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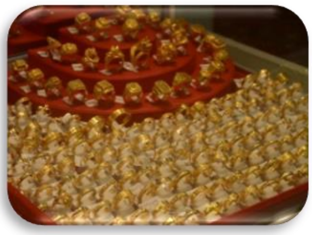

Cambodia-Thailand Jan-Feb trade tops $1.3 billion

Cambodia News I 07 April, 2022

The Kingdom imported more than $1.3 billion worth of goods from Thailand in the first two months of this year, a 3.3 percent year-on-year increase. Imports from Thailand were at $1.12 billion during the period, a 5.2 percent increase from the same period last year, according to the official statistics from Thailand's Commerce Ministry. The two-way trade increased by 4.8 percent year-on-year to $1.36 billion. Cambodia's main exports to Thailand include textiles, agricultural products, gems, raw materials, and semi-finished products. Imports from Thailand include fish, meat, vegetables, automobiles, organic fertilizers, foodstuffs, and construction materials. Lim Heng, vice-president of the Cambodia Chamber of Commerce, told Khmer Times yesterday: "Increasing export to neighboring countries is a good sign for Cambodia because it reflects the trade exchanges along borderlines, especially agriculture products," Heng said. Most country's products, mainly agricultural products are mostly exported to neighboring countries via border gates. Once goods transport crossing is smooth, it will push more exports of Cambodian products, Heng said. Cambodia and Thailand exchange goods via the Poipet international border gate. To facilitate smooth border crossing goods transport, the governments of the two Kingdoms have planned to open a new border gate – Stung Bot-Ban Nong Ien. The two countries have placed high hopes to continue pushing bilateral trade up to $15 billion by 2023. The supermarket chains in Thailand – Big C and retail store 7-Eleven – have started their stores in Phnom Penh. They also unveiled plans to increase shops in Cambodia. About 70 percent to 80 percent of products displayed in those markets are imports from Thailand and the rest are supplied locally.

Source : https://www.khmertimeskh.com/501054340 /cambodia-thailand-jan-feb-trade-tops-1-3-billion/

ADB says RCEP, bilateral FTAs to bring great benefits to Cambodia

Cambodia News I 07 April, 2022

The Regional Comprehensive Economic Partnership (RCEP) free trade deal and bilateral free trade agreements (FTAs) will bring a lot of benefits to Cambodia in the long term, Asian Development Bank (ADB) acting country director for Cambodia Anthony Gill said on Wednesday. In addition to the RCEP free trade deal, Cambodia has bilateral free trade agreements with China and South Korea. The RCEP is a mega trade pact between 10 ASEAN member states and its FTA partners, namely China, Japan, South Korea, Australia, and New Zealand. Both the RCEP and the Cambodia-China FTA took effect on Jan. 1 this year, as the Cambodia-Republic of Korea FTA is expected to enter into force in the near future. Gill said Cambodia by and large is in a very good position to expand its trade with diverse neighboring partners. "These free trade agreements bring a lot of benefits to the country, other than job creation, further innovation, and more investment. So we believe that these are very positive measures for Cambodia," he said during a video press conference on the launch of the ADB outlook on Cambodia's economy in 2022. However, he said Cambodian businesses really need to optimize the benefits of these agreements, try to improve their business environment, skills, and innovation, and strengthen their competitiveness. Released during the press conference, the ADB outlook indicated that Cambodia's economy is forecast to grow 5.3 percent in 2022 and 6.5 percent in 2023 thanks to strong merchandise exports and foreign direct investment (FDI) inflows. "Widespread vaccination against COVID-19 has enabled the country to reopen its borders for trade and tourism, leading to positive economic prospects for this year and 2023," Gill said. He added that reopening the economy and the high level of vaccination coverage will allow for a gradual recovery in tourism, which will, in turn, support demand for accommodation, food, transportation, and other in-person services. Despite the pandemic, FDI inflows into Cambodia remained strong, with China still topping the list of foreign investors in the Southeast Asian nation. ADB economist for Cambodia Sophie Duong T. Nguyen said FDI has been benefiting Cambodia in terms of economic growth, stability, and job creation. "Even during the pandemic, FDI inflows into Cambodia have been very resilient and this is very encouraging," she said. "We hope that FDI from China and other countries in the region will continue to flow into Cambodia in the coming years." Xinhua

Source : https://www.khmertimeskh.com/501054249/adb-says-rcep-bilateral-ftas-to-bring-great-benefits-to-cambodia/

Inflation jumps to record high

Laos News | 08 April, 2022

The year-on-year inflation rate in Laos surged 8.5 percent in March, even more than expected, and rose to the highest figure recorded since January 2016. The Covid-19 pandemic, together with volatile fuel prices and the continuing depreciation of the kip, are the main factors driving consumer prices in Laos, according to the latest report from the Lao Statistics Bureau. The spiraling cost of fuel on the world market forced the government to raise the retail price of petrol three times in March. Since the beginning of this year, the government has adjusted fuel prices nine times, raising the price eight times and lowering it once. Rising oil prices are impacting the transport price index, causing an increase in the price of goods that depend on fuel for their production or transport. The growing demand for US dollars and Thai baht is making it difficult for authorities to curb inflation because businesses must buy foreign currencies at a high rate on the parallel market so they can import goods and materials. In addition, the price of gold has jumped to new high on the world market. The rising cost of living is creating economic uncertainty across the world. In the UK, inflation hit a 30-year high in January with consumer prices up 5.5 percent from the previous year, while in the US consumer prices surged 7.5 percent year-on-year as of January, the biggest annual increase in 40 years. In Laos, consumer prices surged more than expected over the past seven months, with inflation being recorded at above 5 percent since December last year. Many people have complained that their incomes are not rising in line with inflation, which means large numbers are experiencing financial hardship. In March, costs in the communications and transport category rose by 3.8 percent month-on-month, and 18.7 percent year-on-year. Rising fuel prices forced transport operators to bump up their prices when the price of fuel and gas rose by 49.7 percent year-on-year in March. In the meantime, prices in the goods and service category surged by 2.8 percent month-on-month and 13.3 percent year-on-year. Meanwhile, the cost of medical care and medicines increased by 0.8 percent month-on-month and 10.1 percent year-on-year. The surge in this category was driven by the price of medicine and hospital fees. Prices in the restaurant and hotel category rose by 1.4 percent month-on-month and 9.3 percent year-on-year. In addition, prices in the housing, water, electricity and gas category rose by 1.7 percent month-on-month and 7.4 percent year-on-year while the cost of clothing and footwear surged by 1.6 percent month-on-month and 7.9 percent. year-on-year. The cost of food and non-alcoholic beverages increased by 1.4 percent month-on-month and 6.1 percent year-on-year.

Source: https://www.vientianetimes.org.la/freeContent/FreeConten_Investment68.php

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COVID-19 impacts stop gold exports

Myanmar News I 07 April, 2022

The gold export has stopped owing to the COVID-19 pandemic, said Chair U Myo Myint of the Yangon Region Gold Entrepreneurs Association (YGEA). As international passenger flights have been banned, there is no export demand for gold yet. However, export procedures have been prepared, he continued. “There is no foreign demand, yet the gold is ready for export. They appraise the gold and set the price depending on the prevailing market price. Then, it can be exported,” U Myo Myint elaborated. The Ministry of Foreign Affairs and the Ministry of Transport and Communications have declared temporary measures to prevent the importation of COVID-19 to Myanmar through air travel since 29 March 2020. They are extended until 31 March 2022, as per the notification released by the Central Committee on Prevention, Control and Treatment of Coronavirus Disease 2019 (COVID-19) on 18 March

2022. As the fatality rate from COVID-19 and the infection rate have significantly dropped, the temporary suspension on international passenger flights will be lifted from 17 April in order for foreigners to enter Myanmar in line with travel requirements. Once Myanmar eases entry restriction, the gold export market is expected to revive. Additionally, the international remittance for gold transactions valued below US$50,000 is allowed to use the Telegraph Transfer (TT) system. Japan and the Republic of Korea primarily purchase gold and other jewellery, and other tourists also buy them, the YGEA stated. — NN/GNLM

Source : https://www.gnlm.com.mm/covid-19-impacts-stop-gold-exports/#article-title

Viet Nam's manufacturing sector hit by wave of COVID-19 infections

Vietnam News | 07 April, 2022

HÀ NỘI — The Việt Nam Manufacturing Purchasing Managers' Index (PMI) dropped to 51.7 in March from 54.3 in February, as the latest wave of the COVID-19 pandemic led to widespread labour shortages in the manufacturing sector during March, according to S&P Global.In a report released last week, S&P Global said that although the situation still pointed to an overall strengthening of business conditions, the latest improvement was the least marked in the current six-month sequence of growth.Central to the slowdown in the rate of improvement overall was the current wave of the COVID-19 pandemic in Việt Nam. One of the main impacts on firms came in the form of widespread infections among workers, resulting in a first decline in employment in four months, according to the report.Staff shortages meant that firms were unable to maintain production volumes, with output falling for the first time in six months. Inflationary pressures also contributed to the drop in production, which was nonetheless only modest as some firms expanded output in line with higher new orders.Difficulties raising production due to labour shortages led to a further accumulation of backlogs of work, with the latest increase the most marked since September last year.The report said the issues around the pandemic and price rises also impacted new orders at the end of the first quarter. That said, both total new business and new export orders increased for the sixth month running.Efforts to keep up with order requirements were helped by the use of inventories given difficulties with production. As a result, stocks of finished goods decreased for the first time in three months.The aforementioned inflationary pressures were highlighted by both of the survey's price indices in March.The rate of input cost inflation surged higher, reaching the fastest in close to 11 years. More than half of all respondents signalled that their input prices had risen over the month, with higher costs for oil and gas mentioned in particular. Rising shipping and raw material prices were also cited.In turn, manufacturers raised their selling prices at an accelerated pace. The increase was the fastest since last November's ten-and-a-half year high.Although purchasing activity rose slightly in March, the rate of growth slowed sharply and was the weakest in the current six-month sequence of expansion. Stocks of purchases were also up modestly. With current production requirements falling, any inventory building largely reflected efforts to accumulate reserves.A range of factors led to longer suppliers' delivery times in March, including the effects of the COVID-19 pandemic such as labour shortages and restrictions at the border with China. The war in Ukraine also acted to delay deliveries, with lead times lengthening to the greatest extent since last October overall.According to the report, the severity of the latest wave of the COVID-19 pandemic and worries about inflationary pressures acted to dampen expectations for the future. Business confidence dropped to the lowest in six months. However, firms remain optimistic that output will rise over the coming year, based on hopes that the pandemic will fade and new orders expand.Andrew Harker, Economics Director at S&P Global, said: "The surge in COVID-19 cases in Việt Nam during March took its toll on the manufacturing sector, pushing output back into contraction territory. This was primarily due to labour shortages, as so many workers were off with infections that factories were unable to maintain production volumes."While firms will be hoping that infection levels start to ease soon, providing some alleviation on that front, the war in Ukraine provides a further headwind. The most noticeable impact for Vietnamese firms in March was on prices. Input costs increased at the sharpest pace in almost 11 years on the back of higher costs for oil and gas following the outbreak of war. This has dashed any hopes that inflationary pressures might be set to ease over the months ahead." — VNS

Source : https://vietnamnews.vn/economy/1171693/viet-nams-manufacturing-sector-hit-by-wave-of-covid-19-infections.html

ADB forecasts Vietnam's 2022 GDP growth at 6.5%

Vietnam News I 07 April, 2022

HCMC – Vietnam's gross domestic product (GDP) growth is forecast at 6.5% in 2022 and 6.7% in 2023, a rebound made possible by the country's high Covid-19 vaccination rate, according to the Asian Development Bank's (ADB) Asian Development Outlook 2022 released on April 6."A resurgence of the Covid-19 pandemic tightened Vietnam's labor market, disrupted supply chains and slowed growth in 2021. However, the economy is set for a strong rebound this year and next, made possible by a high vaccination rate that enabled disruptive containment measures to be dropped, trade expansion and continued monetary and fiscal accommodation," said Andrew Jeffries, Country Director of the ADB in Vietnam.Nguyen Minh Cuong, an economic expert at the bank, said the country would see a possible strong rebound thanks to the Government's economic recovery and development program (ERDP).The ERDP's monetary measures will provide additional liquidity to the economy through an expected reduction in the lending rate by 0.5-1 percentage point by credit institutions over this year and next and the continued implementation of credit relief measures until the end of 2023.The State Bank of Vietnam set the 2022 credit growth target at 14%. Reaching the target will be aided by interest rate cuts and revived credit demand from businesses, according to the ADB report.A recovering labor market and other stimulus measures will spur industrial growth by a forecast 9.5% in 2022, contributing 3.6 percentage points to the GDP growth. Agriculture output is forecast to expand 3.5% this year, contributing 0.4 percentage points to the GDP growth on revived domestic demand and rising global commodity prices.The country's tourism-reopening, which began in mid-March, and the lifting of pandemic controls are expected to boost services, with the sector forecast to grow 5.5% and contribute 2.3 percentage points to the GDP growth this year. Accelerated disbursements will drive construction and related economic activities.The ERDP will speed up public investment, stimulating domestic demand. Improved coordination between the Government and local authorities and restored labor mobility will increase domestic and foreign investor confidence in Vietnam's recovery, according to the ADB.External trade will remain robust this year. The Regional Comprehensive Economic Partnership, which came into effect January 1, is expected to step up trade and recovery once the Covid-19 pandemic passes, forming stable and long-term export markets for Vietnam.Merchandise exports are forecast to rise 8%-10% this year. Imports will rise on increased demand for capital goods and manufacturing inputs, and rebounding domestic consumption. The recovery of tourism and sustained remittances will support a current account surplus, forecast at 1.5% of the GDP this year and 2.0% in 2023.Cuong said that high Covid infections since mid-March could obstruct the economy's return to normalcy this year. A slowing global recovery and a surge in global oil prices from the Russian war on Ukraine would directly impact Vietnam's external trade and domestic oil prices, which would affect inflation.Moreover, uncertainties in the global financial markets and the withdrawal of monetary and fiscal accommodation by advanced economies would weaken the Vietnamese dong, rendering imports more costly and putting additional upward pressure on inflation.Inflation is forecast to accelerate to 3.8% in 2022 and 4% in 2023, said Cuong.

Source : https://english.thesaigontimes.vn/adb-forecasts-vietnams-2022-gdp-growth-at-6-5/