

Highlight News / May 27/2022



- \$38 million uncollateralised loans released in one year
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- Laos looks to unlock potential of regional connectivity
- Myanmar gets 58% of GDP growth from services trade
- Thai retail corporation to sell some 1,000 tonnes of lychees



## \$38 million uncollateralised loans released in one year



*Cambodia News | 26 May, 2022*

Financial institutions in Cambodia have released \$38.1 million as loans to 377 diverse businesses in the country without collateral requirement in the last one year, according to the Credit Guarantee Corporation of Cambodia (CGCC). CGCC, operated under the technical and financial guidance of the Ministry of Economy and Finance (MEF), has guaranteed \$33.55 million in US dollars and \$4.54 million in Khmer riels with 377 letters of guarantee (LG) between April, 2021 and April, 2022. Wong Keet Loong, CEO of CGCC, said in a report that the state-owned firm had partnered with 23 financial institutions in Cambodia as of March this year including Chip Mong Bank, Cambodia Asia Bank, Cambodian Public Bank, Acleda Bank, ABA Bank, Canadia Bank, May Bank, AMK MFI, LOLC MFI and Chamrouen MFI. “With the reopening of the border, Cambodia is ready to welcome back more international tourists. This has spurred the revival of many businesses such as food & beverage, restaurants, retail trade, construction, manufacturing and agriculture. With such momentum, we are optimistic that the demand for guaranteed loans will grow,” said Wong. Businesses – 364 small and medium enterprises and 13 large firms – have used the guaranteed loans they received between \$6,000 and \$1 million in US dollars and 40 million and 330 million Khmer riels for three main purposes that

include working capital, investment or business expansion and capital expenditure. Participating banks and microfinance institutions have provided 268 uncollateralised loans to businesses owned by women and the rest to non-women in agriculture, industry and services in Phnom Penh, and Battambang and Kampong Thom provinces. Canadia Bank, Maybank and Sathapana Bank were the top performers in the disbursement of loans guaranteed by CGCC. Maybank announced that it can provide loans up to \$400,000 with no collateral, while Sathapana Bank offers between \$30,000 and \$300,000 in US currency or Khmer riel. CGCC recently launched its Women Entrepreneur Guarantee Scheme, which will see up to \$30,000,000 as collateral against loans for women entrepreneurs. The initiative satisfies the Strategic Framework and Programmes for Economic Recovery in the Context of Living with the Covid-19 as a New Normal 2021-2023 of the government by encouraging commercial banks and microfinance institutions to increase additional lending by relaxing the credit guarantee requirements. A study by IFC found that 90 percent of the SMEs managed by women were profitable, yet among these businesses, there was an unmet demand for credit to the tune of \$4.2 billion. Wong cited this research as the rationale for targeting women under this scheme. “Cambodian women-owned businesses have difficulty providing collateral to secure loans. About 60 percent of the entrepreneurs are women. Based on similar research, women entrepreneurs

have better repayment track records,” Wong told Khmer Times.

Source : <https://www.khmertimeskh.com/501082204/38-million-uncollateralised-loans-released-in-one-year/>

## Cassava price rises in first four months



*Cambodia News | 26 May, 2022*

Cambodia exported more than 1.8 million tonnes of cassava products in the first four months of this year, according to data from the Ministry of Agriculture, Forestry and Fisheries. The exported products include 1,371,590 tonnes of dried cassava, 411,700 tonnes of fresh cassava, 32,496 tonnes of cassava flour and 6,589 tonnes of cassava waste. The ministry said the prices of cassava products also increased between 20 and 50 riels per kilogram during the period. Chhim Vachira, director of the Provincial Agriculture, Forestry and Fisheries Department in Battambang province, told Khmer Times, “The cassava price is better than last year as it rose between 20 and 50 riels per kilogram. The price of dried cassava rose by 270 riels per kilogram while that of fresh cassava surged by 780-800 riels per kilogram in the first four months of this year.” He pointed out that the Battambang province exported 70% of cassava products to Thailand. “We have support from International Organisation for Agriculture and IFAD and we have a five-year policy in each province for crop growth. The Ministry of Agriculture and the Ministry of Commerce have also prepared a national policy on cassava

development,” he said. “Our institution also provides technical training for efficient cultivation. We cooperate with JICA, Royal University of Agriculture for technical training. As per our investigation, the corn planting has decreased from 120,000 hectares to only 80,000 hectares by 2022 as farmers turned their attention to cassava for a better market,” he added. According to the Ministry of Agriculture, Forestry and Fisheries, Vietnam and Thailand have been Cambodia’s main export markets for cassava, especially dried and fresh cassava. Cassava flour is popular in the US, the Netherlands and Italy. Recently, China has also emerged as an important export market for the country’s cassava exports.

Source : <https://www.khmertimeskh.com/501082386/cassava-price-rises-in-first-four-months/>

## Laos looks to unlock potential of regional connectivity



*Laos News | 27 May, 2022*

Laos is hoping to unlock the potential of regional connectivity by not only focusing on infrastructure development but also boosting economic activity along key economic corridors. The government is developing key road and rail networks to connect Laos with its neighbours, particularly China, Vietnam and Thailand, transforming itself from a land-locked to a land-linked country. In its latest economic update for Laos, the World Bank highlighted some of the main challenges and key reforms needed for Laos to fully benefit from improved connectivity and

transit services. “Significant investments include the Laos-China railway, the East-West economic corridor, and key road networks,” stated the World Bank. “The challenge is to ensure that Laos can fully benefit from this improved connectivity, not only as a transit country but also through increased economic activity and export volumes, value-added services, and the creation of new and better jobs.” Just recently the World Bank’s Board of Executive Directors approved the US\$132 million Southeast Asia Regional Economic Corridor and Connectivity Project, aiming to improve transport connectivity and regional trade along an east-west corridor. Under this project, National Road 2 in northern Laos, which runs for almost 300 kilometres from the Thai border to the Vietnamese border, will be improved and widened to meet Asian highway standards. However, Lao investments in infrastructure faces some challenges due to high construction costs. “The cost of these investments is high and Laos will only benefit from improved connectivity if it can successfully undertake complementary policy reforms and improve connective road infrastructure,” stated the Bank. “Business and investment environment reforms must be accelerated to capture the full benefits. In addition, the railway poses macro-fiscal risks associated with contingent liabilities and will also present social and environmental risks if management is not sound.”The

World Bank recommended following critical reforms which could reduce the risks and maximise the benefits of improved connectivity:

- Address transport connectivity gaps to ensure open access to railway and logistics infrastructure, and efficient road links to production and consumption centres;
- Promote more efficient cross-border transit, improved logistics and value chains, simplifying market entry and removing operational barriers in the logistics sector;
- Deepen and accelerate trade facilitation reforms by establishing an effective transit management regime;
- Improve the business environment to attract investment and generate jobs;
- Improve access to and modernise business services
- Promote more productive and job-creating sectors where Laos has a comparative advantage, for example, in high-value added agricultural products and nature-based tourism;
- Streamline tax incentives based on economic rationale, reducing state liabilities and ensuring compliance with the public debt management law;
- Improve compliance with social and environmental regulations through stringent assessment and enforcement.

Source: [https://www.vientianetimes.org.la/freeContent/FreeConten\\_Laoslook100.php](https://www.vientianetimes.org.la/freeContent/FreeConten_Laoslook100.php)

## Myanmar gets 58% of GDP growth from services trade



*Myanmar News | 26 May, 2022*

Myanmar receives 58 per cent of GDP growth from services trade and ranks four in ASEAN countries after Singapore, Thailand and the Philippines, said Union Minister for Commerce Dr Pwint San based on the statement of ASEAN released in 2019 during the ceremony of launching Beta Version of Services Trade and Investment Portal-STIP held in Nay Pyi Taw yesterday. The Union minister said the services trade is a promising sector and it should emphasize the investment in services to develop this sector. Myanmar is also cooperating with departments concerned to conduct services trade measures. The STIP Web Portal is a website that offers the laws, rules and regulations of services trade just in one place and the laws, rules and regulations are also enacted as per the commitments of FTAs. It also brings benefits in implementing the ACE 2025 and supports the services trade of the country. Further awareness campaigns for the Beta Version of STIP will be conducted for private entrepreneurs across the nation. The services trade plays a crucial role in Myanmar and the country fully imports the proper services to encourage that sector. —Htun Htun /

GNLM

Source : <https://www.gnlnm.com.mm/myanmar-gets-58-of-gdp-growth-from-services-trade/>

## Thai retail corporation to sell some 1,000 tonnes of lychees



*Vietnam News | 26 May,, 2022*

Hanoi (VNA) – Thailand's retail corporation Central Retail in Vietnam plans to put on shelves about 1,000 tonnes of lychee this year, with first batches of the fruit from Bac Giang province's Luc Ngan district transported to its supermarkets after a ceremony on May 25. The favourite summer treat is now available across the group's GO!, Big C, and Tops Market supermarket chains nationwide. Next week, Central Retail together with the Tien Giang authorities will organise the Vietnam fruit festival in a bid to promote lychee – a northern fruit – in the southern area. The group is also working with Thai partners to effectively distribute the fruit in Thailand. Earlier, the Bac Giang People's Committee and Central Retail signed a cooperation pact on lychee distribution in 2022 on both virtual and physical channels./.

Source : <https://en.vietnamplus.vn/thai-retail-corporation-to-sell-some-1000-tonnes-of-lychees/229210.vnp>