

Highlight News / August 30, 2022



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Advisory Institute for Trade and Investment by TCC (AiTi)

Covid-19 hit Cambodian migrants hard, remittances fell by 16.6%



Cambodia News | 29 August, 2022

Remittances from Cambodian migrant workers showed a whopping decline of 16.6 percent to \$1,272 million in 2020 following the outbreak of Covid-19, a stark contrast to the 6.7 percent annual growth during 2014-2019, revealed the first 'Asean Migration Outlook' report. According to the report, released recently by the Asean secretariat, an estimated 260,000 Cambodian migrant workers lost jobs in the wake of the pandemic and returned to the country from various parts of the world, mostly from Thailand, as of December 2021. The return migration to Cambodia was the second highest in the region after the Philippines. The report said the return of the migrants led to a rise in poverty in the Asean region and it coincided with a fall of 3.6 percent in remittances. More than 2.4 million people returned to six Asean countries of migrant origins – Cambodia, Laos, the Philippines, Myanmar, Indonesia and Vietnam – in the months following the first outbreaks. The Philippines reported that 1.169 million migrant workers have been repatriated from all over the world since the pandemic began until September 2021. Although some of these migrant workers may have returned after completing their contracts, it is likely that the majority returned prematurely due to Covid-19. A survey of returned Philippine migrants found that 67 percent returned due to the Covid-19 crisis, 23 percent said they were planning to return to the Philippines regardless of the pandemic, while 10 percent did not want to answer. In 2019, over one million Cambodians were outside the country; among them, approximately 719,000

Cambodians worked in Thailand. About 40 percent of them were employed in construction, 17 percent in manufacturing, and 16 percent on farms. Global migrant remittance inflows too declined by 2.4 percent in 2020 due to the economic crisis induced by the Covid-19 pandemic, after growing an average of 3.4 percent the previous five years. The fall in remittances is largely because of job losses and a decrease in wages. In Asean, migrant remittance inflows fell an even sharper 3.6 percent, after growing an average of 5.2 percent the previous five years. Migrant remittance inflows fell in 2020 for seven of the eight Asean countries with available data (there was no data for Brunei Darussalam and Singapore), with Vietnam being the only country that managed positive growth, although much lower than usual. According to analysts, underdeveloped digital banking, travel bans, and insufficient alternatives for the underbanked contributed to the falls in remittances in Cambodia, Indonesia, and Myanmar. The Philippines and Thailand benefitted from digital solutions and a more favourable policy environment, so remittance inflows declined less in these countries. The substantial fall in remittances is especially concerning in Cambodia, Lao PDR, and Myanmar, where remittances play a bigger role in lower-income households, and where the loss of migrant worker jobs abroad can lead to poverty back home. A telephone survey of 1,054 migrant returnee households in Cambodia revealed that two-thirds of returning migrant worker households suffered a severe drop in income. Their average income was only \$150 a month, and more than half were in debt. As much as one-third of these returnees reported no income at all; although over 65 percent received some kind of support: 20 percent received cash support, nine

percent received food assistance, and 10 percent received healthcare services. Although the past two years have witnessed large job losses, massive migrant worker returns, and a sharp drop in deployment, labour migration in the region is expected to recover and possibly surpass pre-pandemic levels, said the report. The reasons are manifold: the expected strength of economic recovery in the region; the continuing wide disparity in socio-economic wellbeing between origin and destination countries in the region; demographic pressures; and sectoral or role-based gaps in the labour markets. After the economic meltdown in 2020 and tepid growth in 2021, Asean, as a whole, and most individual countries are projected to return to or close to their pre-pandemic growth levels beginning in 2022 and achieve their pre-pandemic levels of output by 2022 or 2023. Asean is expected to grow a little under five percent in 2022 and just over five percent in 2023, based on the Asian Development Bank (ADB) forecasts in April 2022. The projected economic recovery is particularly noteworthy for Malaysia and Thailand, which attract the largest number of intra-Asean migrant workers. Malaysia's economy is projected to grow by 5.7 to 5.8 percent in 2022 and by 4.5 to 5.7 percent in 2023, according to 2022 World Bank and IMF forecasts. Thailand is forecasted to grow by 3.9 to 4.1 percent in 2022 and by 4.3 to 4.7 percent in 2023. The report showed that compared to some other Asean countries, Cambodian migrants, on return received free Covid-19 tests and access to quarantine facilities at health centres with free food. In Cambodia, the Ministry of Labour and Vocational Training, through technical and vocational education and training (TVET) institutions, offered short-term and long-term technical and

vocational training to returning migrant workers and provided information on domestic job opportunities through the National Employment Agency, Provincial Department of Labour and Vocational Training, and provincial job centres. According to the report, the opportunities for re-migration will, however, depend, firstly, on how quickly destination countries within and outside the region are able to recover and open their doors to foreign workers, and, secondly, on the revival of the recruitment industry, which suffered massively over the past two years. Fortunately, forecasts of early recovery have been optimistic. In his foreword to the report, Dato Lim Jock Hoi, Secretary-General of Asean, said that the safe and orderly migration of workers within and beyond the region is key to realising the Asean Community that is politically cohesive, economically integrated, and socially responsible. "Although the Covid-19 pandemic resulted in job losses as well as the return of migrant workers to their home countries, Asean is once again witnessing their redeployment as our recovery efforts gain momentum," he said.

Source: [https://www.khmertimeskh.com/501140226/covid-19-hit-cambodian-migrants-hard-remittances-fell-by-](https://www.khmertimeskh.com/501140226/covid-19-hit-cambodian-migrants-hard-remittances-fell-by-16-6/)

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Japanese firms tie up with Cambodia cashew cooperatives



Cambodia News | 29 August, 2022

Twelve agricultural cooperatives have received farming contracts to supply 100 tonnes of fresh cashew nuts to two Japanese firms, giving a boost to the farmers struggling with falling prices. Japanese firms Top Planning and Kamyra signed deals with the agricultural cooperatives recently, said Poeng Tryda, Director of

Agriculture, Forestry and Fisheries Department of Preah Vihear province. Under the contract, scheduled to be implemented in the harvest season next year, the agricultural cooperatives will supply 100 tonnes of fresh cashew nuts per year, he said, citing that the agreement focuses on the quality and standard requirements of the commodity. "This is a boon for Preah Vihear province farmers," he said. "The contract farming with these two companies will help improve the lives of farmers, especially stabilize market prices," he said. Under the deal, a tonne of fresh cashew nuts is priced at \$1,625. Fresh cashew nuts from the agricultural cooperatives will be processed at the Chey Sambo Cashew Nut Processing Handicraft in Kampong Thom province and to be supplied to the two Japanese firms, said its president In Lai Huot. Thirty tonnes of processed cashew nuts will be shipped to the Top Planning and 70 tonnes will go to Kamy, she said. The handicraft, she said, started supplying processed commodities to the Top Planning in March 2021. To date, 45 tonnes of cashew nuts have been shipped to the company which sells in Japan, she said. Currently, the handicraft in Kampong Thom province is the sole agency having the licence for exporting cashew nuts abroad, according to the Cashew Nuts Association of Cambodia, citing that almost all fresh cashew nuts are exported to Vietnam. In the first seven months of the year, Cambodia exported 670,000 tonnes of fresh cashew nuts to Vietnam worth over \$1 million, a decrease of more than 37 percent compared to the same period last year. Besides Vietnam, Cambodia exports cashew nuts to China, Japan, Laos and the UAE. By maintaining good quality, the Chey Sambo Cashew Nut Processing Handicraft is looking to expand the market to other countries.

Source:<https://www.khmertimeskh.com/501139113/kingdom-thailand-trade-goes-up-over-26/>

Japan Donates Vehicles and Rescue Equipment to Help Flood-Stricken Laos



Laos News | 29 August, 2022

The vehicles were presented to the Minister of Labor and Social Welfare, Ms. Baykham Khattiya, on Wednesday by Mr. Kenichi Kobayashi, the Japanese Ambassador to Laos. The supplies were made available through a grant aid program in Laos, the Japan Grant Aid for the Economic and Social Development Program, which totals JPY 1 billion (over USD 7 million). Donations included Toyota vehicles, portable water purifiers, and equipment to assist in search and rescue operations when searching for flood survivors. Ambassador Kobayashi expressed his hope that the donation will be useful for the Lao government in coping with current and future natural disasters. The Minister of Labor and Social Welfare thanked the ambassador and the people of Japan for the donation.

Source:<https://www.khmertimeskh.com/501140414/japanese-firms-tie-up-with-cambodia-cashew-cooperatives/>

Palm oil wholesale reference price rebounds to nearly K5,000 per viss



Myanmar News | 30 August, 2022

The wholesale reference rate of palm oil in the Yangon market increased again to nearly K5,000 per viss, according to the Supervisory Committee on edible oil import and distribution. The Supervisory Committee on edible oil import and distribution under the Ministry of Commerce has been closely observing the FOB prices in Malaysia and Indonesia including transport costs, tariffs and banking services, and issuing the wholesale market reference rate for edible oil on a weekly basis. The reference rate of palm oil in the Yangon market for a week from 29 August to 4 September is set at K4,910 per viss, whereas the reference price for a week ending on 28 August was set at K4,860 per viss. The figures showed an increase of K50 per viss. However, the current market price is higher than the reference rate. Despite the reference rate, the traders are found to raise the price to K10,000 per viss in the markets. To tackle this, mobile market trucks operated by oil importing companies, in coordination with the Myanmar Edible Oil Dealers' Association, were back to business in some townships on 17 July in order to offer palm oil at a subsidized rate. They sell palm oil at K5,100 per viss to consumers directly. However, there are limited sources of supply although they directly sell the palm oil at a reference rate depending on the volume quota. "The edible oil price is moving an upward

spiral. We rush to queue to buy the oil when the mobile market trucks arrive in our ward," a housewife said. If the retailers and wholesalers are found overcharging, storing inventory intentionally and attempting unscrupulous action to manipulate the market, they will face legal action under the Special Goods Tax Law, MoC released a statement. The Ministry of Commerce is striving for consumers not to worry over the supply of edible oil. The ministry is also trying to secure edible oil sufficiency, supervise the market to offer reasonable prices to consumers and maintain price stability. The domestic consumption of edible oil is estimated at 1 million tonnes per year. The local cooking oil production is just about 400,000 tonnes. To meet the oil sufficiency in the domestic market, about 700,000 tonnes of cooking oil are yearly imported through Malaysia and Indonesia. — NN/GNLM

Source: <https://www.gnln.com.mm/palm-oil-wholesale-reference-price-rebounds-to-nearly-k5000-per-viss/>

Thailand, Vietnam to cooperate in raising rice price in global market – official



Vietnam News | 29 August, 2022

BANGKOK, Aug 29 (Reuters) - Thailand and Vietnam have agreed to cooperate in raising the price of rice in the global market a Thai agricultural official said on Monday, following months of talks aimed in part at improving rural incomes. "This is ... the first time

Thailand and Vietnam ...have agreed to cooperate in lifting the price of rice in the global market," Alongkorn Ponlaboot, adviser to Thailand's agriculture and cooperatives minister, said in a statement after a fresh round of talks with Vietnamese officials. Thailand and Vietnam began the talks in May. A Thai spokesperson said then that the objective was to raise the price of their rice exports, increase their leverage in the global market and boost farmers' incomes. The two countries account for around 10% of global production of rough rice and about 26% of global exports, according to the U.S. Department of Agriculture. It was not immediately clear when any price hikes would take effect. Alongkorn said a summary of the latest round of talks and the recommendation to jointly raise prices would be presented to the agriculture ministers of both countries at an unspecified date. "Will the goal be accomplished or not? I can't answer. But today we have taken our first steps together as strategic partners in agriculture," Alongkorn said. The Vietnam Food Association and the Ministry of Agriculture and Rural Development of Vietnam did not immediately respond to a request from Reuters for comment.

Source: <https://www.nasdaq.com/articles/thailand-vietnam-to-cooperate-in-raising-rice-price-in-global-market-official>
