

## Highlight News / May 19, 2022



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**Advisory Institute for Trade and Investment by TCC (AiTi)**

## Myanmar, Cambodia expedite talks on two trade cooperation deals



*Cambodia News | 25 May, 2022*

Citing low bilateral trade volume, Myanmar and Cambodia are expediting talks on two draft agreements to raise trade cooperation. Cambodian commerce minister Pan Sorasak recently called on the two sides for more discussions on economic and trade progress “within the regional and bilateral frameworks aimed at boosting trade volume and boosting economic recovery”. He said this during a meeting between representatives of the Cambodian ministry of commerce and the Myanmar ministry of investment and foreign economic relations in Indonesia. Myanmar minister of investment and foreign economic relations Aung Naing Oo agreed that the recent negotiations by Cambodia on the establishment of bilateral free trade agreements with China and South Korea are a sign of the latter’s success in building and expanding trade partnerships, according to a Cambodian newspaper report. He said negotiations on the draft Cambodia-Myanmar investment agreement and the Double Taxation Avoidance Agreement between the two countries are being expedited. Bilateral trade volume between both sides in the three years prior to the COVID-19 crisis totalled just \$20 million. Annual bilateral trade between the two countries has

remained tilted in Myanmar’s favour, increasing slightly more than two-fold between 2019 and 2020 to \$28.2 million. Cambodian imports from and exports to Myanmar in 2020 were to the tune of \$24.93 million and \$3.27 million respectively, the latter of which dipped marginally from 2019. Fibre2Fashion News Desk (DS)

Source: <https://www.khmertimeskh.com/501081773/myanmar-cambodia-expedite-talks-on-two-trade-cooperation-deals/>

## Rice price expected to go up



*Cambodia News | 26 May, 2022*

The price of milled rice in Cambodia could rise up to 20 percent in coming months as world food stocks are under threat due to the prolonging Russia-Ukraine war and the rise in the cost of inputs used for rice production. The price of the commodity is predicted to increase between 10 percent and 20 percent of the current price, said Lun Yeng, Secretary General of the Cambodian Rice Federation (CRF), citing the price increase. The price of gasoline and fertiliser are also factors pushing up the price of commodities, Yeng said. “We observe that the rice stocks in the international market are running low because the production is declining everywhere due to a rise in the prices of fertilisers and fuel. Seeing the price of gasoline and fertilisers, some farmers have sought other work,” Yeng said. The price of Cambodia’s premium rice is

currently at \$840 per tonne. UN officials recently warned that the prolonged war between Russia and Ukraine would worsen the global food crisis. The head of the UN's World Food Programme, David Beasley, told the World Economic Forum that food prices have now risen sharply and that if Ukraine's port of Odesa is not opened, it will escalate more problems. The CRF has boosted the exports of rice to international markets, especially Europe, despite rising shipping costs. "For the remaining months this year, we expect that the export of commodities will continue as usual despite the transport fee hike because our rice is mostly premium rice and our markets – the EU, China, and Asean – have remained stable," Yeng said. According to the report of the Cambodian Rice Federation, in the first four months of 2022, Cambodia exported more than 220,000 tonnes of rice to the international markets, earning more than \$139 million. Of which, the Kingdom exported 68,555 tonnes to Europe, an equivalent of 31 percent, for \$51 million. Additionally, Cambodia exported 1.6 million tonnes of paddy rice during the period to Vietnam, earning \$376.6 million. According to the report of the Ministry of Agriculture, as of April, the dry season rice harvest reached more than 630,000 hectares, with a total yield of more than 2.9 million tonnes.

Source: <https://www.khmertimeskh.com/501081588/rice-price-expected-to-go-up/>

## Govt orders action to facilitate trade, spur transport and exports



*Laos News | 26 May, 2022*

The government has instructed ministries to streamline procedures to facilitate trade and speed up freight transport and the export of goods. Deputy Prime Minister and chairman of the committee in charge of trade facilitation, Dr Sonexay Siphadone, signed an instruction assigning the relevant departments to take action swiftly. The move aims to facilitate trade and accelerate freight transport and the export of goods such as farm products, timber and non-timber forest products, and minerals. The Ministry of Agriculture and Forestry was told to work with the relevant bodies to streamline procedures and the certification process, so that domestic transport and the export of products managed by the ministry take place at a much faster pace. The product categories in question comprise timber products, non-timber forest products and livestock. Timber products include logs, and half-finished and finished timber products harvested from both natural forests and managed plantations. Livestock and made-of-livestock products include cattle, horses, pigs, birds and goats as well as aquatic animals. Dr Sonexay advised the relevant bodies to devise clear and streamlined regulations to shorten all the related processes and cut spending, thus speeding up the movement of freight. However, the shipment of

commercial crops including rice, coffee, beans, cassava, sweetcorn, fruit and vegetables no longer requires transporters to seek permission from the authorities. This means transport of these products can be made without needing to seek permission. However, in the event of a plant or animal disease outbreak, transport will be prohibited. The ministry was entrusted to define a list of herbs to ensure proper management. In addition, authorities were told to formulate legislation to regulate products such as wooden furniture and handicrafts being sold at fairs and electronics markets. The Ministry of Energy and Mines was told to work with the relevant ministries to streamline similar procedures and mechanisms in order to speed up the export of mineral products. The instruction asked the Ministry of Finance to continue to install ASYCUDA - a computerised Customs management system - and to expand the Lao National Single Window (for tariff declaration) in order to facilitate and quicken procedures. The instruction prohibits the inspection of freight trucks on roads and bans the charging of fees. However, inspections can be carried out if it is believed that vehicles could be carrying narcotic drugs, weapons or any other illicit items, following information from a reliable source. Duplicate weighing of trucks on roads is also banned. Temporary checkpoints may be set up in essential cases of specific duration with the approval of

provincial governors. Such cases include attempts to prevent the transport of illicit items and curb the spread of communicable diseases. The instruction is aimed at fulfilling Prime Ministerial Order No. 12 issued in October, 2019, to facilitate imports and exports and the transit and movement of goods in Laos. The order aims to cut all related processing times by at least a half and to cut relevant spending by at least 30 percent.

Source: [https://www.vientianetimes.org.la/freeContent/FreeContent\\_Govt99.php](https://www.vientianetimes.org.la/freeContent/FreeContent_Govt99.php)

## Myanmar's exports up 9.4 pct in April



*Myanmar News | 25 May, 2022*

Wheat is highly demanded in the Mandalay market these days and also fetching a high price, beans and pulses traders said. It is mainly supplied by Monywa, Shwebo, Sagaing, Budalin, Myinmu and Myaung areas. The wheat fetched only K90,000 per three-basket bag in January 2022, whereas it soars to K125,000 per bag in the last week of May, said U Soe Win Myint from the Mandalay Soe Win Myint depot. "The prices of wheat crops stay high in recent days. The Mandalay market sees brisk sales as well. Global consumption of wheat is growing. It is the second-highest demanded crop in Myanmar after the staple food rice. The high price allows the wheat growers to make profits this year. Earlier, wheat was commonly imported. To minimize the capital outflow, I like to suggest the growers add more acres and improve production. The domestic consumption of

wheat is also growing year over year. The wheat has become one of the essential crops in Myanmar,” he elaborated. The wheat can be cultivated once a year. It cannot be grown anywhere in Myanmar, especially in Sagaing Region. It is commonly found in southern and northern Shan State, Chin State and Kayah State. — Min Htet Aung (Mandalay Sub-Printing House)/GNLM

Source: <https://www.gnlm.com.mm/mandalay-market-sees-brisk-sales-of-wheat-crops/#article-title>

## Key southern economic region a magnet for FDI



*Vietnam News | 25 May, 2022*

Hanoi (VNA) – With its advantages and thorough preparation in terms of infrastructure, transport and human resources, after the COVID-19 pandemic is put under control, the key southern economic region remains the leading destination for foreign direct investment (FDI) flows. Localities in the region have also organised investment promotion workshops to popularise Vietnam’s investment environment and its advantages and potential. In mid-May, Pandora, a Danish jewelry manufacturer, announced that it will invest 100 USD million to build a new facility in the Vietnam Singapore Industrial Park (VSIP) in the southern province of Binh Duong under a memorandum of understanding signed between two sides. Jeerasage Puranasamridhi, Chief Supply Officer of Pandora group, said they have chosen Binh Duong province for the availability of skilled workforce, its infrastructure and proximity to

international airports, adding that the enthusiasm, support and strong commitment the group receives from the local administration was also a reason. According to the provincial People’s Committee, in the first four months of this year, Binh Duong attracted a total of 2.35 billion USD in 16 new projects, nine existing ones, and from the contribution of capital of 53 businesses. Meanwhile, since the beginning of this year to April 20, 1.28 billion USD had been poured into Ho Chi Minh City, up 12.2 percent year-on-year. Long An and Dong Nai also attracted 341 million USD and 210 million USD in foreign investment, respectively, during January-April. Notably, Coca Cola’s over 136 million USD project – the largest FDI one in Long An in Q1 – received the investment license just one day after its dossier was submitted. Nguyen Van Danh, Vice Chairman of the People’s Committee of Binh Duong which attracted the largest amount of FDI in the first four months, said that in the coming time, the locality will continue holding online investment promotion conferences with other countries, actively expanding international cooperation, and establishing bilateral cooperation with provinces and cities of countries. It will focus resources on completing transport infrastructure and that of industrial zones, training human resources, and stepping up administrative reform. Meanwhile, Chairman of the People’s Committee of Ho Chi Minh City Phan Van Mai and Chairman of the People’s Committee of Binh Phuoc province stated that the localities will maintain the organisation of regular meetings with foreign

investors to better meet their aspirations and help them deal with difficulties. The key southern economic region comprises of Ho Chi Minh City, Binh Phuoc, Tay Ninh, Binh Duong, Dong Nai, Ba Ria-Vung Tau, Long An and Tien Giang provinces./.

Source: <https://en.vietnamplus.vn/key-southern-economic-region-a-magnet-for-fdi/229153.vnp>

## Vietnam accelerates post-pandemic economic recovery



*Vietnam News | 25 May, 2022*

NDO - The first year of the post-pandemic economic recovery journey has seen many positive signals, with a boom in investment, manufacturing and business, since COVID-19 was effectively put under control. Growth in the first quarter did not return to pre-pandemic levels but was higher than the same period of 2020 and 2021. Inflation was curbed at 1.92% amid global rises in the prices of goods and materials. Export continued to be a bright spot with a trade surplus of 2.53 billion USD in the first four months of 2022, while government revenue increased by 15.4% year on year. In a document sent to National Assembly deputies, the Government emphasised that the epidemic has been put under control, the macroeconomy remains stable, major balances of the economy have been ensured, key sectors are all recording higher growth, and many large-scale infrastructure projects are being implemented with strong determination. However, the economic recovery path remains bumpy amid the uncertainties in the global political situation and

internal weaknesses of the economy. Controlling inflation is a challenge amid rising fuel prices while public investment disbursement remains slow. In such a situation, the goals of achieving 6-6.5% economic growth and keeping inflation under 4% have become enormous challenges. The National Assembly adopted Resolution 43/2022/QH15 on fiscal and monetary policies with the aim to support the socio-economic recovery and development programme, with total funding of 347 billion VND (15 billion USD). The programme has been promptly implemented by the Government by providing interest rate support, reducing value added tax for enterprises, supporting house rent for workers and constructing key transport projects. The implementation of the programme is expected to raise GDP by 2.9% in 2022 and 0.2% in 2023, thus helping Vietnam to realise the growth target of 6.5-7% during the 2021-2025 period, while ensuring stable jobs and income for workers and keeping the unemployment rate at 2-3%. Recently domestic and international research organisations have made optimistic forecasts about Vietnam's economic recovery prospects. The World Bank predicts that Vietnam's growth in 2022 will reach 5.3% and then stabilise at around 6.5%. The International Monetary Fund sees Vietnam's growth at 6% and 7.2% in 2022 and 2023 respectively, while the Asian Development Bank expects Vietnam's economy to recover to 6.5% in 2022 and 6.7% in 2023. Domestic agencies also forecast that the economy will expand by 6-6.5% this year under an optimistic scenario. In order to

accelerate economic recovery and fulfil the set targets, the Government has identified 12 key tasks, with a focus on expediting the implementation of support packages and public investment. The Government is also seeking new growth drivers in science and technology, digital transformation, innovation, and clean and renewable energy. On top of macroeconomic stability, such measures are expected to help the Vietnamese economy speed up on the recovery path and soon return to the growth orbit.

Source: <https://en.nhandan.vn/business/item/11529202-vietnam-accelerates-post-pandemic-economic-recovery.html>

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