

## Highlight News / July 12, 2022



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



## Strategic plan to maximise benefits from FTAs



*Cambodia News | 12 July, 2022*

Cambodia is expected to finalise a strategic plan later this month before submitting the document to the council of ministers for review and approval in order to maximise benefits from the implementation of free trade agreements (FTAs), officials said. Seang Thai, secretary of state and spokesman of the Ministry of Commerce (MoC), told Khmer Times that the document has been reviewed many times through meetings with government officials from related ministries and businesspeople in the private sector. "In the meeting, we decided to provide more time for relevant ministries and institutions to do final revision and then submit to the Commerce Ministry by the third week of this month in order to finalise and disseminate in the coming month," Thai said. The strategic plan that was discussed between officials of MoC and 57 officials from 15 relevant institutions focuses on existing markets such as the Cambodia-China Free Trade Agreement (CCFTA) and Regional Comprehensive Economic Partnership (RCEP) were put in place early this year, and the Cambodia-Korea Free Trade Agreement will become effective soon, he said. Commerce Minister Pan Sorasak said in a release that the main objective of preparing the strategic plan is to select most of Cambodia's potential export commodities for existing markets in order to draw maximum benefits from all of those free trade agreements. Sorasak stressed that firstly the working group should focus on ten prioritised commodities that include rice, cassava, banana, Pailin longan, mango, cashew, meat, natural rubber, pineapple and pepper

before fish was added in the meeting on Wednesday. The plan also includes other commodities for export in the next step. Sorasak said the preparation of the strategic plan began in the fourth quarter of 2020 and the initial draft was made in 2021 after passing through seven internal and external meetings to collect inputs from relevant ministries and institutions and a meeting with businesspeople in the private sector in early November last year. Three days later, the draft strategic plan was discussed in an inter-ministerial meeting attended by Finance Minister Aun Pornminiroth before the last revision in early April this year, Sok Chenda Sophea, Minister attached to the Prime Minister and Secretary-General of the Council for the Development of Cambodia on Tuesday encouraged to learn more about the investment potential and opportunities in Cambodia and to take advantage of the many agreements the country has signed, especially the RCEP. The deficit in trade of commodities between Cambodia and the rest of the world has narrowed by 23.55 percent to about \$3.64 billion in the first five months of this year from \$4.8 billion in the same period of 2021, according to figures released by the General Department of Customs and Excise (GDCE). The trade deficit reduced as the value of export from Cambodia rose by 25.37 percent to \$9.41 billion in the January-May period from \$7 billion in the same period of the previous year, while the pace of exports was faster compared to imports, which rose by only 9.87 percent to \$13.05 billion from \$11.76 billion, according to figures. China, US, Vietnam, Thailand and Singapore were the main commodity trade partners among the top 20 countries that exchanged commodities with Cambodia during this period. The commodity trade volume between the Kingdom and

China increased by 20.7 percent to nearly \$5 billion in the January-May period of this year compared to \$3.95 billion in the same period of last year, while exports from Cambodia to China dropped 7.41 percent, but imports rose by 23.96 percent to \$4.47 billion, according to the figures.

Source: <https://www.khmertimeskh.com/501109916/strategic-plan-to-maximise-benefits-from-ftas/>

## Mango, banana most promising for export



*Cambodia News | 12 July, 2022*

Cambodia's exports of yellow bananas surged to \$168 million in 2021, compared with exports of \$112 million in 2020 and \$49 million in 2019. According to World Bank's Cambodia Economic Update June 2022, several fresh fruit products, especially mango and yellow banana, have shown export growth last year. It said yellow banana is now one of the most promising non-rice agricultural products. The export performance of yellow bananas in the first three months of this year was also encouraging. In the first three months of 2022, yellow banana exports accelerated further, reaching \$59 million. Similarly, the exports of mango products have also been increasing. Exports of mangos reached \$10 million in 2021, it pointed out. However, it said the negative impacts of China's zero-Covid-19 policy affected the non-rice agricultural commodity exports, especially banana and mango. The policy adversely affected mango and banana products exported inland via Vietnam to China. "The policy causes delays and congestion, resulting in spoiled and undelivered

products. Direct exports via seaports to China are even tougher. Due to increased freight rates of refrigerated containers, imported fruits from Cambodia become less competitive against domestically produced fruits in China, discouraging Chinese importers from importing fruits from Cambodia," it said. Meanwhile, the report said better weather conditions improved rice production in the Kingdom last year. In 2021, the total rice production jumped 11.6 percent to 12.2 metric tonnes, compared to the figures in the previous year. The report said the surge was driven largely by an increase in wet season rice production, thanks to more favourable weather conditions. "Of a 12.2 million metric tonne rice production, wet season rice contributed 9.26 million metric tonnes (76 percent) and dry season rice production contributed 2.93 million metric tonnes (24 percent)." According to the US Department of Agriculture Foreign Agriculture Service, the production year 2021-22 was positive for rice farming thanks to better weather conditions coupled with increased adoption of new technologies, such as the use of drones to efficiently spray pesticides. Three-quarters of the increase, or about one million metric tonnes, were contributed by wet season rice production expansion, while a quarter was contributed by dry season rice, the report indicated. It said better weather conditions allowed for increases in rice cultivated and harvested areas which expanded to 3.6 million hectares and 3.4 million hectares in 2021, respectively, up from 3.4 million hectares and 3.2

million hectares in 2020, respectively. “In addition, increased adoption of new technologies and seeds boosted wet and dry season rice yields to 3.5 metric tonnes per hectare and 4.5 metric tonnes per hectare in 2021, respectively, up from 3.3 metric tonnes and 4.4 metric tonnes in 2020, respectively,” the update said. The major non-rice agricultural products in the Kingdom are rubber and cassava. In 2021, rubber production reached 0.4 million metric tonnes or an 8.3 percent increase, while cassava production reached 14.7 million metric tonnes or a 16.1 percent increase. Rubber and cassava ranked second and third in terms of agricultural commodity product value and exports, after rice, the report pointed out.

Source:<https://www.khmertimeskh.com/501109912/mango-banana-most-promising-for-export/>

## Laos, Vietnam deepen ties in information, culture and tourism



*Laos News | 12 July, 2022*

Laos and Vietnam are building on past successes in the fields of information, culture and tourism and are expanding their ties towards greater achievements in the future. This was the message delivered by the Minister of Information, Culture and Tourism, Mrs Suanesavanh Vignaket, during a media interview on Sunday to mark the Friendship and Solidarity Year of Laos-Vietnam 2022. Mrs Suanesavanh described how the ministry had worked closely with Vietnamese ministries, such as the Ministry of Information and

Communications, and the Ministry of Culture, Sports and Tourism. Vietnamese media organisations had close links with Lao media outlets, she said, including radio, television and newspapers. Laos’ Ministry of Information, Information and Tourism is continuing to work with Vietnam to train personnel and develop infrastructure through the provision of equipment and training courses for media officials. Vietnam has also provided assistance to build radio and television broadcasting stations in the provinces of Luang Prabang, Champassak, Oudomxay, Savannakhet, Bokeo and Xaysomboun. In 2021 and 2022, the Vietnamese government also provided financing for a radio and television station in Huaphan province. Mrs Suanesavanh said that in celebration of the Laos-Vietnam Friendship and Solidarity Year, the two countries’ ministries of information, culture and tourism were joining in activities to mark the special occasion. These include a seminar on the training of media officials jointly organised by Laos and Vietnam, joint production of material for Lao and Vietnamese newspapers, radio and television, and the production of stories and articles. State media personnel interviewed the heads of Lao and Vietnamese businesses as well as consul generals in Laos and Vietnam. The celebrations also include reciprocal visits by delegations from the two countries’ parties and governments, with events to

be broadcast live this month on radio, television and via video link, as well as extensive coverage in newspapers. There will also be meetings to discuss the management of Lao and Vietnamese cultural affairs in three provinces of Laos, as well as an exhibition of photos depicting the longstanding friendship and solidarity between Laos and Vietnam, which will take place in December. A commemorative magazine will be published to celebrate the occasion, and there will be a book exhibition on Laos-Vietnam cooperation at the State Printing House. Events will be co-organised with the Vietnamese Cultural Centre, including film screenings and other activities. Cooperation in the field of culture and tourism has been evidenced through Vietnam's assistance in building the National Arts School in Laos at a cost of 77 billion Vietnamese dong, which was completed in 2010. Lao authorities are currently working with their Vietnamese counterparts to prepare the necessary documents to submit the Hin Nam No National Park to UNESCO for consideration as a world heritage site. This area connects to a national park in Vietnam that has already been recognised as a world heritage site, so there are high hopes that the bid for UN recognition will be successful. Cooperation in tourism has proved useful for the two countries in promoting tourism in the region and beyond. The aim is to build the tourist industries of Laos and Vietnam into a

competitive market sector. There are plans to hold a Ho Chi Minh International Tourism Exhibition in Ho Chi Minh City each year, which would display products from various regions for sale.

Source: [https://www.vientianetimes.org.la/freeContent/FreeContent2022\\_132\\_Laos\\_vietnam.php](https://www.vientianetimes.org.la/freeContent/FreeContent2022_132_Laos_vietnam.php)

## Myanmar manufacturing sector attracts \$11 million from China in Q1 (April-June)



*Myanmar News | 11 July, 2022*

Seven Chinese enterprises brought in US\$11.112 million into Myanmar's manufacturing sector in Q1 (April-June) of the current financial year 2022-2023, as per the statistics released by the Directorate of Investment and Company Administration (DICA). Myanmar drew foreign direct investments of \$21.99 million in the first quarter. All the investments pumped into the manufacturing sector only. In addition to over \$11 million investments by Chinese companies, two enterprises from Hong Kong SAR put \$5.7 million and Japan invested an estimated capital of \$3.1 million into the manufacturing sector in the past three months. The existing enterprises from China (Taipei) also increased \$2 million investments in the manufacturing sector. The manufacturing enterprises and businesses that need a large labour force of the local community are prioritized in creation of job opportunities, according to the Myanmar Investment Commission. Although some labour-intensive enterprises faced financial

hardship amid the COVID-19 negative impacts and the political changes, the industry is now returning to normal after the COVID-19 vaccination programme for the workers, as per the HIS Markit's September report. In a bid to boost factory productivity with a healthy workforce in the garment industry, Mobile Medical Check to garment workers took place in Yangon and Nay Pyi Taw, supported by UNICEF Myanmar. Myanmar's manufacturing sector is largely concentrated in garment and textiles produced on the Cutting, Making, and Packaging basis, and it contributes to the country's GDP to a certain extent. Myanmar has drawn foreign direct investment of more than \$647.127 million from 49 enterprises in the past mini-budget period (October 2021-March 2022). Of them, 40 foreign enterprises put investments in the manufacturing sector, pumping the estimated capital of \$202.667 million. — KK/GNLM

Source: <https://www.gnml.com.mm/myanmar-manufacturing-sector-attracts-11-million-from-china-in-q1-april-june/#article-title>

## Petrol prices see highest decrease since 2022's beginning



*Vietnam News | 11 July, 2022*

Hanoi (VNA) – The price of petrol decreased by more than 3,000 VND (0.13 USD) per litre from 0:00 on July 11 following the latest adjustment of the Ministries of Industry and Trade, and Finance. Accordingly, the retail price of RON95 fell by 3,088 VND to a

maximum of 29,675 VND per litre, while that of E5RON92 bio-fuel was down 3,103 VND to 27,788 VND per litre. Meanwhile, the prices of diesel DO 0.05s-II and kerosene dropped by 3,022 VND and 2,008 VND to 26,593 VND and 26,345 VND per litre, respectively. This is the first significant reduction in petrol prices after a series of hike over the past several months. On July 8, the National Assembly Standing Committee issued Resolution 0/2022/UBTVQH15 on reducing environmental tax on petrol, oil and greases at the proposal of the Government to help curb the rise in domestic fuel prices./.

Source: <https://en.vietnamplus.vn/petrol-prices-see-highest-decrease-since-2022s-beginning/233498.vnp>

## Việt Nam targets \$5.5b in agro, forestry, fishery export value to EU



*Vietnam News | 11 July, 2022*

HÀ NỘI Việt Nam has set a target that the export value of agricultural, forestry and fishery products to the EU market will reach US\$5-5.5 billion by 2025. In 2025, the processed products would account for 30 per cent of Việt Nam's total agricultural, forestry and fishery products exported to the EU. About 20 per cent of the exported agricultural, forestry and fishery products to the EU would be sold directly at retail channels in this market. Those percentages would increase to 50 per cent and 30 per cent,

respectively, by 2030, according to a scheme developed by the Ministry of Agriculture and Rural Development (MARD). The export value of such products to the EU market is also targeted to increase to \$7.5-8 billion by 2030. The ministry has put in place many solutions to achieve these goals, such as increasing the connection and participation among ministries, sectors and localities. It will focus on changing farmers' awareness and habits in the production of farming products. In addition, it is also necessary to improve the infrastructure for agricultural production as well as aquaculture and processing of seafood to meet EU standards. It is also necessary to implement economic reforms, especially matters relating to agriculture and land, and policies and institutions on science, technology and State management. Those will help Việt Nam improve the competitiveness of farm produce and achieve sustainable agricultural development in the long term. The export of Vietnamese agricultural products is facing many big challenges, including internal limitations in the development process of the sector and increasingly strict commitments on product quality and environmental standards. Việt Nam's agricultural exports have great opportunities in expanding markets, improving the value and quality of export products, attracting investment and modern production technology from joining the EU-Việt Nam Free Trade Agreement to boost exports to this market. Currently, the EU is one of the four major export markets for Việt Nam's agricultural, forestry

and fishery products. The EU is also one of the world's three largest markets for agricultural, forestry and fishery products. Việt Nam is one of four Asian countries to sign an FTA with the EU. Therefore, to effectively exploit the advantages of the EVFTA, Vietnamese agricultural products must improve their quality and value. According to Nguyễn Trung Kiên, head of MARD's Department of International Cooperation, the EU annually spends about \$1 trillion on food and beverages, including \$300 billion on imports. Lộc Trời Group Joint Stock Company said that about 500 tonnes of branded "Vietnamese Rice" delivered by the company in June would arrive in Germany, the Netherlands and France in July. Of which, "Vietnamese Rice" exported to France will be sold at Carrefour, a large supermarket system. This is the first step in the group's journey of bringing Lộc Trời's rice to the world market. In February 2022, Golden Gate Joint Stock Company cooperated with Western Farm Co, Ltd. to export the first batch of mangoes to the EU market. This batch of mangoes supplied by Tĩnh Thới Agricultural Service Cooperative in Đồng Tháp Province has an export price of 11-13 euros per kilo. The price of this fruit at supermarkets in the EU is 18 euros per kilo. However, according to Kiên, some Vietnamese agricultural products still have low export volumes to the EU. In addition, Việt Nam's agricultural exports to this market are facing great competitive pressure. Specifically, Vietnamese vegetables and fruits have major competitors from South America,

West Africa, South Africa, Thailand, the Philippines, India and China. Meanwhile, coffee, pepper and cashew products of Việt Nam must compete with products of Indonesia, India, Brazil, Ivory Coast and Mozambique. Its seafood products face competition from products of Norway, China, Ecuador and Morocco. Kiên said to increase exports to the EU, Việt Nam's large enterprises need to promote the building of a supply chain for exports to reduce transportation costs and develop their brands. According to Nguyễn Thị Thương Linh, deputy director of the Vietnam Chamber of Commerce and Industry (VCCI)'s branch in Cần Thơ, to take advantage of the EVFTA in exporting farm produce to the EU, the enterprises and farmers must cooperate in building supply chains for exports. Nguyễn Đình Tùng, general director of Vina T&T Company, said the difficulty for the export of agricultural products, especially fruits, today is preservation. The most important factor is researching preservation technology to keep agricultural products fresher for longer. Besides that, the enterprises need support from State management offices and associations in carrying out advertising and marketing activities. Dr Nguyễn Đức Bình Minh, director of the Institute of Regional Research and Development under the Ministry of Science and Technology, has also noted the traceability of export products because this is a mandatory requirement of many multilateral FTAs, especially that with the EU. VNS

Source: <https://vietnamnews.vn/economy/1267910/viet-nam-targets-5-5b-in-agro-forestry-fishery-export-value-to-eu.html>

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