

*Highlight News / March 25/2022*



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## Bilateral FTA, RCEP to boost Cambodia-Korea trade and investment



*Cambodia News | 24 March, 2022*

The Cambodia-Korea free trade agreement (CKFTA) and the Regional Comprehensive Economic Partnership (RCEP) will boost trade and investment between Cambodia and South Korea. The bilateral trade and investment agreements will boost the two-way trade volume, said Prime Minister Hun Sen at the inauguration ceremony of the National Road 21, built with a concessional loan of \$61 million from the government of South Korea. The prime minister said that Cambodia's goods exports to South Korea increased by 33 percent in value in the first two months of this year. "Cambodia's total exports in the first two months of this year increased by more than 30 percent, while exports to South Korea increased by 33 percent," the Prime Minister said at the ceremony held in Kandal province's Takhmao city. While talking about CKFTA, the Premier said that he has recently asked the Korean side to accelerate the internal procedure of pact ratification so that the two countries will benefit from it. The 15-member RCEP trade deal, including Cambodia and South Korea, took effect on January 1. Park Heung-Kyeong, South Korean Ambassador to Cambodia, echoed the remarks. "Once the Cambodia-Korea free trade agreement comes into force, we expect the commerce sector and investment between Cambodia and Korea to progress further," Park said.

This year is the 25th-year anniversary of diplomatic establishment between Cambodia and South Korea, resulting in good cooperation on priority sectors between the two countries, Park said. The two-way trade has increased significantly, reaching \$1 billion per year, Park said. There are currently over 300 Korean companies in Cambodia in sectors like garment, construction, agriculture, and finance, he said, adding that those companies contribute substantially to Cambodia's economic development. The bilateral trade between the Kingdom of Cambodia and the Republic of Korea topped \$965 million in 2021, a year-on-year increase of nine percent. The Korean International Trade Association figures showed that Cambodia exported \$341 million worth of goods to South Korea last year, up 7.4 percent. Cambodia primarily exported footwear and other apparel, travel goods, beverages, electrical and electronic appliances, rubber, pharmaceuticals, and agricultural products to the East Asia nation.

Source : <https://www.khmertimeskh.com/501046838/bilateral-fta-rcep-to-boost-cambodia-korea-trade-and-investment/>

## Cambodia records more than \$77 million from rubber rubber wood exports



*Cambodia News | 24 March, 2022*

In the first two months of 2022, Cambodia earned more than \$77 million from the export of rubber and rubber wood. This is according to the report of the General Department of Rubber, obtained by local

news on March 24. The report stated that the total of revenue of rubber and rubber wood export as of February 2022 is \$77,234,116, of which \$76,878,170 is from rubber and \$355,946 from rubber wood. In terms of export volume, as of February 2022, Cambodia exported 48,509 tons of rubber, an increase of 2,536 tons, equivalent to 6 percent compared to the same period last year. Exports of rubber wood reached 808 cubic meters, an increase of 66 percent. The average selling price of rubber, as of February 2022 was \$1,585 per ton, a decrease of 0.1 percent compared of the same period last year. In 2021, Cambodia earned more than \$611 million from rubber and rubber wood plantation. During that year, the country exported 366,300 tons of rubber and 454 cubic metres of rubber wood.

Source : <https://www.khmertimeskh.com/501047046/cambodia-records-more-than-77-million-from-rubber-rubber-wood-exports/>

## JETRO furthers support for investment in Laos



*Laos News | 25 March, 2022*

The process of investment in Laos will be more streamlined through a one-stop service system for investors under a Memorandum of Cooperation agreed to by Laos' Ministry of Planning and Investment and the Japan External Trade Organization (JETRO) Vientiane. The agreement was signed in Vientiane on March 23 by the Director General of the Investment Promotion Department, Ministry of Planning and Investment, Mr Outakeo

Keoduansinh, and Chief Representative of JETRO Vientiane, Mr Kikuchi Yasushi. (From left) Mr Kikuchi Yasushi and Mr Outakeo Keoduansinh shake hands after signing a Memorandum of Cooperation in Vientiane on Wednesday. The Memorandum of Cooperation aims to promote investment in Laos by establishing a one-stop pre-consultation service for interested investors, especially in new industries, as exemplified by startups and the service industry. The new system will include all the requisite forms so that investors are able to confirm all of the required procedures, in order to carry out their business plans at the stage when they are considering investment. It includes procedures for administrative agencies and related ministries, the required documents, necessary business licences, and outstanding issues. Currently, new start-ups and investors need to confirm in advance whether a business licence is necessary for corporate activities or whether there are any restrictions on foreign capital before starting a business in Laos. The objective of the Memorandum of Cooperation is to further streamline the one-stop service through cooperation between both organisations to enable fast and convenient functions to improve the investment process in Laos. JETRO is a government-affiliated organisation tasked with promoting trade and investment between Japan and the rest of the world. It carries out research on developing countries through 76

overseas offices and 55 domestic offices, including the Institute of Developing Economies (IDE-JETRO). Its activities are wide-ranging—such as promoting foreign direct investment (FDI) in Japan; assisting producers in exporting agricultural, forestry, fishery and food products; helping SMEs to expand business overseas; and doing research and offering various training programmes. JETRO Vientiane formally started operation in 2014 after an agreement on its establishment was signed in the presence of then Japanese Prime Minister Abe Shinzo and then Lao Prime Minister Thongsing Thammavong at the Japan-ASEAN Summit Meeting in Tokyo in December 2013. The cooperation will enable one-stop service pre-consultation for all investors. Since then, JETRO Vientiane has taken on the role of drawing investment from Japanese companies to Laos and facilitating trade between Japan and Laos.

Source : [https://www.vientianetimes.org.la/freeContent/FreeConten\\_JETRO59.php](https://www.vientianetimes.org.la/freeContent/FreeConten_JETRO59.php)

## Exports of cattle, animal products down by \$11 mln as of 11 March



*Myanmar News | 25 March, 2022*

MYANMAR'S exports of animal products including live cattle between 1 October 2021 and 11 March 2022 in the current mini-budget period plummeted to US\$4.6 million, a sharp drop of \$11.33 million compared with the corresponding period of the

2020-2021 FY as livestock trading was suspended in Myanmar-China cross-border trade. In the previous FY, animal products exports were registered at \$15.9 million. Animal products exports are solely driven by the private sector. Myanmar exports live goat, live sheep, live pigs, live cattle, leather and other products. Myanmar's live cattle trade is mainly relying on China. The legitimate market has halted since late 2020. Nevertheless, Chinese traders are constantly purchasing cattle on the black market across the border between Myanmar and China, despite the suspension of cross-border trade. At present, the black market has been stronger, with 1,000 head of cattle daily sent to China, the association stated. Live cattle export was allowed in late 2017 to eradicate illegal exports, creating more opportunities for breeders and promoting their interests. The Ministry of Commerce grants a permit to each company for 100 cattle export and the permit is valid for three months. The companies can be taken legal action if they do not sell the cattle during the three months. The country exports cattle that are above five years old, along with vaccination certificates, health certificates, and farming registration certificates. According to the 2018 cattle census, there are 11.5 million heads of cattle in the country, with 1.8 million buffalo and 9.7 million cows and bulls. The Ministry of Agriculture, Livestock and Irrigation will also strive for investments in dairy

farming and value-added production businesses. Of them, 1.1 million cattle are old enough to be placed on the market every year. Myanmar can yearly export over 600,000 heads of cattle beyond domestic consumption of 400,000 head, according to the ministry. — GNLM

Source : <https://www.gnlm.com.mm/e-paper/>

## VN aims to become industrialised world exporter by 2030



*Vietnam News | 24 March, 2022*

HÀ NỘI — Việt Nam has set a target of becoming an industrialised country with highly competitive industries, and among the world's top 15 largest exporters by the end of 2030. According to a report by the Ministry of Industry and Trade (MoIT), the country's immediate target is to develop 20 products with strong international brands, to strengthen its position in the global supply chain, to bring its supporting industry's capacity to meet 70 per cent of domestic demand and localisation of production to 45 per cent. The country's supporting industry, which remained underdeveloped and overly reliant on imports, has been identified as a major weakness for Việt Nam, especially in key industries such as electronics, textile, leather and footwear, manufacturing and automobile. The effect has been made painfully clear since the pandemic as Việt Nam's top suppliers of parts, including Chia, South Korea and Japan, were hit hard by COVID-19, causing severe disruptions to production in Việt

Nam. In addition, over-reliance on outside supplies has crippled the development of indigenous supporting industries while cutting deep into domestic firms' profitability. For example, the Southeast Asian economy relies on China and South Korea for as much as 90 per cent of the input materials for textile, footwear and electronics. Experts have long raised concerns over the country's inability to contribute more to product value, putting it at high economic risk in the event large international corporations decided to move production elsewhere. In order to address the issue, the MoIT has proposed a restructuring plan for Việt Nam's industries with a focus on the development of supporting industries. According to the ministry, significant progress had been made in the 2011-20 period with industrial production accounting for around 27.45 per cent of the country's total GDP annually. The ministry advised the government to focus on qualitative development instead of quantitative and to take measures to improve productivity, one of the main weaknesses of the economy. The ministry said by the end of 2030, industrial production is to account for 40 per cent of total GDP, manufacturing value added per capita over US\$2,000 with a 45 per cent contribution from high-tech industries. The ministry said among the top priorities for the next ten years is how to restructure many State-own enterprises under their own management, which have been underperforming and causing losses in the billions of dollars for decades now. VNS

Source : <https://vietnamnews.vn/economy/1166915/vn-aims-to-become-industrialised-world-exporter-by-2030.html>

## Vietnam's corporate bond market in 2021 surges by 56% to US\$32 billion



*Vietnam News | 24 March, 2022*

In 2021, Vietnamese companies issued bonds worth a total of VND722.7 trillion (US\$32 billion), a surge of 56% against the previous year, according to SSI Corporation (SSI). Among firms, those in real estate make up the majority of bond issuers by issuing bonds worth VND318.2 trillion (\$14 billion), or 44% of total corporate bonds issuance and up 66.3% year-on-year. The SSI's report estimated the number of real estate bond issuers rose from 141 in 2020 to 193 in 2021. Meanwhile, banks have issued bonds of VND226.4 trillion (\$9.9 billion), accounting for 31.3% of the total and up 73% year-on-year. SSI, however, noted the total value of bonds from banks that were in circulation by late 2021 stood at VND540 trillion (\$23.6 billion), or 39% of the market, which remained significantly lower than the 48% rate recorded in late 2018. "This shows the size of the non-banking corporate bond market is on the rise," stated SSI. Bonds from companies in fields of energy, mining, non-banking entities, and infrastructure development were around VND28-30 trillion (\$1.2-1.3 billion), or 4% of total issuance. Not only in terms of the proportion of bonds issued, but real estate companies are also of those providing the highest return rates. For the past three years, bonds from

property firms were offered at an annual rate of 10.3-10.6%, even up to 12-13%, the highest in the market, especially bonds of names such as Phat Dat Real Estate Development, Hoang Phu Vuong, Osaka Garden, Galatic Group, or Unity Real Estate Investment. "Real estate companies are having a high demand for capital mobilization via corporate bonds, due to difficulties in accessing banks' loans," SSI said. "To attract investors despite the low quality of guarantee assets, they are forced to set higher yields compared to others," it noted. Meanwhile, the average yield from bank bonds had been on the decline from 6.34% per annum in 2020 to 4.31% in 2021, partly due to the short-term maturity period, that of non-banking entities and others stood at around 8.4-8.54%. On the primary market, banks and securities companies continued to be the largest bondholders by purchasing a total of VND373 trillion (\$16.3 trillion) in bonds, or 52% of the total in circulation. They mainly bought in bonds from banks for around VND154 trillion (\$6.73 billion), or 68% of the amount issued by banks, focusing on those of short maturity period from one to four years, and VND153 trillion (\$6.68 billion) of real estate companies, or 48% of the total. 15 commercial banks under survey by the SSI, accounting for 75% of the outstanding loans in the banking sector, held VND214 trillion (\$9.35 billion) in corporate bonds, up 17% against late 2020, with names such as Techcombank, MB, VPBank, and TPBank as the largest buyers.

Source : <https://vietnamnet.vn/en/business/vietnam-s-corporate-bond-market-in-2021-surges-by-56-to-us-32-billion-825021.html>