

Highlight News / October 25, 2021 2021



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)



## Economy to grow 4.8 percent next year, bank says



*Cambodia News | 22 October, 2021*

Cambodia's economy will grow 2.4 percent this year, with gross domestic product improving to 4.8 percent in 2022, according to Phillip Bank, the only Singapore-owned commercial bank in the Kingdom. Phillip Bank Director Ong Teong Hoon said next year's pick up will be driven by a revival in the three main sectors of the economy: first garments, footwear and textiles, second non-garments such as electronic components, toys and bicycles and third agriculture. Ong said the economy probably won't return to pre-Covid-19 growth levels until 2024 because he does not expect a revival in tourism until at least 2023. From a banking perspective he said the National Bank of Cambodia responded to the Coronavirus pandemic in a timely and correct manner and the government also responded well. "They have reduced the liquidity requirement from 12.5 to 7 percent. The banking adequacy for the country is very sound. The [capital adequacy ratio] for banks is 23.7 [percent] and for microfinance institutions it is 38.9 [percent]. For the liquidity coverage ratio it is 162 percent. It's very sound. So in terms of the banking sector it's got no worries at all," he said. Ong said Cambodia is in a strong trading position because of its membership of ASEAN, its ratification of the Regional Comprehensive Economic Partnership, a free trade agreement (FTA) with China and a soon-to-be-inked

deal with South Korea. He said FTAs with Russia, Japan and the US were also likely to be signed. "All these trading networks can only be good for the country because you cannot be isolated: You have to be connected to the world," he said. Ong said foreign investors find Cambodia very attractive because they can own 100 percent of anything except land, giving it an advantage over many of its Asian neighbours. The government also offers tax holidays of three to nine years after an entity makes a profit, free imports of construction materials and freedom from import and export duty for companies operating in one of the Kingdom's 54 special economic zones. Ong said Phillip Bank has so many investments in Cambodia because the government does not have a nationalisation policy. On the overall outlook for the economy Ong said he was very optimistic. "The government has introduced the right things," he said. "They have done the right thing relaxing travel restrictions. It is not a blanket open to all but they are doing it in a regulated manner, which is a good thing and is not sudden. A lot of it will also depend on what other countries are doing. As I see it a lot of countries are gradually opening up... and if more countries open up I'm sure Cambodia will revert back to pre-Covid. Give it maybe three years, maybe two years. It will not be a sudden explosion of growth but I think it will be a graduated and calibrated reopening and returning to pre-Covid," he said. Ong's comments came at a seminar organised by Singapore Club Cambodia, with the support of the embassy of Cambodia in Singapore.

Source:<https://www.khmertimeskh.com/50956602/economy-to-grow-4-8-percent-next-year-bank-says/>

## Cambodia sees trade surplus with Japan in eight months



*Cambodia News | 24 October, 2021*

Cambodia witnessed a trade surplus with Japan in the first eight months of the year, reflecting the fact demand for goods produced in the Kingdom for the Japanese market is increasing. Figures from the Japan External Trade Organization (JETRO) from January to August this year show Cambodia exported about \$1.124 billion of goods to Japan, a year-on-year increase of 7.3 percent. Cambodia spent roughly \$385.1 billion on imports from Japan, a 28 percent increase. This resulted in Cambodia's trade surplus of \$739 million. The bilateral trade amounted to \$1,509.3 million in the January-August period. The main exports to Japan include garments, bags, footwear, furniture, cosmetics, paper and office supplies and leather goods. Cambodia imported machinery, automobiles, electronics, furniture, fabrics and plastics from Japan. In 2020, two-way trade between the two countries was valued at \$2.099 billion, an 8 percent drop compared with 2019. Japan is one of Cambodia's biggest markets after the US and EU. Figures from the General Department of Customs and Excise at the Ministry of Economy and Finance showed the country's nine-month total exports were valued at \$13.726 billion.

Source:<https://www.khmertimeskh.com/50956600/cambodia-sees-trade-surplus-with-japan-in-eight-months/>

## Party resolves to address inflation, debt, unemployment



*Laos News | 25 October, 2021*

The Lao People's Revolutionary Party's Central Committee has resolved to intensify action to systematically address issues concerning the inflation rate and debt, while also striving to create more jobs. The Party's 11th tenure central committee adopted the resolution at the conclusion of its 3rd Plenary Session, which convened from October 18-22. Chaired by the Secretary General of the Party Central Committee, Mr Thongloun Sisoulith, the meeting noted that progress made in creating job opportunities fell short of the target. Recent reports suggest that unemployment has risen following the severe impact on businesses caused by the Covid-19 outbreak. In addition, thousands of Lao workers flocked home from Thailand due to the widespread outbreak of the virus in that country, which worsened the unemployment situation in Laos. The session also agreed to escalate action to address issues concerning currency exchange rates and the rising cost of living, while striving to maximise revenue collection. The meeting entrusted the government, Party committees and authorities at all levels to take earnest action to address any shortcomings.

Participants reviewed the progress made in implementing the national socio-economic development plan, budget plan and currency plan. The meeting spelled out measures to fulfil the socio-economic development plan and budget plan in the last quarter of 2021. Authorities were told to draw up next year's socio-economic development plan and budget plan. The meeting noted that intensified action had been taken to combat the Covid-19 outbreak. The meeting also observed that Laos continues to enjoy strong political stability and social order alongside socio-economic development, which saw gross domestic product grow by 2.8 percent. Participants were in agreement on national defence, security and foreign affairs. In this regard, the Party has adhered to its foreign affairs policy of peace, independence, friendship and cooperation for the enhancement of mutual interests as well as non-interference in the affairs of other countries. This policy creates conditions conducive to continued national development. During the meeting, participants reviewed the leadership and supervision of the Party Central Committee as well as the performance of each Party Central Committee member.

Source: [https://www.vientianetimes.org.la/freeContent/FreeContent\\_Party\\_resolves\\_208.php](https://www.vientianetimes.org.la/freeContent/FreeContent_Party_resolves_208.php)

## Squid fishing season starts in Taninthayi



*Myanmar News | 23 October, 2021*

The closed season of catching squid during the rainy season has ended. The fishing activity resumes in Taninthayi Region. The high fuel oil price resulted in additional costs in catching squid compared to the previous years. The squid businesses are relying solely on Thailand, said the businesspersons. "It is normal that the fishing starts in mid-October after Thadingyut Festival. Most vessels off to the coast for catching squid are quite small. The hike in fuel oil prices incurs high input cost," said U Min Tun, chair of Myeik District Squid Entrepreneurs Association. The offshore vessels in catching squid cost approximately K15 to 20 million, while the inshore vessels cost K5million to 7 million. The diesel price has tripled this year. Before the pandemic, Chinese traders came to Myeik to purchase squids. At present, the market relies only on Thailand. "If we can send the squids to Mawtaung via Myeik without processing in the cold storage facility, it will save some cost. The processing cost at the cold storage facility in Myeik is around K500 per kilo while it costs only K150 in Yangon. When the foreign enterprises invest in the region, it will bring about many benefits to the region," said U Win Aung, vice-chair of the association. It normally takes 23 days for offshore squid vessels. There are about 300 offshore squid vessels and 1,000 inshore vessels.—Khaing Htoo (Myeik IPRD)/GNLM

Source: <https://www.gnlm.com.mm/squid-fishing-season-starts-in-taninthayi/>

## USD 15.42 million earned from fishery exports to Ranong in October



*Myanmar News | 24 October, 2021*

total of USD 15.42 million was earned from fishery exports to Ranong, Thailand from 1 to 21 October 2021, starting from the 2021-2022 mini budget as Kawthoung District in the far south of Myanmar is mainly engaged in offshore fishing. In the third week of October, 335 vessels exported more than 14,037 tonnes of the fishery products to Ranong, earning USD 15.42 million. “The higher income of the fishery gets, the better the livelihood of the local fishermen and the income of the state as Taninthayi Region mostly operates the fishery-based business. “And if the fishery trade is good, then all the connections are good, so it can be said that the economic chain is developing. “At the beginning of the open season, from 1 to 21 October, we have earned USD 15.42 million from fishery exports,” said U Tin Htut, deputy director of the Kawthoung District Fisheries Department. “This is a marketable fishing season and is a lucrative month for fishermen. Fishing is done at least 22 days a month, Fishing in the dark relied on electric lighting”, fishermen said. The Ranong fish market displays large lobsters at 60 baht per kilo and small tortoises for 90 baht and larger one for 120 baht per kilo. Fishing within two miles of Lampi Island is prohibited, and in some areas, fishing is permitted in accordance with the

type of fishing nets specified by the Department of Fisheries. Fishermen and businessmen have been earning USD 15.42 million from the export of fishery products including fishes and shrimps, from Kawthoung District to Ranong, Thailand from 1 to 21 October.—Nyein Thu (MNA)/GNLM

Source: <https://www.gnlm.com.mm/usd-15-42-million-earned-from-fishery-exports-to-ranong-in-october/#article-title>

## Vietnam’s trade turnover projected to reach record high of US\$600 billion in 2021



*Vietnam News | 23 October, 2021*

HANOI TIMES: With trade turnover as of mid-October surpassing over US\$510 billion, the Ministry of Industry and Trade (MoIT) expected the figure to reach an all-time high of \$600 billion by the end of this year. “The actual result, however, would depend on Vietnam’s efforts to contain the pandemic,” said the MoIT. In the first half of October, the country’s trade revenue was estimated at over \$26 billion, of which exports amounted to \$13.16 billion, and imports of \$13 billion. Of the total, four goods categories recorded an export turnover of over \$1 billion were smartphones, computers, and electronic products, machinery and equipment, and garment. Overall, Vietnam recorded a trade turnover of \$254 billion as of the present and imports of \$256.45 billion, resulting in a trade deficit of \$2.45 billion. For the remainder of the year, the MoIT said it

would continue to provide support measures for local traders to boost exports and gradually narrow the trade deficit. "A combination of Covid-19 restriction measures and efforts to address difficulties in movements of goods is essential," added the agency. During the monthly press conference held late September, Vice Minister of Industry and Trade Do Thang Hai said effective utilization of free trade agreements (FTAs) that Vietnam is a part of would be the key solution to raise export turnover, especially the next general trade such as the CPTPP, EVFTA or RCEP. "Vietnam's export turnover may expand by 10% this year, exceeding the original target of 4-5% set by the Government," Hai said. Assuming no major Covid-19 outbreaks from now until the end of this year, the MoIT expects businesses in Vietnam's main manufacturing hubs in the southern region to accelerate production and soon balance the trading account, or even earn a trade surplus in case of favorable conditions emerge.

Source: <http://hanoitimes.vn/vietnams-trade-turnover-projected-to-reach-record-high-of-us600-billion-in-2021-319064.html>

## Vaccine passports could help resort real estate sector



Vietnam News | 23 October, 2021

HÀ NỘI — Accepting tourists with 'vaccine passports' is considered an important step in the strategy of living alongside COVID-19 and will help revive the tourism and resort real estate

industry. Nguyễn Quốc Anh, deputy general director of Batdongsan.com.vn, said that the real estate market was still facing many difficulties, so the first priority for the resort real estate market was the recovery of the tourism industry. Experts say that if the application of 'vaccine passports' in the tourism industry is successful, it will be a driving force for many other economic sectors because foreign-invested enterprises have the need to bring a large number of experts to work in Viet Nam. "The pilot 'vaccine passport' programme is a good policy at present," said Đỗ Quý Duy, Hải Phát Real Estate Sales Director. During the pandemic, the demand of the resort real estate segment had been very low, especially coastal tourism real estate. Meanwhile, this market held great attraction for foreign investors, he said. Economic expert Đinh Trọng Thịnh said that 'vaccine passports' would provide great support for investment businesses. In order to take advantage of opportunities, businesses must prepare specific development strategies, and create tourism products meeting the needs of customers. General Secretary of Khánh Hòa Real Estate Brokers Association Phan Việt Hoàng said that the 'vaccine passport' was the best solution for all tourism real estate. Marketing Director of Danh Khôi Group Ngô Văn said large foreign investors expected to access the resort real estate market in Việt Nam. Their target was a real estate product line having high growth within 3-5 years. Therefore, the segment of resort and coastal tourism real estate

would be an attractive segment for all customers and investors after the pandemic was controlled, he said. Việt Nam would be one of the best markets in Southeast Asia waiting for large foreign investors with big projects, Vãn said. In the fourth quarter, social distancing measures would be reduced, which would also provide favourable conditions to attract foreign investors to Việt Nam, creating a great push to the real estate market, especially resort real estate. For domestic investors, Vãn said, from the third quarter of 2021, disbursement in real estate projects had increased, especially since the Government strengthened vaccinations to control the pandemic. This would be the moment that investors pour capital to own resort real estate products with legality, good location and many distinct advantages. Following this trend, investment cash flow is gradually returning to resort real estate to catch great opportunities when the economy recovers. Customers will choose attractive investment products at reasonable prices, Vietnam News Agency reports. The pandemic is changing travel demand. Many tourists, especially families, want to go to private and safe resorts to relax in nature. That is an opportunity for owning or investing in the wellness resort real estate product line. However, Nguyễn Văn Đĩnh, vice chairman of the Việt Nam Real Estate Brokers Association, said the land fund for investors after the plan for Phú Quốc to be the first island city in Việt Nam is scarce, meaning lower investment opportunities. Because

the land fund has been already allocated to businesses before this plan. Therefore, the investors need to seize investment opportunities in the resort real estate market. This segment is still considered a "promising land" for investors because it is expected to have a strong rebound after the pandemic is controlled. — VNS

Source: <https://vietnamnews.vn/economy/1064087/vaccine-passports-could-help-resort-real-estate-sector.html>

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