

Highlight News / April 11, 2022



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

## Cambodia's exports to India clocked in at \$113.87 million in 2021



*Cambodia News | 09 April, 2022*

First vice-president of Cambodian Mine Action and Victim Assistance Authority (CMAA) Ly Thuch yesterday said that Cambodia's exports to India clocked in at 113.87 million last year. Speaking at the 10th Anniversary of the India Chamber of Commerce in Cambodia (INCHAM) which was attended by INCHAM president Sandeep Majumdar, its members and invited guests, Thuch said that the export of \$113.87 million in 2021 is a 99% year on year surge from \$57.17 million. Therefore, he added the increase in Cambodia's exports to India is a good sign of bilateral cooperation with India. "We hope that more Indian entities will be persuaded to invest in Cambodia and shore up exports once other regional economic partnership (Regional Comprehensive Economic Partnership & FTAs) enter into effect," he said. He added that with its political stability, low corporate tax, open economy, young labour workforce, and no foreign exchange control, and in particular with strong and highly visionary leadership of Prime Minister Hun Sen, Cambodia has many factors to its advantage and that's where India and Cambodia have many factors to add to its benefits and thus tie up and have a synergy.

Source: <https://www.khmertimeskh.com/501055912/cambodias-exports-to-india-clocked-in-at-113-87-million-in-2021/>

## Energy prices set to 'accelerate' inflation to 4.7% in 2022



*Cambodia News | 08 April, 2022*

Cambodia is relatively isolated from the economic effects of the war in Ukraine, but inflation is still projected to "accelerate" in 2022, according to recent data by the Asia Development Bank. The report suggests that inflation could "average at 4.7 percent" on surging energy and oil prices caused by the Russian invasion of Ukraine, further compounded by an increase in domestic demand. One of the hardest-hit areas could be food prices – with natural gas being the key input for nitrogen-based fertilisers, and Russia and Belarus accounting for 32 percent of global exports, the cost of produce cultivation is expected to increase. Besides fertilizers, elevated oil prices also make farming more costly, which will further kindle food inflation. Fortunately, the effects are expected to be temporary – 2023 should see "pressure on consumer prices moderate" with the cost of energy coming back down. Should these expectations come to fruition, inflation should drop to pre-pandemic levels of 2.2 percent (just 0.1 percent above the global industrial average). For context, moderate inflation of around 2 percent is the globally recognised benchmark for 'healthy' growth. Mild inflation is a positive indicator, as it suggests that general demand for goods and services exceeds supply, equating to economic expansion. In an inflationary economy, consumers are also more likely to 'buy

now' rather than wait until prices are cheaper, which spurs demand and drives prices higher. This makes inflation a self-fulfilling prophecy. Dollarised economies, such as Cambodia, may experience further strain following indications that the US Federal Reserve may implement an even tighter monetary policy. If realised, more restrictive moves to restore price stability in the US, could further "complicate global economic recovery prospects", including that of developing Asia. "Faster-than-expected tightening by the Fed could complicate the global economic recovery, including in developing Asia, by slowing US growth and triggering currency depreciation, rapid capital outflows, and financial market volatility," according to ADB, which could leave the National Bank of Cambodia (NBC) in a potentially awkward position. Cambodia's Price Index weathered the pandemic well, ranging between 2 percent in 2019 and 3 percent in 2020. However, the steep rise this year is expected to hit most markets across the world and is not exclusive to Cambodia. According to the Asian Development Outlook 2022 report, "Economies, where oil imports are equivalent to large shares of GDP, will also be particularly affected, including Cambodia, several Pacific Island nations, Singapore, the Kyrgyz Republic, and Tajikistan. On the external front, rises in energy import bills will have the greatest impact on energy-importing economies that are managing balance-of-payment strains, including Sri Lanka, whose currency depreciated by 30 percent from March 9 to March 25." Among those South East

Asian nations with the bleakest inflation projection in 2023 are Vietnam (4 percent), Malaysia (5 percent) and Myanmar (8.5 percent). From a global perspective, nations in Caucasus and Central Asia will be the most severely affected with rates as high as 12 percent in Kyrgyz Republic.

Source: <https://www.khmertimeskh.com/501054826/energy-prices-set-to-accelerate-inflation-to-4-7-in-2022/>

## Vietnam supports improvement of irrigation, food security in Laos



Laos News | 11 April, 2022

Construction of an irrigation system over an area of 500 hectares of farmland in Khammuan province has begun, with the aim of improving food security and bolstering commercial farming. An electrified pump head will be built, as well as two irrigation channels 2,996 metres and 20,665 metres long, and embankments to protect the channels against landslides. The irrigation system will be built in Xiengvang village, Nongbok district, financed by a grant of 263 billion VND provided by the Vietnamese government and 27 billion VND contributed by the Lao government. The total project cost is estimated to be 290 billion VND. When complete, the irrigation system has strong potential to significantly strengthen farm production and improve crop cultivation in ways that result in higher yields and greater efficiency, as well as enhancing food security in Laos. The Governor of Khammuan province, Mr Vanxay Phongsavanh, and government

officials from Vietnam took part in a ground-breaking ceremony for the project on April 7. According to a local reporter, construction is expected to be complete within two years. The project is seen as being important economically, culturally and socially and is yet another example of the solidarity between Laos and Vietnam, and in this case between Khammuan province and Ha Tinh province in Vietnam. To further promote the special friendship between Laos and Vietnam, this year the two governments have signed eight cooperation agreements in the fields of security, border control, economic development, banking, education, healthcare, and electricity.

Source: [https://www.vientianetimes.org.la/freeContent/FreeContent70\\_Vietnam.php](https://www.vientianetimes.org.la/freeContent/FreeContent70_Vietnam.php)

## Entrepreneurs delighted with tourism recovery from COVID-19



*Myanmar News | 08 April, 2022*

Myanmar's tourism industry is welcoming the ease of suspension on international passenger flights and tourism recovery on Myanmar New Year Day, which will fall on 17 April 2022. It has been over two years since the international air transportation services halted amid the COVID-19 pandemic. The government will lift global flight restrictions from 17 April 2022 with a view to reviving the tourism business, effectuating the development of regional business and creating job opportunities. With the

domestic tourism businesses resuming, hotels and guesthouses at the beaches have been fully booked between 9 and 17 April. Moreover, tourists linking with the travel agents are also eager to come and visit Myanmar once the international passenger flights resume on 17 April. "The domestic tourism business is raising its head again during the New Year holidays. As Myanmar is soon to reopen the international tourists, there are enquiries about entry requirements for the COVID-19 and travel restrictions and permission in the country. Nearly 70 French tourists have said to visit Myanmar. Yet, transit is allowed with some restrictions at Singapore Changi Airport. The resumption of international travel to Myanmar is required to be informed. This way, the tourism industry will grow in a short time. Thailand and Viet Nam are also offering visa exemptions for travel purposes to attract tourists. If we can ease more travel requirements and offer exemptions, there is potential to achieve positive change and success in the tourism industry among the regional countries," U Maung Maung, a travel entrepreneur from the World Quest, was quoted as saying. Viet Nam attracted more than 90,000 tourists in the first quarter of this year on account of the resumption of international transport services, lifting the ban on tourism businesses and reopening the cross-border areas, which is a year-on-year rise of 89.1 per cent. Viet Nam strives to generate foreign revenues. Thailand is also endeavouring for tourism recovery. That is why Myanmar, the neighbouring country with Thailand, can also accelerate tourism in summer.

Tourists eye the famous destinations like Bagan, Inlay, Pindaya, cultural heritage, and ecotourism. Consequently, the businesses relying on the tourism industry will also return to normalcy. Tourists love the kind and patient Myanmar people who always welcome them with a kind and sincere smile. They are enthusiastic about coming here, travel agents stated. Myanmar's captivating mountain ranges, scenic views and friendly and honest smiles of the local people are acknowledged by the tourists. I am delighted with the resumption of air travel. U Maung Maung added that the tourists are expected to visit Bagan, Inlay, Mandalay and Monywa's Phoewintaung (Buddhist cave).

Tourism entrepreneurs are delightfully welcoming moves to ease of travel restrictions starting from the Myanmar New Year Day. – Nyein Thu (MNA)/GNLM

Source: <https://www.gnlm.com.mm/entrepreneurs-delighted-with-tourism-recovery-from-covid-19/#article-title>

## Việt Nam – one of three hottest markets in Southeast Asia for 2022: Wall Street banks



*Vietnam News | 09 April, 2022*

HÀ NỘI — Việt Nam has been picked by analysts from leading Wall Street banks as one of the three hottest markets in the Southeast Asian region, according to the US TV channel CNBC. CNBC asked the analysts of Goldman Sachs and JPMorgan Asset Management which Southeast Asian markets were

their top picks, and received Indonesia, Singapore and Việt Nam as the answer. Desmond Loh, a portfolio manager at JPMorgan Asset Management, described Việt Nam as a “star performer in the past few years” in economic resiliency and growth. Việt Nam is one of the few economies globally to have seen positive economic growth throughout the pandemic, he added. “To capitalise on the growth, we are positioned in high quality consumer proxies and banks,” he said, without naming specific stocks. Earlier, in the one-page preview of his forthcoming book, the Time Travelling Economist, Charlie Robertson explains why Việt Nam ticks every box required to escape poverty, reach middle income status and converge towards developed market wealth levels. Why is Việt Nam so favoured by global investors, that it accounts for 25 per cent of all the global money invested in Frontier equities, when Việt Nam is just one (5 per cent) out of 22 countries in the MSCI Frontier index? The economist mentioned Việt Nam's investment in education, the country's leadership and its success in reaping the benefits of the demographic dividend. — VNS

Source: <https://vietnamnews.vn/economy/1172369/viet-nam-%E2%80%93-one-of-three-hottest-markets-in-southeast-asia-for-2022-wall-street-banks.html>

## Firms not ready for higher minimum wages



*Vietnam News | 03 April, 2022*

HÀ NỘI — The Vietnam General Confederation of Labour has proposed a 7 per cent increase in

minimum wages from July 1, but many insiders gave a thumbs down to the proposal. **Bạch Thăng Long**, deputy general director of Garment 10 Corp., underlined that the resurgence of the pandemic in Q1 had a negative impact on firms' financial situation. Higher payroll costs would add to their woes, putting a strain on small-sized firms. He suggested the increase in minimum wages be put off until 2023 and cover only inflation to leave room for firms to recover. "Minimum wages should increase only to offset the rise in inflation. Economic growth and living standard should be factored in next time," he said. **Huỳnh Thị Hồng Cúc**, union chairwoman of Nhà Bè Garment Corp., said the wage increase would apply to only those workers that have been paid under the minimum level. However, a pay rise to only a specific group would make other workers unhappy, forcing her firm to raise wages across the board. Accordingly, she estimated that her firm's labour costs would increase by 10 per cent should minimum wages rise by 5 per cent, adding hundreds of billions of **đồng** to its wage bills. "Our firm has over 15,000 workers on payroll with eight wage levels. Workers of level 1 alone incurred an additional cost of up to **VNĐ11.5 billion** (US\$503,000) during the wage rise in 2020," she added. **Lê Nhật Trường**, union chairman of Pou Sung Vietnam LTD., revealed that his firm faced the same situation. He said it was not compulsory to raise wages for those workers who had been paid above the minimum level. However, not paying more during

a wage rise would cause dismay for the workers, resulting in dissatisfaction. "Accordingly, over 22,000 workers of ours received higher wages during the wage rise in 2020 although none had been paid under the minimum level," he said. The union chairman was concerned that the proposed 7 per cent increase in minimum wages this year would add about **VNĐ180 billion** to his firm's financial burden. **Trương Tiến Dũng**, vice chairman of the HCM City's Food and Foodstuff Association, believed that the rise in wage bills would be passed on to product prices, fuelling inflation. Firms that refuse to price up their products would have no choice but to shed staff to cut costs. **Hoàng Văn Phòng**, vice chairman of the Vietnam Chamber of Commerce and Industry, believed that an increase in minimum wages was needed after two years without an adjustment. However, the incremental pay scale needed further discussion to assess its impact on firms' financial situation. He also said that it was unreasonable to raise minimum wages around mid-year since firms calculate their costs based on fixed wages at the beginning of the year. Accordingly, the wage increase was recommended to move to another date. The National Wages Council is expected to hold another meeting on April 12 to further discuss the proposal. — VNS

Source: <https://vietnamnews.vn/economy/1172358/firms-not-ready-for-higher-minimum-wages.html>