

*Highlight News / August 26/2022*



- NR67 development to boost Cambodia-Thailand trade, tourism
- RCEP, Cambodia-China FTA significantly contribute to boosting Cambodia's economy
- Govt pledges to tackle economic woes
- Myanmar earns over 800 mln USD from natural gas export in April-July
- Global Coffee Prices to Rise Amid Drop in Vietnam Supply
- Garment sector requires greater FDI for export target fulfilment



## NR67 development to boost Cambodia-Thailand trade, tourism



*Cambodia News | 25 August, 2022*

The development of National Road 67 (NR67), connecting Cambodia and Thailand, is expected to enhance the trade, tourism and investment ties between the neighbouring countries. According to reports, the Cambodian and Thailand governments agreed to develop the NR67, linking Cambodia's Anlong Veng in Oddar Meanchey and Chong Sa-Ngam in Sisaket's Phu Sing district of Thailand. A Bangkok Post report quoting the deputy government spokeswoman Traisuree Taisaranakul said that the Thailand cabinet on Tuesday approved a proposal to loan Cambodia 983 million baht to fund the road construction project. She said the Budget Bureau will from 2024 until 2026 supply the first half of the road construction loans, 491.50 million baht, while the rest will come from overseas funding sources. Once the road is fully developed, it can help ease the travelling of Thailand tourists to Siem Reap, the world-famous tourist destination in the Kingdom. The Thai News Agency quoted Perames Vudthitornetiraks, President of Neighbouring Countries Economic Development Cooperation Agency (NEDA), as saying that the project would increase the capacity of NR67 to serve more traffic and help stimulate the economy. The TNA report said that the project would also develop transport links between Cambodian major cities and facilitate transportation along the Southern Economic Corridor (SEC) under the

framework of economic cooperation in the Greater Mekong Sub-region (GMS). Besides, it will build seamless connectivity with Thailand's Eastern Economic Corridor (EEC), increase competitiveness and facilitate regional trade and investment, it pointed out. In accordance with the Thai Cabinet's resolution, NEDA has granted the soft loan on the condition that the project uses material supply and equipment from Thailand no less than 50 percent of the loan amount. In addition, contractors and construction supervision companies must be of Thai nationality. The construction will take about two years, TNA report added. Meanwhile, more than 60 Thai businesspeople, led by Sanan Angubolkul, chairman of the Thai Chamber of Commerce, visited Cambodia in the first week of August to discuss investment opportunities in the country. The delegation also met the Industry, Science, Technology and Innovation Minister Cham Prasidh. The business delegation termed its visit as a move to further enhance the business, trade and investment cooperation between both countries. The delegation also proposed that the Thai government re-establish a rail link between Sa Kaeo's Aranyaprathet district and Cambodia's Poi Pet to facilitate cross-border trade and boost tourism around Thailand's eastern border. The rail link was halted following the outbreak of the Covid-19 pandemic in 2020. The bilateral trade between Cambodia and Thailand reached \$7.97 billion last year, a year-on-year increase of 10.2 percent. The exports from Thailand, which eyes investment

opportunities in processed food, agriculture, tourism, renewable energy, plastic, and gems and jewellery sectors in the Kingdom, accounted for \$7.07 billion, while imports reached \$895 million. The bilateral trade between both countries surged around 26 percent to \$2.199 billion in the first seven months of this year compared to the same period last year, according to the data from the General Department of Customs and Excise. The Kingdom's exports to Thailand rose about 38 percent to \$559 million, while the imports increased 24 percent compared to the same period in the previous year.

Source : <https://www.khmertimeskh.com/501138219/nr67-development-to-boost-cambodia-thailand-trade-tourism/>

## RCEP, Cambodia-China FTA significantly contribute to boosting Cambodia's economy



*Cambodia News | 25 August, 2022*

The Regional Comprehensive Economic Partnership (RCEP) and the Cambodia-China Free Trade Agreement (CCFTA), which both took effect earlier this year, have significantly contributed to boosting Cambodia's economic recovery, a senior official has said. Bun Chantry, undersecretary of state at Cambodia's Ministry of Commerce (MoC), made the remarks on Monday during a meeting in Phnom Penh with Zhang Lubiao, director-general of the Foreign Economic Cooperation Center of the Ministry of Agriculture and Rural Affairs of China, according to an MoC's news release. Chantry said the two free

trade agreements have given larger market access to Cambodia's products, particularly agricultural ones such as rice, bananas, mangoes, cassava, cashew nuts, and corn, among others. He said both trade pacts "have importantly contributed to trade facilitation, business and investment promotion, people's livelihood improvement and economic development." According to an MoC report, Cambodia's total export to RCEP members was valued at \$3.28 billion in the first half of 2022, up 10 percent from \$2.99 billion in the same period last year. During the January-June period this year, Cambodia's top three export destinations are Vietnam, China and Japan, the report said, adding that the Southeast Asian nation shipped products worth \$1.17 billion to Vietnam, \$612 million to China and \$542 million to Japan. According to the news release, Chantry and Zhang discussed the current situation of trade in agricultural products between Cambodia and China. Zhang was in Cambodia to discuss with Cambodian officials opportunities and challenges for the development of Cambodia's agriculture. On Aug. 18, the Chinese official met with Veng Sakhon, minister of agriculture, forestry and fisheries, and both sides agreed to set up a working group to draw up an agricultural modernization plan for Cambodia. Xinhua

Source : <https://www.khmertimeskh.com/501138613/rcep-cambodia-china-fta-significantly-contribute-to-boosting-cambodias-economy/>

## Govt pledges to tackle economic woes



*Laos News | 26 August, 2022*

The government has instructed the agencies concerned to take stronger action to address issues ranging from macro-economic vulnerability, improvement of the investment climate, repayment of debts, and dealing with natural disasters. The instruction was issued during the government's two-day cabinet monthly meeting, which wrapped up on Thursday. Chaired by Prime Minister Phankham Viphavanh and attended by cabinet members, the meeting told the entities responsible to ensure a sufficient supply of fuel across the country and to better regulate inflation and currency exchange rates. "The sectors responsible must place more emphasis on regulating the price of products on sale in markets and settling the nation's public debts in various ways, particularly debts owed by state-owned enterprises," Government Spokesperson Mrs Thippakone Chanthavongsa told a press conference. She emphasised that it was essential to avoid accruing new debts because the government had pledged not to allow the country to default. The government stressed that state funds would not be spent on unproductive projects that were not economically beneficial, saying it would concentrate on priority programmes relating to poverty reduction. The government also pledged to improve the investment climate to encourage more private investment, and ensure the continued progress of

foreign investments that had already been approved. Cabinet members agreed it was important to ensure more foreign currency enter Laos and to inspect investment projects to ensure they are carried out as planned. The meeting agreed that the bodies responsible should partner with the Laos-China Railway Company Ltd. to improve train services, especially the sale of tickets and other train-related services. Government bodies were also told to deal with the impacts of recent flooding across the country. Flood-damaged infrastructure including roads and bridges must be repaired to enable the transport of goods and people. In addition, flooding that occurred in Vientiane due to blocked drainage channels must be resolved. Several important documents were endorsed during the meeting. The first concerned the five-year plan (2021-2025) on enacting and amending laws, while the second related to the strategic cooperation plan (2022-2026) between the Lao government and the World Bank. The third was related to concession activities, and another concerned the progress made in implementing priority programmes approved by the National Assembly. These projects are mostly linked to the government's attempts to address Laos' current economic and financial problems. The final document related to the national strategy to combat money laundering and the financing of terrorism. The government stressed the importance of curbing extravagance and promoting austerity. This would be done by reducing government spending,

especially on state vehicles, meetings, visits by delegations overseas, receptions for foreign delegations visiting Laos, and the use of electricity and water.

Source : [https://www.vientianetimes.org.la/freeContent/FreeContent2022\\_Govt165.php](https://www.vientianetimes.org.la/freeContent/FreeContent2022_Govt165.php)

## Myanmar earns over 800 mln USD from natural gas export in April-July



*Myanmar News | 26 August, 2022*

YANGON, Aug. 25 (Xinhua) -- Myanmar earned over 800 million U.S. dollars from its natural gas exportation within the four months of this financial year 2022-2023, the state-run the Global New Light of Myanmar quoted the figures of the Ministry of Commerce on Thursday. The country exported 77.89 million kilos of natural gas between April 1 and July 31, receiving a total of 819.503 million dollars, comprising 135 million dollars in April, 194 million dollars in May, 286.033 million dollars in June and 204.47 million dollars in July. Myanmar also earned 1,715.2 million dollars from natural gas exports during the six months from October to March of financial year 2021-2022 (mini-budget period), according to figures from the Ministry of Planning and Finance. The Southeast Asian country exported most of its natural gas from the four offshore natural gas production projects of Yadana, Yedagun, Shwe and Zawtika.

Source : <https://english.news.cn/20220826/0dedf051781f4e5bbbf355a8fc2c2c93/c.html>

## Global Coffee Prices to Rise Amid Drop in Vietnam Supply



*Vietnam News | 25 August, 2022*

Traders surveyed by Bloomberg predict that stockpiles will be cut in half by the end of September compared to the same time last year. Output by Vietnam, the world's largest exporter of robusta and second-largest coffee grower, is anticipated to experience a continued decline in 2022-23. The shrinking reserves and unfavorable harvest prospects are occurring at a time when worldwide coffee consumption is recovering from a pandemic-induced decline. Robusta, which is used by instant coffee companies such as Nestle and in espresso blends, is making a comeback. The variety, which is typically less expensive than arabica, is in high demand as people seek alternatives to minimize the effects of inflation. According to Customs data, bean availability in Vietnam has decreased as bean exports jumped 17% to 1.13 million tonnes from January to July compared to the same period last year. The boost in exports has been supported by a better supply of containers and ships, but it may be difficult to maintain given the shrinking stockpiles. Phan Hung Anh, Chief Executive Officer of Quang Minh Coffee Trading in the southern province of Binh Duong, expressed concern about a scarcity lasting until early November. "We are worried," he told Bloomberg, stating that local growers are likely keeping only around 2% of their annual crop, compared to roughly 13% a year



ago. After drought and frost reduced Brazilian production, the global coffee market is facing one of the largest deficits in recent years. According to reports, Colombia is struggling with crop-damaging rains, while Honduras, Guatemala, and Nicaragua are running low on supplies. Next-season crops in Costa Rica and Uganda are also stressed due to drought. Meanwhile, a drop in the planting area for more profitable fruit trees and a rise in fertilizer prices will probably affect production in 2022-23, according to Do Ha Nam, Intimex Group's chairman, and the Vietnam Coffee and Cocoa Association's deputy head.

Source : <https://laotiantimes.com/2022/08/25/global-coffee-prices-to-rise-amid-drop-in-vietnam-supply/>

## Garment sector requires greater FDI for export target fulfilment



*Vietnam News | 25 August, 2022*

VOV.VN - The local textile and garment sector has high demand for foreign direct investment (FDI) inflows into the production of fabrics, yarns, and accessories as it strives to meet the export needs to utilise tariff preferences from free trade agreements (FTAs), according to insiders. Statistics compiled by the Ministry of Planning and Investment indicate that the apparel and textile sector had attracted 2,787 valid FDI projects capitalised at US\$31.3 billion as of May 18. Garment experts say FDI projects have contributed to increasing the production capacity and export scale of the sector, with its export

turnover rising from over US\$36 billion in 2018 to US\$40.3 billion in 2021, making up around 60% of the overall export value. However, several think tanks emphasise the necessity of directing capital flows into the production of fabric, yarn, and accessories as a way of taking full advantage of tariff incentives from the 15 FTAs Vietnam has signed with partners. Nguyen Anh Tuan, deputy director of the Foreign Investment Agency, points out that the textile and garment sector is currently lacking linkages along the value chain, and that though the country enjoys a trade surplus in yarns and garments, it has recorded a huge deficit in fabrics. Domestic fabrics have only met some 50% of demand, a factor which has prompted Vietnam to import more than US\$10 billion of the material each year, and this shortage can be considered a promising market segment in attracting more foreign investment in fabric and yarn production in the market, says Tuan. The General Department of Vietnam Customs reports that the import of raw fabrics last year surged by 20.6% to US\$14.3 billion compared to 2020, accounting for 60.0% of the total import value of raw materials and accessories of the sector, mainly from such markets as China, the Republic of Korea, Taiwan (China), and Thailand. The textile and garment sector should select quality FDI sources, with priority given to advanced textile and dyeing technologies that will not have an adverse impact on the environment,

suggests Tuan, adding the sector should strengthen connectivity among domestic garment enterprises to support the value chain. The United States, the EU, the Republic of Korea (RoK), and China make up the four major markets which imported nearly US\$24 billion of textiles and fibers from the Vietnamese market last year. At present, these markets are enforcing several new regulations relating to imported garments by requiring products to be green, chemical-free, and recyclable. Sharing this perspective, Truong Van Cam, vice president of the Vietnam Textile and Apparel Association (Vitas), notes that production technology used by the yarn, textile, and dyeing industry must meet green standards. Indeed, it should also strive to reduce fuel and water consumption in order to ensure transparent connectivity throughout the supply chain. According to the executive, the majority of Vietnamese enterprises in the supply chain are currently outsourcing for major brands and have exerted great efforts in order to meet the requirements of "greening" the production chain by implementing social and environmental responsibilities. New generation FTAs which Vietnam has signed have commitments relating to environmental protection and achieving low carbon emissions. During a recent meeting between the Prime Minister and local businesses, Cam suggested that the Government approve a strategy

for the greater development of the garment and textile sector and establish a large textile industrial park in order to deal with issues related to fabric, dyeing, and chemicals, so as to attract more foreign businesses to invest in fabric production.

Source : <https://english.vov.vn/en/economy/garment-sector-requires-greater-fdi-for-export-target-fulfilment-post965641.vov>

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