

Highlight News / October 10, 2022



- FTA may boost Cambodia's apparel exports to South Korea next year
- \$20 million Kampot tourist port completed
- Inflation hits 22-year high of 34 percent in September
- Myanmar foreign trade soars to over \$17 bln in H1
- Vietnam's GDP projected at 7% in 2022: AMRO



Advisory Institute for Trade and Investment by TCC (AiTi)

FTA may boost Cambodia's apparel exports to South Korea next year



Cambodia News | 9 October, 2022

The Cambodia-Korea Free Trade Agreement (CKFTA), likely to come into effect from December 1 this year, may boost Cambodia's apparel exports to South Korea, which could not fully recover from the COVID-19 disruption in 2021. This year, Cambodia's apparel exports to South Korea may touch the pre-COVID level despite volatility in monthly shipment. The CKFTA will remove tariffs on 95.6 per cent of products imported from Cambodia, while Cambodia will eliminate duties on 93.8 per cent of imported goods. South Korea's National Assembly recently ratified the FTA which was signed in October last year. Cambodia had ratified the agreement much earlier. According to Fibre2Fashion's market insight tool TexPro, Cambodia had exported apparel worth \$187.650 million in 2019 to South Korea, but the value of exports declined to \$169.716 million in 2020 due to the COVID-19 disruption. The export improved last year but could not fully recover when the shipment touched \$167.151 million. This year, Cambodia registered exports of \$128.860 million in the first eight months. On a monthly basis, Cambodia's outbound shipment of apparel to south Korea gained in July 2022 to \$18.630 million and further improved to \$19.422 million in August. The monthly export remained below \$12 million in April, May and June this year. As per TexPro, South Korea is a very minor market for Cambodia's apparel exports. The eastern nation is currently positioned at 13th place in terms of apparel exports from Cambodia. South Korea accounted for mere 1.51 per cent (\$167.151 million) out of Cambodia's

total apparel exports of \$11.102 billion in 2021. Fibre2Fashion News Desk (KUL)

Source: <https://www.khmertimeskh.com/501165052/fta-may-boost-cambodias-apparel-exports-to-south-korea-next-year/>

\$20 million Kampot tourist port completed



Cambodia News | 9 October, 2022

The Kampot tourist port, which will play an important role in connecting sea tourism in Cambodia and neighboring countries, has been completed. The main tourist port in Kampot province is located next to Dang Prek, a tributary in Teuk Chhou district, about 6 km from Kampot city. Construction of the seaport on more than 4 hectares of land began in 2018 and was completed in June 2022. Necessary infrastructure have also been built to serve the berths of cruise ships and buildings for tourists. According to the report, the infrastructure includes: a port with a wharf of more than 123 meters long and more than 11 meters wide, passenger and restaurant buildings, roads, garbage collection facilities, technical buildings, public bathrooms, reservoirs, ponds and other facilities. Kampot Tourism Port was built under an ADB loan of more than \$ 18 million. Construction process by the Ministry of Public Works and Transport. After the completion of construction on October 7, 2022, Deputy Prime Minister Aun Porn Moniroth, accompanied by Senior Minister Sun Chanthol, Minister of Public Works and Transport and Thong Khon, Minister of Tourism, visited the port. According to the presentation, the technical officer mentioned some obstacles in this port related to the preference of tourist ships. Currently, only small boats with a capacity of 300 to 400

passengers are allowed to dock. In order for the large tourist cruise ships to dock, further deepening of the water's depth is required. The Kampot tourist port can be connected to the port in Sihanoukville, Koh Kong, Koh Rong and also to the port of Koh Tral and other ports in Vietnam and Thailand.

Source: <https://www.khmertimeskh.com/501165066/20-million-kampot-tourist-port-completed/>

Inflation hits 22-year high of 34 percent in September



Laos News | 10 October, 2022

The year-on-year inflation rate increased from 30.01 percent recorded in August to 34 percent in September, according to the latest report from the Lao Statistics Bureau. The 22-year high price rise is driven by the surge in the price of food, medicines, fuel and other consumer goods. The global economic downturn, conflict between major powers, and the Covid-19 outbreak have disrupted economic activities and directly impacted Laos. Inflation has surged significantly since last year, and the country now has one of the highest inflation rates in Southeast Asia. The Lao Statistics Bureau also attributed the continuing surge in the consumer price index to low productivity and the fact that Laos is over-reliant on imports. The weak kip and growing demand for the foreign currencies needed to import goods and repay debts is another driver of inflation. The kip fell in value by 37.4 percent against the US dollar and by 32.9 percent against the Thai baht in

the official currency market from January to August, according to the Asian Development Bank. The ADB said the gap between the official and parallel foreign exchange markets was 38.6 percent by mid-June, but narrowed to an average of 15.9 percent in August. The kip continues to depreciate despite the government's attempts to regulate currency exchange rates. In addition, floods have destroyed crops and other property, sparking demand for more food at local markets. In September, the cost of food and non-alcoholic beverages increased by 4.9 percent month-on-month and 35.5 percent year-on-year. The price rise in this category was driven by the higher price of rice, which surged by 45.3 percent year-on-year. The cost of pork rose by 35.1 percent year-on-year, the cost of poultry rose by 32.1 percent, fish and seafood surged by 28.9 percent, and eggs, cheese and milk went up by 35.9 percent. Meanwhile, costs in the communications and transport category rose by 2.9 percent month-on-month and 55.9 percent year-on-year. Specifically, the price of vehicle, fuel and transport equipment went up by 56 percent, 100.6 percent and 64 percent year-on-year respectively. The cost of medical care and medicines increased by 4.9 percent month-on-month and 44.5 percent year-on-year. The cost of medicines and hospital services jumped by 50 percent and 13.7 percent. In addition, prices in the house goods category surged by 3.6

percent month-on-month and 27.5 percent year on year. The price of interior decor, and mattresses and bed sheets, went up by 21.6 percent and 20.7 percent year-on-year respectively. Prices in the education category surged by 10.6 percent year-on-year, the hotel and restaurant category (24.8 percent), goods and services category (25.9 percent), clothing and footwear category (22.2 percent), and housing, water supply, electricity and gas (22.9 percent).

Source: https://www.vientianetimes.org.la/freeContent/FreeContent196_Inflation_y22.php

Myanmar foreign trade soars to over \$17 bln in H1



Myanmar News | 10 October, 2022

MYANMAR's external trade in the first half of the 2022-2023 Financial Year tremendously edged up to US\$17.08 billion, reflecting a sharp increase of \$3 billion as against the year-ago period, according to the Ministry of Commerce. The figures surged from \$14.078 billion in the corresponding period last year. Myanmar's export was worth over \$8.56 billion whereas the country's import was valued at \$8.52 billion over the past two months. The border trade dropped owing to China's strict virus rules and security in transport amid the political changes, with a decrease of \$89.8 million in cross-border trade as against the year-ago period. However, the maritime trade registered a significant rise of \$2.257 billion in nearly four months. The external trade stood at \$15.5

billion in the past mini-budget 2021-2022 (Oct-March) period and \$29.58 billion in the 2020-2021 FY, as per the Commerce Ministry's statistics.—
KK/GNLM

Source: <https://www.gnln.com.mm/myanmar-foreign-trade-soars-to-over-17-bln-in-h1/#article-title>

Vietnam's GDP projected at 7% in 2022: AMRO



Vietnam News | 8 October, 2022

The ASEAN+3 Macroeconomic Research Office (AMRO) has joined many international organisations in revising up Vietnam's GDP growth this year thanks to the country's strong performance since early this year and success in containing inflation. In its quarterly update of the ASEAN+3 Regional Economic Outlook released on Thursday, Vietnam's economy is projected to expand by 7% in 2022, up from 6.5% in its July forecast and making it the second-highest gainer in the region this year after Malaysia with expected growth of 7.3%. Vietnam's GDP will likely slow down in the next year to 6.5%, topping the region and followed by the Philippines at 6.3%. AMRO's forecast followed recent moves by Moody's, the World Bank (WB), the International Monetary Fund (IMF) and the Singapore-based United Overseas Bank (UOB) which forecast Vietnam's 2022 GDP will reach between 7% and 8.5%. "Vietnam is doing well," said AMRO chief economist Hoe Ee Khor at the October 6

meeting. Though attributing the high GDP growth partly to the low base from last year, Dr. Khor said the opening up of the economy, relaxation on pandemic control, increase in domestic demand, recovery in tourism and successful attraction of foreign direct investment (FDI) all contributed to Vietnam's quick recovery. "On top of that, the Government's policy is quite supportive this year. So, because of all these factors, we expect Vietnam's economy to grow strongly," Khor said. However, Khor pointed out an external risk of import inflation coming from high oil prices. "I mentioned the Vietnamese Government has cut taxes to curb inflation, but that's not sustainable or the switch you need to refer back to normal," Khor said, adding the Government needs to start raising the policy rate to contain coming inflation. For the first time in two years, the State Bank of Vietnam (SBV) decided to raise its policy rates by one percentage point on September 23. SBV's move was deemed inevitable as the FED has been raising interest rates, subsequently putting pressure on exchange rates. Khor also endorsed the Vietnamese central bank's move, emphasising Vietnam's economy is already recovering very strongly and there's no need for monetary stimulus at this point in time. "The focus is shifting from supporting growth to containing inflation," he said. Vietnam's inflation is expected to reach 3.5% this year and drop slightly to 3.3% in 2023. This year, most countries are

forecast to see their inflation surpass their targets but in the case of mainland China, Hong Kong (China) and Vietnam, the expected inflation by year-end will be under the ceiling target.

Source: <https://en.nhandan.vn/vietnams-gdp-projected-at-7-in-2022-amro-post118662.html>
