

Highlight News / August 05, 2022



- Inflation in Kingdom expected to drop to 3.2 pct
- Kingdom inks MoU to export agro-products to S Korea
- Sithandone SEZ launches new mega projects
- Myanmar ships \$249 mln worth of over 733,000 MT of rice in past 4 months
- More businesses exit market after fourth Covid wave
- Vietnam remains a safe destination for foreign investors



Advisory Institute for Trade and Investment by TCC (AiTi)

Consumer credit performance strong in second quarter



Cambodia News | 04 August, 2022

Consumer credit performance showed a strong improvement as both the number of loan accounts and loan balance recorded growth across the regions. The latest report of Credit Bureau Cambodia showed that in the second quarter, Consumer Credit Applications decreased compared to the previous quarter, in terms of the number of applications. Loan quality as measured by a 30+ DPD ratio declined slightly as the rate rose across the region. Overall consumer credit applications decreased by 11 percent. The fall was reported in personal finance applications decreasing 11 percent from the previous quarter. Credit card applications increased rapidly by 23 percent, while mortgage applications decreased 16 percent, according to the report. The total number of loan accounts saw a moderate increase of 3.41 percent, bringing it to around 1.43 million accounts. Outstanding balance grew by 4.28 percent to reach \$13.03 billion by the end of the second quarter, the report said. For Consumer Credit Quality, 30+DPD as a ratio of the total balance moderately increased to 2.47 percent. The majority of credit customers remained committed to a single financial institution and held only a single account. In the second quarter of 2022, the number of consumers attempting to acquire credit in three

different forms – personal finance, credit card, or mortgage decreased overall at the rate of 11 percent. The fall was found in a mortgage applications, which fell by 16 percent with the largest fall being 28 percent in the coastal regions, the report said. Moreover, the number of customers who held credit accounts with only one financial institution remained high at 71.72 percent. The remaining share of 28.28 percent represented those having relationships with multiple financial institutions.

Source: <https://www.khmertimeskh.com/501125021/consumer-credit-performance-strong-in-second-quarter/>

Cambodia earns \$89 million from milled rice export to China in Jan-July



Cambodia News | 04 August, 2022

Cambodia exported 169,766 tons of milled rice to China in the first seven months of 2022, earning \$89 million in revenue, the Cambodia Rice Federation (CRF) said on Wednesday. China remained the largest buyer of Cambodia's rice, followed by the European Union, the CRF said in a news release, adding that China accounted for 48.3 percent of Cambodia's total rice export volume during the January-July period. CRF President Song Saran said China is a big market for Cambodian rice and the country hopes to export more rice to China. "The RCEP (Regional Comprehensive Economic

Partnership) will further ease trade in goods between Cambodia and China as well as other participating countries,” he told Xinhua. “This mega regional trade pact provides a greater market access for Cambodia’s products, and I think it will attract more foreign investors to invest in various sectors, including in the rice industry, in order to export finished products to those RCEP countries, with preferential tariffs,” he added. According to the CRF, Cambodia exported a total of 350,902 tons of milled rice to 56 countries and regions in the first seven months of this year, up 13 percent year-on-year, generating \$218 million in revenue. Xinhua

Source: <https://www.khmertimeskh.com/501125411/cambodia-earns-89-million-from-milled-rice-export-to-china-in-jan-july/>

Association: fuel supply will be normalised in the near future



Laos News | 04 August, 2022

Residents of Vientiane are concerned about another fuel shortage with several petrol stations in the city being closed since Monday. However, the concerned sectors have issued reassurances that fuel will soon be available in sufficient quantities to meet daily demands. The government is holding talks with the Lao Fuel and Gas Association over the possibility of importing another shipment of fuel, as it is expected that current stocks will be depleted by

the end of this month, a senior member of the Association said. It is hoped that fuel imports will resume and the process will be eased by lifting some of the controls placed on fuel importing companies, he added. The government has agreed with the Association and companies responsible for fuel supply on the need to take steps to ensure a reliable supply of fuel in the future. The fuel shortage has occurred at a time when the government is taking drastic measures to stabilise the macro economy, including replacing the head of the central bank and cracking down on illegal currency traders. These steps have prevented the kip from dropping further in value, but inflation and high prices remain an issue of public concern. Comments posted on Facebook show that some people are wondering if the government’s stopgap line of credit, provided to the Lao State Fuel Enterprise in late June, has already run dry. The Ministry of Finance announced the line of credit during the last National Assembly session in June, saying this would guarantee a supply of fuel through June, July and August. The future remains uncertain, but renewed fuel shortages are certain to place an even greater strain on a population already struggling to cope with an outbreak of dengue fever and a rise in the number of Covid cases. Fuel shortages forced petrol stations in Vientiane and some provinces to close in May, forcing desperate motorists to drive from one petrol station to another

in the hope of filling up their tanks. Lao authorities are also attempting to rein in the spiralling price of fuel, which is driving up the cost of living alongside rising inflation and widespread price increases. The government has tried to lower transport costs by reducing the fees paid to the road maintenance fund, as well as lowering taxes and other fees paid by businesses, in order to keep prices from escalating further, a ministry official said.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent2022_Association149.php

Corn exports to Thailand plummet



Myanmar News | 04 August, 2022

Myanmar's corn exports to Thailand show a steep drop, said U Aye Chan Aung, chair of the Myanmar Corn Industrial Association. Although Myanmar earlier exported 150,000 tonnes of corn per month, only 30 per cent of that volume was delivered in July. "Last year, Myanmar shipped 100,000-150,000 tonnes of corn per month between June and August. At that time, Baht was used for border transactions. Last month, export volume significantly dropped by 30 per cent," U Aye Chan Aung elaborated. The directive released on 30 June said that transactions for the exports of agricultural produce including corn, rice, bean and oil crops are to be made in dollars instead of Yuan-Kyat/Baht-Kyat. Additionally, the foreign currency earnings are set to be converted into local currency at K1,850. The US dollar is valued at over K2,500 in unauthorized

exchanges, indicating a large gap between the regulated rate and the unofficial rate. This action affects exports of agricultural produce and trade dropped. "The regulated reference rate set by the Central Bank of Myanmar is K1,850 for the dollar. If we calculate it with the current market rate in the informal market, we can see a large gap. Exporters consider it thoroughly and trade volume has fallen," he added. Red tape for export licensing and delay in corn trade resulted in stockpiles of corn in the domestic market. The market is sluggish for now. The prices of corn are estimated at K800-820 per viss (a viss equals 1.6 kilogrammes) in the Yangon market. Thailand gives green light to corn imports under zero tariff (with Form-D), between 1 February and 31 August. However, Thailand imposed a maximum tax rate of 73 per cent on corn imports to protect the rights of their growers if the corn is imported during the corn season of Thailand. Therefore, only one month (August) is remaining for corn exports under Form D exemption. Myanmar conveyed 1.7 million tonnes of corn to Thailand in the 2020-2021 Financial Year. In the 2021-2022 corn season, the country targets to export 1.5 million tonnes of corn, according to the association. Myanmar exported 2.3 million tonnes of corn to foreign trade partners in the 2020-2021 corn season. The majority of them were sent to Thailand and corn was also delivered to China, India and Viet Nam, the association's data indicated. At present, corn is cultivated in Shan, Kachin, Kayah and Kayin states and Mandalay, Sagaing and Magway regions.

Myanmar has three corn seasons – winter, summer and monsoon. The country produces 2.5-3 million tonnes of corn every year. — NN/GNLM

Source: <https://www.gnlm.com.mm/corn-exports-to-thailand-plummet/#article-title>

US increases rice imports from Vietnamese market in first half



Vietnam News | 04 August, 2022

VOV.VN - The first seven months of 2022 saw Vietnam export nearly 4.2 million tons of rice, up more than 20% over the same period last year, in which the US market increased the most with more than 65%. Statistically, throughout the reviewed period, rice exports reached 4.19 million tons, equivalent to a value of more than US\$2 billion, up 20.5% in volume and 9% in value over last year's corresponding period. This is the highest export level ever. Thus, despite fierce competition in rice exports, Vietnamese products are still increasingly popular in the world market. In the group of Vietnam's rice import markets, the US market posted the highest increase, up 65.3% in the first half of the year, followed by the Philippines - Vietnam's largest rice consumption market, accounting for 44.5% of the market share with imports expanding by 48.6% on year. In the first half of the year, the world export price of rice averaged US\$489 per ton, down 10.2% over the same period in 2021, while Vietnam's 5% broken rice was at US\$415-420 per ton. Exporters

have reduced rice purchases from farmers, waiting for the peak harvest and buying signals from major markets such as the Philippines and China. Currently, the price of rice in the Mekong Delta provinces is suffering many fluctuations, with stormy weather causing the quality of summer-autumn rice to decrease continuously, while the area of ripe rice is increasing in localities. Compared with the beginning of July, the price of all kinds of rice has fallen from VND200-400 per kg due to bad weather affecting rice quality and low demand.

Source: <https://english.vov.vn/en/economy/us-increases-rice-imports-from-vietnamese-market-in-first-half-post961046.vov>

South Korea seeks to attract Vietnamese tourists



Vietnam News | 04 August, 2022

HCMC – Seoul, the capital of South Korea, and the Seoul Tourism Organization on August 3 jointly launched a tourism promotion program in HCMC to attract back Vietnamese travelers and bolster the tourism partnership between the two cities. The event was the first to be organized to introduce Seoul's tourism to Vietnamese visitors after the fourth wave of the Covid pandemic, with the participation of many South Korean and Vietnamese travel firms, hotel operators and entertainment service providers. At the event, the firms of the two cities exchanged information and sought cooperation opportunities to develop tourism products for a stronger post-

pandemic tourism recovery. Lee Hye Jin, head of global marketing at the Seoul Tourism Organization, said the program marked a key milestone for tourism connectivity between Seoul and HCMC, and demonstrated Seoul's desire to boost the economic and tourism partnership between South Korean enterprises and Vietnamese firms. A survey conducted by South Korea in 2021 showed that during the 2015-2019 period, Vietnam was South Korea's seventh largest source market, with some 555,000 Vietnamese travelers on average entering the East Asian country each year.

Source: <https://english.thesaigontimes.vn/south-korea-seeks-to-attract-vietnamese-tourists/>
