

Highlight News / January 10, 2022



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

## Cambodian economy estimated to grow at 5% in 2022, Omicron or not:

NBC



*Cambodia News | 07 January, 2022*

The National Bank of Cambodia (NBC) recently estimated the country's economic growth at 5 per cent for 2022 due to the anticipated global recovery, despite the potential emergence of new variants of the novel coronavirus. The economy expanded by around 3 per cent last year, backed by the resumption of domestic activity and other benefits, it said. Cambodia's economy will recover from last year's 3.1 percent contraction this year and strengthen even further in 2022, according to Fitch Solutions in a report released in November last year. It forecasts real gross domestic product (GDP) of 2.5 percent in 2021 and 4.7 percent in 2022. "Our forecast continues to reflect the poorer prospects for services growth amid the country's protracted struggle to flatten its new Covid-19 infections curve in 2021, as well as a slow recovery in the tourism sector in 2022," said the affiliate of credit ratings company Fitch. The central bank pegged the inflation rate at 2.6 per cent in 2022, down from 2.9 per cent in 2021, and said the exchange rate of the local currency would remain stable, at about 4,075 riel to the greenback. NBC released its 'Macroeconomic and Banking Sector Developments in 2021 and Outlook for 2022' report on December 31. The global economy is expected to remain on a positive growth trajectory in 2022, with diverging

rates across countries based on the effectiveness of COVID management and supportive government policies, it said. But SARS-CoV-2 mutations such as Omicron will remain a key challenge this year, along with a whole suite of other issues related to climate change, geopolitics and trade, it noted. The gradual global economic recovery will support Cambodian exports, especially of non-garment products such as electrical spare parts and bicycles that align with diversification strategies, NBC suggested. It said the Regional Comprehensive Economic Partnership (RCEP) and free trade agreements with China and South Korea would create a strong tailwind this year for the agricultural sector, trade, goods and services, investment flows and e-commerce.

Source: <https://www.khmertimeskh.com/501002617/cambodian-economy-estimated-to-grow-at-5-in-2022-omicron-or-not-nbc/>

## Cambodia's \$21 million Ford assembly plant to start production line in April



*Cambodia News | 09 January, 2022*

US automaker Ford, has decided to invest \$21 million in an assembly line for the production of the Ford Ranger and Ford Everest. The assembly line is currently under construction and will begin production in April. It is located in Krakor Special Economic Zone, Pursat Province. Keo Rattanak, Minister Delegate to the Prime Minister, Director General of Electricite du Cambodge and Chairman of the Royal Government Working Group for Krakor

and Kandieng Districts, said: “With this investment, Ford USA will assemble, Ford Pick-Up, Station Wagon or Ford SUV’s and will start production in April before the Khmer New Year.” He added, “We are now trying to attract them to bring in more of their partners to produce components in the territory of Krakor district, which is the master plan of Krakor district, Kandieng district, in general and in particular, for Pursat province itself, and we will start the inauguration after the situation of Covid- 19 has eased. This Ford factory is being built on a land area of more than 4 hectares in Savon village, Sna Ansa commune, Krakor district, Pursat province, 159 kilometers from Phnom Penh. The plant will assemble and assemble the Ford Ranger and Ford Everest, with RMA AUTOMOTIVE (CAMBODIA) CO., LTD initially investing \$ 21 million. The company plans to assemble a total of 4,500 vehicles in the first year to meet the requirements of the Cambodian market alone. The plant will help create up to 500 jobs for the production line.

Source:<https://www.khmertimeskh.com/501003438/cambodias-21-million-ford-assembly-plant-to-start-production-line-in-april/>

## Vietnam-Laos trade value surges over 30 percent in 2021



*Laos News | 10 January, 2022*

NDO/VNA - Two-way trade between Vietnam and Laos is estimated at 1.3 billion USD in 2021, a year-on-year rise of 30.3 percent, according to Deputy Minister of Industry and Trade Tran Quoc Phuong.

Phuong made the statement on January 9 while co-chairing a senior official meeting within the framework of the 44th session of the Vietnam-Laos Intergovernmental Committee on Bilateral Cooperation with Vice Chairman of the Laos-Vietnam Cooperation Committee Viengsavanh Vilayphone. Currently, Vietnam has 209 valid investment projects in Laos, with a total registered capital of about 5.18 billion USD. Last year, there were five newly-registered projects and four seeing capital adjustments, with a total combined capital of 112.84 million USD, an increase of 27 percent compared to 2020. Many projects continued to operate well, fulfil financial obligations to Lao state agencies, create stable jobs for tens of thousands of Lao workers, and make important contributions to the process of economic regulation of Laos. As a result, Vietnamese enterprises contributed more than 1 billion USD to the Laos budget, and donated about 80 million USD for social welfare activities in the past 5 years. Viengsavanh Vilayphone acknowledged the results of economic cooperation between the two sides in 2021. He and Deputy Minister Phuong discussed cooperative measures to be submitted to the two Prime Ministers at the 44th session of the Vietnam-Laos Intergovernmental Committee on Bilateral Cooperation. They focused discussions on measures to address difficulties facing enterprises, particularly those related to capital, taxation, import-

export, and land lease, while agreeing to coordinate in creating a stable and transparent legal corridor, and a favourable business environment. Regarding trade and investment promotion, the two sides agreed to focus on promoting the growth of trade turnover, striving to achieve a stable increase of 10 percent or higher compared to 2021.

Source: <https://en.nhandan.vn/business/item/110370-02-vietnam-laos-trade-value-surges-over-30-percent-in-2021.html>

## Myanmar ships about 4,000 tonnes of honey yearly

 Myanmar News | 10 January, 2022

Approximately 4,000 tonnes of Myanmar's honey is conveyed to foreign trade partners every year. The natural resources in developing countries are favourable for the production of organic honey. Myanmar's small-scale beekeepers and beekeeping businesses under the Apiculture Division under the Ministry of Agriculture, Livestock and Irrigation yearly produces over 6,000 tonnes of honey, with 2,000 for domestic consumption and 4,000 for the external market. The department is arranging 1.5 million acres of crops for the bees to be pollinated. "Myanmar has regular trade partner countries.

Expansion of business is required to increase foreign income. Sagaing Region is the main producer of honey. Mon State also started engaging in honey production as well. Advanced beekeeping techniques should be adopted for higher honey

production in the private sector as it could effectuate the development of the rural community," said U Kyaw Kyaw Oo, in charge of the Apiculture Division under the Livestock Breeding and Veterinary Department. The beekeeping business commenced in 1979 in Myanmar and Myanmar's honey penetrated the foreign market in 1985. It is commonly delivered to Japan, China, South Korea, Singapore and Thailand. Sunflower honey, palm honey and sesame flower honey are preferred in the market. Of them, sunflower honey is highly demanded in the international market. China is the biggest exporter of honey in the world and Viet Nam, Myanmar and Thailand are the largest producers among the regional countries. The agriculture sector is the backbone of Myanmar's economy and the country is making efforts to boost honey production. The farmers practise beekeeping in the mixed farming system. Enzymes that are added to the nectar by bees helps break down complex sugar into simple sugar. Floral scent influences honey taste and colour. — Nyein Thu (MNA)/GNLM

Source: <https://www.gnlm.com.mm/myanmar-ships-about-4000-tonnes-of-honey-yearly/#article-title>

## Vietnam looks to receive 65 million visitors in 2022

 Vietnam News | 08 January, 2022

HCMC – Although it still has a long way to go, Vietnam's tourism industry has set a target to welcome some 65 million local and foreign visitors this year, with domestic tourism accounting for

90%. Speaking at the year-end meeting on January 6, the Vietnam National Administration of Tourism said Covid-19 left severe impact on the local tourism sector in 2021. Vietnam received a mere 3,500 international visitors, besides 40 million local ones in 2021. The total turnover stood at VND180,000 billion, decreasing 42% compared with 2020. After a year of coming to a standstill, the local tourism sector is now seeing positive signs from the local market and is hoping to respond to the call. This year, the local tourism sector is set to receive 65 million visitors, of whom five million are international travelers and 60 million are local ones, earning some VND400,000 billion. Phan Huy Binh, chairman of the management board of Saigontourist Group, said it is a must to promote Vietnam as a safe destination to draw the attention of international tourists and stimulate the travel demand in the home market. Binh said safety is the leading factor in helping the tourism sector stand firm in the face of unpredictable pandemics worldwide. Local tourism needs to select products that meet the safety criteria, create more green destinations, and join hands to develop green tourism zones, Binh said. "Safety measures will determine the tourism operations in the context of living with Covid-19," Binh was quoted as saying to Nguoi Lao Dong newspaper. Pham Ha, chairman of Lux Group, said the local tourism sector would play a key role in revamping the whole tourism industry, helping travel companies ride on difficulties caused by Covid-19. Ha said his three boats operating in Halong, Haiphong and Nha Trang are full of travelers

on weekends and are even fully booked for the coming Tet holidays. Ha said the trend and tourism demand has changed, and thus travelers' needs should be of the utmost importance. According to Ha, Vietnam's tourism needs to develop sustainably, leverage its heritage, consolidate its brand, and refresh its promotional campaigns. Dang Manh Phuoc, director of Outbox Consulting Company, said the tourism market has changed in its behavior and demand and the readiness to decide to travel after the pandemic. The problem for the tourism industry is balancing the supply and demand while restoring its operations. Besides offering new products, travel companies and management agencies have to find ways to approach potential guests and satisfy the market demand.

Source: <https://english.thesaigontimes.vn/vietnam-looks-to-receive-65-million-visitors-in-2022/>

## Cashless payments account for 70% of retail transactions: survey



Vietnam News | 08 January, 2022

HANOI – The Covid-19 pandemic has given a boost to e-commerce, with cashless payments accounting for 70% of total retail transactions in Vietnam last year. According to a survey by tech firm Sapo on some 15,000 retailers, cashless payments have risen drastically as consumers have restricted direct contact to avoid Covid-19 infections. Payments through bank accounts became the most popular method, accounting for 36.5% of total transactions, followed by cash (30%), e-wallets (15%), QR code

(9.6%), bank cards (8.5%) and payment gateways (0.5%). Nguyen Ba Diep, co-founder of the MoMo e-wallet, said social distancing measures aimed at curbing the spread of Covid-19 had encouraged consumers to turn to cashless payments over the past two years. As of mid-December 2021, MoMo e-wallet had 31 million users, increasing by 11 million against September 2020 and 20 million against 2019. Some 140,000 retailers active in multiple fields across the country now accept payments through e-wallet. MoMo's partners have also risen from 40,000 in September 2020 to some 50,000 at present. Thanks to the rising number of users and partners, MoMo's revenue in 2021 was nearly twice as much as in 2020. Data of the National Payment Corporation of Vietnam (NAPAS) showed that transactions made via the NAPAS system in 2021 surged 94% in volume and 131% in value year-on-year. Besides cashless payments for retail transactions, the State Bank of Vietnam has asked NAPAS to promote cashless payments for public transport services to encourage the use of public transport. According to Sapo's survey, while most other industries suffered a decline in revenue, retailers on e-commerce platforms and other digital channels saw their revenue soar last year, accounting for 11.2% of total retail revenues. Some 73% of respondents said they had shifted their business online, which helps them cut labor and premise costs and reach out to more customers.

Source: <https://english.thesaigontimes.vn/cashless-payments-account-for-70-of-retail-transactions-survey/>

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