

Highlight News / October 28/2020



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\$2.5b investment for Koh Norea:

OCIC



Cambodia News | 27 October, 2020

Around \$2.5 billion will be injected into the development of a new Koh Norea satellite city development project in the east of the capital over the next three years, according to the Overseas Cambodia Investment Corp's (OCIC's) chairman. The company will invest around \$550 million for the infrastructure of the whole project, said Pung Kheav Se, chairman of the OCIC, which is behind the project. He said the Koh Norea development area is located in the capital's Chbar Ampov district and stretches to Kean Svay district of Kandal province and close to Koh Pich satellite city in Phnom Penh. The whole area of the Koh Norea Development project is 125 hectares of land. "Since January 2020, OCIC has been building the concrete basement of the river bank and the other infrastructures in the development of the Koh Norea project. The infrastructure of the whole construction project is 27 percent complete," Kheav Se added. He said that for the next development, the company is building two concrete bridges across the Bassac River. According to Kheav Se, the first bridge is made of concrete and cable connecting National Road 1 to the Koh Norea development area. The bridge is 60 metres in length and 21 metres wide, will cost \$1.6 million and 12 months to build. The bridge was designed by a Cambodian architect and built by a Cambodian company. The second bridge, he said is

also a concrete bridge connecting the Koh Norea development area to Koh Pich. It will be 824 metres long and 24.5 metres wide with two 60-metre cable poles. It will cost \$38 million and take 35 months to build. The bridge was designed by a Chinese company and will be built by Khmer and a variety of foreign companies. The Korean and Chinese companies will act as consultants for the project. "The development of Koh Norea will provide needed socio-economic development especially during this difficult situation, while Cambodia needs more investment," Kheav Se said, adding the Koh Norea development project will accommodate 50,000 residents. During the speech at the groundbreaking ceremony for the concrete bridge across the Bassac River from Koh Pich to Koh Norea, Prime Minister Hun Sen said that the two bridges will ease the traffic congestion on National Road 1, especially at Monivong Bridge. "I appreciated the OCIC for the development of Koh Pich and then Chroy Changvar satellite city and now a new Koh Norea satellite city, alongside a new Phnom Penh International Airport. These are contributions by the government to boost the country's economy," Mr Hun Sen said. "The private sector today plays a crucial role in the Kingdom... I urge all private sector companies to carry on their businesses and investment in the country. COVID-19 has not killed any Cambodian, but it has affected the living standards of the people," the premier said. "We [Cambodians] are also affected, but the impact is not big. Therefore, these constructions are ongoing. I hope that after the

construction, traffic will be eased on Monivong Bridge,” Mr Hun Sen added.

Source : <https://www.khmertimeskh.com/50777087/2-5b-investment-for-koh-norea-ocic/>

Non-performing loans rise but only by a slight margin



Cambodia News | 27 October, 2020

The president of the Association of Banks in Cambodia (ABC) said the banking sector is still healthy with manageable non-performing loans during COVID-19 and recent flooding. The banks are closely monitoring the impact on customers. In Channy, ABC president who is also president and group managing director of ACLEDA Bank, said that through various government measures and support from the National Bank of Cambodia, in particular, they have helped the financial sector to perform better during the pandemic. Channy accepted non-performing loans (NPLs) in the banking sector has risen a little but the industry can manage it. “NPLs now are about 2 percent. Before COVID-19 it was around 1.3 percent, so the growth of NPLs is low,” he said. As of October, the financial institutions have provided loan restructuring to more than 280,000 customers involving about \$3 billion, according to Channy. On top of this, data from the Cambodia Microfinance Association (CMA) shows that CMA members have restructured loans for 265,000 clients involving \$1.3 billion by mid-October. NPLs in the microfinance sector were 2.5 percent of the total in September. “The banks and microfinance

institutions have gained a fruitful result from the government’s responses and measures. Therefore, the banking and microfinance institutions (MFIs) have been low risk during COVID-19,” according to Channy. He said that the recent flooding in the Kingdom has added another effect to the banking and microfinance sectors and customers. However, the banks and MFIs have followed the government’s guidance by restructuring loans to those affected by flooding, especially the agriculture sector. “The banks and MFIs will provide more loans to customers during this tough time. We have not asked them to pay back the loans during this difficult situation after we found that the agriculture sector – rice and other crops – were damaged but instead, we gave them more money to buy seedling, and fertilisers for replan-ting,” he added. The credit growth of ACLEDA Bank this year, in particular, is expected to reach 10 percent. It was 8 percent in 2019. However, this year’s loans given to customers are affordable and deposits are also rising remarkably, Channy said. “Our loan portfolio last year was \$3.7 billion, and so far this year it is \$4 billion,” he added. Prime Minister Hun Sen last Wednesday called on banks and MFIs to understand and delay the repayment of debts of people affected by this year’s floods. He made the call during a meeting with people affected by flooding in Banteay Meanchey province. The premier added: “Banks or microfinances must be understanding about [repayment] delays or reducing interest rates. Especially, no property

should be seized during the COVID-19 [pandemic] and the flooding.”

Source : <https://www.khmertimeskh.com/50777269/non-performing-loans-rise-but-only-by-a-slight-margin/>

Economic growth forecast at 3.3 percent despite Covid-19 crisis



Laos News | 28 October, 2020

The government is predicting that Laos' economy will grow by 3.3 percent this year, the same growth rate projected in June, despite the protracted travel restrictions imposed to prevent the spread of Covid-19. Prime Minister Thongloun Sisoulith confirmed the projection on Tuesday when addressing the opening ceremony of the 10th Session of the National Assembly's 8th legislature. He outlined the country's economic difficulties and rising debt burden, exacerbated by the Covid-19 crisis and most recently compounded by widespread flooding. "We have been suffering from economic difficulties for several years. In addition, weather extremes and the Covid-19 pandemic are severely affecting socio-economic development," he said. "Some of our goals will not be achieved, particularly the revenue collection target, and efforts to curb inflation." With the pandemic placing a greater burden on Laos' debt service capability, the government has drawn up short-, medium- and long-term plans to address its liabilities and obligations by attempting to reduce the fiscal deficit each year. The government will no longer accept loans from foreign countries in order

to address the fiscal deficit. Loans will only be taken out to repay the principal on existing loans when the time arrives for debts to be serviced. "At present, we are still able to repay the debts owed to foreign countries," Mr Thongloun said. The government also plans to pass responsibility for its debts to private enterprises to commercial banks, as this would enable private companies to maintain their financial liquidity and continue their business operations. Mr Thongloun acknowledged that the economy was vulnerable to global economic shocks and climate change but was optimistic that economic growth would be higher than the global growth rate of -4.4 percent projected by the IMF. The agriculture sector is expected to grow by 2.3 percent this year, representing 16.6 percent of GDP. Industry is forecast to grow by 9.8 percent, accounting for 33 percent of GDP, but growth in the service sector is expected to contract by 1.6 percent, representing 39.5 percent of GDP. Over the past nine months, the value of exports was US\$4.27 billion, equal to 70.8 percent of the revised plan for 2020 approved by the National Assembly. In the meantime, the value of imports reached US\$3.82 billion, equal to 64.68 percent of the target for 2020. Mr Thongloun said foreign reserves were sufficient to purchase imported goods for 5.03 months, higher than the minimum of three months approved by the National Assembly. Over the past year, the value of the kip fell by 5.26 percent while the inflation rate averaged 5.72 percent year-on-year, driven by rising food prices. Although the impact of the Covid-19 pandemic on

the economy may continue until next year, the government is optimistic that the economy will recover to some extent due to the uninterrupted construction of large-scale development projects. These include the Laos-China railway, Vientiane-Vangvieng expressway, building of industrial parks and dry ports, and hydropower and mining projects, all of which will help drive economic growth.

Source : http://www.vientianetimes.org.la/freeContent/FreeConten_Economic_210.php

20 containers of seafood stranded at Saudi port



Myanmar News | 27 October, 2020

Around 20 Myanmar containers with marine products are still stranded at Saudi Arabia's Jeddah port while the Saudi Arabia Food & Drug Authority (SFDA) makes arrangements to approve a list of Myanmar fisheries factories from where the products were processed, according to U Ye Min, a Central Executive Committee member of the Myanmar Fisheries Federation. The goods have been at the port since October 13, when Saudi Arabia seized around 30 unregistered containers loaded with US\$80,000 worth of Myanmar fisheries products each. A total of ten containers have received cleared customs after the SFDA approved three of 19 factories which sought permission to sell their products in Saudi Arabia. "There are still about 20 containers at Jeddah port which are not registered and approved by the SFDA yet," U Ye Min said. This year, only Ywar Thar Gyi Cold Store, one of 19 cold

storage factories from Myanmar which applied for registration, was approved by Saudi authorities. On October 15, the SFDA approved Twin Brothers Seafood Cold Storage, Mega Marine Frozen Seafood and Delta Queen International Co. – Translate

Source : <https://www.mmmtimes.com/news/20-containers-seafood-stranded-saudi-port.html>

Vietnam emerges as FDI hub in Asia : the Eurasian Times



Vietnam News | 27 October, 2020

The Eurasian Times has recently run an article, saying Vietnam has emerged as a hub of foreign direct investment (FDI). It said in the race to become an Asian Tiger, Vietnam FDI has averaged more than 6 percent of GDP, which is the highest ratio in any emerging country, as per American multinational investment bank and financial services company Morgan Stanley's emerging markets strategist Ruchir Sharma, quoted in a report by Livemint. The country's recent economic data shows a rise of 18 percent in exports, with a 26 percent jump in computers/components exports and a 63 percent jump in machinery/accessories exports. Business-friendly investment policies, industrial zones, ample supply of young workers (60 percent of the population) made Vietnam an attractive destination for investors when flows into China began to fall, the article explained. Ever since, the country has witnessed an annual growth rate of 10.4 percent and last year's record high of US\$16.12 billion – an 81 percent increase overall. Former Prime Minister of

Vietnam Nguyen Tan Dung, writing for World Economic Forum offers the pearl of wisdom on FDI which the other nine countries in Association of Southeast Asian Nations — Indonesia, Thailand, Singapore, Malaysia, Philippines, Brunei, Cambodia, Myanmar (Burma), Laos — must take note of, the article said. Dung writes that Vietnam's socio-political stability, population structure, along with vigorously renovating the business and investment climate has made the country an attractive FDI site. According to the publication, even in the time of COVID-19 crisis, Vietnam's economy is in a good position because the government has introduced tax breaks, the delaying of tax payments, and land-use fees for businesses, revising the investment law and landing a trade deal with the European Union (EU). Beginning July 2020, the EU has lifted 85 percent of its tariffs on Vietnamese goods, gradually cutting the rest over the next seven years, while FDI worth over US\$12 billion was registered between January and April 2020, it said. As of September 20, the FDI into Vietnam reached US\$21.2 billion, equivalent to 81.1 percent year-on-year. According to the Foreign Investment Department under the Ministry of Planning and Investment, there are 1,947 new projects granted investment registration licenses with a total capital of US\$ 10.36 billion, 798 projects registering to adjust investment capital with a total additional capital of US\$ 5.11 billion, 5,172 projects contributing capital and purchasing shares of foreign investors worth US\$5.73 billion, Zing News reported. Despite COVID-19, foreign investors still

maintain production activities and are positive about the investment environment in Vietnam. Also, many other foreign investors eye investment in the country. Over the past nine months, 18 fields were invested, in which, the processing and manufacturing industry remained the most attractive, receiving nearly US\$ 9.9 billion. The power generation and distribution ranked second (US\$ 4.3 billion) and followed by the real estate and wholesale, retail sectors. Three were 111 countries and territories investing in Vietnam. Among them, Singapore took the lead with more than US\$6.67 billion (33.5 percent of the accumulative capital). It was followed by the Republic of Korea with US\$3.17 billion (15.2 percent) and China was third with US\$1.87 billion (8.8 percent).

Source : <https://vietnamtimes.org.vn/vietnam-emerges-as-fdi-hub-in-asia-the-urasian-times-25442.html>

FDI reaches US\$23.48 billion in ten months



Vietnam News | 27 October, 2020

VOV.VN - Vietnam attracted a total of US\$23.48 billion in foreign direct investment (FDI) during the opening ten months of the year with Singapore leading the way at US\$7.51 billion, making up 31.9% of overall investment in the country, according to statistics released by the Ministry of Planning and Investment. Among the 109 territories and countries currently investing in the nation, the Republic of Korea ranked second with US\$3.42 billion, with

China in third place with US\$2.17 billion, followed by Japan, Thailand, and Taiwan (China). Of the total FDI, 2,100 projects were successfully granted investment registration certificates, representing an annual decline of 32.1%, while total registered capital fell by 9.1% to US\$11.66 billion. Total newly-registered and adjusted capital, along with capital contribution and share purchases from foreign investors reached US\$23.48 billion as of October 20, equivalent to 80.6% in comparison with the same period from last year. In addition, the disbursement of FDI capital was estimated to stand at US\$15.8 billion, equal to 97.5% from last year's corresponding period. Most notably, FDI enterprises have made investments across 18 industries, of which the processing and manufacturing sector took the lead with total investment capital of US\$10.7 billion, accounting for 45.7% of total registered capital. This was trailed by the electricity production and distribution sector with over US\$4.8 billion, real estate with approximately US\$3.5 billion, and the wholesale and retail sector with US\$1.4 billion. The figures indicate that the Mekong Delta province of Bac Lieu province continues to top the list of the country's 59 localities in terms of FDI attraction at US\$4 billion, Ho Chi Minh City at US\$3.4 billion, Hanoi at US\$3.13 billion, followed by Ba Ria - Vung Tau, Binh Duong, and Hai Phong.

Source : <https://vov.vn/en/economy/fdi-reaches-us2348-billion-in-ten-months-813090.vov>
