

Highlight News / May 25/2022



- Consumption down, income rises
- Cambodia to focus more on growth in exports
- Laos-China railway will soon link to Thanaleng Dry Port
- US\$6 mln foreign investment flows in April this 2022-2023FY
- Growth target of 6.5% remains big challenge: Deputy PM
- Vietnamese economy facing new challenges amid global uncertainties



Consumption down, income rises



Cambodia News | 24 May, 2022

Cambodian consumers consumed less in the first quarter of this year compared to the last quarter of the previous year even though the average monthly household income has started to recover and consumer confidence going up, according to a survey by Indochina Research. The survey report titled 'A Light Glimpse of Cambodia' was compiled after interviewing 2,000 consumers over the phone and face-to-face at their homes in Khmer language. The survey covered five regions including the capital, the plateau and the mountain belt, coastal area, Tonle Sap and the plains. Consumers aged 16 to 65 were surveyed in the capital region that includes Phnom Penh, the plateau and the mountain region, including Kratie and Kampong Speu provinces, coastal area consisting of Preah Sihanouk, Tonle Sap that includes Banteay Meanchey and Battambang province, and the plains that include Kampong Cham, Kandal and Prey Veng province. Mostly, consumers purchased fewer products and services during the quarter. Consumption of seasonings, energy drinks, milk, carbonated soft drinks, hair conditioner, toothpaste, medicine for body pain, sanitary pads, baby diaper, coffee, instant noodles, tea and detergent went down in the first three months of this year. "Manufacturers should also brace themselves for the impact of increasing prices of gasoline as this will result in prioritisation of consumers' basket of goods.

Hence, it is vital to price the products competitively and offer promotions and discounts to buyers to boost sales," the report said. The average monthly household income of Cambodian consumers went up in rural areas to \$371 in the first quarter of this year from \$267 during the same period last year, while households in urban areas faced a decline in monthly income to \$442 from \$633. Households in the capital zone generated \$608 per month in the first quarter of this year — a fall from \$628 in the last quarter of 2021 and those in coastal areas made \$300 per month, a decrease from \$315 in the earlier quarter, while households in Tonle Sap and the plains increased their monthly income to \$353 from \$300 and to \$387 from \$337 respectively. "Overall, the average monthly household income of Cambodians is starting to recover but it is yet to return to the level of the same period last year," the report said. The report found that the consumer confidence has risen by 10.2 percent to 49 points — in the safety zone — in the first three months of this year from 44 points in the same period last year, while it remained unchanged in the third and fourth quarters of 2021 compared to the first quarter of that year. The consumer confidence score is projected to further rise to 53 points in the second quarter of this year, according to the report. "More Cambodians are sharing the sentiments of 'moving on' and will no longer be restricted by the pandemic. Meanwhile, more coastal residents are on a wait-and-see mode," stated the report, adding that they would be likely to allocate more for the increased petroleum prices.

“The majority are optimistic that things will get back to normal. Albeit, the rising petroleum prices may have an impending impact and will likely affect the consumer confidence score in the coming quarters,” the report added.

Source : <https://www.khmertimeskh.com/501080678/consumption-down-income-rises/>

Cambodia to focus more on growth in exports



Cambodia News | 24 May, 2022

Prime Minister Hun Sen said that Cambodia has been boosting exports of manufacturing products – both garment and non-garment – and domestic tourism to support strong economic growth. The Prime Minister made the remark during a get-together in Zurich, Switzerland, on Saturday evening with more than 2,000 Cambodian nationals living in Europe. “The exports of manufacturing products were on the rise last year. The growth was 33 percent year-on-year. This figure shows that Cambodia’s exports remained strong, both garment and non-garment products,” he said. “Now, the recovery sector is the industry – garment and textile sectors. None have closed down production chains, but new factories have also been opened. The purchase orders placed are rising from the EU and US. Some factories have added overtime to their production chains,” the premier said, adding that the tourism sector remains affected by the pandemic. “Since we fully resumed the country, every sector has recovered, except tourism. Now, we are boosting

domestic tourism,” the Prime Minister said. “Don’t look down on domestic tourism,” he said. The Cambodian government resumed its socio-economic activities, lifting strict Covid-19 measures to vaccinate tourists, investors, and businessmen from abroad. This year, Cambodia’s exports totalled \$7,606 million in four months. The Kingdom exported \$2,923 million to the US, a 53.6 percent increase year-on-year, making the US the biggest market for Cambodia’s exports. Lim Heng, vice president of the Cambodia Chamber of Commerce, said recently that the better control of the Covid-19 situation by the Cambodian government was the main factor that helped resume socio-economic activities. “The herd immunity contributes to building confidence in investors and businessmen who decide to step in and invest in Cambodia,” Heng said. “With trade preferences – GSP and EBA and FTAs with China and South Korea, Cambodia is expected to welcome new investment,” Heng said.

Source : <https://www.khmertimeskh.com/501080718/cambodia-to-focus-more-on-growth-in-exports/>

Laos-China railway will soon link to Thanaleng Dry Port



Laos News | 25 May, 2022

Authorities are preparing to connect the Laos-China railway from Vientiane South station to the Thanaleng Dry Port, so that goods can be transported using the railway by the end of June. From the time of its official opening on December 4, 2021 to April 2022, Thanaleng Dry Port has provided 11,000 Lao-

Chinese freight services. The Managing Director of Thanaleng Dry Port, Mr Sakhone Philangam, said that of the 11,000 freight containers, 80 percent carried goods in transit from China through Laos to Thailand, Myanmar, Cambodia, Vietnam and Malaysia. Most of the goods shipped comprised electronic components and appliances, fertiliser, garments, and textiles. The remainder of the freight shipped was from Laos and Thailand to China, with goods exported from Laos consisting of iron ore, cassava starch, rubber, timber and minerals. Most of the Thai goods exported using the railway comprised rice, timber and rubber. To make freight transport more convenient, Thabok Thanaleng Co., Ltd. has invested in the construction of a 1.2 kilometre rail track from the Laos-Thai railway to Thabok Thanaleng, while the Laos-China Railway Co. Ltd. is investing in the construction of a railway from Vientiane South station to Thanaleng over a distance of 2.8 kilometres. The two planned rail tracks will be completed and the Laos-China railway link from Vientiane South station to Thanaleng Dry Port will open for service on June 26. This will become a port of departure at Thanaleng Dry Port with different track widths at Thanaleng, because the Laos-China railway has a track gauge of 1.435 metres while the Thai rail track is one metre wide. However, the Laos-China railway connection to Vientiane South station to the Thanaleng Dry Port is for freight only. In the past, the Laos-China railway ended at Vientiane South station from where trucks carried freight to Thanaleng Dry Port for transport to

Thailand and beyond. When the new rail track is completed, it will enable easier and faster transport of goods through Thanaleng from China to Thailand, from Thailand to China, from China to other countries and from other countries to China.

Source : https://www.vientianetimes.org.la/freeContent/FreeContent98_Laoschina.php

US\$6 mln foreign investment flows in April this 2022-2023FY



Myanmar News | 24 May, 2022

Nearly US\$6 million investment has come in Myanmar in April 2022, according to the Department of Investment and Company Administration (DICA). Of the investments, \$2.782 million from China, \$2 million, including increased investment, from Taipei, \$1.215 million from Hong Kong, and a total of \$5.997 million in foreign investment came in. As of April 2022, Singapore's investment in Myanmar is over \$24.677 billion, counting for only 27.09 per cent of the total foreign investment. Within six months, Singapore is the biggest investor in Myanmar with over \$297 million. In the six months of the 2021-2022 mini-budget period, \$297.349 million from Singapore, \$142.137 million from China, \$8.641 million from Taipei, \$0.497 million from France, \$109.140 million from Hong Kong, \$0.550 million from India, \$5.1 million from Indonesia and \$4.530 million from Japan were invested in Myanmar. In addition, \$0.312 million from Malaysia, \$62.693 million from the Republic of Korea, \$2 million from Samoa, \$1.343 million from Seychelles, \$7 million

from Thailand, \$4 million from the Netherlands, \$0.335 million from the UK, and \$1.5 million from Nepal have also come in Myanmar, according to the DICA. — TWA/GNLM

Source : <https://www.gnln.com.mm/us6-mln-foreign-investment-flows-in-april-this-2022-2023fy/>

Growth target of 6.5% remains big challenge: Deputy PM



Vietnam News | 24 May, 2022

The targets set for 2022, including the growth target of 6-6.5%, remain a huge challenge given the domestic and international situation, Deputy Prime Minister Le Van Thanh said at the third session of the 15th National Assembly in Hanoi on May 23. The Deputy PM reported that the macro economy has been maintained, major economic balances ensured, and inflation brought under control, with the consumer price index (CPI) in the first four months of this year up 2.1%. The monetary market and interest rates have also remained stable, he said, adding that the credit balance by the end of April has increased by 7.18% compared to late 2021. In the four-month period, State budget revenue hit VND657.4 trillion (US\$28.37 billion), equivalent to 46.6% of the estimate and up 15.4% year-on-year. Export turnover reached US\$122.4 billion, a rise of 16.4%, while import value was US\$119.8 billion, up 15.7%, resulting in a trade surplus of over US\$2.5 billion. The country's gross domestic product (GDP) in the first quarter of this year grew 5.03%, higher than the figures recorded in the same periods in 2020 and

2021. Between January and April, the industrial production index expanded 7.5%. Agricultural production also developed stably, with rice output reaching 10.8 million tonnes. Vietnam's total revenue from retail sales of goods and services exceeded VND1.7 quadrillion, up 6.5%. Services and tourism have shown a quick recovery. According to the Deputy PM, the government has launched an action programme on the implementation of the NA's Resolution on economic restructuring in 2021-2025, with priorities given to developing strategic infrastructure, especially transport infrastructure. Total social investment in the first quarter was valued at VND562.2 trillion, up 8.9%. As of May 15, 2022, the disbursement of public investment fulfilled 20.27% of the plan, and more than US\$7.71 billion in foreign direct investment (FDI) was disbursed in the five months, an increase of 7.8%. At the working session, the Government has submitted investment plans for Chau Doc-Can Tho-Soc Trang, Bien Hoa-Vung Tau, and Khanh Hoa-Buon Ma Thuot expressways, Ring Road No. 3 of Ho Chi Minh City, and Ring Road No. 4 of Hanoi. Thanh said the Government will continue to effectively and synchronously implement resolutions and conclusions of the Party Central Committee, the NA and the Government, and focus on pandemic prevention and control, and rapid, sustainable socio-economic recovery, while urgently realising resolutions adopted at the fifth plenum of the 13th Party Central Committee, especially those on land, collective economy, cooperatives, agriculture,

farmers and rural areas. He asked ministries, agencies and localities to closely combine monetary and fiscal policies and others to maintain macro-economic stability, ensure major economic balances, control inflation and increase State budget revenue. The Government will continue economic restructuring in tandem with growth model reform, and boost the digital and circular economy development, while promoting domestic production. Mechanisms and policies will be rolled out to encourage enterprises to invest in agricultural processing and exports through official channels, Thanh noted. At the meeting, President of the Vietnam Fatherland Front Central Committee Do Van Chien presented a report on opinions of voters and the public. The report showed they are absolutely confident in the leadership of the Party, the management of the State, the effective and efficient operation of the legislative body, and the monitoring of the Government and the Prime Minister. They expressed concern over issues, including difficulties caused by COVID-19, especially mental health post pandemic, health insurance for COVID-19 treatment, and those regarding oil and gas prices, public investment disbursement, the stock market, the labour market, and education. The voters said attention should be paid to personnel training, inspections and supervision over the purchase of medical equipment, and the settlement of land-related petitions and denunciations. Socio-economic recovery programmes should be carried out in parallel with keeping a close watch on inflation and

prices of major goods like oil and gas, and agro-forestry materials.

Source : <https://english.vov.vn/en/economy/growth-target-of-65-remains-big-challenge-deputy-pm-post945860.vov>

Vietnamese economy facing new challenges amid global uncertainties



Vietnam News | 24 May, 2022

VOV.VN - The Economic Daily of China has recently published an article stating that the Vietnamese economy is currently enjoying rapid development, although it is facing new challenges amid the constantly fluctuating international situation. According to details outlined in the article, recent years have seen the local economy capture the attention of the international community. The national economy can be viewed as resilient, especially in terms of crisis response. In 2020, amid the initial break out of the COVID-19 pandemic, Vietnam was one of the few countries enjoying GDP growth. The first quarter of the year witnessed Vietnamese GDP soar by 5.03% over the same period last year, with inflation initially contained. Furthermore, consumer price index (CPI) in the first four months of the year grew by 2.1%, while financial, monetary, and credit indexes remained stable amid the national budget revenue growing steadily. Although the Vietnamese economy is in the process of gradually recovering and traffic in major cities has almost returned to

normal as it was before the pandemic, it is also facing a "headwind" from the outside, the article said. Economic globalisation is confronting a range of difficulties and challenges, such as the development trend of regionalisation gradually appearing, inflation is increasing, and the Russia-Ukraine conflict is seriously impacting global economic development. These factors have started to affect the development of the Vietnamese economy. The article highlighted the increasingly obvious difficulties faced by issues such as inflation and supply chain challenges. The World Bank (WB) anticipates that a sharp increase in oil prices will push up global inflation, while Vietnamese firms also face difficulties amid the supply of raw materials and production components being more or less disrupted. Furthermore, the situation of goods clearance remains serious. Despite enterprises diversifying their transportation channels, the high transportation costs have put great pressure on them. Moreover, the imposition of sanctions by the United States and Western countries on Russia has also had an impact on the Vietnamese economy. In order to solve the current difficulties and challenges, the WB anticipates that the country needs to improve its operational efficiency in a bid to meet the challenges and realise its development goals. In line with this, there should be particular focus on improving finance, the environment, digital

transformation, social insurance, and infrastructure facilities, the article concluded.

Source : <https://english.vov.vn/en/economy/vietnamese-economy-facing-new-challenges-amid-global-uncertainties-post946020.vov>
