

Highlight News / March 18/2022



- Cambodian exports to South Korea reach \$64m in two months
- GMAC, Euro Cham pact set to boost Cambodian garment exports
- Inflation jumps to six-year high of 7.3 percent
- China to temporarily halt imports of seven items including rice
- Japanese firms in Việ̣t Nam eye non-manufacturing industries
- Thailand interested in transport cooperation with Vietnam



Cambodian exports to South Korea reach \$64m in two months



Cambodia News | 17 March, 2022

Cambodia exported \$64.5 million worth of goods to South Korea in the first two months of this year, down 0.8 percent compared to the same months in the previous year. According to the Korea International Trade Association, bilateral trade rose 22.7 percent at \$195.2 million in the first two months of 2022. From January to February, the Kingdom spent \$130 million for importing products from the East Asia nation, surging by 39.1 percent compared to the same period last year. The Cambodia-Korea Free Trade Agreement (CKFTA), the Kingdom's second bilateral FTA after its deal with China, signed by the two countries last year, will materialise soon. The CKFTA will provide more than 10,000 Cambodian goods duty-free access to South Korea, according to the Ministry of Commerce. The agreement will boost exports, increase gross domestic product, raise employment opportunities and help speed up the recovery of the two economies affected by Covid-19. The countries can expand trade liberalisation markets in addition to the ASEAN-Korea Free Trade Agreement (AKFTA) and the Regional Comprehensive Economic Partnership Agreement (RCEP). Vice President of the Cambodia Chamber of Commerce Lim Heng said on Wednesday that the close relationship of two governments and economic ties had built confidence in investors from South Korea to Cambodia, which helped increase the

bilateral trade. The CKFTA will be another factor to attract more Korean investors to the Kingdom, Heng said. "Korea and Cambodia just signed the bilateral FTA, reflecting the positive progress of mutual trade between the two countries," Heng said. "Presently, the pact has not yet been put into force, but we have seen the growth of bilateral trade. So, once it is in force, it will attract more investment to Cambodia from South Korea," Heng said. Cambodia mainly exported footwear and other apparel, travel products, beverages, electrical and electronic components, rubber, pharmaceuticals and agricultural products to South Korea. Bilateral trade between Cambodia and South Korea reached \$965.132 million last year, a nine per cent surge from \$885.3 million in 2020. In 2021, Cambodian exports to South Korea amounted to \$341.503 million, up by 7.353 per cent year-on-year from \$318.112 million, while imports clocked in at \$623.628 million, rising by 9.947 per cent from \$567.210 million in 2020.

Source : <https://www.khmertimeskh.com/501042577/cambodian-exports-to-south-korea-reach-64m-in-two-months/>

GMAC, Euro Cham pact set to boost Cambodian garment exports



Cambodia News | 17 March, 2022

The Garment Manufacturing Association in Cambodia (GMAC) and Euro Cham have entered into a partnership to cooperate for the mutual benefit of the garment sector, the country's brightest prospect in exports. Kong Sang, President of the

Garment Manufacturing Association in Cambodia, and Euro Cham Chairman Tassilo Brinzer, attended the signing ceremony on Wednesday. Siang said that the European Union is one of Cambodia's main trade and investment partners. The country needs to strengthen its competitiveness further to maximise economic benefits through its export growth potential. They said the cooperation would enhance the garment sector in Cambodia, mainly boosting the exports to the EU market. Euro Cham represents a fine mix of major European clothing brands playing a key role in Cambodia's garment and manufacturing industries, local small and medium enterprises, factories and businesses such as audit firms and shipping companies focused on garment and export industries, said Tassilo. "The strong combination of our membership will enable us to become a larger market capable of advancing the interests of the industry and its stakeholders in a more sustainable way, with higher production, higher professionalism and more good quality goods. It is beneficial to the Cambodian economy," Tassilo said. He said that adopting new initiatives such as supply chains and EU labour laws is also important to increase Cambodia's export opportunities. In 2021, the bilateral trade between Cambodia and the EU amounted to \$4,500 million, 4.6 percent increase from a year ago. Exports of clothing amounted to \$2,207 million, footwear \$383 million, and travel products amounted to \$93 million, totalling \$2,683 million, accounting for about 60 percent of the total trade volume, Sang said. "Much of the success and

good export growth is due in part to the EU's preferential treatment for the import of products from Cambodia into the EU market, as Cambodia is still a least developed country," Sang said.

Source : <https://www.khmertimeskh.com/501042572/gmac-euro-cham-pact-set-to-boost-cambodian-garment-exports/>

Inflation jumps to six-year high of 7.3 percent



Laos News | 17 March, 2022

The year-on-year inflation rate jumped to 7.3 percent in February, the highest figure recorded in Laos since January 2016. The surge in consumer prices has been driven by the spiralling cost of fuel and other imported products due to the continuing depreciation of the kip, according to the latest report from the Lao Statistics Bureau. The demand for foreign currencies, notably US dollars and Thai baht, remains high as businesses must use these currencies to import goods. Consumer prices surged more than expected over the past seven months, driven by both internal and external factors. According to the Lao Statistics Bureau, the external factors impacting the costs of goods and services are mostly linked to the Covid-19 pandemic and the Ukraine crisis, resulting in a volatile global fuel market. The price of fuel in Laos has increased six times so far this year, which has had a huge impact on the inflation rate. In February, the price of fuel and gas rose by 38.33 percent year-on-year while the

cost of gold products surged by 16.49 percent year-on-year. Economists worry that the price of oil may continue to increase due to a supply-demand mismatch. The government may begin making adjustments to fuel prices every five to seven days, rather than every two weeks, if global fuel prices continue to rise. In February, costs in the communications and transport category rose by 2 percent month-on-month, and 15.64 percent year-on-year. The surge in this category is linked to the fact that rising fuel prices forced transport operators to bump up their prices. Meanwhile, prices in the goods and service category went up by 0.9 percent month-on-month and 9.51 percent year-on-year. For instance, the price of pork jumped to 50,000 kip per kg. According to the Lao Statistics Bureau, the cost of meat and fish surged by 5.3 percent year-on-year while the price of fruit and vegetables rose by 6.8 percent year-on-year. The price of medical care and medicines rose by 0.38 percent month-on-month and 9.39 percent year-on-year. Prices in the restaurant and hotel category surged by 0.11 percent month-on-month and 8.65 percent year-on-year. The cost of food and non-alcoholic beverages in February increased by 0.45 percent month-on-month and 5.47 percent year-on-year. The government is taking steps to boost production in order to reduce imports, and to control the rising price of fuel to ease the impact on the economy and

the general public. The government has decided to cut Value Added Tax from 10 to 7 percent this year and cut all fuel reserves, meaning that the current oil reserve price is now 0 kip/litre.

Source : https://www.vientianetimes.org.la/freeContent/FreeConten_Inflation54.php

China to temporarily halt imports of seven items including rice



Myanmar News | 17 March, 2022

The COVID-19 Preventive Task Force in Ruili city notified Muse district-level task force to prevent the spread of COVID-19 of the temporary suspension on the importation of seven items from Myanmar, including rice, according to the Muse-Namhkam Border Trade Chamber of Commerce. The importation of seven items; rice, broken rice, fresh chilli, goods shipped in the cold chain, frozen goods, fishery products, daily goods, and packaged food commodities will come to a halt through the Wanding-Mangman checkpoint. This action is a temporary plan of the working group to prevent the cross-border spread of COVID-19, to prevent the infection with science-based tactics according to China's FDA Law and a rule on export and import food safety, and resumption of the trade flow via Wanding-Mangman point, according to the notification. Amid the closure of cross-border posts with China and China's policy changes, the value of

border trade through a major trading hub Muse border post plunged to US\$579.48 million as of 4 March 2022 of the current mini-budget period (Oct 2021- Mar 2022), Myanmar Customs Department's statistics indicated. The figure significantly dropped from \$2.49 billion recorded in the corresponding period of last Financial Year, according to the Ministry of Commerce. Between 1 October 2021 and 4 March 2022, Myanmar's exports to China through the Muse land border were valued at \$555.5 million, while imports are worth \$23.96 million. The trade showed a slump in both exports and imports against the year-ago period. China shut down all the checkpoints linking to the Muse border amidst the COVID-19 pandemic. The checkpoints next to the Muse border are Nantaw, Sinphyu, Man Wein (Kyalgaung), Kyinsankyawt-Wanding and Panseng-Wanding. Of the checkpoints, Kyinsankyawt has resumed trading activity from 26 November on a trial run. Myanmar delivers rubber, various beans and pulses, dried plum, watermelon, muskmelon and other food commodities to China through Kyinsankyawt with the use of a Chinese short-haul trucking service. Myanmar trucks are restricted to enter China side. However, there is a shortage of Chinese truck drivers. As a result of this, the cost of Chinese short-haul trucking tremendously rose. Only when China eases the restriction can the trucking rate drop, a trader engaged in Muse trade zone

elaborated. Additionally, China's new Customs Regulation and mandatory quarantine process posed some hurdles in the border market. Traders cannot expect trade facilitation according to the changes in China's policy during the COVID-19 pandemic. Myanmar normally exports agricultural products including rice, beans and corns, and fishery products such as crab, prawn, etc. Furthermore, Myanmar's natural gas export to China is also conducted through the Muse-Ruili border. The raw CMP materials, electrical appliances and consumer goods are imported into the country. The Muse border post witnessed \$4.057 billion worth of Sino-Myanmar border trade last financial year 2020-2021, including exports worth \$2.9 billion and imports worth \$1.15 billion. — KK/GNLM

Source : <https://www.gnln.com.mm/china-to-temporarily-halt-imports-of-seven-items-including-rice/#article-title>

Japanese firms in Việt Nam eye non-manufacturing industries



Vietnam News | 17 March, 2022

HÀ NỘI — There has been a significant increase in Japanese investment in Việt Nam's non-manufacturing industries, such as retailing, education, healthcare, energy, finance and insurance, transport and real estate, according to a 2021 survey by the Japan External Trade Organisation (JETRO) of 700 Japanese FDI

enterprises in Việt Nam. Some 51.7 per cent of Japanese FDI firms in the manufacturing sector plan to expand business in Việt Nam over the next one to two years, up 4.6 per cent year-on-year, the survey found. About 58.7 per cent of non-manufacturing companies want to do the same, up 12.1 per cent. Japanese enterprises are increasingly diversifying areas of operation in Việt Nam, said Hirai Shinji, Chief Representative of JETRO in HCM City. Before, most Japanese firms in Việt Nam were operating in manufacturing, but now FDI flows into food production, fast-moving consumer goods, retailing, and real estate are rising. There is a shift from manufacturing to non-manufacturing sectors, Shinji told the Investment Review. He added that this was a considerable transition of Japanese investors to consumer goods and retailing from industrial production. Despite input and labour costs having trended upward in Việt Nam in the past several years, they are relatively lower than Japan. Vietnamese workers have also been regarded as dynamic and highly productive. For example, he emphasised that many Japanese firms in the IT and retailing sectors, which post relatively higher labour costs, are growing and expect to expand business in Việt Nam. General Director of AEON Vietnam Furusawa Yasuyuki said major changes in Vietnamese consumer's shops due to COVID-19 significantly impacted e-commerce and demand for necessary goods. Japanese firms view these changes as an opportunity, so investment in retail

will definitely surge, he remarked on the sidelines of the Conference on Investment Promotion held by the Investment Promotion Centre South Việt Nam in HCM City earlier this month. "Việt Nam has achieved encouraging economic growth, so I think many Japanese companies are considering pouring investment into the country," he said. He added that the services, equipment and consumer goods industries have huge potential for growth in Việt Nam, given the country's fast-growing population, good economic outlook and improving living standards. — VNS

Source : <https://vietnamnews.vn/economy/1165354/japanese-firms-in-viet-nam-eye-non-manufacturing-industries.html>

Thailand interested in transport cooperation with Vietnam



Vietnam News | 17 March, 2022

Bangkok (VNA) – Vietnamese Ambassador to Thailand Phan Chi Thanh had a meeting on March 16 with Thai Minister of Construction Saksayam Chidchob who affirmed that Thailand is interested in strengthening transport cooperation with Vietnam. At the meeting, Ambassador Thanh informed the Thai official on the complete opening of Vietnam, affirming that the policy will positively support the recovery of transport cooperation between the two countries after two years of disruption due to COVID-19, thus contributing to the economic recovery in both countries. He said that the road connection among Vietnam, Laos and Thailand will help the

three countries reach major markets such as the US, China, the Republic of Korea and Japan. He suggested that Vietnam and Thailand continue to work closely with Cambodia to speed up the formation of a coastal transport system and the organisation of the fifth meeting of the Working Group for the building of a coastal transport agreement among the three countries. Regarding aviation connection, Ambassador Thanh proposed that Thailand remove limitations on the frequency of commercial flights from Thailand to Vietnam. He suggested that Minister Saksayam Chidchob create favourable conditions for Vietnamese transport firms to operate in Thailand, contributing to strengthening air links between the two countries and boost bilateral trade, investment and tourism partnership. For his part, Saksayam Chidchob congratulated Vietnam on its good control of the pandemic for reopening and economic recovery, with the resumption of international air routes to more than 20 countries, including Thailand. He said that Thailand is carrying out many transport connection projects with Laos, which also aim to foster connectivity with Vietnam and facilitate logistics cooperation between the two countries. The Thai minister hailed efforts by Vietnam, Cambodia and Thailand in speeding up negotiations for a tripartite agreement on coastal transport. He proposed that Vietnam soon organise the fifth meeting of the Working Group for the building of the deal to reach consensus on remaining technical issues. He affirmed Thailand's support and optimal conditions

for Vietnamese transport businesses in Thailand. Thailand is currently the largest trade partner of Vietnam among ASEAN member countries and the eighth biggest investor. In the field of transport, the two countries have maintained close road, maritime and aviation connections. They have worked closely within the frameworks of ASEAN, the Greater Mekong Sub-region (GMS) and tripartite cooperation (Vietnam, Laos and Thailand), thus facilitating the transport of goods between the two sides./.

Source : <https://en.vietnamplus.vn/thailand-interested-in-transport-cooperation-with-vietnam/223635.vnp>