshwehaw border in northeastern Shan State gave the go-ahead to four industrial crops from Myanmar, including sugarcane, rubber, tragacanth gum and cotton. Those crops will be conveyed to China once the Ministry of Commerce in Myanmar grants a permit. China shut down all the border posts because of the COVID-19 negative consequences. Only those four items are permitted for import at present, Sai Khin Maung, the executive of Muse- Namkham Border Trade Chamber of Commerce said. Normally, Myanmar exports agricultural products including rice, beans and corns, sugarcane and chilli pepper. The raw CMP materials, electrical appliances and consumer goods are imported into the country. The value of imports through the Chinshwehaw border stood at US\$461.378 million in the financial year 2020-2021, which plunged from \$541.8 million recorded in the FY2019-2020, the Ministry of Commerce's data showed. —KK/GNLM

Source : <https://www.gnlm.com.mm/china-greenlights-import-of-myanmar-industrial-crops/#article-title>

Potato prices up by K1,000 in Sagaing Region



Myanmar News | 2 November, 2021

The price of potatoes in the Sagaing Region has registered an increase of K1,000 per viss (a viss equals 1.6 kg). "This year, the price of the potato remains in the bull market and touched a high of K1,500 per viss. It fetched only K500-600 in the previous year. The prices may vary depending on the size," said a warehouse owner. The cultivation of potatoes costs K800,000-900,000 per acre and an acre produces about 3,500-4,000 visses. Sagaing Region Agriculture Department is primarily focusing on the expansion of sowing acreage, pedigree crops and Good Agricultural Practices. "The number of potato acres are not expanded for now. The potato from Shan State also flows into the region. The potato is stored systematically in the cold storage for the coming growing season," said U Aung Kyi Win, head of the Sagaing Region Agriculture Department. The department stated that about 6,800 acres of potato are projected this cold season in Sagaing Region, covering 2,600 acres in Shwebo District, over 700 in Sagaing District, 650 in Katha District, 80 acres in Kalay District, 830 in Tamu District, 730 each in Mawlaik and Hkamti and over 450 in Naga Self-Administered Zone. Normally, the price of potatoes rises in the monsoon season. This year, potato prices remain in the upward trend. Additionally, tracking the strict restriction measures to contain the COVID-19, the commodity prices fluctuate in the domestic market. Last year, flooding the market with a bulk supply of potatoes resulted in a price drop. Nevertheless, this staple food potato is highly demanded this year amid the COVID-19

consequences, causing the price to rise significantly. There are over 90,000 acres of potato plantations across the country. About 600,000 tonnes are produced yearly. Local potato consumption is estimated at 350,000 tonnes. — Lu Lay, KK/GNLM

Source : <https://www.gnlm.com.mm/potato-prices-up-by-k1000-in-sagaing-region/#article-title>

Vietnam's manufacturing sector returns to growth as pandemic situation improves



Vietnam News | 2 November, 2021

HCMC – An improvement in the public health situation and the subsequent easing of restrictions helped the Vietnamese manufacturing sector return to growth in October, according to the latest report of IHS Markit. Renewed expansions were seen for output, new orders and purchasing activity, while business confidence jumped. On the other hand, employment continued to fall amid widespread reports of workers staying in their hometowns following the latest wave of the Covid-19 pandemic. Price pressures remained acute, with input costs rising at one of the sharpest rates on record amid higher freight charges and raw material shortages. In turn, firms increased their selling prices at a much faster pace than in September. The Vietnam Manufacturing Purchasing Managers' Index (PMI) posted back above the 50.0 no-change mark at 52.1 in October following a reading of 40.2 in September. This signaled a renewed improvement in business conditions across the sector, ending a four-

month decline sequence. A loosening of Covid-19 restrictions led to several firms restarting production in October, while others expanded output in response to higher new orders. As a result, production growth was recorded for the first time in five months. A solid return to growth of new orders was also registered as manufacturers and their customers alike resumed operations. The improvement in the pandemic situation enabled firms to take advantage of increased demand in international markets, posting the first rise in new export orders since May. Business confidence improved markedly in October as the latest wave of the COVID-19 pandemic showed signs of easing. Hopes that the pandemic will remain under control helped optimism reach a 29-month high. Issues around staffing levels remained despite the wider return to growth. Employment continued to fall markedly in October, with several firms indicating that some of their staff had returned to their hometowns during the latest wave of the pandemic and had yet to come back to their place of work. Shortages of labor contributed to a rise in backlogs of work, with higher new orders also adding to capacity pressures. However, the rate of accumulation softened from September's survey record. Input costs increased at the fastest pace since April 2011 and at one of the sharpest rates in the survey's history. Higher freight charges were widely reported, adding to the inflationary pressures caused by raw material shortages. In response to increasing input costs, manufacturers raised their

selling prices at a marked pace that was the fastest in five months. Efforts to guard against likely future price rises encouraged firms to expand their input inventories for the third month running in October. This was facilitated by a solid return to growth of purchasing activity, which increased at a near-record pace. Finally, stocks of finished goods decreased marginally in October. Some firms saw inventories decline as finished products were used to help meet sales, while others noted that renewed production growth helped stabilize stocks. “The improving pandemic situation and subsequent loosening of restrictions helped Vietnamese manufacturers get back to business in October. Apart from being able to ramp up production, firms were also much more confident in the outlook than they have been in recent months,” said Andrew Harker, economics director at IHS Markit.

Source : <https://english.thesaigontimes.vn/vietnams-manufacturing-sector-returns-to-growth-as-pandemic-situation-improves/>

Exports of goods: an important momentum for growth



Vietnam News | 2 November, 2021

The COVID-19 pandemic – a global catastrophe that has swept through most countries in the world – has had a disastrous impact on the entire socio-economic life of mankind. Việt Nam is no exception, but the country’s situation is quite different from the rest of the world. Việt Nam's economic growth rate

reached merely 2.9 per cent in 2020, which was a low level since the country started its **Đổi Mới** (Renewal) process, but still a bright spot as the world economy has been facing a severe recession with a growth rate of -4 per cent. From the end of the third quarter (Q3) of 2020 to Q2 of 2021, Việt Nam's economy recovered clearly with growth rate of 5.6 per cent in the first half of 2021. However, in the third quarter of 2021, the pandemic caused an economic fallout with GDP contracting by 6.2 per cent. Overall, GDP in the first nine months of 2021 only increased by 1.4 per cent and is likely to rise only 2.5-3.0 per cent for the whole year – contradictory to projections of the recovery of the world economy which is forecasted to have a growth rate of about 5-6 per cent. So what was the driving force for the country’s economic growth from Q3/2020 to Q2/2021 and will the economy be able to keep that momentum to catch up with the world economic recovery in the future? Breaking down factors contributing to aggregate demand, we see that in the first six months of 2021, while there was a sharp decrease in consumption and a standstill in investment, the exportation of commodities and services experienced strong growth of 24 per cent. However, in the third quarter of 2021, the COVID-19 outbreak loomed largest, gravely wounding the economy. GDP declined by 6.2 per cent – the biggest drop since Việt Nam began publishing its quarterly GDP.

In that period, final consumption fell by 2.8 per cent but the exports of goods and services still rose by 2.5 per cent. For a more in-depth look, it is necessary to analyse Việt Nam's exports to its main markets. Moreover, Việt Nam is inherently a country that has the advantage of exporting goods, not exporting services – which always has a large deficit compared to services imports. Therefore, it is also necessary to consider the separation of exports of goods and exports of services. In the first six months of 2021, the export of goods reached over US\$157.6 billion, up 28.4 per cent compared to the same period last year. Meanwhile, exports of services in the period posted revenue of \$1.8 billion, plummeting by 68.5 per cent, caused mainly by the tumbling of tourism and transport services. The United States is Việt Nam's largest export market with a turnover of \$44.9 billion, up 42.6 per cent, followed by China (\$24.4 billion, up 24 per cent); EU (\$19.3 billion, up 17.4 per cent); ASEAN market (\$13.8 billion, up 26.0 per cent); South Korea (\$10.5 billion, up 14.7 per cent); and Japan (\$9.9 billion, up 6.9 per cent). It is worth mentioning that the EU-Vietnam Free Trade Agreement (EVFTA), since taking effect in August 2020, has contributed considerably to the exportation of Vietnamese goods. In the whole year of 2020, the export turnover of goods increased by 5.1 per cent despite the fact that it decreased by 11.0 per cent in the first half of

the year. This means that taking advantage of FTAs, especially the EVFTA, has helped boost the growth in goods exports in 2020 and in the first half of 2021. The achievements in exports would have been maintained for the whole year if the country did not have to impose strict lockdowns to deal with the fourth wave of COVID-19. Since the end of April of 2021, like other countries in the world, Việt Nam has faced many difficulties such as the scarcity of raw materials and production inputs, rising prices, and high logistic costs. But a look at the data shows that the decline in economic growth and the components of aggregate demand in the third quarter of 2021 was basically attributable to the internal situation of Việt Nam. The country had been quite successful in fighting three waves of coronavirus outbreaks from the beginning of 2020 to March 2021. But the result was different when the pandemic broke out for the fourth time at the end of April 2021, hitting big cities, and economic and industrial production hubs of Việt Nam such as Bắc Ninh, Bắc Giang, HCM City and the southeast provinces and even Hà Nội. The strict social distancing policy, lasting for many months in epicentres, has created unprecedented difficulties for production and business activities, and has been reflected in the figures of GDP growth as well as export earnings in the third quarter of 2021. Specifically, from July to September 2021, goods exports fetched a turnover of \$83.9 billion,

decreasing by 2.8 per cent year-on-year. Services exports turnover dropped by 10.8 per cent to \$0.9 billion. The United States continued to be Việt Nam's largest export market with a turnover of \$24.9 billion, up only 1.6 per cent. China came second with \$14.1 billion, up 13.7 per cent. EU market ranked third with \$9.9 billion, down 4.4 per cent. And although exports to the US and EU decreased significantly, in the first nine months of 2021, Việt Nam still had a trade surplus with the US and EU. In general, in the first six months of the year, commodity exports still kept pace with the economic recovery of main partners, especially the US, EU and China. Even the domestic business sector has taken advantage of the recovery opportunity. When the pandemic broke out for the fourth time, market flexibility partly helped limit negative impacts of the pandemic on production, business and export of goods. Trade of goods still contributed greatly to the economy's ability to resist the COVID-19's heavy influence. Trade in services is increasingly important to the country. However, dampened exports of services, especially tourism and transport, further widened the trade deficit and hampered economic growth. Controlling the pandemic appropriately and "opening up" the economy are the most important premises to promote exports and growth. Huge opportunities and potential for exports and growth are already there so it is necessary for companies to exert

themselves. However, because businesses, especially domestic ones, have lost their strength due to long social distancing, sufficient and drastic support for them to overcome difficulties in the immediate period and even restructure with future-forward vision is indispensable. Hopefully, we will soon regain the exports momentum to make a strong economic recovery in 2022 and the following years.

— VNS

Source : <https://vietnamnews.vn/economy/1070812/exports-of-goods-an-important-momentum-for-growth.html>
