

Highlight News / January 18, 2022



- Cambodia's banking industry sees three percent GDP growth last year despite pandemic, \$38.5 billion in deposits
- Cambodia ranks top for lowest operating costs among nine countries in Asia
- Freight trains boost Suzhou, Laos connections
- Onion prices in bear market even when winter growing season starts
- EU remains highly potential importer of Vietnamese rice
- Millions of people unemployed, lowest income in years



ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)



Cambodia's banking industry sees three percent GDP growth last year despite pandemic, \$38.5 billion in deposits



Cambodia News | 17 January, 2022

Cambodia's banking industry had seen robust growth in loans and deposits in 2021 despite the impact of the COVID-19 pandemic, according to a report of the National Bank of Cambodia (NBC) on Saturday. Outstanding loans rose by 21.2 percent year-on-year to \$45.7 billion last year, while customers' deposits surged by 15.4 percent to \$38.5 billion, the report said. The growth was driven by rising loan demands in trade, housing, construction and manufacturing, among others, the central bank said, adding that the non-performing loan (NPL) was at a controllable rate of 2.4 percent. Speaking at the NBC's annual meeting, the bank governor Chea Chanto said the country's economy rebounded to an estimated 3 percent in 2021 after a sharp contraction of 3.1 percent in 2020. The southeast Asian nation's inflation last year stood at 2.9 percent, which was also at a manageable rate, he said. "The increase in deposits clearly reflects the confidence of the public members and investors in the banking sector," Chanto said. "In sum, the banking sector is very stable and has actively contributed to promoting the economic recovery and resilience." Cambodia has 56 commercial banks, 11 specialized banks, and dozens of microfinance institutions, with a total of 2,600 headquarters and branches as well as 3,512

automated teller machines (ATMs) throughout the country, the report said. With a population of 16 million, there are 12.1 million deposit accounts and 3.3 million credit accounts at the country's banks and microfinance institutions, it added. Xinhua

Source: <https://www.khmertimeskh.com/501008197/cambodias-banking-industry-sees-three-percent-gdp-growth-last-year-despite-pandemic-38-5-billion-in-deposits/>

Cambodia ranks top for lowest operating costs among nine countries in Asia



Cambodia News | 17 January, 2022

Among the average costs of doing business in Asia, Cambodia ranks top. According to TMX's – a business transformation consultancy – latest report, 'The Great Supply Chain Migration – Breaking down the Cost of Doing Business in Asia', Cambodia is reported to have the lowest operating costs among nine countries in Asia, ahead of Myanmar and Vietnam. The report assessed the average costs of doing business in Asia and the corresponding country competitiveness across nine popular potential manufacturing locations: Cambodia, India, Indonesia, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. According to the TMX report "The great supply chain migration – breaking down the cost of doing business in Asia," the average total operating cost for a manufacturing company in Việt Nam ranges from US\$79,280 to \$209,087 per month, compared to leader Singapore

at \$366,561 and second placed Thailand at \$142,344. When it comes to labour – which forms 55 per cent of the total costs across the countries – Cambodia, Myanmar and the Philippines, with an average \$108,196 per month while Viet Nam ranked fourth most affordable, the report said. Countries like Viet Nam, Thailand and the Philippines, offer a sizable and relatively affordable pool of labour. Regarding the competitive scorecard, Viet Nam was rated fifth behind Singapore, Malaysia, India, and Thailand. As for the affordable warehouse rental among the nine countries, the second-largest factor in the total cost of each of the nine countries, Cambodia ranked third behind Thailand and Myanmar followed by Viet Nam. Coming to logistics costs, Viet Nam was rated as a high potential market, which means that the country has relatively higher logistics expenses but is capable of expanding its operations. With the exception of Singapore, the other eight countries fell into at least one of the three stages of the manufacturing value chain, comprising ‘basic assembly lines,’ ‘developing supply chains,’ and ‘early automation.’ Both Cambodia and Myanmar fall in the first stage, in other words these two countries are suitable manufacturing bases for businesses in sectors like textiles and garments. Philippines, Indonesia, and Viet Nam, which are categorised in the intersection of the first two stages, offer good bases for businesses in sectors like electronics, which do not

require manufacturing sophistication or highly skilled labour, according to the report.

Source:<https://www.khmertimeskh.com/501007945/cambodia-ranks-top-for-lowest-operating-costs-among-nine-countries-in-asia/>

Freight trains boost Suzhou, Laos connections



Laos News | 14 January, 2022

A freight train loaded with high-tech products departed from Suzhou in East China's Jiangsu province for Vientiane, Laos on Jan 11, local media outlets reported. It was the first international freight train from the Yangtze River Delta region to Laos since Jan 1, 2022, the day the Regional Comprehensive Economic Partnership took effect. The train was fully loaded with LCD monitors and auto parts produced by high-tech enterprises in Suzhou and other cities of Jiangsu province, with a total value of about 50 million yuan (\$7.87 million). The train is expected to arrive in Vientiane in seven days. The goods will be delivered to Vietnam, Malaysia, Thailand and other Southeast Asian countries. The train was meant to further increase international logistics efficiency and introduce more Chinese products to RCEP member countries. It will travel between China and Laos once a week.

Source:http://regional.chinadaily.com.cn/SuzhouNewDistrict/2022-01/14/c_699112.htm

Onion prices in bear market even when winter growing season starts



Myanmar News | 17 January, 2022

Although the winter onion growing season commenced in Kyaukpadaung Township, Mandalay Region, the prices are on the downward trend. Additionally, the onions still remain in the growers' hands, forcing them to sell the onions at the prevailing prices not to suffer losses, said U Tun Shein from U Sein warehouse in Kyaukpadaung Township. The onion growers as well as traders have been experiencing market fallouts due to the lack of foreign demand and the closure of the events and festivals amidst the COVID-19 impacts, the growers stressed. "We face high input costs including wages and fertilizer. Onion cultivation costs K2 million per acre," said a grower U Tin Tun. At present, onion is worth only K300 per viss (a viss equals to 1.6 kg) in maximum in Kyaukpadaung. Therefore, the growers are struggling to make capital for the next season. In early 2020, the onion fetched K1,200-1,300 per viss. Then, the price drastically fell in the COVID-19 crisis. Earlier, onions were highly demanded by Bangladesh and India. Next, Bangladesh's demand for Myanmar's onions coupled with high demand in the local market hiked up prices, soaring up to K4,000 per viss on 15 November 2019, according to the Mandalay commodity depot. The high demand by foreign markets and remarkable rise in price prompted the growers to expand the onion cultivation in 2020. Unfortunately, the market is

getting worse amidst the COVID-19 negative consequences. The prices of domestic onions exceeded K3,000 per viss in 2015, 2018, and 2019. The onions are primarily grown in Mandalay, Magway and Yangon regions, Nay Pyi Taw and Shan State.— Ko Htein (KPD)/GNLM

Source: <https://www.gnlm.com.mm/onion-prices-in-bear-market-even-when-winter-growing-season-starts/#article-title>

EU remains highly potential importer of Vietnamese rice



Vietnam News | 17 January, 2022

HÀ NỘI — With stable and high demand for specialty rice from Asia, the European Union (EU) remains a highly potential market for rice exporters of Việt Nam, the **Đầu Tư** (Việt Nam Investment Review) reported. In 2021, Việt Nam shipped about 60,000 tonnes of rice worth US\$41 million to the EU, rising nearly 1 per cent in volume and over 20 per cent in value from the previous year. That included some 40,000 tonnes of fragrant rice worth almost \$30 million, up over 9 per cent in volume and nearly 30 per cent in value. The EU - Việt Nam Free Trade Agreement (EVFTA), which came into force on August 1, 2020, has helped raise prices of the Vietnamese grain by \$10 - 20 per tonne, partly making up for the modest increase in volume due to the COVID-19 pandemic. According to the EU statistical office Eurostat, among the 10 largest rice suppliers for the bloc, rice from Việt Nam saw the strongest price growth, 20.3 per cent, to an average

of \$781 per tonne. The Foreign Trade Agency under Việt Nam's Ministry of Industry and Trade attributed those outcomes to businesses' capitalisation of advantages created by the EVFTA. Besides, they are also stepping up the production of high-quality rice such as fragrant, long-grain, and specialty varieties to enter demanding markets. For example, fragrant rice accounted for 70 per cent of the country's total rice exports to the EU, compared to 64 per cent in the previous year. With 27 member states, a population of about 516 million, and annual per capita GDP of over \$35,000, the EU has great demand for imported goods, especially agricultural products (more than \$160 billion each year), from around the world. To Việt Nam, the EU is its third largest importer of agricultural products, about \$5.5 billion per year. However, farm produce from the Southeast Asian nation has made up just 4 per cent of the bloc's imports of these commodities. In particular, Vietnamese rice only has a market share of merely over 1 per cent. The Việt Nam Food Association predicted rice exports to the EU will continue growing well in 2022. Notably, the improved quality of fragrant rice has met European consumers' demand. The optimisation of the EVFTA to export rice at zero-per cent tariffs is being promoted by the enterprises with large material production zones such as Lộc Trời, Tân Long, and Trung An. Phạm Thái Bình, General Director of the Trung An Hi-Tech Farming JSC, said the EVFTA was bringing about greater opportunities for agricultural products of Việt

Nam, including rice. The firm had made use of the agreement to sell thousands of tonnes of rice to such markets as Switzerland, France, and Germany. Meanwhile, Lộc Trời was the first to export 126 tonnes of fragrant rice to the EU under the EVFTA, in September 2020. It is currently accounting for nearly 70 per cent of Việt Nam's rice exports to this bloc. — VNS

Source: <https://vietnamnews.vn/economy/1115829/eu-remains-highly-potential-importer-of-vietnamese-rice.html>

Millions of people unemployed, lowest income in years



Vietnam News | 17 January, 2022

Data released recently by the General Statistics Office shows that in 2021 the average monthly income of workers in Vietnam was 5.7 million VND, down 32,000 VND compared to 2020. The complicated Covid-19 pandemic seriously hit the employment situation in 2021. According to the General Statistics Office's data released on January 6, the labor force aged 15 and over in the fourth quarter of 2021 was 50.7 million people, an increase of about 1.7 million people compared to the previous quarter and a decrease of 1.4 million people over the same period last year. For 2021, the labor force aged 15 and over reached 50.5 million people, down 791,600 people compared to the previous year. Employed laborers aged 15 and over in the fourth quarter of 2021 were 49.1 million people, an increase of 1.82 million people compared to the

previous quarter and a decrease of 1.79 million people compared to the same period of 2020. In the fourth quarter of 2021, thanks to the great coverage of vaccination against Covid-19 and loosed social distancing measures, the Vietnamese economy began showing signs of recovery. Regarding underemployed workers, the number of underemployed people in the fourth quarter of 2021 was nearly 1.5 million people, down 381,100 people compared to the previous quarter and an increase of 635,900 people year on year. The figure for the entire 2021 was over 1.4 million people, up by 370,800 people compared to the previous year. Meanwhile, the average monthly income of Vietnamese worker in the fourth quarter of 2021 was 5.3 million VND, an increase of 139,000 VND compared to the previous quarter and a decrease of 624,000 VND compared to the same period of 2020. Notably, for the whole 2021, the average monthly income of Vietnamese workers was 5.7 million VND, down 32,000 VND compared to 2020. The average monthly income of male workers was 6.6 million VND, 1.4 times higher than that of female employees (4.7 million VND). The average income of workers in urban areas was 7 million VND, 1.4 times higher than that of workers in rural areas (5 million VND).

Source: [https://vietnamnet.vn/en/business/millions-of-people-unemployed-lowest-income-in-years-](https://vietnamnet.vn/en/business/millions-of-people-unemployed-lowest-income-in-years-809417.html)

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