

Highlight News / March 02/2022



- \$110 million from World Bank to improve National Road Number four to Sihanoukville
- Cambodia plans to launch strategy to develop garment, bag and footwear sector
- Govt plans more expressways to improve logistics
- India's policy changes indifferent to Myanmar green gram market
- Vietnam attracts nearly 5 billion USD of FDI in two months
- Vietnam's economy forecast to grow beyond expectation in 2022



\$110 million from World Bank to improve National Road Number four to Sihanoukville



Cambodia News | 1 March, 2022

The Ministry of Public Works and Transport has begun construction and improvement of National Road 4 (NR4) under a \$110 million in financing from the World Bank, aiming to meet the current traffic growth. The ministry said in a statement released on Monday that the construction and improvement of NR4 starts from Bek Chan commune, Ang Snuol district, Kandal province to Bit Trang commune, Prey Nup district, Preah Sihanouk province. The project officially started in December 2021 and is scheduled for completion in December 2026, the ministry added. According to the ministry, the construction and improvement of NR4 includes the expansion of the current road from 7 to 10 meters wide, the improvement of 46 concrete bridges and drains, and the construction of eight new bridges to ensure traffic and resilience to flood. The NR4 stretches over 230 kilometers, linking the capital and the deep seaport in Preah Sihanouk province. The road was built during the 1950s as a legacy of the relationship between Cambodia and the United States. Currently, the government is building the country's first ever 190-kilometer Phnom Penh-Sihanoukville expressway. The road is scheduled to put into temporary use in upcoming July. Chea Vannak – AKP

Source : <https://www.khmertimeskh.com/1033275/110-million-from-world-bank-to-improve-national-road-number-four-to-sihanoukville/>

Cambodia plans to launch strategy to develop garment, bag and footwear sector



Cambodia News | 1 March, 2022

The Royal Government of Cambodia will soon launch a strategy to develop the garment, bag and footwear sector as a roadmap for promoting the development of the industry towards growth and competitiveness. The remark was made by Phan Phalla, Secretary of State at the Ministry of Economy and Finance at a recent public forum on macroeconomic management and the 2022 Budget Law. Phalla said that the Royal Government wants to see the sector have higher value-added and better production of goods and higher revenue. "This strategy has been prepared and submitted to leaders for review and approval. We expect it to be launched soon," he added. In 2021, the export of garments was valued at more than \$11,389 million, a 15.2 percent increase compared to 2020., according to the General Department of Customs and Excise. Chea Vannak – AKP

Source : <https://www.khmertimeskh.com/501033259/cambodia-plans-to-launch-strategy-to-develop-garment-bag-and-footwear-sector/>

Govt plans more expressways to improve logistics



Laos News | 2 March, 2022

The government is upgrading the country's road network and is planning to build more expressways to improve logistics and help fulfil the goal for Laos to become a land-linked country. Deputy Minister of Public Works and Transport Mr Lan Seng-Aphone gave a summary of the work undertaken in road development over the past three years at a meeting of the public works and transport sector. He noted that the first stage of the planned expressway between Vientiane and Boten in Luang Namtha province, at the border with China, had been completed over a distance of 109.12km between Vientiane and Vangvieng district in Vientiane province. The section of the expressway between Boten and Huayxai district in Bokeo province has been surveyed and a feasibility study and detailed design plan are now being carried out. A feasibility study on construction of the Vientiane-Pakxe Expressway is also being undertaken for sections 1, 2, 3 and 4 but the Memorandum of Understanding on section 5 has been cancelled because the concessionaire did not comply with the regulations. A new expressway is also planned between the 3rd Lao-Thai Friendship in Thakhaek district to the Vietnamese border in Khammuan province, for which a feasibility study is underway. An expressway is also planned between Pakxan district to the Vietnamese border in Xaychamphon district, Borikhamxay province. A feasibility study is also in progress for an expressway between Thangon village in Xaythany district, Vientiane, and Sanglek village in Thoulakhom district, Vientiane province.

Over the past three years, the Ministry of Public Works and Transport has focused on road development to improve connectivity with countries in the region and further afield. As part of this, Road No. 13 North between Sikeuth and Phonhong has been upgraded, the Pakxan-BuengKan and Kontuen-Huaykeo bridges have been built, and other improvements are taking place around the country. The ministry is also upgrading National Highway No. 9 from Kaysone Phomvihane city to Xeno on the Laos-Vietnam border. A feasibility study on the upgrade of National Road No. 8 has been completed through a grant from KOICA, while a similar study for National Highway No. 12 has been funded by a grant from NEDA. In addition, over the past three years, the upgrade of Road No. 6 from Viengxay to Nam Soi, and Road No. 6A from Hanglong-Sopbao in Huaphan province has been funded by ADB. The upgrade of Road No. 4B from Hongsa district in Xayaboury province to Xiengman district in Luang Prabang province was funded by NEDA, and the upgrade of Road 2.6313 between Thapangthong and Toumlane in Savannakhet province was funded by NORINCO. Two bridges have been built along National Road No. 9 in Savannakhet province (Xenammuak Bridge and Xekoumkam Bridge) as well as two bridges across the Nam Houng in Xayaboury province. Two more bridges are currently under construction across the Mekong River, namely the 5th Lao-Thai Friendship Bridge (from Pakxan district in Borikhamxay

province to Bueng Kan in Thailand) and the Kontuen-Huaykeo Bridge in Bokeo province.

Source : https://www.vientianetimes.org.la/freeContent/FreeConten_Govt_42_22.php

India's policy changes indifferent to Myanmar green gram market



Myanmar News / 1 March, 2022

Although India imposed import restrictions on green gram which were previously traded with the relaxations, it will not pose a big impact to Myanmar's green gram market, according to the Myanmar Trade Promotion Organization. India is the main buyer of Myanmar's black gram and pigeon pea, whereas it constitutes only 12 per cent of overall green gram exports. India restricted the importation of green gram to practise protectionism during the harvest time of India and intervene in the price not to fall below the minimum support price set by the State. Despite the closure of the border posts, Myanmar's green grams are primarily delivered to China and Singapore through maritime trade. Additionally, it is also shipped to Indonesia, Malaysia and European countries. With the foreign market access improving, the government and the association concerned suggested the growers increase green gram acreage starting from the previous years. India's policy changes on green gram import will not affect Myanmar's market so the drastic price drop is unlikely to occur, Myanmar Trade Promotion Organization analyzed. India put limitations on the importation of green grams

relaxations, according to Notification S.O 624 (E) of India's Ministry of Commerce and Industry issued on 11 February. For black gram and pigeon pea, India extended relaxations of conditions regarding clearance consignment until 31 March 2022. However, import restriction on the green gram as per the notification has been effective starting from 11 February. The policy changes wreaked havoc on those green grams imported from Myanmar that have a bill of lading after 11 February. Myanmar's Ministry of Commerce will negotiate with its Indian counterparts through government-to-government relations. Furthermore, the association concerned must strive for market stability and penetrate more external markets including European Union, which can offer a better price. There are approximately 9.9 million acres of various beans and pulses across the country, with an annual production of 4.1 million tonnes. Myanmar shipped about 700,000 tonnes of green gram to 64 foreign trade partners in the 2020-2021 Financial Year. Between 1 October 2021 and 4 February 2022 of the mini-budget period, 147,326 tonnes of green gram were delivered to the global market. Of them, 18,842 tonnes were sent to the Indian market. The prevailing prices of green gram move in the range of K1,900-K2,350 per viss (a viss equals 1.6 kilogrammes) depending on the varieties, according to Bayintnaung wholesale market data. — NN/GNLM

Source : <https://www.gnfm.com.mm/indias-policy-changes-indifferent-to-myanmar-green-gram-market/>

Vietnam attracts nearly 5 billion USD of FDI in two months



Vietnam News | 1 March, 2021

Hanoi (VNA) – Foreign investors have poured nearly 5 billion USD in Vietnam so far this year, equivalent to 91.5 percent of that in the same time last year, reported the Foreign Investment Agency under the Ministry of Planning and Investment. As of February 20, 183 new projects had been licenced, a rise of 45.2 percent year on year, with their combined capital totaling 631.8 million USD, down 80.9 percent year on year. Meanwhile, nearly 3.6 billion USD was added into 142 underway projects, over 2.2 times than that in the same period last year. Foreign investors also injected 769.6 million USD into share purchase deals, up 41.7 percent. At the same time, 2.68 billion USD of foreign investment had been disbursed in the period, a year-on-year rise of 7.2 percent. FDI was poured in 17 out of the 21 economic sectors, with the highest amount on processing-manufacturing sector at 3.13 billion USD. It was followed by real estate with nearly 1.52 billion USD, and science-technology and power production and distribution with 109.6 million USD and 60 million USD, respectively. The agency said that 51 countries and territories have invested in Vietnam, led by Singapore with over 1.7 billion USD, accounting for 34.2 percent of the total FDI that Vietnam attracted in two months, and representing a rise of 59.3 percent year on year. China ranked second with 538 million USD. Bac Ninh led the 63 localities nationwide in FDI

attraction by luring over 1.3 billion USD, accounting for 26.5 percent of the total FDI in Vietnam and rising by nearly 7.6 times over the same period last year. With two large-scale projects, Thai Nguyen came second with nearly 924 million USD. Meanwhile, Ho Chi Minh City attracted the highest number of new FDI projects. The export revenue of the foreign-invested sector rose again in February to more than 41.9 billion USD after a slight drop in January. Leaders of the agency advised ministries and sectors to strengthen trade promotion and diplomatic activities to make the full use of the EU-Vietnam Investment Protection Agreement (EVIPA) that is expected to become effective soon, while improving their business and investment environment as well as human resources quality, and strengthening the connections between domestic firms and their foreign peers./.

Source : <https://en.vietnamplus.vn/vietnam-attracts-nearly-5-billion-usd-of-fdi-in-two-months/222784.vnp>

Vietnam's economy forecast to grow beyond expectation in 2022



Vietnam News | 1 March, 2022

Hanoi (VNA) – Vietnam's economy is forecast to grow beyond expectation in 2022 as domestic demand rebounds and foreign direct investment (FDI) inflows remains stable. Most forecasts by foreign investment funds show that Vietnam's GDP growth is likely to increase by 7.5 percent in

2022. However, it is not too surprising if the economy will grow at a higher rate thanks to strong recovery of domestic consumption, construction activities, international tourism, as well as the Government's financial stimulus package worth 15 billion USD, according to insiders. The re-opening of domestic economy will be the biggest driver of economic growth this year. The stimulus package, including cutting value-added tax from 10 percent to 8 percent, promises to boost domestic consumption. According to Michael Kokalari, Chief Economist of VinaCapital, Vietnam's household consumption is likely to recover from a decline of 6 percent in 2021 to an increase of 5 percent in 2022. Domestic consumption will be pushed by the recovery of international tourism, which accounted for about 8 percent of the country's GDP before the pandemic, he said. Recent surveys in the US and some other countries indicate that demand to travel to Vietnam has sharply increased. Therefore, the partial recovery of international tourism is expected to help Vietnam's GDP rise by at least 3 percent this year, and further in 2023 when Chinese tourists return to the Vietnamese market. Meanwhile, the construction growth which accounts for about 6 percent of the country's GDP is projected to increase to 10 percent in 2022 from only 0.6 percent in 2021, equivalent to the pre-pandemic average growth, Kokalari said. The manufacturing sector, which

makes up over 20 percent of and plays an important role in supporting Vietnam's economy during the pandemic, is forecast to contribute less this year. However, the Vietnam Manufacturing Purchasing Managers' Index (PMI) was up in January thanks to the record increase in orders from foreign customers in more than four years. FDI firms also increased imports of necessary materials to fulfill orders. Therefore, the manufacturing sector is likely to grow stronger than expected this year. The long-term growth outlook for the production industry still remains strong and continues to be supported by FDI inflows, Kokalari said. He noted that despite the COVID-19 pandemic, Vietnam has been still an attractive destination to FDI inflows during the last two years. According to data from the United Nations, FDI to Vietnam decreased by 3 percent in the past two years, but it decreased by over 40 percent globally in 2020 alone. According to an agreement reached recently between the US Department of Finance and the State Bank of Vietnam, the US will not impose tariffs on Vietnamese exports to this market. This, together with Vietnam's rapid vaccination campaign, is likely to help attract stronger FDI inflows to the Southeast Asian nation in the near future. In addition, LEGO Group of Denmark, which is known for its commitment to sustainability, will build the company's first carbon neutral factory in Vietnam. This investment will contribute to affirming

Vietnam's ESG (environment, social and governance) values and attracting more foreign manufacturers who are prioritising sustainable development. According to Kokalari, foreign investors are not too worried about inflation. Although this inflation rate is skyrocketing in many countries around the world, including the US, with over 7 percent, it has not been recorded in most developing countries in Asia, including Vietnam./.

Source : <https://en.vietnamplus.vn/vietnams-economy-forecast-to-grow-beyond-expectation-in-2022/222789.vnp>
