

Highlight News / January 14/2022



- World Bank forecasts Cambodia's economic growth to reach 4.5 percent in 2022 and 5.5 percent in 2023.
- Cambodia approves nine new investment projects with a capital of more than \$43 million
- Govt pledges to reduce budget deficit
- MEODA to sequentially sell palm oil to retailers
- Standard Chartered forecasts Việt Nam 2022 GDP growth at 6.7 per cent
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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT by TCC (AiTi)

World Bank forecasts Cambodia's economic growth to reach 4.5 percent in 2022 and 5.5 percent in 2023.



Cambodia News | 13 January, 2022

A World Bank released on January 12, 2022, said that Cambodia's economic growth this year is expected to reach 4.5 percent this year and is projected to grow further to 5.5 percent in 2023. The economies of Cambodia, Malaysia, the Philippines and Thailand, which depend on tourism, are not expected to recover to previous levels, the report said. The presence of the Omicron variant of coronavirus can disrupt the recovery of the tourism and tourism industry in line with increased financial risks Up with rising debt and vulnerability to natural disasters and climate-related events. The report goes on to say that the risk of a recurrence of Covid-19 infection could slow down Cambodia's economic recovery. In particular, the construction and real estate services sector after 2021 will be adjusted from 4 percent to more than 2 percent after tourism and travel. It is estimated that about two million jobs were created and contributed a quarter of GDP during the pre-epidemic period. According to a report by the Asian Development Bank, Cambodia's economy will be around 5.5% in 2022 due to the economic recovery of trading partners. Key activities that help boost demand for Cambodia's exports. Prime Minister Hun Sen expects that Cambodia will

have economic growth of more than 5% in 2022 due to the export of agricultural products

Source : <https://www.khmertimeskh.com/501006196>

<https://www.khmertimeskh.com/501006196/world-bank-forecasts-cambodias-economic-growth-to-reach-4-5-percent-in-2022-and-5-5-percent-in-2023/>

Cambodia approves nine new investment projects with a capital of more than \$43 million



Cambodia News | 13 January, 2022

The Council for the Development of Cambodia (CDC) on January 12, 2022 announced nine new investment projects that have been approved. The nine investment projects have a capital of more than \$43 million and can create jobs for more than 10,000 people. According to the CDC, the investment project registration certificate to the following companies: 1-COMO APPAREL CO., LTD: The project to establish a garment factory located in Ampil Village, Sangkat Kampoul, Khan Kampol, Phnom Penh, with an investment capital of approximately \$14.7 million and can create 2,947 jobs. 2- LEONA (CAMBODIA) CO., LTD: The project to establish a factory to produce all kinds of bags and suitcases, located in Keo Udom village, Trapeang Kong commune, Samrong Tong district, Kampong Speu province, with an investment capital of \$5.8 million and can create jobs 1,530 places. 3- SINCERE SEASON (CAMBODIA) GARMENT CO., LTD: The project to establish a garment factory,

located in Boeung Kaek village, Prek Roka commune, Kandal Steung district, Kandal province, with an investment capital of \$5.6 million and can create 720 jobs.

4-POWERFUL RICHES GARMENT (CAMBODIA) CO., LTD: The project to establish a garment factory located in Phsar Dek Leu village, Phsar Dek commune, Ponhea Leu district, Kandal province, with an investment capital of approximately \$5 million and can create 743 places.

5- GREEN BAG (CAMBODIA) CO., LTD: The project to establish a factory to produce bags and backpacks, which is located in the village of Fong Chros, Samrong Tong commune, Samrong Tong district, Kampong Speu province, with an investment capital of \$5 million and can create jobs 1,544 places.

6- GLOBAL SUPPLY REDWOOD CO., LTD: The project to establish a factory to produce all kinds of bags, located in Trach village, Kaheng commune, Samrong Tong district, Kampong Speu province, with an investment capital of approximately \$3 million and can create 758 jobs.

7- INKYUNG WONDANG APPAREL CO., LTD: The project to establish a garment factory located in Damnak village, Sangkat Kork Khleang, Khan Sen Sok, Phnom Penh, with an investment capital of approximately \$3 million and can create 617 jobs.

Separately, according to the investment request of the company, the Committee of the Cambodian Special Economic Zone of the Council for the Development of Cambodia decided to issue the registration certificate as an investment project to the following two companies: 1- Cambodian Shenghong

Packaging Co., Ltd. The project to build a cardboard and plastic products factory, which is located in the Cambodian Special Economic Zone in Sihanoukville, has an investment capital of \$680,000 and can create 130 jobs.

2-Best-Run Technology (Cambodia) Co., Ltd. The project to establish a pet material factory, which is located in the Cambodian Special Economic Zone in Sihanoukville, has an investment capital of \$500,000 and can create 60 jobs.

Source : <https://www.khmertimeskh.com/501006166/>
<https://www.khmertimeskh.com/501006166/cambodia-approves-nine-new-investment-projects-with-a-capital-of-more-than-43-million/>

Govt pledges to reduce budget deficit



Laos News | 14 January, 2022

The government has announced that it will attempt to lower its fiscal deficit to just 3,098 billion kip in 2022, which is equal to 1.61 percent of the Gross Domestic Product (GDP). The pledge comes as the government continues to ease budgetary tensions and minimise its public debt burden at a time when it is struggling to source more funds to address the shortfall. To achieve its goal, the government has pledged to bolster the amount of revenue collected while also plugging loopholes that could result in the loss of money owed to its coffers. Revenue amassed from sources within Laos must be sufficient to cover domestic expenditure and yield a surplus to repay

debts owed both domestically and to other countries, according to an instruction issued by the Ministry of Finance recently. In mid-December, the ministry announced that revenue accumulated in the first 11 months of 2021 amounted to just 24,099 billion kip, equivalent to 87 percent of the target figure. This means the fiscal shortfall for 2021 is projected to rise from the previous target figure of 2.17 percent to 4.33 percent of GDP. In 2022, the government plans to collect 31.59 trillion kip in revenue, representing 16.44 percent of GDP, with expenditure set at 34.96 trillion kip, accounting for 18.05 percent of GDP. To boost national income, the government has vowed to modernise the tax collection system and take a close look at the taxes paid on imported fuel, construction equipment, electrical appliances and other imported goods, as well as taxes and fees sourced from mining and hydropower operations. In addition, the Ministry of Finance will revise land-related fees and the amount of income tax paid on the transfer of land ownership rights based on projected land values in different areas of the country. In addition, a taskforce will be appointed to address the issue of vehicles for which the correct amount of tax has not been paid. The ministry has pledged to work with associated sectors to reform loss-making state-owned enterprises by seeking strategic business partners and streamlining their management methods. With

regard to expenditure, the government will focus on priority projects and take frugality and efficiency into account when it comes to allocating financial resources. Some state organisations will be encouraged to trial financial self-sufficiency in order to reduce the fiscal burden on the government. The government will also cut spending on certain activities, such as working trips to the provinces and other countries, meetings, seminars, and social events. The fiscal deficit was fairly high even 4-5 years ago. For instance, in 2017 the deficit was recorded at 6.52 percent of GDP, later declining to 4.7 percent of GDP. The government has vowed to further reduce the budget deficit as part of ongoing efforts to address all-round economic and financial difficulties and lower the country's debt burden in the near future..

Source : https://www.vientianetimes.org.la/freeContent/FreeConten_Govt09.php

MEODA to sequentially sell palm oil to retailers



Myanmar News | 13 January, 2022

Myanmar Edible Oil Dealers' Association (MEODA) will chronologically sell the palm oil to the wholesalers and retailers. The Ministry of Commerce, in coordination with MEODA, carried out a scheme to distribute edible oil at fairer rates. The total volume of edible oil that will be sold at very cheap rates is

equivalent to the amount that the edible oil importers directly purchased the foreign currency from the Central Bank of Myanmar. The association will chronologically sell those palm oil to the wholesalers, retailers, mobile market truck operators and sub-associations in the different regions and states. The sales lists will be posted at 104/106 buildings owned by the Department of Consumer Affairs, located on Strand Road, Ahlon Township. Those who are entitled to purchase palm oil have to follow the prescribed rules to make payments and withdraw edible oil. Additionally, those who failed to pay in the set period will no longer have access to buy the oil through the association, MEODA notified. Those wholesalers and retailers can inquire about contact numbers (01-2314296, 09444437295) of the MEODA. The association has already distributed the edible oil to the consumers at a cheaper rate through wholesalers, retailers and mobile market trucks as of the last week of November last year. At present, the prices of palm oil slightly rose to K4,800 per viss (a viss is equal to 1.6 kilogrammes), following Kyat depreciation against the US dollar in the local forex market. A dollar is worth approximately K2,000 for now. In 2021, more than 30,000 tonnes of palm oil, with an estimated value of US\$41 million that the CBM directly sold to the oil sectors during Kyat weakening in the forex market, have been sold at the subsidized price. The domestic consumption of

edible oil is estimated at 1 million tonnes per year. The local cooking oil production is just about 400,000 tonnes. To meet the self-sufficiency in the domestic market, about 700,000 tonnes of cooking oil are yearly imported primarily from Malaysia and Indonesia.— NN/GNLM

Source : <https://www.gnlm.com.mm/meoda-to-sequentially-sell-palm-oil-to-retailers/>

Standard Chartered forecasts Việt Nam 2022 GDP growth at 6.7 per cent



Vietnam News | 13 January, 2022

HÀ NỘI — Standard Chartered Bank forecasts Việt Nam's recovery will accelerate markedly in 2022, with GDP growing by 6.7 per cent. The bank raised its 2023 growth forecast for Việt Nam to 7 per cent as it believes Việt Nam's positive medium-term outlook remains intact. The forecast is highlighted in the bank's recently published global research report titled "Still battling headwinds" and Việt Nam-focused macro-economic research report titled "Việt Nam – Moving back to high growth". "The economy should continue to bounce back in 2022 as the global pandemic situation improves. Income growth has outpaced spending growth in recent years; this provides a decent savings buffer against the pandemic," said Tim Leelahaphan, Economist for Thailand and Việt Nam, Standard Chartered. "COVID-19 remains a key risk, at least in the short term. Quarter 1 could see full resumption of

factory operations, after closures in the third quarter of 2021, and clearer recovery is expected in March."According to Standard Chartered's economists, exports should be supported in 2022 by a continued improvement in the global trade environment, although import growth is likely to remain high. Inflation may become more of a concern for Việt Nam in 2022. Supply-side factors (higher commodity prices exacerbated by the pandemic) are likely to be the key driver near-term; demand pressures will come into play as the economy develops further. A prolonged virus outbreak could lead to supply-driven inflation risks. 2022 and 2023 inflation forecasts for Việt Nam are 4.2 and 5.5 per cent, respectively. The State Bank of Việt Nam (SBV) is expected to keep its policy rate on hold at 4 per cent in 2022 to support credit growth and manage inflation risks and normalise the policy in 2023, with a 50 basic points hike to 4.5 per cent in the last quarter of 2023. Standard Chartered Bank maintains its medium-term constructive view on the Vietnamese đồng amid expectations of a strong balance of payments (BoP). The rapid pace of appreciation since July reflects more flexible exchange rate management by the central bank. The VNĐ is among the best-performing emerging market currencies in 2021. However, the bank expects the pace of appreciation to slow given that Việt Nam's current account is now in deficit, and USD-VNĐ is approaching the limits of the exchange rate band. Nevertheless, Việt Nam's BoP surplus and the

central bank's foreign exchange policy flexibility should continue to support the VNĐ over the medium term. The bank forecasts USD-VNĐ at 22,500 by mid-2022 and at 22,300 by end-2022. — VNS

Source : <https://vietnamnews.vn/economy/1114426/standard-chartered-forecasts-viet-nam-2022-gdp-growth-at-67-per-cent.html>

76 percent of Vietnamese plan domestic travel in 2022



Vietnam News | 13 January, 2022

Hanoi (VNA) – Visa, the world's leading digital payment service provider, has reported great pent-up appetite for travel among Vietnamese in its Voice of the Consumer survey, which found that as many as 76 percent of respondents are planning to travel for leisure within the country, far higher than the 38 percent planning overseas trips. The COVID-19 pandemic has had a significant impact on all aspects of travel, with health and safety dominant in all considerations, from destination to means of transport. Travel plans hinge predominantly on how the pandemic plays out, as the COVID-19 situation accounts for the top 3 factors that will make one feel comfortable to travel. The stability of the COVID-19 situation at the destination was the top factor for 63 percent of respondents, followed by being vaccinated (48 percent) and global cases going down (40 percent). "Domestic destinations fit better for most Vietnamese travellers, with strong preference for weekend getaways and short

holidays,” said Dang Tuyet Dung, Country Manager for Visa Vietnam and Laos. “Almost twice as many Vietnamese travellers opt to travel domestically, to places that can best accommodate their new priorities.”“Businesses can capitalise on these trends by ensuring safety and comfort in all aspect of their offerings, including payments. The pandemic has spurred digital and contactless payment adoption among all consumer groups and made it a basic expectation,” she suggested. Despite the benefits they could bring through the controlled reopening of borders and industries, travel bubbles elicit only moderate interest among Vietnamese respondents with 52 percent saying they were keen to travel within a bubble but not in the immediate future. As a particular consequence of the pandemic, people are rediscovering their immediate surroundings, giving rise to the growing trend of staycation – vacations in their own city. Around a third of respondents said they would be planning, booking or having a staycation as soon as possible if there were no longer any government restrictions. Thirty percent would also visit local attractions. Since the pandemic, Vietnamese travellers have had to call off travel plans and had to find alternative outlets for their wanderlust. Accordingly, there has been a spike in online travel as Vietnamese travellers viewed more travel-related photos and videos, filling out their bucket lists. More than half (53 percent) of respondents watched YouTube travel videos and 40 percent took to travel sites on social media as an alternative, and as many as 38 percent took a virtual

tour online. “The COVID-19 pandemic has given rise to new and exciting trends, and the biggest changes were experienced in the travel industry,” said Dung. “It will remain the central theme for the travel industry. Success and failure will ride on how well businesses can accommodate travelers’ pandemic-related needs and wants.”/.

Source : <https://en.vietnamplus.vn/76-percent-of-vietnamese-plan-domestic-travel-in-2022/220628.vnp>