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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

## Cambodia's campaign to revive pandemic-hit tourism industry sees increase in flights



*Cambodia News | 31 January, 2022*

A campaign named “Cambodia: Safe and Green Tourism Destination” launched last Thursday and aimed at reviving the COVID-19-hit tourism industry is seeing initial results with several airlines increasing frequencies and other mounting flights again after a two-year hiatus. Speaking at the launching event held via video conference, Minister of Tourism, Thong Khon said for the past two years, many tourism businesses were shut down and tens of thousands of employees lost their jobs. “This campaign is a strategy to attract tourists from around the world as well as from countries in the Association of Southeast Asian Nations to Cambodia,” he said. All fully-vaccinated tourists are welcome to Cambodia without quarantine, the minister said, advising all tourism-related businesses to implement tourism safety measures and standard operating procedures effectively in order to prevent the spread of COVID-19. Tourism is one of the four pillars supporting the kingdom's economy. The country received up to 6.61 million international tourists in 2019, generating gross revenue of 4.92 billion U.S. dollars, according to the tourism ministry. But due to the pandemic, the sector attracted only 163,366 foreign visitors during the Jan.-Nov. period in 2021, down 87 percent from 1.28 million over the same period in 2020, the ministry said. Cambodia is

famous for its three world heritage sites, namely the Angkor Archaeological Park, the Preah Vihear temple, and the Sambor Prei Kuk Archaeological Site. Besides, it has a 450-km pristine coastline stretching across four southwestern provinces. The Southeast Asian nation opened its door to fully-vaccinated travelers in November last year after most of its population had been vaccinated against COVID-19. Last weekend alone saw up to 210,000 tourists crisscrossing the country's various tourist spots with Sihanoukville itself attracting more than 57,000 tourists on the two days. The kingdom has so far administered at least one dose of the COVID-19 vaccine to 14.35 million people, or 89.7 percent of its 16 million population of whom 13.75 million people, or 87 percent, are fully vaccinated with two required shots.

Source: <https://www.khmertimeskh.com/501016042/cambodias-campaign-to-revive-pandemic-hit-tourism-industry-sees-increase-in-flights/>

## Cambodia's economy forecast to grow over 5 pct in 2022



*Cambodia News | 01 January, 2022*

Cambodia's economy is expected to grow over 5 percent in 2022 after the southeast Asian nation has fully reopened since November, buoyed by its high vaccination rates, Prime Minister Hun Sen said here on Sunday. “The success of the COVID-19 national vaccination campaign has allowed Cambodia's economy to grow at a faster-than-expected rate,” he said during a handover ceremony of 300,000 doses

of COVID-19 vaccine donated from Poland. “Cambodia’s economy is projected to grow by around 3 percent in 2021 and will continue to grow by more than 5 percent in 2022, mainly thanks to the full re-opening of the country, and the return of the socioeconomic activities to normal across all sectors,” he added. The kingdom’s economy is mainly driven by agriculture, tourism, garment exports, and real estate and construction. So far, Cambodia has administered at least one dose of COVID-19 vaccines to 14.35 million people, or 89.7 percent of its 16 million population, the health ministry said, adding that 13.75 million people, or 86 percent, have been fully vaccinated with two required shots. Most of the vaccines used in the country’s inoculation program are China’s Sinovac and Sinopharm. “Undoubtedly, vaccination is the key measure to control the spread, to end the COVID-19 crisis, and to re-open socio-economic activities safely in the new normal,” Hun Sen said. Cambodia has well controlled the spread of COVID-19. The kingdom has reported zero death from the disease for 26 days straight, according to the health ministry. The country logged 57 new cases on Sunday, including 44 domestic infections, bringing the national total caseload to 121,299, with 3,015 deaths and 117,428 recoveries, the ministry said. Xinhua

Source:<https://www.khmertimeskh.com/501015969/cambodias-economy-forecast-to-grow-over-5-pct-in-2022/>

## More countries using Laos-China

### Railway for freight transport



*Laos News | 1 February, 2022*

Business operators from Thailand, Vietnam, Cambodia and Myanmar are now using the Laos-China Railway to import and export goods to and from China and beyond. Vice President of the Lao National Chamber of Commerce and Industry, Mr Daovone Phachanthavong, told Vientiane Times that more goods are being shipped between China and Asean member countries through the railway. “I think Laos’ economy will improve this year now that the Laos-China Railway is in use. Businesses in Laos, Vietnam, Thailand, Cambodia and Myanmar are increasingly engaged in trade with China using the railway,” he said. “I have been hired to transport goods between China and these four Asean countries. In addition, many people in Asean countries, particularly Thailand, want to travel on the railway and visit Vangvieng and Luang Prabang once the Covid-19 outbreak has subsided.” “I am sure that when the pandemic wanes and travel restrictions are lifted, many Chinese people will also visit Laos and other Asean countries, and will use the railway, which will directly benefit hotels, restaurants and other businesses in the hospitality sector,” Mr Daovone said. Thailand recently exported its first shipment of 1,000 tonnes of rice to Chongqing in China using the Laos-China Railway. Adviser to the

Thai agriculture minister, Alongkorn Polabutr, was quoted in the Bangkok Post as saying that the Thai government was looking into exporting fruit, orchids, rubber, cassava, palm oil and fishery and livestock products by the new rail route. Opening for service in December, the Laos-China Railway has opened up the possibility of extending export routes to Central Asia, the Middle East, Russia and Europe. "Many companies are considering investing in Laos because goods from Asean countries can now be sent to Europe through the Laos-China Railway," Mr Daovone said. "Rice and coffee from Laos have been shipped to Europe by rail, which saves a lot of time compared to sea transport." Shipment of goods from the Asean bloc to Europe by rail will take just over 10 days, which is much quicker than transport by sea, which takes about 45 days. According to The Loadstar, using the Laos-China Railway for Chengdu-Bangkok cargo would be 78 percent cheaper and two days faster than air, Kuala Lumpur-Chengdu would be 70 percent cheaper with the same transit time, and Shanghai-Singapore would be 38 percent cheaper, but four days longer.

The Laos-China Railway has so far transported more than 1 million passengers and 500,000 tonnes of cargo including 100,000 tonnes of cross-border goods since it became operational in December, according to Xinhua report. The Thai government has ordered the State Railway of Thailand to design

and build a new bridge that will connect Nong Khai province to the railway in Vientiane.

Source: [https://www.vientianetimes.org.la/freeContent/FreeContent\\_More\\_21.php](https://www.vientianetimes.org.la/freeContent/FreeContent_More_21.php)

## Agricultural export value plummet to \$1.25 bln as of 21 January



*Myanmar News | 31 January, 2022*

The value of agricultural exports sank to US\$1.25 billion as of 21 January in the current mini-budget period (Oct 2021-March 2022), indicating a significant drop of \$375.5 million as against the year ago period, as per the statistic of the Ministry of Commerce. The agro exports topped \$1.6 billion in the corresponding period of the 2020-2021 FY. China constitutes 90 per cent of Myanmar's fruit and vegetable export. During the previous financial year, the closure of border posts by China adversely affected the fruit producers. Additionally, China's import regulations and prevention measures for the COVID-19 caused delay, exporters said. At present, some border posts are operating trade activities on a trial run. During the mini-budget period, the coronavirus pandemic impacted the foreign demand for agricultural products, livestock, mineral and finished industrial goods. In contrary, the exports of fishery, forest products and other goods rose slightly. In the exports sector, the agriculture industry performed the best, accounting for 37 per cent of overall exports. The chief items of export in the agricultural sector are rice and broken rice, pulses

and beans and maize. Fruits and vegetables, sesame, dried tea leaves, sugar, kitchen crops and other agro products are also shipped to other countries. Myanmar agro products are primarily exported to China, Singapore, Malaysia, the Philippines, Bangladesh, India, Indonesia, and Sri Lanka. The country requires specific export plans for each agro product, as they are currently exported to external markets based upon supply and demand. The G to G pact also ensures the strong market for the farmers. Contract farming systems, involvement of regional and state agriculture departments, exporters, traders, and some grower groups, are required in order to meet production targets, the Agriculture Department stated. The Commerce Ministry is endeavouring to help farmers deal with challenges such as high input costs, procurement of pedigree seeds, high cultivation costs, and erratic weather conditions. The agricultural exports jumped to US\$4.6 billion last financial year 2020-2021, despite the downward trend in other export groups.—KK/GNLM

Source: <https://www.gnln.com.mm/agricultural-export-value-plummet-to-1-25-bltn-as-of-21-january/#article-title>

## Vietnam's manufacturing sector sees sharper rises in output in Jan



*Vietnam News | 31 January, 2022*

HCMC – Growth momentum picked up in the Vietnamese manufacturing sector in January as the recovery from the Delta wave of the Covid-19

pandemic continued, with stronger increases in output and new orders recorded, while employment rose for the second month running. However, the pandemic continued to impact operations as levels of infection remained elevated during January, according to the latest report of IHS Markit. The Vietnam Manufacturing Purchasing Managers' Index (PMI) rose to 53.7 in January, up from 52.5 in December and signaling a solid improvement in business conditions that was the most marked since April 2021. Both output and new orders increased at sharper rates in the opening month of the year as customer demand continued to improve. In each case the rate of expansion was the sharpest in nine months. Total new orders were supported by a further improvement in new business from abroad, with the rate of growth quickening to the fastest since November 2018. Despite output rising solidly, some firms indicated that high levels of Covid-19 infections had impacted production volumes. Firms were also increasingly confident in the year-ahead outlook for production, although optimism depends to some extent on the pandemic being brought under control. Around 60% of respondents predicted a rise in output, with overall optimism the strongest in over three years. A second successive rise in employment was recorded in January as firms continued to rebuild workforce numbers following the fourth wave of the pandemic in 2021. The rate of job creation picked up from that seen in December 2021, but remained only modest as some staff were off work with Covid and others had yet to return from their



hometowns. The increase in employment enabled manufacturers to keep on top of workloads despite sharper growth of new orders. Backlogs of work fell marginally in January, the first decline in five months. There were further signs that inflationary pressures have become less pronounced than seen through much of 2021. Input costs increased at the second-slowest pace in seven months, while output price inflation eased to the weakest since last September. According to respondents, a key factor behind rising input costs was higher charges for freight and international shipping. Problems with shipping and ongoing disruption caused by the Covid-19 pandemic meant that suppliers' delivery times continued to lengthen at the start of the year. The latest deterioration in vendor performance was marked, but much less pronounced than last September's series record. Disruption around shipping contributed to a rise in stocks of finished goods as products were stuck in warehouses rather than distributed to customers. The increase followed a solid fall in December. Manufacturers expanded their purchasing activity sharply for the fourth successive month as firms reacted to higher new order inflows. There were also some reports of companies attempting to build inventory reserves, which led to a first increase in stocks of purchases in three months. "Vietnamese manufacturers made a positive start to 2022, with the absence of any widespread restrictions meaning that the sector was able to grow in spite of relatively high Covid-19 case numbers. Firms were also increasingly confident

about the year-ahead outlook," Andrew Harker, Economics Director at IHS Markit, commented on the latest survey results. "The pandemic continues to impact the sector, however, most notably through staff absences, while the possibility of sharply rising case numbers due to the Omicron variant could lead to even more disruption. A further headwind remains issues with shipping, which affected deliveries from suppliers and the ability of firms to deliver to customers, as well as adding to cost burdens," he added.

Source: <https://english.thesaigontimes.vn/vietnam-manufacturing-sector-sees-sharper-rises-in-output-in-jan/>

## FTAs - momentum for Vietnam's economy in 2022



*Vietnam News | 31 January, 2022*

Hanoi (VNA) - Bilateral and multilateral free trade agreements (FTAs), including the Regional Comprehensive Economic Partnership (RCEP) which took effect from January 1, are expected to become a new momentum promoting Vietnam's economic growth in 2022. Experts, however, said that enterprises need to proactively improve their competitiveness and self-innovate in order to meet the process of international economic integration and fully tap opportunities in the new context, thus enabling them to go faster and further in the future. Looking back at 2021, Vietnamese brands continued to gain a foothold on the world commodity map, enjoying a trade surplus of 4 billion USD,

despite difficulties caused by the COVID-19 pandemic. One of the catalysts for this spectacular achievement was FTAs, especially new generation ones. Accordingly, the FTAs that Vietnam has signed with its partners have been opening the door for the Southeast Asian nation to integrate further into the global value chain and production network. The new-generation FTAs, such as the CPTPP, the EU-Vietnam FTA (EVFTA) and the UK-Vietnam FTA (UKVFTA), are being implemented comprehensively and effectively. The Ministry of Industry and Trade (MoIT) said the EVFTA, which came into effect on August 1, 2020, has created a huge boost for Vietnam's exports, helping the country's export turnover to the EU hit about 40.07 billion USD, up 14 percent. As many as 201,846 EUR.1 certificates of origin (C/O) were issued in 2021 for Vietnamese exports worth 7.8 billion USD to 27 EU member countries, the ministry added. Notably, enterprises exporting goods to the EU also perform self-certification of origin for 5,217 shipments valued at more than 16.5 million USD enjoying preferential tariffs under the EVFTA. This shows that many Vietnamese businesses have paid attention to taking advantage of opportunities from the EU's tariff reduction under the deal. Besides, the UKVFTA, which was implemented from the beginning of 2021, also helped the two-way trade between Vietnam and the UK reach nearly 6.6 billion USD. The import and export values both increased by double digits to 24.1 percent and 15.4 percent, respectively. Regarding the CPTPP, Vietnam's

exports to Canada and Mexico where Vietnam has just had FTAs with, respectively expanded by 19.5 percent and 46.1 percent. However, in order to increase competitiveness in the markets that Vietnam signed FTAs with, a representative of the MoIT's Import-Export Department said that businesses need to pay special heed to quality, food safety and hygiene, technical barriers, rules of origin and brand development. In 2022, the MoIT will focus on effectively implementing the FTAs that Vietnam has joined, especially a plan for implementing new-generation ones, towards a more balanced import-export, ensuring stable markets for Vietnam's exports./.

Source: <https://en.vietnamplus.vn/ftas-momentum-for-vietnams-economy-in-2022/221551.vnp>

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