

Highlight News / December 16/2021



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Gov't spends over \$2.3 bil to ease economic crisis



Cambodia News | 15 December, 2021

The government, during the Covid-19 crisis, had spent more than \$2.3 billion over two years to ease economic burdens. Although the move was a dip into the National Budget, it is still going ahead to implement a policy to restore and promote a pathway to economic recovery growth while living with Covid-19. Ministry of Finance Secretary of State Phan Phalla, at a press conference yesterday at the Office of the Council of Ministers said that Cambodia is seizing the opportunity to open new ways of development while living with Covid-19 and plans to reopen step-by-step to promote economic growth in all sectors and improve the living standards of the people. He added that the four sectors which have been prioritised for rehabilitation were agriculture, tourism, garments and textiles, and manufacturing. "This is a strategic framework and programmes to restore and stimulate Cambodia's Economic growth while living with Covid-19," he said, adding that even after the reopening of the country, announced in November, the Kingdom has continued to implement existing measures and intervention programmes, and will now focus on addressing structural challenges. He added that in order to help some of the sectors affected by Covid-19, the government has continued to use its existing policy tools, including strengthening the implementation of its revenue collection strategy as well as continuing to

invest in improving management efficiency. "By introducing new policy instruments for potential financing in the market, we expect to meet demands. This will lead to the development of new financial instruments that aid the expansion of agricultural productivity. This policy is aligned with the new turning point of the development of Cambodia's financial sector," said Phalla. He added that to encourage financing mechanisms in the private sector, and for the country's economic recovery, the government plans to prepare about \$ 250 million by 2022 for direct loans from the Cambodian Small and Medium Enterprise Bank and the Interest-bearing Rural Development and Agriculture Bank, with targeted low-interest rates for some priority sectors.

Source : <https://www.khmertimeskh.com/50988679/govt-spends-over-2-3-bil-to-ease-economic-crisis/>

Government plans additional \$250 million for SMEs



Cambodia News | 15 December, 2021

The Royal Government plans to provide \$250 million through the Cambodian state-run SME Bank under the co-financing scheme to support the SME sector in Cambodia to have access to financing to further develop their businesses. The fund was unveiled in a press conference on the economy recovery strategy in the new normal held on December 14 at the government's spokesman unit. Phan Phalla, Secretary of State of the Ministry of Economy and Finance, stated that the government already implemented two rounds of the co-financing

scheme, with an amount of more than \$200 million, in which small and medium enterprises in many priority sectors received the budget package for development of their businesses. Under the economic recovery strategy, the government has designed a new budget to help the SMEs in the priority sector, Phalla, who is also Secretary-General of the Committee on Economic and Financial Policy, said. The fund was made after seeing the high demand of financial service for the SMEs in Cambodia to restore business in the Covid-19 pandemic, he said. "Seeing the actual needs in small and medium enterprises, the SME Bank of Cambodia is currently requesting additional funding from the government to continue providing funds in cooperation with partnered banks," Phalla said. "The next phase of the project is planned for an additional \$250 to help affected enterprises to receive the budget to further develop their businesses to compete and supply their goods in the market," he said. The government has already provided two rounds of co-financing to support small and medium enterprises. In the phase of its kind, a budget of \$100 million was disbursed through SME bank to SMEs, starting in April 2020 and completed in October 2020. The second phase has a total budget of \$140 million. There are 26 participating financial institutions in the co-financing project, including 21 commercial banks, 1 specialized bank, and 3 deposit-taking microfinance institutions, and 1 microfinance institution. Small and medium enterprises which are in need of credit can apply for

a loan under the co-financing scheme at any participating financial institution by complying with the terms of the co-financing project and the lending conditions of each participating financial institution.

Source : <https://www.khmertimeskh.com/50988554/government-plans-additional-250-million-for-smes/>

Govt prepares for return of tourists



Laos News | 16 December, 2021

The government is preparing to reopen Laos to visitors, with plans to initially resume tourism activities in selected areas of the country. The matter was discussed on Wednesday at a meeting of the committee in charge of kickstarting tourism, when participants heard and discussed reports on the progress made by public and private bodies to prepare for the return of visitors. The meeting was chaired by Deputy Prime Minister and Chairman of the National Taskforce for Covid-19 Prevention and Control, Prof. Dr Kikeo Khaykhamphithoune, who is also the chairman of the committee. The committee will spell out regulations to ensure efficient management of the return of visitors, including the steps to be taken to build trust among tourists, as well as security measures, which are seen as key to attracting visitors during the Covid-19 pandemic. Prof. Dr Kikeo said "In order to reopen Laos to visitors, close consideration must be given to the actual situation on the ground. We will first consider provinces that have the potential to accept visitors and have been designated as green tourism areas."

However, these areas – namely Vientiane, Luang Prabang province, Vientiane province (Vangvieng) and Champassak province – are all reporting relatively high numbers of Covid cases. This means it is necessary to look into infection prevention and remedial measures in line with the individual circumstances of each of these areas. This will mean opening up selected places for tourism operations, with specific hotels, restaurants and tourist attractions to be spelled out in a list, Prof. Dr Kikeo said. Stakeholders must cooperate with businesses to prepare responsibly and take the lead in providing information for visitors, as well as detailing the procedures for applying for a visa and channels for getting information. Such measures will build confidence among both Lao and foreign travellers about the safety of travel during the Covid-19 outbreak, he added. “Although reopening Laos to tourists will be difficult, under the leadership of the government, I believe we must work together to overcome this crisis and achieve our goals. All sectors, both public and private, must have a shared responsibility to ensure that we succeed,” Prof. Dr Kikeo said. Regulations to ensure the smooth resumption of tourism will require detailed coordination, a unified and resilient plan, readiness to facilitate, a timeline, and zoning, he added. He called on the relevant authorities to make sure that as many people as possible are vaccinated against

Covid-19, especially tourism service providers working in areas of visitor travel and hospitality.

Source : https://www.vientianetimes.org.la/freeContent/FreeConten_Govt246.php

Yuan-Kyat direct trade allowed in Sino-Myanmar border areas



Myanmar News | 15 December, 2021

The use of Yuan or Kyat in the bilateral transaction is officially allowed in the border areas between Myanmar and China in a bid to encourage trade, according to the notification released by the Central Bank of Myanmar on 14 December. In exercise of the power conferred by sections 17 and 22 of the Foreign Exchange Management Law, the CBM released this notification. This move is aimed to boost the bilateral cross-border trade, facilitate the trading and bilateral transaction and increase the use of domestic currency in line with the objectives of ASEAN Financial Integration. Myanmar traders are allowed to open the accounts at the designated banks which can make Yuan-Kyat direct payment. Those designated banks must also strictly adhere to the guidelines of the use of Yuan or Kyat in the direct trade in the cross-border trade. This notification came into effect starting from the notification date, the CBM stated. There are five cross-border posts between Myanmar and China; Muse, Lwejel, Chinshwehaw, Kamapaiti and Kengtung. Of them,

Muse is the major border post, the Ministry of Commerce's statistics showed. Myanmar conducted US\$4.057 billion worth of cross-border trade through Muse posts in the financial year 2020-2021, with exports valued at \$2.9 billion and imports worth \$1.15 billion, the trade data indicated. — NN/GNLM

Source : <https://www.gnlnm.com.mm/yuan-kyat-direct-trade-allowed-in-sino-myanmar-border-areas/>

Thai retail giant continues expansion in Vietnam



Vietnam News | 15 December, 2021

Central Retail set up its latest location in Vietnam in Thai Binh province, thereby following its expansion path set for the next five years. On December 14, Thai Central Retail has launched a new GO! mall in Thai Binh city on two commercial floors with 21,000 square meters and an investment of over \$21.7 million. GO! Thai Binh will offer food, essential household items, utilities, fashion, accessories. Christian Olofsson, president of property at Central Retail said, "It's a significant achievement for us to open this beautiful mall under the current circumstances, and we intend to encourage economic development while also ensuring the safety of all consumers, partners, and employees in the process. Today's opening event exemplifies our commitment to Vietnam's prosperity and the dynamic retail industry."Nikonrdej

Balankura, Ambassador of the Royal Thai Embassy to Vietnam, said that the expansion of GO! reflects the development of the trade and investment ties of Vietnam and Thailand."We believe that GO! Thai Binh will contribute to provincial economic development and improve the quality of Vietnamese lives. This also confirmed the well-developing economic relations between Thailand and Vietnam," said Nikonrdej Balankura.He emphasised that Thai investors are ready to cooperate with promising partners in various business areas, and believes that both countries would grow much stronger together.By launching GO! Thai Binh, Central Retail continues its expansion in the Vietnamese market. In April, Central Retail announced an investment project of \$1.1 billion in the country, aimed at setting up a retail system in all cities and provinces across the country within the next five years. The mall in Thai Binh was the fourth launched this year, following Thai Nguyen, Ba Ria-Vung Tau, and Binh Duong.Despite the pandemic's influence, Vietnam's retail landscape remains promising. According to the General Statistics Office, the total retail sales of social consumer goods in November were estimated at \$17.3 billion, a rise of 6.2 per cent on-month, mainly due to the recovering purchasing capacity of locals.

Source : <https://vir.com.vn/thai-retail-giant-continues-expansion-in-vietnam-89960.html>

EVFTA presents opportunities for Vietnam-Germany trade: seminar



Vietnam News | 15 December, 2021

NDO/VNA - Enterprises at a seminar in Hanoi on December 14 were informed about business opportunities in Germany offered by the EU-Vietnam Free Trade Agreement (EVFTA). The seminar on promoting trade between Vietnam and Germany through the EVFTA was jointly held by the Vietnam Chamber of Commerce and Industry (VCCI) and the Friedrich Naumann Foundation for Freedom (FNF) - Vietnam. Germany was the second biggest buyer of Vietnamese goods in the European Union (EU) and the seventh biggest in the world last year. Germany was also the second largest goods supplier of Vietnam in the EU, and the 14th biggest in the world. VCCI Vice Chairman Hoang Quang Phong said trade between Vietnam and Germany increased from 5.6 billion USD in 2011 when the two countries set up their strategic partnership to 10 billion USD last year. The EVFTA is expected to create breakthroughs in bilateral trade ties, as the agreement removes up to 99.2 percent of tariff lines for Vietnamese goods to Germany after seven years since it came to force and 98.3 percent of tariff lines for German products imported in the Vietnamese market after 10 years. The deal also includes many other commitments regarding customs, sanitary and phytosanitary measures, technical barriers, trade remedies, e-commerce, intellectual property and public procurement, which help to establish standards and

principles facilitating the penetration of Vietnamese and German goods into each other's markets. Phong suggested Vietnamese firms study commitments by both Vietnam and Germany in the EVFTA, saying exporters and importers should scope out the markets and learn about relevant regulations. On this occasion, VCCI introduced a manual guiding businesses how to make use of the EVFTA to boost export and import between Vietnam and Germany, and a news site on the Vietnam-Germany trade. According to Pham Hung Tien, Deputy Director of FNF Vietnam, German firms are interested in electricity and wind power development projects in the central provinces of Binh Thuan and Ninh Thuan, along with personnel training in Vietnam. He also pointed out potential for bilateral cooperation in the auto and the assembly industries.

Source : <https://en.nhandan.vn/business/item/10917002-evfta-presents-opportunities-for-vietnam-germany-trade-seminar.html>
