

Highlight News / May 10, 2022



- Consumer credit performance improves in first quarter
- Cambodia rice exports rise to \$516 million in four months
- Lao-Thai Friendship Bridge reopens, Lao Airlines plans more flights
- Agricultural export value sees slight decline in April
- Export sector is bright spot for Vietnam economy
- Gov't borrows VND54 trillion from Jan-Apr



Advisory Institute for Trade and Investment by TCC (AiTi)



Consumer credit performance improves in first quarter



Cambodia News | 07 May, 2022

Consumer credit performance showed strong improvement as the number of loan accounts and loan balance recorded positive growth across the regions. Consumer credit applications increased in the first quarter of this year, compared to the same period last year, according to the data from the Credit Bureau of Cambodia (CBC). CBC said that the total number of loan accounts saw a moderate increase of 2.68 percent, bringing it to around 1.39 million accounts. The outstanding balance grew by 5.08 percent to reach \$12.50 billion by the end of the quarter. Meanwhile, consumer credit applications increased overall by 17 percent. The rise was reported in personal finance applications which increased 16 percent from the previous quarter. Credit card and mortgage applications increased by 0.2 percent and 24 percent, respectively. The majority of credit customers remained committed to a single financial institution and held only a single account. In the first quarter of 2022, the number of consumers attempting to acquire credit in three different forms – personal finance, credit card, or mortgage increased by 17 percent. The mortgage application rose by 24 percent with the largest rise of more than 46 percent in the Tonle Sap region. “The demand for consumer credit was higher in terms of the number of applications. Consumer credit performance remained strong with an increase in

both number of loan accounts and loan balance in this quarter, compared to the previous ones,” said Oeur Sothearoath, CEO of CBC. He added that loan quality reduced with a moderate increase in 30+ DPD ratios from 2.03 percent in last quarter 2021 to 2.35 percent in the first quarter of 2022. Tongngy Kaing, the spokesperson for the Cambodia Microfinance Association, said, “In this year, loan restructures have been restricted and the increase is expected to remain at manageable levels.”

Source: <https://www.khmertimeskh.com/501071305/consumer-credit-performance-improves-in-first-quarter/>

Cambodia rice exports rise to \$516 million in four months



Cambodia News | 09 May, 2022

Cambodia exported 221,138 tonnes of milled rice and 1,648,474 tonnes of un-milled rice, with a total value of \$516.21 million in the first four months of 2022, according to a release from the Cambodia Rice Federation (CRF). Forty-eight exporters sent products to 54 destinations, of which Cambodia exported 115,255 tonnes, or 52.12 percent, worth \$62.74 million to China and Hong Kong Autonomous Region. The Kingdom exported 68,555 tons, or 31 percent, valued at \$51 million to Europe. The export to Asean countries amounted to 21,876 tonnes or 9.89 percent, with a value of \$13.90 million. The exports to other countries were valued at \$11.74 million, representing 15,452 tonnes, or a share of 6.99 percent. Exports of all types of fragrant rice were 67.12 percent, white rice (30.13 percent),

steamed rice (1.07 percent) and organic rice (1.68 percent). In the first four months, 1,648,474 tonnes of rice were exported through the border with Vietnam, earning about \$376.64 million. Lun Yeng, general secretary, CRF, told Khmer Times, "With rice exports up nearly 15 percent in the first four months of 2022, we expect further growth with a potential to reach 750,000 to 800,000 tonnes, as food demand soared during the Russia-Ukraine war crisis." Song Saran, president of the CRF and CEO of Miller and Exporter, said, "For Cambodia, we are progressive in the agriculture sector. Cambodia is considered as a country of food products in South East Asia with high potential in rice, cassava, cashew nut, etc. In the past six months, the impact of Covid-19 affected supply chains, including transportation. "In 2022, exports recovered by more than 12 percent, but earnings from exports decreased. The war between Russia and Ukraine has driven food demand by more than 30 percent from the European market," he added.

Source:<https://www.khmertimeskh.com/501071306/cambodia-rice-exports-rise-to-516-million-in-four-months/>

Lao-Thai Friendship Bridge reopens, Lao Airlines plans more flights



Laos News | 10 May, 2022

Laos' main border crossing at the first Lao-Thai Friendship Bridge linking Vientiane to Nong Khai province in Thailand has reopened after being closed for more than two years to curb the spread of

Covid-19. It comes after the government announced it would fully reopen the country, starting on May 9. Lao Airlines – the national flag carrier - plans to increase flights between Laos and Thailand from two to three a week beginning later this month. Head of the First Lao-Thai Friendship Bridge International Checkpoint, Dr Khamphone Thepphavong, said on Monday the bridge had opened today (May 9) following a notice issued by the Prime Minister's Office on May 7 stating that all borders could now reopen. With travel restrictions lifted, foreign nationals and stateless people can enter and exit Laos freely, he said. On Monday morning, at least 100 people crossed the bridge into Thailand, while almost 300 people entered Laos. Director of Lao Airlines' Commercial Department, Mr Noudeng Chanthaphasouk, said the airline would increase flights from two to three a week between Vientiane and Bangkok, starting on May 22. The airline has been operating two flights a week to Bangkok since early this year. With the full reopening of Laos, citizens of countries that have signed a bilateral or unilateral visa waiver agreement with Laos can enter without applying for a visa. Citizens of countries that have not signed visa waiver agreements with Laos can apply for a visa at a Lao embassy or consulate in a foreign country. Visitors can also apply for a visa online or on arrival at border crossings where such service is available. Lao and foreign nationals and

stateless people aged 12 and older who have not been fully vaccinated are required to take a Covid-19 ATK test within 48 hours of their departure for Laos. However, they are no longer required to have a Covid test upon arrival. People who have a certificate indicating full Covid vaccination can enter Laos without needing to have a Covid test in either their departing country or upon arrival in Laos. Visitors who contract Covid during their stay in Laos are responsible for all expenses involved if treatment is needed. Treatment can be obtained at state and private hospitals, while self-isolation and self-care is another option. Vehicles will be allowed to enter and exit as normal, the same as before the pandemic was declared. The Ministry of Public Works and Transport will issue instructions concerning the changes in this regard. The government has called on state departments, business operators and all sectors of society to be ready to welcome and offer warm hospitality to tourists.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent87_Lao_thai_y22.php

Agricultural export value sees slight decline in April



Myanmar News | 09 May, 2022

The value of agricultural exports shrank to US\$325.6 million in April in the current financial year 2022-2023, indicating a small decrease of \$11.9 million as against the year ago period. The figures topped

\$337.58 million in the corresponding period last year. Cross-border restrictions between Myanmar and major top customer country China resulted in a sharp drop of agricultural export group in the mini-budget period (Oct 2021-Mar 2022), according to the statistics released by the Customs Department. Following the closure of Sino-Myanmar border posts triggered by COVID-19 impacts and changes in China's Customs regulations, the export saw a drastic drop in agriculture. China shut down all the checkpoints linking to Muse border amidst the COVID-19 pandemic. Of the checkpoints, Kyinsankyawt has resumed trading activity from 26 November on a trial run. Myanmar agricultural products are primarily exported to China, Singapore, Malaysia, the Philippines, Bangladesh, India, Indonesia, and Sri Lanka. The country requires specific export plans for each agricultural product, as they are currently exported to external markets based upon supply and demand. The G to G pact also ensures the strong market for the farmers. Contract farming systems, involvement of regional and state agriculture departments, exporters, traders, and some grower groups, are required in order to meet production targets, the Agriculture Department stated. The Commerce Ministry is endeavouring to help farmers deal with challenges such as high input costs, procurement of pedigree seeds, high cultivation costs, and erratic weather conditions. The agricultural exports were valued at \$2.4 billion in the past mini-budget period.—
KK/GNLM

Source: <https://www.gnlm.com.mm/agricultural-export-value-sees-slight-decline-in-april/#article-title>

Export sector is bright spot for Vietnam economy



Vietnam News | 09 May, 2022

HCMC – New statistics show that Vietnam’s exports in April expanded a staggering 25% year-on-year at US\$33.26 billion while imports reached US\$32.19 billion, up 15.5%. In the first 4 months of the year, Vietnam had a trade surplus of US\$2.53 billion.

A Maybank Investment Securities (MIB) report said almost all sectors registered positive export growth, with crude oil advancing 204% against March in which it fell 6%, iron and steel rising 23.6%, textiles and garment surging 25.4%, computers, electronics and components edging up 23.2% and phones and components picking up 62.8%. Supply chain disruptions caused by the military conflict between Russia and Ukraine and China’s strict Covid lockdowns did not affect Vietnam’s export performance. This was possibly because companies exported their inventories to meet the demand of recovery, MIB’s report said. Statistics from Mirae Asset Securities showed that April exports increased significantly in main markets of Vietnam, including the U.S., the EU, China, South Korea and Japan. Growth was driven by businesses resuming operations, factories reopening and capacity returning to normal. Increasing demands of international markets and Vietnam’s better participation in global supply chains through key

trade agreements are others, according to Mirae Asset. The Regional Comprehensive Economic Partnership (RCEP), which has been in effect since early 2022, is expected to fuel the country’s export growth in the near future. According to a report published at the end of April by Standard Chartered, the sectors expected to benefit from RCEP include information technology, textiles, footwear, agriculture, automotive and telecommunication. “RCEP will help Vietnam boost exports and access to major consumer markets such as China, Japan, South Korea and Indonesia. This agreement will help manufacturers in Vietnam reduce costs and access supply chains throughout the Asia Pacific region. Most of the raw materials for Vietnam’s exports are imported from RCEP members,” said Tim Leelahaphan, economist in charge of Thailand and Vietnam, from Standard Chartered. Despite many positive factors, exporters in Vietnam will also face challenges. First of all, with RCEP, Vietnam will also face fiercer competition, domestic and export alike, according to Standard Chartered. Export growth will also lead to imports rising, mainly caused by higher global prices, which put pressure on inflation. In fact, in April, imports also increased sharply over the same period last year. The trade surplus in April was just over US\$1 billion, much lower than the US\$2 billion in March. In 2021, Vietnam had a trade deficit given global supply chain congestion and production stagnation. However, at the end of the year, Vietnam recorded a high trade surplus.

Source: <https://english.thesaigontimes.vn/export-sector-is-bright-spot-for-vietnam-economy/>

Gov't borrows VND54 trillion from Jan-Apr



Vietnam News | 09 May, 2022

HCMC – The Government's debt totaled VND54 trillion in the first four months of the year. The Department of Debt Management and External Finance under the Ministry of Finance said that the loans for the State budget amounted to more than VND51.3 trillion, meeting 7.9% of the Government's target, while the on-lending loans neared VND2.5 trillion, reaching 9.2% of the target. In April alone, the Government's debt payments amounted to VND12.6 trillion, including some VND9 trillion in domestic loan payments and VND3.6 trillion in foreign loan payments. Between January and April, the Government paid a total of VND91.6 trillion in debt, of which the Government's direct debt payments totaled VND84 trillion. Besides, the Government drew down some US\$16.3 million, or VND380 billion, of foreign loans in April. During the four-month period, the Government's drawdown reached US\$332.3 million, or VND7.6 trillion. As for capital mobilization, as of the end of April, the State Treasury of Vietnam had mobilized some VND45 trillion from G-bond auctions with tenors of 5-30 years.

Source: <https://english.thesaigontimes.vn/govt-borrows-vnd54-trillion-from-jan-apr/>
