

Highlight News / February 02/2022



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World Bank gives key recommendations for Cambodia's economic recovery



Cambodia News | 1 February, 2022

The blow to Cambodia's economy from the COVID-19 pandemic was among the most pronounced in East Asia, but the country can regain sustained economic growth by increasing productivity among firms and workers, diversifying exports, and taking steps to boost domestic investment, the World Bank says in its Cambodia Economic Memorandum. Cambodia's growth rate, which averaged a robust 7.7 percent between 1995 and 2019, plunged an estimated 10.1 percentage points to contract by 3.1 percent in 2020 before resuming modest growth of 2.2 percent in the year just ended. The dramatic slowdown in output can be attributed in large part to the pandemic, but Cambodia's dependence on a narrow range of products, markets, and financing sources left it poorly positioned to absorb the shocks, according to the report, Resilient Development, a Strategy to Diversify Cambodia's Growth Model. "Getting back to a sustainable growth path will require an ambitious reform agenda that focuses on improving the capabilities of Cambodia's firms, workers, and households; strengthening regulations to address market distortions and improve the enabling environment for business; and investing in infrastructure that supports higher quality growth," said World Bank Country Manager for Cambodia Maryam Salim. "A number of short-

and medium-term policy actions can support an economic recovery strategy that will allow Cambodia to build back better after the COVID-19 crisis." Five products — garments, footwear, rice, cassava, and tourism — have accounted for 80 percent of Cambodia's total exports in recent years, while just two markets – the European Union and the United States – take 69 percent of merchandise exports. Labor productivity is low due to low levels of skills and training and low "total factor productivity," a measure of how efficiently a country uses labour and capital in aggregate. In addition, the country's low savings rate and low domestic investment have led to a heavy reliance on external financing sources. Cambodia has many options to address the lack of diversification and build back stronger. Investing in human capital, supporting more efficient resource allocation through improved market institutions, and improving public investment management can help boost productivity. Upgrading contributions to global value chains, creating added value in agriculture, and increasing competitiveness in the services sector could diversify of exports. Promoting higher savings, encouraging foreign investment in the most productive sectors, and improving financial access could support domestic investment. Heng Panha – AKP

Source : <https://www.khmertimeskh.com/501016942/world-bank-gives-key-recommendations-for-cambodias-economic-recovery/>

Eight more companies mulling to list in securities market this year



Cambodia News | 1 February, 2022

The Cambodia Securities Exchange (CSX) expects to see eight more companies listed in the capital market this year, citing that the positive progress of the sector in both trading amount and new trading accounts has positively increased last year. Hong Sokhour, director-general of the Cambodia Securities Exchange, said that some companies have already prepared documents for listing while some others intend to join the market this year. A few of them are the companies that intended to join the market last year, but processes of listing were suspended, he said. "Based on the results we have achieved in 2021, although only two companies registered in 2021, which were expected to be five times lower, our trading volume has increased more than in previous years," Sokhour said. CSX sees that the trading volume in 2019 was more than \$150,000, and in 2020, the year of Covid-19, the trading volume decreased to \$110,000 per day on average, and in 2021, it increased to more than \$250,000, he said. "Despite the small number of companies registering, the market activity has increased, the number of trade volumes per day and the opening of 5,000 to 6,000 trading accounts have increased," he said. One of the expected eight companies is scheduled to launch an IPO in February, he said. In 2021, the CSX had its first Growth Board listing designated "DBDE" and first corporate bond listing of Telcotech,

a subsidiary of the Royal Group. DBDE listing had raised over KHR 1.5 billion while Telcotech raised KHR 80 billion. The CSX said in a statement issued on January 17 that the average trading volume and value at the CSX had reached an all-time high of 234,628 shares and over KHR 1 billion respectively per day in 2021. "As Cambodia's financial sector regains traction, CSX's future outlook and projections are as brilliant as one may hope. With the tax incentives foreseen to extend in 2022, we project five stocks and three bonds to be listed at the CSX and increasing trading value as there are more securities listed in the market," read the statement. To improve the available supplies in the securities market, CSX focused on increasing the number of equity and debt securities listings by focusing on small and medium enterprises (SMEs) from IT, Telecom, hardware, logistics, and food and beverages, which are currently on the rise. CSX also focuses on introducing more equity products to the market such as government bonds, collective investment scheme, direct listing without initiative public offering, Holding Company Listing alongside other new products.

Source : <https://www.khmertimeskh.com/501016620/eight-more-companies-mulling-to-list-in-securities-market-this-year/>

Skilled Lao labourers return to jobs in Thailand



Laos News | 2 February, 2022

Some 150,000 skilled workers are on their way back to Thailand, while the government is setting up job centres in every province of Laos to assist returning migrant workers by providing them with information about new jobs. Statistics from the Ministry of Labour and Social Welfare indicate that more than 246,000 workers have returned to Laos from Thailand since the start of the pandemic when large numbers of people were laid off, with about 150,000 people having returned to Thailand last year. Deputy Minister of Labour and Social Welfare, Mr Phongsaisack Intharath, said more than 50 percent of returning workers had now returned to their jobs in Thailand. Most of them are skilled and they can earn more money in Thailand, where the minimum wage is higher than in Laos. Employers in Thailand have an increasing need for skilled workers and offer decent wages, whereas companies in Laos are still suffering from a shortage of workers. There is a lack of accurate data around the situation which has given rise to issues such as informality in the recruitment process and a lack of employment protection. At the same time there is a lack of job market indicators on employment opportunities and unemployment, Mr Phongsaisack said. "We think the provision of job information centres will play a key role in enabling authorities to help workers in need of assistance," he added. People can register at provincial assistance centres so they can get help from the government. Lao workers who return home to register with the authorities must get work permits and passports from labour officials so they can

legally work in Thailand. The new centres will enable labour market analysis, act as a base for monitoring and reporting on employment and labour policies, and promote the development of job skills, according to a ministry official. The centres will also allow sharing of information and coordination between the different actors and institutions that produce and utilise labour market information and analysis. The government has identified certain large-scale development projects in Laos that can benefit from an influx of skilled workers. These include the Amata Smart & Eco-City in Luang Namtha and Oudomxay provinces, the new international airport in Bokeo, a giant Buddha image under construction at That Luang Marsh, and an infrastructure development project in the Golden Triangle, according to the Ministry of Labour and Social Welfare. The government says it will encourage at least 700 companies to invest in Special Economic Zones over the next five years, saying these companies could create over 130,000 jobs.

Source : https://www.vientianetimes.org.la/freeContent/FreeConten_Skilledlao_22_22.php

Burmese maize exports to Thailand begin duty-free



Myanmar News | 1 February, 2022

The export of Burmese agricultural maize to Thailand through the Myawaddy border trade post on duty-free began on February 1. More than 2,000 tonnes of maize were exported on February 1, the first day of

export, but less than last year, according to traders. According to an agreement between the two countries, Burmese agricultural maize will be allowed to be exported from Thailand from February 1 to August 31. Trucks carrying corn for export to Thailand are not allowed to sleep in Myawaddy at night, so they have to use mechanical force. A trader on the Myawaddy border said, "There are many corn warehouses in Myawaddy now. It can carry up to 500 cars a day. All will be shipped through official channels," he said. Although Burmese maize is now allowed to be exported to China, it is being exported to Thailand due to higher tariffs to protect the interests of Chinese farmers. However, exports began on February 1 after a five-month halt to exports to Thailand after the end of August, coinciding with the timing of the migration to Thailand and raising tariffs to protect citizens' interests. Trade between the two countries is limited by Kovis, and Thai trucks are allowed to carry goods to the trade zone and warehouses on the Burmese side, but Burmese trucks are not allowed to enter Mae Sot and are only moving on the Thai side.

Source : <https://news-eleven.com/article/224982>

Budget collection in Jan meets 13% of full-year target



Vietnam News | 1 February, 2021

HCMC – The State budget collection in January reached VND183.5 trillion, meeting 13% of the entire year's target and falling 3.2% year-on-year, according to the Ministry of Finance. Of the total,

domestic revenue was VND151.3 trillion, meeting 12.9% of the expected full-year amount and falling 8% compared with the same period last year. Budget collection from State owned enterprises was estimated at VND17.2 trillion, equivalent to 11.1% of the full-year plan. Meanwhile, collection from foreign invested companies reached VND30.6 trillion, meeting 14.9% of the yearly plan. VND15 trillion from personal income tax was obtained, or 12.7% of the annual plan and VND4.6 trillion from environmental protection tax. Budget revenue from crude oil reached VND3.9 trillion, meeting 13.8% of the 2022 target and soaring 45% year-on-year. Revenue from imports and exports was estimated at VND28.3 trillion, meeting 14.2% of the 2022 target and soaring 31.5% year-on-year. On the other hand, the budget spending totaled VND113.9 trillion in January, equivalent to 6.4% of the full-year plan. The money was mainly spent on socioeconomic development, national defense, security and State management. Regular expenditure reached VND85.3 trillion, or 7.7% of the plan. Spending on development investment was VND12.9 trillion, meeting 2.5% of the plan. The country also spent VND15.6 trillion on loan interest payment, meeting 15% of the plan. VND23,080 billion worth of Government bonds with an average term of 15.81 years and an average annual coupon of 2.36% were issued last month.

Source : <https://english.thesaigontimes.vn/budget-collection-in-jan-meets-13-of-full-year-target/>

Industrial production index

up 2.4% in January



Vietnam News | 1 February, 2022

Vietnam's industrial production index (IPI) in January rose by 2.4% year-on-year, the General Statistics Office (GSO) reported. The processing and manufacturing industry, which accounted for over 70% of total industrial output, witnessed a yearly IPI increase of 2.8%, contributing 2.6 percentage points to the industrial sector's overall growth. Many industries also enjoyed a surge in IPI, such as metal ore mining (21.9%); production of prefabricated metal products (16.8%); leather and related products (12.3%); electrical equipment (11.5%); clothing production (11.4%); textiles (8.8%); and rubber and plastic products (8.1%). Meanwhile, industrial products with drops in the index included beverage production (2.7%); production of drugs, pharmaceutical chemicals and medicinal herbs (3.6%); electronics, computers and optical products (5%); wood processing and products from wood and bamboo (5.1%); and crude oil and natural gas (9.7%).

Source : <https://vietnamnet.vn/en/business/vietnam-business-news-february-1-813048.html>
