

Highlight News / July 05, 2022



- Thai chamber pushes border trade, including with Cambodia
- E-commerce market value rises 19% to \$970 million
- Inflation hits 22-year high of 23.6 percent
- Yangon Port handles 306 cargo ships in H1
- Used bikes from Japan grasp market share in Mandalay city
- Aquatic exports spike 40% in H1
- Vietnam targets 7% GDP growth this year, investment minister says



Advisory Institute for Trade and Investment by TCC (AiTi)



Thai chamber pushes border trade, including with Cambodia



Cambodia News | 04 July, 2022

The Thai government is being urged to accelerate the stimulation of border trade and establish joint special economic zones with bordering countries to boost trade and investment. Such a move could help offset the impact from a spate of risks to the global market, such as a prolonged Russia-Ukraine war, an energy crisis and a sharp rise in the prices of agricultural raw materials and rare-earth elements, all of which would cause production costs in the manufacturing sector and product prices to rise accordingly, says the Thai Chamber of Commerce. Another risk is a broadening of trade retaliation between the US and China. Surong Bulkul, vice-chairman of the chamber, said it proposed the government speed up the reopening of border checkpoints between Thailand and Malaysia, Laos, Cambodia and Myanmar in order to increase trade, investment and tourism. Mr Surong said the government should consider allowing more imports of tapioca for energy purposes from Laos and Cambodia to balance bilateral trade volumes, which would help alleviate economic hardship in those countries. Thailand needs measures to inspect and control the quality standards of imported tapioca, including steps to ensure it is free from diseases that affect the crop, he said. "Thai entrepreneurs will lose opportunities and see higher competition if our neighbours sell their tapioca to Vietnam and China," said Mr Surong. He said joint special economic zones with neighbouring countries should start by focusing on food processing industries that could help ease the flow of illegal labour to Thailand,

as well as the influx of agricultural products from our neighbours. "Workers from neighbouring countries could work in the zones and return to their homes in the evening, while Thailand could buy the agricultural products for processing in factories, then market them from our neighbours," said Mr Surong. He said the southern part of northeastern Thailand has great potential for such zones, including Buri Ram and Ubon Ratchathani provinces, which have good roads and infrastructure. Mr Surong said an increase in border trade would benefit small entrepreneurs and traders in the provinces and could serve as a development model for other economic segments, especially tourism as happened in Hat Yai, Songkhla. Pitak Udomwichaiwat, director-general of the Foreign Trade Department, said Thailand already allows tapioca imports from neighbouring nations through selected checkpoints in a bid to control diseases. The Commerce Ministry projected border trade to grow by 5% this year to 1.08 trillion baht. Thailand's border trade shrank by 0.04% year-on-year in the first four months of this year to 314 billion baht, mainly attributed to China's closure of some key border checkpoints to contain the spread of Covid-19 under its zero-Covid policy.

Source: <https://www.khmertimeskh.com/501106160/thai-chamber-pushes-border-trade-including-with-cambodia/>

E-commerce market value rises 19% to \$970 million



Cambodia News | 04 July, 2022

The market value of e-commerce in Cambodia surged 19 percent to \$970 million in 2021 compared to a year earlier, according to the iTrade Bulletin of

the Ministry of Commerce. The amount is expected to increase nearly twofold by 2025. According to the estimates of the Ministry of Commerce, the Kingdom's e-commerce market value will increase to \$1.7 billion in value by 2025. The e-commerce revenue was mainly from fashion (\$263 million), electronics (\$254 million), and beauty, health and household care (\$230 million). Other sectors are food (\$57.19 million), beverages (\$44.29 million), furniture (\$46.29 million), toys and hobbies (\$62.94 million), and media (\$11.19 million). Around 54.9 percent of e-commerce transactions were conducted via the internet on a desktop PC, while the rest on tablets or smartphones, the report pointed out. In order to promote the growth of e-commerce and gain more confidence from national and international investors, the Royal Government of Cambodia has established a law on e-commerce in 2020. The E-Commerce Law serves as an important legal basis for the development of e-commerce, especially to protect the interests and establish high trust relationships with e-consumers, as well as to attract local and foreign investors to Cambodia. Additionally, in order to strengthen the control of the online business, the online business owners registered with the ministry. Cambodia has a rapidly changing payment landscape in 2021, according to Visa's Consumer Payment Attitudes 2021 study, released on June 29. E-wallets and cards are predominant in the market. They are used by around four out of ten Cambodians today and 14 percent of the population have both e-wallets and cards. QR

payment and card swipe/insert outpaced other cashless categories both in annual growth and market penetration, the report said. "Cambodians are quickly taking to digital payments, relishing the convenience and security they bring," said its country manager for Cambodia Chum Monika, citing that the firm is offering all stakeholders the solutions and the insights to find their footing in Cambodia's budding digital economy.

Source: <https://www.khmertimeskh.com/501105754/e-commerce-market-value-rises-19-to-970-million/>

Inflation hits 22-year high of 23.6 percent



Laos News | 04 July, 2022

The inflation rate in Laos hit 23.6 percent year-on-year in June, the highest figure ever recorded since May 2000 as surging prices of energy and consumer goods continue to deepen hardship and create new pains for the Lao public. The soaring price of fuel, gas and other imported goods, compounded with the depreciation of the kip, are among the main factors driving inflation, according to the latest report from the Lao Statistics Bureau. The consumer price index jumped sharply above expectations and the ceiling rate of 12 percent set by the government. Laos has one of the highest inflation rates in Southeast Asia, with many low-income earners struggling to afford basic necessities. In June, the price of fuel, gas and gold surged by 107.1 percent, 69.4 percent and 68.7 percent year-on-year

respectively. In addition, the cost of food, seasonings, non-alcoholic beverages, clothes, footwear, medicine, construction equipment, vehicles, spare parts and other imported goods rose significantly. The kip continues to depreciate despite the government's measures to stabilise currency exchange rates. Many business owners are concerned that fluctuating exchange rates will cause them to operate at a loss. Exacerbating the situation, the Russia-Ukraine conflict has resulted in a volatile global fuel market amid fears of a global economic shock and possible food crisis. The price of oil is continuing an upward trend as the government struggles to provide sufficient petrol to meet public demand. In June, authorities hiked the price of oil three times in line with rising costs on the world market, impacting the transport sector and driving up the cost of production and the price of products at local markets. As fuel is essential for driving economic growth and food production, the government recently issued a letter of credit pledging 200 million litres of fuel to importers. This will enable importers to buy 200 million litres of fuel, which will cover the requirements for July and August of 100 million litres a month. In March, the year-on-year inflation rate was recorded at 8.54 percent, rising to 9.86 percent in April and 12.8 percent in May. The inflation rate of 23.6 percent recorded in June is the highest in more than two

decades. In 2000, inflation averaged 26.95 percent, with the highest rate reported in January at 75.75 percent, declining to 58.74 percent in February, 45.39 percent in March, 34.87 percent in April, and 31 percent in May. According to the Lao Statistics Bureau, the highest surge in consumer prices in June this year was recorded in the communications and transport category, at 55.5 percent year-on-year. This was followed by household goods (22.3 percent year-on-year), the goods and service category (29.7 percent), hotel and restaurant category (20.7 percent), and housing, water, electricity and gas category (20 percent).

Source: https://www.vientianetimes.org.la/freeContent/FreeContent126_Inflation.php

Yangon Port handles 306 cargo ships in H1



Myanmar News | 04 July, 2022

A total of 306 cargo ships docked at Yangon Port in the first half of 2022 (Jan-June), according to the Myanmar Port Authority. The shipping lines have planned to extend ranges of services starting from May in order to facilitate exports and imports. The cargo ships are increasingly entering the terminals in Yangon. The number of cargo ships entering Yangon Port stood at 49 in January, 48 in February, 50 in March, 52 in April, 54 in May and 53 in June respectively. The turnaround time at the port was designated approximately three days, under the instruction of the Myanmar Port Authority and the

cooperation of the ocean liners, exporters and importers. Therefore, the arrival of the ships has increased. The Myanmar Port Authority and Yangon inner terminals are providing services to ensure the fast and reliable freight handling and withdrawal of the containers in order for trade flow to return to normalcy. Earlier, the larger ships had draft problems preventing their sailing on the Yangon River. The draft extension is up to 10 meters with the new navigation channel accessing the inner Yangon River. The value of Myanmar's maritime trade between 1 April and 24 June of the current financial year 2022-2023 surged to US\$5.9 billion. The figure reflected an increase of US\$1.49 million as against last FY. Sea trade rose from \$4.4 billion recorded during the year-ago period, the statistics of Myanmar Customs Department showed. Exports through sea trade were valued at \$2.49 billion, imports were registered at \$3.4 billion. Myanmar exports agricultural products, fishery products, minerals, livestock, forest products, finished industrial goods, and other products, while it imports capital goods, consumer goods, and raw industrial materials. The country currently has nine ports involved in sea trade. Yangon Port is the main gateway to Myanmar's maritime trade, and includes the Yangon inner terminals and the outer Thilawa Port.—Htet Myat/GNLM

Source: <https://www.gnln.com.mm/yangon-port-handles-306-cargo-ships-in-h1/#article-title>

Used bikes from Japan grasp market share in Mandalay city



Myanmar News | 04 July, 2022

Mandalay city is well-known for its bike tour so the bikes do a roaring business in the city. The second-hand bikes from Japan with good performances have grasped a market share in the market. The prices slightly go up on the brisk sales. “Although they are second-hand bikes, they are durable with strong performance. The prices vary on the normal bikes and bikes with shifting gears. The price of a bike is worth approximately K120,000. A bike basket is fixed on some bikes, and some bikes are well maintained. We offer it at an affordable rate,” said a seller from Mandalay city. The used bikes from Japan are imported into the country through maritime trade by the container ship. The shops keep them in good condition with some maintenance for re-sales. “Chinese bicycles are widely seen in the market. The buyers prefer Japanese used bikes as they have high durability and good performance. The bicycles are environmentally fit and have become popular during the fuel price hike,” said a local resident. There are two types of bicycles for adults and children. The prices ranged between K120,000-K150,000. There are separate markets for the race bikes with shifting gears.—Maung Aye

Source: <https://www.gnln.com.mm/used-bikes-from-japan-grasp-market-share-in-mandalay-city/>

Aquatic exports spike 40% in H1



Vietnam News | 04 July, 2022

HCM City (VNA) – Vietnam’s aquatic exports spiked 40% year-on-year to reach nearly 5.8 billion USD in the first half of 2022, the Vietnamese Association of Seafood Exporters and Producers (VASEP) has reported. The country earned more than 3.2 billion USD from aquatic exports in the second quarter of 2022, an increase of 36% from the same period last year. According to VASEP, shipments of shrimp picked up 7% – a quite modest pace – to total 450 million USD as a result of input shortages. Though, the sector experienced a strong growth of 33% in H1 to bring home 2.3 billion USD, accounting for 40% of the total seafood exports. Several producers have raised the shipments of high value-added processed shrimp products, instead of raw ones, to major markets like Japan, the US and the EU as a way to address input shortages. Exports of lobster posted a record-high 30-fold surge year-on-year to 130 million USD. High inflation coupled with the Russia-Ukraine crisis have brought big opportunity for tra fish from Vietnam this year. Sanctions on imports of Russian-caught whitefish in response to its conflict with Ukraine have caused severe shortages on the global market, especially the EU, the US and the UK, whose imports mainly sourced from Russia, according to Le Hang, Director of the VASEP Training and Trade Promotion Centre (VASEP Pro). Many restaurants in

these countries have had to exclude whitefish, like cod, from their menus and seek for alternatives. Thanks to that, Vietnamese tra fish had opportunities to gain a larger market share after months of struggle, Hang said. In June, Vietnam exported close to 220 million USD worth of tra fish, up 54% year-on-year. The figure soared 83% in H1 to hit 1.4 billion USD, representing one-fourth of the total exports. Shipments to the UK enjoyed an exaggerate six-fold rise from the same period last year, followed by Spain (three-fold increase). The tuna sector earned some 553 million USD in export turnover during the period, up 56 percent year-on-year. The US remained Vietnam’s largest buyer of tuna that imported over half of the Vietnamese shipments. VASEP anticipated that aquatic exports will be likely to reach 10 billion USD this year, up about 12% from 2021./.

Source: <https://en.vietnamplus.vn/aquatic-exports-spike-40-in-h1/232123.vnp>

Vietnam targets 7% GDP growth this year, investment minister says



Vietnam News | 04 July, 2022

HANOI (Reuters) -- Vietnam is aiming for economic growth of 7% this year, the country's planning and investment minister said on Monday, higher than the previous official target of 6% to 6.5%. To achieve this, year-on-year economic growth in the third quarter needs to be 9% and in the fourth quarter 6.3%,

minister Nguyen Chi Dung also said during a government meeting. Dung said Vietnam's budget was in surplus, giving scope for fiscal policy to be used to support businesses and residents. "Credit institutions will need to further cut their lending interest rates to reduce input cost pressure for businesses and for the economy," he said. Vietnam, a regional manufacturing hub, started lifting its coronavirus curbs late last year, allowing factories to resume full operations. The economy is recovering after growing only 2.58% last year, the slowest pace in decades. The Southeast Asian country reported GDP growth of 7.72% in the second quarter, backed by strong export growth, but warned of upward inflation pressure for the rest of the year.

Source: <https://asia.nikkei.com/Economy/Vietnam-targets-7-GDP-growth-this-year-investment-minister-says>
