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Highlight News / September 16/2020

- Cambodia's garment industry projected to face brunt of CLMV exports slowdown
- Cambodia has exported more than 3 million tonnes of agricultural produce
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Cambodia's garment industry projected to face brunt of CLMV exports slowdown

Cambodia News I 15 September, 2020

Oxford Economics has stated that the COVID-19 pandemic will have a significant impact on the exports of CLMV countries, comprising Cambodia, Laos, Myanmar and Vietnam. It added that up to 66 percent of Cambodia's exports are generated by the clothing and apparel industry which has traditionally benefitted from foreign direct investments and preferential trade benefits main buyers. It forecasted that FDI inflows will fall sharply this year and that the recovery in 2021 will be muted amid weak global demand for apparel and the partial withdrawal from the "Everything but Arms" scheme with the EU which took effect on August 12. Although FDI into the garment sectors continued to flow into Cambodia, the number of jobs created is not keeping pace with the number of jobs displaced. Oxford Economics further stressed that despite this doom and gloom scenario, the CMLV bloc is still tipped to turn in stronger growth than the ASEAN-5 economies – Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Oxford Economics predicted that CMLV economic growth is likely to average 5.1 percent from 2020 to 2028, outpacing the ASEAN-5's estimated average of 4 percent. VNA

Source : https://www.khmertimeskh.com/50764104/cambodias-garment-industry-projected-to-face-brunt-of-clmv-exports-slowdown/

Cambodia has exported more than 3 million tonnes of agricultural produce

Cambodia News I 15 September, 2020

More than 3 million tonnes of Cambodia's agricultural products were exported as of Sept 11, according to a report from the Ministry of Agriculture, Forestry and Fisheries. The report added that Cambodia exported milled rice totalling 463,805 tonnes, of which, 164,962 tonnes went to China, 154,287 tonnes to the EU, 61,700 tonnes to Asean countries, and 83,127 tonnes to other markets. In addition to milled rice, Cambodia also exported 1.18million tonnes of cassava chips, 512,350 tonnes of fresh cassava, 202,207 tonnes of cashew nuts, 193,660 tonnes of corn, 213,486 tonnes of fresh bananas, 51,670 tonnes of mangoes, 41,970 tonnes of palm oil, 3,959 tonnes of pepper, 5,376 tonnes of tobacco, 83 tonnes of vegetables, 51,121 tonnes of fresh chilis and more than 55,420 tonnes of other products. Most of the products were exported to China, the EU, Asean, Hong Kong, Taiwan, Australia, New Zealand and the US. Minister of Agriculture, Forestry and Fisheries Veng Sakhon said that the informal exports of paddy were also recorded at more than 1.33 million tonnes as of Sept 11. He said the majority of paddy exports went to Vietnam from various provinces that border the country – Takeo sent 123,015 tonnes, Prey Veng 902,377 tonnes, Svay Rieng 160,975 tonnes, Kandal 57,352 tonnes and Kampot 93,515 tonnes. "While the government is working to boost domestic food production to reduce food imports during the global COVID-19 pandemic, the ministry noted that a small number of individuals have been supporting those who cause trouble by trying their best to protect a small number of traders for importing agricultural products from outside as well," Sakhon said.

Source : https://www.khmertimeskh.com/50764124/cambodia-has-exported-more-than-3-million-tonnes-of-agricultural-produce/

Garment workers to benefit from German-funded programme

Laos News I 16 September, 2020

Germany will provide 14.5 million euros to help two million garment workers affected by the coronavirus pandemic in seven countries including Laos, according to the Ecotextile News. The financial support will be granted through an International Labour Organisation (ILO) programme which should enable workers in Bangladesh, Ethiopia, Cambodia, Madagascar, Indonesia, Vietnam and Laos to minimise the impacts of the Covid-19 crisis. As part of its Emergency Covid-19 Support Programme, the multi-donor initiative provides cash transfers and personal protective equipment, as well as awareness-raising campaigns. Over 26,000 workers in textile factories in Laos have been affected by the ongoing global health and economic crisis, according to the Association of Lao Garment Industry (ALGI). ALGI president Xaybandith Rasphone told Vientiane Times recently that the pandemic was having a huge impact on Laos' garment industry. "Garment exports have fallen by 40-50 percent so far this year," he said, adding that the sharp decline had forced many factories to reduce or temporarily suspend their operations. As a result, many garment workers have had their work hours reduced or been laid off. A large number of employees, particularly women, have lost essential income even as living costs spiral, increasing the burdens they carry and making it harder for them to survive. Ninety percent of Lao garment workers are women. Under the Germany-funded programme, young mothers and workers particularly at risk of falling into poverty will receive one-off support payments. Of the total 14.5 million euros, about 1.7 million euros will be spent on the programme in Laos in which garment workers will indirectly and directly benefit from the initiative, according to Mr Xaybandith. All garment factories in Laos had taken a hit from shrinking demand and the drop in orders placed by their main buyers in the European Union, Japan, the United States and Canada, he added. In 2016, the value of garment exports stood at US$174.23 million, which was down by 7.25 percent compared to the figure for 2014. However, in 2018, the value climbed to US$185 million. "We have not finished our report on garment exports for 2019 but we have been suffering from the effects of Covid-19 this year," Mr Xaybandith said. ILO Deputy Director-General for field operations and partnership, Moussa Oumarou, was quoted in the Ecotextile News as saying "A key lesson from Covid-19 is that it is essential to immediately support businesses in their efforts to survive and the workers that lose jobs and income. Such immediate humanitarian support must be part of the longer-term plan to build back better." According to the ILO report, the multi-donor programme's integrated strategy is designed to assist both workers and private sector businesses to rebuild their economic activities, mitigate further interruptions in the supply chain, and provide direct support to garment sector workers, especially women in the seven target countries.

Source : http://www.vientianetimes.org.la/freeContent/FreeConten_German_180.php

Myanmar to set up second stock exchange for public companies

Myanmar News I 15 September, 2020

A second stock exchange, or pre-listing board, will be set up for the purpose of trading shares in public companies that have yet to list on the Yangon Stock Exchange (YSX), said U Maung Maung Win, who is Deputy Minister for Planning, Finance, and Industry as well as Chair of the Securities and Exchange Commission of Myanmar (SECM). However, no further details were provided on when this would take place. "The pre-listing board is for investors to buy and sell the shares of Myanmar public companies that have yet to meet the criteria to be listed on the YSX," U Maung Maung Win said, adding that in other countries, secondary listing boards are common to enable companies that have yet to meet main board listing criteria to raise capital by selling their shares. This will be beneficial to small and medium-sized enterprises (SMEs) in particular, a they will have the opportunity to raise capital, U Maung Maung Win said. There are currently more than 260 public companies registered under the Myanmar Companies Law. Only six public companies are listed on the YSX. "Most public companies do not meet the criteria for listing on the YSX. So, a pre-listing board will be established to fill this gap. Establishing this market creates the right environment for unlisted public companies and exposes them to new challenges and opportunities that raise their potential of listing on the YSX in the future," said U Yin Zaw Myo, Managing Director of the YSX. The new board will be established with the approval of the Ministry of Planning, Finance, and Industry and under the supervision of the SECM. Although less stringent than listing on the YSX, public companies will also need to meet the requirements of the second board before their shares are open for trading. Discussions to establish a second stock exchange for public companies commenced last year. The move is also expected to create an official platform for the trading of shares in public companies. Currently, the shares are traded in the over the counter (OTC) market, which is loosely regulated. Unlike many international markets, where qualifying to become a public company involves meeting a slew of conditions such as being profitable for a consecutive period of time, providing evidence of growth potential and listing on a stock exchange, in Myanmar, companies can opt for public status at their inception. Public companies are set up with two main objectives – to raise capital from the public and compete for government tenders. They are also required to obtain permission from the SECM and other authorities and meet a list of criteria before they are officially allowed to sell their shares.

Source : https://www.mmtimes.com/news/myanmar-set-second-stock-exchange-public-companies.html

Vietnam trade surplus more than doubles in Jan-Aug

Vietnam News I 15 September, 2020

The Hanoitimes - The record US$13.5 billion trade surplus in the eight-month period far exceeded the unprecedented figure of US$11.12 billion last year.In the first eight months of 2020, Vietnam's trade surplus reached an all-time high of US$13.5 billion, representing a 150% increase compared to the same period of last year (US$5.47 billion), according to the General Department of Vietnam Customs (GDVC). The figure also far exceeded the estimated US$11.9 billion from the General Statistics Office for the period and the unprecedented trade surplus of US$11.12 billion last year.In August, Vietnam's exports rose 11.4% month-on-month to US$27.7 billion, while imports increased 2.8% to US$22.7 billion.Overall, between January and August, Vietnam's total export value topped US$175.36 billion, up 2.3% year-on-year, and total import value was US$161.9 billion, down 2.4%.Six groups of export staples with turnover above US$1 billion in August included phones and parts with US$5.35 billion, up 24.8% month-on-month; computers, electronic products and parts with US$4.2 billion, up 3.4%; textile with US$2.97 billion, down 2.5%; machinery and equipment with US$2.7 billion, up 17.6%; footwear with US$1.4 billion, up 1%; wood and wooden products with US$1.15 billion, up 1.9%.For the January – August period, phones and parts earned the largest export turnover of US$31.6 billion, down 5.4% year-on-year.Meanwhile, Vietnam spent most on importing computers, electronic products and parts with over US$6 billion last month, up 7.6% month-on-month, accumulating a total of US$38.75 billion in the eight-month period, or an increase of 15.6% year-on-year.

Source : http://hanoitimes.vn/vietnam-trade-surplus-more-than-doubles-in-jan-aug-314207.html

ADB cuts Vietnam GDP growth forecast to 1.8% in 2020

Vietnam News I 15 September, 2020

The Hanoitimes - While Vietnam's economic outlook in the near term is dim, the country is showing stronger resilience than most comparable economies, stated the ADB.The Asian Development Bank (ADB) has revised down Vietnam's economic growth forecast to 1.8% in 2020 from the previous estimate of 4.1% in June, but the growth is expected to bounce back to 6.3% in 2021, according to the bank's report released today. Lower domestic consumption and weak global demand caused by Covid-19 have hurt Vietnam's economy more than expected. But economic growth will be resilient in

2020, in large part due to the government's success in controlling the spread of Covid-19," said ADB Country Director for Vietnam Andrew Jeffries. "Economic growth will be supported by the country's macroeconomic stability, increased public spending, and ongoing reforms to improve the business environment."The Asian Development Outlook (ADO) 2020 Update, ADB's annual flagship economic publication, stated Vietnam's economy will benefit from the continued diversion of production from China to the country, recovery in the Chinese economy, and the implementation of the EU – Vietnam Free Trade Agreement (EVFTA).Slower-than-normal growth would keep inflation subdued at 3.3% in 2020 and 3.5% in 2021, stated the report. While Vietnam's economic outlook in the near term is difficult, the country is showing stronger resilience than most comparable economies, with the outlook over medium and long-term remaining positive, it added.As economic fundamentals have not been impaired, Vietnam's participation in a large number of bilateral and multilateral trade agreements will help the country's economic rebound. Vietnam will also likely benefit from the current shifting of supply chains to low-cost countries.Nevertheless, it is worth mentioning that Vietnam is the only economy in Southeast Asia that the ADB expected to record positive growth this year as the region's is set to face a GDP contraction of 3.8% in 2020. The report also referred to a prolonged global Covid-19 pandemic as the biggest risk to Vietnam's growth outlook this year and next year. Another threat is global trade tensions, which lead to rising trade protection and financial risks that could be exacerbated by a prolonged pandemic.

Source : http://hanoitimes.vn/adb-cuts-vietnam-gdp-growth-forecast-to-18-in-2020-314210.html