

Highlight News / March 23/2022



- China vows to increase import of Cambodian agricultural products
- EuroCham Cambodia and GMAC ink agreement to better support European brands sourcing from Cambodia
- Govt aims for annual GDP growth of at least 4 percent
- Myanmar's garment exports in the first quarter of 2021-2022 fiscal year increased by 18.6% compared to the first quarter of the previous fiscal year
- Ukraine conflict, COVID make it double-whammy for Vietnamese businesses
- Low level of car production holds back Vietnamese auto part suppliers



China vows to increase import of Cambodian agricultural products



Cambodia News | 22 March, 2022

China has expressed its commitment to import more rice and other agricultural products from Cambodia after the free trade agreement (FTA) between Cambodia and China came into force. This was announced by the President of China, Xi Jinping, during a telephone conversation with Prime Minister Hun Sen. President Xi said that the free trade agreement between Cambodia and China has now entered into force, so China will import more rice and other agricultural products such as bananas, mangoes and longans to help reduce poverty in Cambodia. Cambodia's exports have increased by 39 percent or \$1.51 billion during the previous year, which is, a positive boost to Cambodia's trade as Cambodia and China approve the implementation of the bilateral free trade agreement. According to data from the Ministry of Agriculture of Cambodia, in the first two months of 2022, Cambodia's rice exports totalled more than 103,000 tons, an increase of 35 percent compared to the same period in 2021. The Chinese Embassy reported that the Cambodia imported more than 56,000 tons of rice to China, which is an increase of 49.8 percent compared to the same period in 2021.

Source : <https://www.khmertimeskh.com/501045760>

[/china-vows-to-increase-import-of-cambodian-agricultural-products/](https://www.khmertimeskh.com/501045760/china-vows-to-increase-import-of-cambodian-agricultural-products/)

EuroCham Cambodia and GMAC ink agreement to better support European brands sourcing from Cambodia



Cambodia News | 22 March, 2022

EuroCham Cambodia and GMAC have signed a Memorandum of Understanding (MoU) that will remain in force for an indefinite duration and defines a clear set of joint actions by the two associations for the coming years. The MoU aims to foster closer cooperation between the two associations and their members and to support European garment companies and fashion brands in Cambodia, in addition to promoting Cambodia's opportunities on the European stage both in Europe and in ASEAN. As one of the first actions under the new cooperation, EuroCham will set up a public training programme with the Cambodian Garment Training Institute (CGTI) in Phnom Penh, focused on sustainable textile sourcing, Occupational Safety and Health (OSH) and compliance. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) will fund the training initiative. Other areas of cooperation include addressing sustainable production-related issues and environmental awareness in the production chain, exploring opportunities of Industry 4.0 and assisting European brands with responsible sourcing from Cambodia. "EuroCham represents a good mix of large European fashion brands who play a crucial role in Cambodia's garment and manufacturing industry, as well as local, innovative

SMEs, factories, and peripheral businesses, such as auditing and logistic firms focused on the garment industry and its exports. There is thus a strong synergy across our membership base, which also makes us a powerhouse that is capable to drive the interests of the industry and its stakeholders forward,” says Tassilo Brinzer, chairman of EuroCham Cambodia. “Embracing new initiatives such as supply chain due diligence legislation in the European Union will of course be crucial to leverage export opportunities. We are glad that GMAC, as the main industry organisation, is our companion on this important journey. We are looking forward to a fruitful cooperation and to add a European perspective to the wider Cambodian garment, footwear and apparel industry.” Kong Sang, chairman of GMAC, adds: “Cambodia and the European Union have been main trading partners. The success and exponential export growth of our industry can be attributed in large part to the preferential market access of the European Union granted under the Everything But Arms (EBA) scheme. It’s important to continue to maximise the economic benefit through more growth potential. The MoU signed today is an invaluable partnership to further strengthen the industry’s competitiveness through capacity building in many areas and joint advocacy to influence relevant policies.” The signing of the MoU follows the recent founding by EuroCham of its ‘Garment and Manufacturing’ sectorial committee and anticipates the upcoming release of the Royal Government of Cambodia’s new five-year

development strategy for the garment, footwear and travel goods industry. With US\$11.38bn export value in 2021, of which a large share continues to go to Europe, Cambodia’s garment and footwear sector remain the pinnacle of the Cambodian economy, GMAC and EuroCham Cambodia says, adding they are dedicated to supporting the continued growth of the industry in a responsible manner. Cambodia saw the biggest drop in market share of US apparel imports in 2021, with its share 13.30% to 4.22% from 4.87% in 2020, according to import data from the US Office of Textiles and Apparel (OTEXA). Just Style.com

Source : <https://www.khmertimeskh.com/501045339/eurocham-cambodia-and-gmac-ink-agreement-to-better-support-european-brands-sourcing-from-cambodia/>

Vietnam extends support for investment sector in Laos



Laos News | 23 March, 2022

Vietnam has agreed to continue to assist the investment sector in Laos, especially through technical training for planning and investment officials. An agreement on Vietnam’s support was signed on Monday by Laos’ Minister of Planning and Investment, Mr Khamjane Vongphosy and Vietnam’s Minister of Planning and Investment, Mr Nguyễn Chí Dũng. Under the agreement, Vietnam will provide training on private investment and special economic zones, how to manage and allocate funds for public investment projects and foreign aid projects,

collection of statistics on administration, and training in the Vietnamese language. Vietnam will also continue to be a bridge for mobilisation and dissemination to attract more qualified investors from Vietnam. Vietnam agreed to support the modernisation of the Lao planning and investment sector by updating and developing a state-of-the-art professional management programme to be used by the Vietnamese Ministry of Planning and Investment and to be available to the Lao Ministry of Planning and Investment later this year. The agreement also provided for increased cooperation between the two Ministries of Planning and Investment in the field of planning and investment. The ministries will promote cooperation between the two countries and promote investment management for businesses in each country, as well as play a central role in jointly encouraging enterprises that have entered into agreements to implement the set plans and resolve outstanding issues concerning investment projects that have been approved. The two parties also agreed to consider a framework for cooperation between the research institutes of the two ministries. Vietnam will assist with statistical training for Lao statistics officials and facilitate meetings between committees of the two ministries and departments. The meeting also took place to mark Laos-Vietnam Friendship Year 2022 and to implement the agreement on cooperation between the two Ministries of Planning and Investment signed in June last year in Hanoi, and the direction of cooperation between the two ministries for 2022-2023. The

meeting was an important contribution to the deepening of the friendly relations that are the fruits of the special solidarity and comprehensive cooperation between Laos and Vietnam, and which continue to grow.

Source : https://www.vientianetimes.org.la/freeContent/FreeContent_Vietnam_57_22.php

Myanmar's garment exports in the first quarter of 2021-2022 fiscal year increased by 18.6% compared to the first quarter of the previous fiscal year



Myanmar News | 22 March, 2022

According to a statement from the Central Statistics Office of the Ministry of Planning and Finance, Myanmar's garment exports in the first quarter of the 2021-2022 fiscal year increased by 18.6 percent compared to the first quarter of the previous fiscal year. In the first quarter of the 2021-2022 fiscal year, garment exports earned more than \$ 1,055 million. In the first quarter of the 2020-2021 fiscal year, garment exports earned \$ 889.7 million. In the 2019-2020 fiscal year, exports of garments (garments) were nearly \$ 4.8 billion, down from more than \$ 63 million in the same period last year, according to the Ministry of Commerce. According to the list of 10 countries that exported the most garments (garments) in 2018, the EU member countries, Germany, \$ 930 million; \$ 323 million to the UK; \$ 294 million to Spain; \$ 266 million to France; \$ 158 million to Denmark; \$ 157 million to Italy; It exported up to \$

145 million to the Netherlands. Of the top 10 exporters, \$ 834 million to Japan; \$ 399 million to Korea; It exports up to \$ 211 million to the United States. Myanmar's garment exports tripled from just \$ 337 million in 2010 to almost \$ 1 billion in 2014, according to the report. Myanmar's main exports are rice, beans, Among the maize, CMP was the largest export, with more than quadrupling in five years. Garments (finished garments) were the most advanced in the export sector. From October 1 to May 28 of the 2020-2021 fiscal year, garment exports earned \$ 2.193 billion, according to an official from the Ministry of Commerce. In the same period last year, exports of garments (garments) reached \$ 2.718 billion. In the first eight months of the 2020-2021 fiscal year, exports of garments (garments) fell by \$ 524.433 million, down more than 20 percent year on year. Myanmar is using the CMP system to import garments from abroad and re-sew locally. The EU (EU member states) is among the top 10 countries that receive orders to Myanmar on a hire-purchase basis. Japan Korea United States According to the Myanmar Garment Manufacturers Association. According to the Ministry of Commerce, Myanmar's garment exports tripled from nearly \$ 337 million in 2010 to nearly \$ 1 billion in 2014. In 2015, garment exports reached \$ 1.46 billion, accounting for 10% of Myanmar's total exports.

Source : <https://news-eleven.com/article/227890>

Ukraine conflict, COVID make it double-whammy for Vietnamese businesses



Vietnam News | 22 March, 2021

HCM City (VNS/VNA) – Businesses in Vietnam are facing new challenges brought by the Russia – Ukraine conflict in addition to lingering COVID-19 problems. Many have difficulty in exporting to Russia, Ukraine and Belarus, face rising transportation costs and several Russian banks have been cut off from SWIFT, the leading international payment system. Wood processing businesses importing materials such as timber from the two warring countries are finding it difficult. Many businesses are also still dealing with the supply chain disruption caused by COVID. Nguyen Dang Hien, general director of beverage producer Tan Quang Minh Manufacture and Trading Co., Ltd., said his company is recovering but still struggling with supply chain problems such as foreign partners closing down during the pandemic and raw material imports taking longer than before. This is driving up production costs, but businesses could not raise their prices much, he said. Truong Chi Thien, general director of Vinh Thanh Dat Foodstuff JSC, said with the rising production costs, even products under HCM City's price stabilisation programme for essential goods would have to have their prices increased after March. "We have asked HCM City's Department of Finance to allow us to raise our prices from April." The company is working with raw material suppliers, distributors and retailers to overcome its

challenges, he said. It also has to defer growth plans and research into new products and cut down on all unnecessary costs, only focusing on production and exploring new opportunities, he said. Pham Duc Binh, director of pork retailer Thanh Binh Co., Ltd., said considering the recent challenges businesses should try to maintain its production and wait for the economy to recover, and meanwhile cut down on unnecessary costs and investments. Costs of materials sourced domestically are still stable, as are interest rates, he pointed out. Hien said his company has been sourcing some of its raw materials domestically, and they have not been affected much by the global supply chain disruption. "Businesses need help in accessing information about markets and potential foreign partners since many of our partners have reduced production or closed down." Pham Phu Ngoc Trai, chairman of Global Integration Business Consultants, said: "Businesses should not be panic too much over the Russia – Ukraine conflict or the rising petrol prices. We need to recognise that Vietnam is deeply integrated with the global economy, and there will always be risks." Huynh Quang Thanh, general director of Hiep Long Wood Processing Co., Ltd., said businesses struggling to import timber from Russia and Ukraine should look at other markets and generally avoid relying too much on any one market./.

Source : <https://en.vietnamplus.vn/ukraine-conflict-covid-make-it-doublewhammy-for-vietnamese-businesses/223860.vnp>

Low level of car production holds back Vietnamese auto part suppliers



Vietnam News / 22 March, 2022

HA NOI — 50,000 vehicles per year is the minimum production level needed for the growth of the Vietnamese auto part industry. Unfortunately, few car producers in Viet Nam have reached such a level. Only Toyota and Hyundai crossed the threshold in 2021, with 64,172 and 56,028 vehicles, respectively. Meanwhile, Kia fell short of the threshold with just 35,181 vehicles. VinFast followed with 34,746 and Mitsubishi with 26,346. Truong Thi Chi Binh, an expert at Vietnam Institute of Strategy and Policy for Industry and Trade, underlined the low level of car production as a setback for the Vietnamese auto part industry. She said low production meant low demand for domestic auto parts, discouraging suppliers from investing in new production lines. Without new production lines, the suppliers become less competitive in price as they cannot achieve economies of scale. Consequently, car producers have to find their auto parts elsewhere. "Since auto production is insufficient to encourage domestic auto parts production, many car producers have no choice but to import their inputs," Binh said. The expert believes that Viet Nam should introduce favourable policies to boost the growth of the domestic industry. Otherwise, Vietnamese suppliers will be priced out of the market

by foreign competitors. The general director of a Japanese auto producer shared the view. He pointed out that car parts prices in Viet Nam are two to three times higher than those in other regional countries. Auto producers in Thailand purchase just 10 per cent of car parts from abroad. They get the rest from around 3,000 Thai suppliers. Meanwhile, auto producers in Viet Nam have to import 80-85 per cent of car parts, effectively reducing the number of Vietnamese suppliers to around 300. The general director called for more favourable policies to encourage domestic production of auto parts, particularly medium-sized steel and plastic parts. Two experts at the Faculty of Economics, Vinh University, revealed that on average, an auto producer buys car parts from two domestic suppliers. With over 90 per cent of suppliers in Viet Nam being FDI firms, Vietnamese firms take up a minority. According to the Vietnam Register, 318,704 cars were sold and registered in Viet Nam in 2021, higher than the figures in 2020 (296,634) but lower than in 2019 (322,322). — VNS

Source : <https://vietnamnews.vn/economy/1166036/low-level-of-car-production-holds-back-vietnamese-auto-part-suppliers.html>
