

Highlight News / February 07, 2022



- Cambodia-Korea trade tops \$965 million in 2021
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- Laos' rice export value nearly halves in 2021
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- Vietnam exports 287 tonnes of farm produce to China through Lao Cai from



ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

## Cambodia-Korea trade tops \$965 million in 2021



*Cambodia News | 06 February, 2022*

Bilateral trade between the Kingdom of Cambodia and the Republic of Korea topped \$965 million in 2021, a year-on-year increase of 9 percent. The figure from the Korean International Trade Association showed that Cambodia exported \$341 million worth of goods to South Korea last year, up 7.4 percent. The Kingdom imported \$623 million worth of goods from South Korea, a 9.9 percent year-on-year increase. Cambodia primarily exported footwear and other apparel, travel goods, beverages, electrical and electronic appliances, rubber, pharmaceuticals, and agricultural products to the East Asia nation. The Kingdom imported vehicles, electronics, kitchen appliances, beverages, pharmaceuticals, and finished plastic products from the country. The two countries in October signed the bilateral free trade agreement expected to take effect this year, particularly with bigger trade volume. Trade between the two countries is expected to increase to greater heights once the FTA, signed into law by the King earlier in the week, takes effect in April. The promulgation of the Law on the Approval of the Free Trade Agreement between Cambodia and South Korea paves the way for Cambodia and South Korea to fully implement free trade between the two countries. A free trade agreement between Cambodia and South Korea was discussed and drafted by the two

countries' expert working group last year. Chea Vannak – AKP

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

## January 2022 sees more than 53,000 tonnes of Cambodian rice exports worth \$35.72 million



*Cambodia News | 06 January, 2022*

Cambodia shipped some 53,036 tonnes of milled rice in the first month of this year, netting \$35.72 million. The update was provided by the Cambodian Rice Federation (CRF), indicating that the exported amount saw an increase of 54.75 percent compared to the same period in 2021. China remains the biggest market, importing 31,181 tonnes or 58.79 percent of Cambodian milled rice, followed by 16 EU countries and 3 ASEAN nations buying 12,542 tonnes and 6,277 tonnes of the product respectively. The remaining 3,072 tonnes or 5.52 percent of the milled rice, were shipped to 13 other destinations. Additionally, the country exported some 275,511 tonnes of paddy rice to neighbouring countries, generating \$60.61 million. In 2021, a total of 617,069 tonnes of Cambodian milled rice worth \$418 million were exported to China, 24 EU countries and 7 ASEAN member states. The Kingdom also sold about 3.53 million tonnes of paddy rice with an estimated price of \$846 million to neighbouring countries, mainly Vietnam. Phal Sophanith – AKP

Source: <https://www.khmertimeskh.com/501019580/january-2022-sees-more-than-53000-tonnes-of-cambodian-rice-exports-worth-35-72-million/>

## Laos' rice export value nearly halves in 2021



*Laos News | 07 February, 2022*

Laos' rice export value in 2021 nearly halved due to COVID-19 restriction measures, reported the Vientiane Times. The paper quoted the Lao Ministry of Industry and Commerce as saying that rice brought home 52.7 million USD in 2020, but only 35 million USD in 2021. Its biggest market was China, followed by Vietnam and the European Union. Though China reopened Boten border with Laos in November, two-way trade remains slow due to COVID-19 pandemic prevention and control measures. China now buys over 80 percent of Laos' exported farm produce, mostly cassava, banana, water melon, sugar cane and rubber./.

Source: <https://en.vietnamplus.vn/laos-rice-export-value-nearly-halves-in-2021/221665.vnp>

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



*Myanmar News | 07 February, 2022*

The sale of Myanmar's handicrafts made of wood in the local market was booming, said Daw Pyae Pyae, a manufacturer and seller of the handicrafts in Thabeikkyin Township. "These wooden handicrafts

are being produced and sold at low prices at the local market. In the production, various products are made and sold according to the categories. The price of each type of products sold in the market ranges from over K1,000 to K1 million. Currently, there are online customers in the country and sales are booming," Daw Pyae Pyae said. "We sell Myanmar's wooden handicrafts in the market. We make and sell all kinds of products. We do everything according to the requirements. We primarily produce and sell them in the domestic market and export them to China and Thailand as well. "At the moment, the online sales of alsm tray are strong locally and abroad. Most of the local orders are for traditional Myanmar alms bow (Bagan Era Style) to be kept in the living room. More and more Myanmar products are being used recently. "Many home appliances are made of plastic. Compare it to materials made of porcelain. The price is lower and the quality of the product is different. As a result, domestic sales of wooden crafts have improved," Daw Pyae Pyae added. Myanmar handicrafts made of wood and consumer goods are popular now. In addition, there is a plan to hold a fair to display and sell Myanmar's handicrafts made of wood according to the local sellers.—Min Htet Aung (Mandalay Sub-printing House)/GNLM

Source: <https://www.gnlm.com.mm/myanmars-wooden-handicrafts-marketable-at-domestic-market/#article-title>

## Vietnamese economy on the rebound



*Vietnam News | 05 February, 2022*

NDO - The re-emergence of the COVID-19 pandemic in 2021 caused Vietnam's GDP decline to 2.5%, from the estimate of 4.8%. Macro indicators remain stable. The appearance of new variants of COVID-19 virus in 2021 slowed down the world economic recovery. In addition, the pandemic caused disruption to the global value chain, increasing the price of raw materials, which was a big challenge for production and business activities of many countries. General Director of the General Statistics Office Nguyen Thi Huong said that Vietnam's GDP in 2021 is estimated to have increased by 2.58% compared to that of 2020 due to the serious impact of the COVID-19 pandemic, particularly the prolonged social distancing in the third quarter of 2021 in many localities. The agricultural sector expanded by 3.18% in 2021, contributing 0.29 percentage points to the growth rate of the whole economy. The manufacturing industry continued to be the growth engine of the whole economy with a growth rate of 6.37%, contributing 1.61 percentage points to the growth rate of the whole economy. The negative growth of a number of service industries such as transportation, warehousing, accommodation and catering services has reduced the overall growth of the service sector and the entire economy. Meanwhile, the health sector and social assistance activities achieved the highest growth rate in the service sector with an

expansion of 42.75%. Financial, banking and insurance activities increased by 9.42% while information and communication rose by 5.97%. In such a context, 119,800 enterprises withdrew from the market, with most of them established less than five years with small capital scale. The timely issuance and implementation of Government Resolution No. 128, dated October 11, 2021, made an important contribution to restoring production and promoting the market, creating confidence among businesses. The survey results of business trends in the manufacturing industry showed that enterprises were optimistic about production and business activities in the first quarter of 2022 with 81.7% of enterprises assessing their business as stable and better than in the fourth quarter of 2021. According to the Foreign Investment Department (Ministry of Planning and Investment), total foreign investment capital registered in Vietnam including newly registered capital, adjusted capital and capital contributions and share purchase by foreign investors reached 31,15 billion USD as of December 20, 2021, up 9.2% compared to 2020. It can be said that the import and export of goods continued to be the bright spot of the economy with the total import and export turnover of goods reaching 668.5 billion USD in 2021, up 22.6% over the previous year. According to Deputy Governor of the State Bank of Vietnam Dao Minh Tu, the State Bank of Vietnam adjusted interest rates appropriately amid the difficulties caused by the pandemic, creating favourable conditions for credit institutions to

continue to reduce lending interest rates and to support the recovery of the economy. As of December 24, 2021, the total means of payment increased by 8.93% compared to the end of 2020, while capital mobilisation of credit institutions soared by 8.44% and credit growth of the economy reached 12.97%. Notably, economist Phung Duc Tung commented that the stock market grew strongly despite the complicated developments of the pandemic. Vietnam's stock market recorded many new records in 2021 with VNIndex reaching 1,500 points, stock market capitalisation increasing by 45.5%, and the average transaction value rising by 257.5 % compared to the average of the previous year. According to the General Statistics Office, the consumer price index in 2021 (CPI) only advanced by 1.84% over the same period in 2020, the lowest increase since 2016. Average core inflation in 2021 rose by 0.82% over that of 2020. Problems during the recovery According to World Bank Lead Economist and Programme Leader for Vietnam, Macroeconomics, Trade & Investment, Jacques Morisset, Vietnam is facing many obstacles in restarting the economy after a prolonged period of social distancing. However, the positive developments observed in the last months of the year indicate that the economic situation will continue to improve and that growth will be strongly boosted in the coming months. Fiscal policy interventions will also be effective for Vietnam's economy, including tax exemptions and reductions, the acceleration of the implementation of public

investment projects, and providing aid to subjects in need. Some international observers also commented on the Vietnam's medium-term outlook in the next five years that Vietnam will continue to be one of the fastest growing emerging markets in Asia. The expected drivers are that Vietnam has a relatively large workforce with qualifications being improved compared to other competitors in Southeast Asia in addition to having relatively low labour costs. Capital expenditure is expected to increase rapidly, indicating that multinational companies will continue to pour capital into Vietnam while the government will continue to spend on infrastructure. Vietnam is also an attractive destination when companies consider moving production lines to Asian countries. In addition, Vietnam will also benefit from the growing network of Free Trade Agreements (FTAs) and the Regional Comprehensive Economic Partnership Agreement (RCEP) effective from January 1, 2022. The Vietnam Institute for Economic and Policy Research (VEPR) proposed a scenario that if the pandemic re-emerges, resulting in the closure of production in some localities, then labour shortage may occur accompanied with high costs and shrink in many sectors, especially the agriculture sector. Accordingly, the extent of the impact of COVID-19 on the agro-forestry-fishery, manufacturing, and service sectors will be more severe than at present. Economist Pham The Anh said that the serious economic downturn in the third quarter of 2021 with heavy socio-economic consequences will take a long time to overcome. High cost-push

inflation is a risk that needs to be closely watched, and any monetary easing requires extreme caution. Economist Can Van Luc said that, the non-performing loans of the banking system increased to about 2.3% by the end of 2021, while non-performing loans including bad debts sold to Vietnam Asset Management Company (VAMC) and restructured debts are forecast at over 7% for 2022. In general, experts agree that the prospect of economic recovery depends greatly on the strategy to deal with the pandemic in the near future because the support packages are still limited. In the current context, Vietnam may temporarily accept a higher-than-normal budget deficit to support social security and businesses to resume production. However, once the pandemic is over, fiscal disciplines need to be strictly adhered to in order to avoid long-term fiscal and public debt risks.

Source: <https://en.nhandan.vn/business/item/11135102-vietnamese-economy-on-the-rebound.html>

**exports 287 tonnes of farm produce**

**to China through Lao Cai from**

**Feb.1-3**



*Vietnam News | 05 February, 2022*

Vietnam exported 287 tonnes of agricultural products to China via Kim Thanh border gate in the northern province of Lao Cai on the first three days of the Lunar New Year (February 1-3). The volume included 38 tonnes of dragon fruits, 66 tonnes of watermelon and 183 tonnes of bananas, according to the provincial Department of Customs. Meanwhile,

877 tonnes of Chinese farm produce was imported into Vietnam during the three days. Competent agencies at the border gate have coordinated with the Chinese side to facilitate import-export procedures. On the first three days, more than 200 drivers and driving assistants were still stuck at the Kim Thanh border gate. Most of them transported farm produce from southern provinces. The management board of the border gate has, therefore, arranged some booths selling food to drivers during Tet (Lunar New Year) holiday. Hundreds of gifts, including Banh Chung (square glutinous rice cakes), dry food, water and necessities, have been offered to the drivers and driving assistants. Total import-export value via the border gate reached US\$1.7 billion last year, of which export revenue was US\$768,000.

Source: <https://english.vov.vn/en/economy/vietnam-exports-287-tonnes-of-farm-produce-to-china-through-lao-cai-from-feb1-3-post922349.vov>