

Highlight News / October 4, 2022



- NBC to take action on banks, MFIs not using KHQR
- RMKH Glove (Cambodia) launches manufacturing facility
- Over 300,000 Tourists Visit Laos Capital in 2022
- Myanmar imports over 10,000 tonnes of fertilizer worth US\$6.491 mln by sea in past two weeks
- GDP growth to hit 8% this year in base-case scenario: Official
- 2.97 billion USD in FDI poured into HCM City in 9 months



Advisory Institute for Trade and Investment by TCC (AiTi)

NBC to take action on banks, MFIs not using KHQR



Cambodia News | 3 October 2022

The National Bank of Cambodia (NBC) will initiate strict measures on banks and microfinance institutions (MFIs) that are reluctant to replace the common payment platform called KHQR, instead still use their respective digital payment platforms called QR codes, revealed a top NBC official to Khmer Times. It is unfair that some banks that do not develop KHQR can scan KHQR of other banks with KHQR for digital payment or transfers made, but customers of other banks with KHQR cannot scan the respective QRs of those some banks that do not develop KHQR. Chea Serey, Director General of Central Banking of NBC, told Khmer Times on the sidelines of a business forum on credit risks, emerging uncertainties and digital disruptions that current customers of 38 banking and financial institutions in Cambodia can make payments through scanning KHQR and making money transfers mutually among these institutions free of charge. “So, they need to solve this problem. On behalf of the authority, we have been working hard with them to integrate that, but if they do not push for doing that, which leads to the fact that other banks can do it, but some banks cannot it is not fair... We will take existing measures which are many that I cannot mention and will release those measures for them to follow,” said Serey. In Channy, President and Group Managing Director of Acleda Bank Plc—the first publicly listed commercial bank, said recently that Cambodia has the KHQR as its national or common QR that provides more convenience to banking service and product consumers in making payment and transfers

who will just need to use only one QR rather than many. “Actually, we already have, but the banks still claim that ‘I want mine and the others want theirs. So, they use many even though only one QR can be used by many banks, but the banks still want to claim to put their QRs on the counters [of their merchant partners], I think with an intervention by the central bank, we will have only one QR code for everyone,” said Channy. The KHQR Code—one QR for all—is the single standard QR Code launched by NBC for banking and financial institutions and payment service providers to serve the customers for other goods and services settlement in Cambodia through the mobile application of individual institutions, while each of them has developed and deployed its individual QR Code for the services or products available at merchants under partnership agreements. Raymond Sia, Chairman of the Association of Banks in Cambodia (ABC) said that for KHQR Code all banks and microfinance institutions need to reach a collective agreement. “I think it is something that we need to collectively agree on within all associations. So, there is no immediate date that we have set so far, but objectively, that is the long-term destination. We also need to be mindful that individual financing institutions have also invested quite heavily before this KHQR was actually launched. They have invested quite heavily into their own systems, promotion and marketing,” said Raymond, who is also the CEO of Canadia Bank Plc. Sok Voeun, chairman of the Cambodia Microfinance Association (CMA), said recently that banking and institutions have been in preparation to deploy KHQR to all of their merchant partners to provide convenience to financial service consumers, but reaching millions of merchants nationwide cannot be done in a short period

of time. “Actually, their reasons are not acceptable because their systems all can read KHQR. So, what they just need to do is to ask their merchants to print out the QR with KHQR. That’s it. But they have not done that or sometimes their merchants may not understand how to do or participating banks themselves have not instructed them,” Serey said. “I think it can be said that some banks are tricky because they do not update their merchants so it means other banks cannot scan their QR because they do not have KRQR, but their customers can scan QR of other banks that have KHRQ. This is not right. So, what they said is not reasonable,” she added.

Source:<https://www.khmertimeskh.com/501161096/nbc-to-take-action-on-banks-mfis-not-using-khqr/>

RMKH Glove (Cambodia) launches manufacturing facility



Cambodia News | 3 October 2022

The Kingdom’s first glove manufacturing factory, RMKH Glove (Cambodia), announced the launch of its production operations at the Manhattan Special Economic Zone (MSEZ) in Bavet on Friday with a glittering ceremony attended among others by a galaxy of top government officials and leaders from the private sector. Lieutenant General Hun Manet, the Deputy Commander-In-Chief of the Royal Cambodian Armed Forces (RCAF) and Commander of the Royal Cambodian Army and Senior Minister Ly Thuch were among those who joined the ceremony. Founded by the Medtecs Group in 2021, the RMKH Glove factory started production with a soft launch in August this year having a single-line production facility. This was upgraded to a two-line production

facility in September with a manufacturing capacity of approximately 50 million pieces of gloves per month, or 600 million pieces per year. The high-quality medical-grade glove manufacturing facility can accommodate up to 10 production lines with a monthly production of 250 million pieces. The main raw material used in these gloves, NBR latex, has good abrasion and puncture resistance and does not contain allergens found in natural latex. While commending the efforts of the Medtecs Group to invest in the factory when the country was hit hard by Covid-19, Hun Manet said it significantly contributed to the Kingdom’s efforts to fight the pandemic. “It shows the strong commitment of the company for Cambodia’s growth,” he said. According to Manet, Bavet has turned out to be a production hub and a model of prosperity for Cambodia with several special economic zones and 178 factories providing employment to about 90,000 people. “The perception that Bavet is only a city of casinos is wrong,” he said. “Over the last two decades, Cambodia has become one of the most attractive foreign direct investment (FDI) destinations in the world with about seven percent of GDP growth rate. This growth has enabled the country to move from a low-income country to a lower middle-income country by 2015, helping to reduce poverty from about 53 percent in 2004 to 17.8 percent in 2020. The huge success is the result of the right decisions and the ‘Win-Win’ policy of the government under the wise, realistic and long-view leadership of Prime Minister Hun Sen,” Manet added. The government,

according to him, provided favourable conditions for the growth of exports and attracted FDIs under the new Investment Law, especially in special economic zones through the many incentives for investors such as tax exemption. The government also has strengthened Cambodia's economic resilience by increasing human resource capabilities through vocational training. Clement Yang, Founder and Chairman of Medtecs Group and Manhattan Special Economic Zone, while making his remarks at the launch ceremony called the project a milestone for the company as by far it is the Group's biggest investment in Cambodia. "We have pledged and spent about \$30 million, and we are only looking at the first-stage investment. On the other hand, this facility is a game changer for Cambodia's manufacturing sector. It is a shining testament to the country's potential to do more than just simple garment manufacturing. It shows that Cambodia has the ability for more advanced chemical manufacturing where automation, chemical engineering and process optimization are the key," Clement said. "Going forward, there is no need to depend on foreign exports of gloves. We do plan to add more production lines if we see a clear and strong market demand for our products," Clement said. The Kingdom imported 200 million pieces of gloves last year, mainly for medical use. In 1998, Medtecs became one of the first big foreign investors to invest in the country with a factory in Kampongchan that took up about 20 hectares of land. Two years later, world-famous supplier of

personal protective equipment (PPE), DuPont USA, became its client, and the company started making coveralls and PPE items with the DuPont logo and a 'Made in Cambodia' tag. The MSEZ today has 36,500 workers and its exported goods constitute five percent of Cambodia's total export value. Plans are also underway to transform the SEZ into a sustainable, carbon-neutral smart city where green manufacturing is the norm, with amenities and infrastructure such as schools, hospitals, transportation hubs and sports and entertainment facilities.

Source:<https://www.khmertimeskh.com/501161095/rmkh-glove-cambodia-launches-manufacturing-facility/>

Over 300,000 Tourists Visit Laos

Capital in 2022



Laos News | 3 October 2022

Vientiane Capital has welcomed more than 300,000 foreign tourists this year, according to officials. The number was revealed during a recent consultation workshop held in Vientiane on 23 September between the public sector and the business sector on ways to revive tourism. The meeting, hosted by the Vientiane Capital Department of Information, Culture and Tourism, revealed that the number of foreign tourists who came to visit the nation's capital through tour operators registered in Vientiane has increased to more than 5,000 people. At the same time, over 1,000 Lao tourists traveled outbound to

foreign countries through Vientiane-based tour operators, according to officials. Laos and Thailand Visit Each Other Laos also made up the fifth largest nationality for tourism arrivals in Thailand, with information from the Tourism Authority of Thailand (TAT) suggesting that over 157,000 visitors from Laos arrived in Thailand between March and July this year. Malaysian, Singaporean, Indian, and UK tourists made up the other amounts. During the same period, Laos recorded a steady stream of visitors from Thailand, with the high-speed Laos-China Railway being a big attraction. Most Thai tourists visited the UNESCO Heritage Town of Luang Prabang, as well as short stays in Vang Vieng and Vientiane Capital.

Source: <https://laotiantimes.com/2022/10/03/over-300000-tourists-visit-laos-capital-in-2022/>

Myanmar imports over 10,000 tonnes of fertilizer worth US\$6.491 mln by sea in past two weeks



Myanmar News | 4 October 2022

Myanmar imported over 10,000 tonnes of fertilizer worth US\$6.491 million through maritime trade in the second and third weeks of September 2022. During two weeks, Myanmar imported about 6,000 tonnes of fertilizer from China, over 350 from the Republic of Korea, over 800 from China (Taipei), over 1,000 from Thailand and over 2,100 from Viet Nam. The country's fertilizer import is primarily from

neighbouring country China. The volume of fertilizer import is, however, down by over 13,000 tonnes compared with the corresponding period of the year ago period. Meanwhile, the country imported over 6,200 tonnes of fertilizer worth \$3.023 million this week through land borders with about 2,500 tonnes from Thailand, over 1,800 from India and about 2,000 from China. Thailand is the main supplier of fertilizer in border trade this week. The volume of imports increased by 1,600 tonnes compared with the year-ago period. The prices of fertilizer moved in the range between K80,000-163,000 per 50-kg bag depending on the brand (Myanma Awba, Thai Grow How, Pale) and types of fertilizer in the second week of September. The prices stood at K78,000 to K168,000 per bag in the third week of September in the domestic markets. Additionally, the prices of Malarmyaing brand Cypermethrin 10 per cent insecticide 100cc and 500cc were K3,100 and K13,000 per bottle. — TWA/GNLM

Source: <https://www.gnlm.com.mm/myanmar-imports-over-10000-tonnes-of-fertilizer-worth-us6-491-mln-by-sea-in-past-two-weeks/#article-title>

GDP growth to hit 8% this year in base-case scenario: Official



Vietnam News | 3 October 2022

Vietnam's GDP growth will reach 8% this year in the base-case scenario, provided that there will be no upheavals in the market but favourable external factors for the economy during the remaining months of the year, according to Deputy Minister of Planning

and Investment Tran Quoc Phuong. It was one of the two GDP scenarios for 2022 announced by the Ministry of Planning and Investment (MPI) at a routine government press briefing on October 1. In the worst-case scenario, the GDP will grow at 7.5%, provided that many challenges and uncertainties are expected in the fourth quarter of this year, Phuong told reporters. Commenting on Vietnam's economic outlook for 2023, he said there will be both challenges and opportunities, but the former are likely to outweigh the latter and be even tougher in the wake of inflationary pressure worldwide and gloomy global economic outlook. He noted that global inflation, particularly in major economies as well as Vietnam's key partners, is unlikely to ease over the next one or two months but certainly will linger on in 2023. The official also voiced concern over other threats to the Vietnamese economy, emphasising the ongoing Russia-Ukraine crisis and non-conventional risks like storms, flooding, and epidemics. The MPI forecast the Vietnamese economy will expand around 6.5% in 2023 in a growth scenario submitted to the Government, he said. The deputy minister also revealed that 46.7% of the total public investment has been disbursed so far this year./

Source: <https://thoibaotaichinhvietnam.vn/gdp-growth-to-hit-8-this-year-in-base-case-scenario-official-113863.html>

2.97 billion USD in FDI poured into HCM City in 9 months



Vietnam News | 3 October 2022

Hanoi (VNA) - Ho Chi Minh City attracted 2.97 billion USD in foreign direct investment (FDI) this year to September 20, a year-on-year increase of 26.1%, according to the municipal Department of Planning and Investment. Of the amount, 348 million USD was poured into 567 new projects, down 7.6 percent in value compared to the same period last year. Singapore was the biggest investor in the southern hub with 97 new projects totaling 121.8 million USD, accounting for 35% of the total newly-registered capital. It was followed by Japan and the Republic of Korea with 60 and 81 projects worth 60.2 million USD and 47.1 million USD, respectively. Meanwhile, nearly 1.49 billion USD was added to 114 existing projects, 2.5 times higher than the same period last year. Besides, there were 1,797 approved transactions of capital contribution and share purchases by foreign investors in the period with a total value reaching nearly 1.13 billion USD, down 16.2% year-on-year. The number of valid FDI projects in the city at present is 11,007 with total registered capital of 55.45 billion USD./.

Source: <https://en.vietnamplus.vn/297-billion-usd-in-fdi-poured-into-hcm-city-in-9-months/239392.vnp>