

Highlight News / October 17, 2022



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- Cambodia garment exports rise 24% to \$10.25 billion
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Advisory Institute for Trade and Investment by TCC (AiTi)

Cambodia earns \$7 billion from goods export to US



Cambodia News | 15 October, 2022

Cambodia exported \$7 billion worth of goods to the US market in the first nine months of this year, a year-on-year increase of 29.4 percent, according to a report of the General Department of Customs and Excise (GDCE) report this week. The US remained the largest buyer of Cambodia's products, followed by Vietnam, China, Japan, Canada and Germany, read the report, citing that the US accounted for 40.8 percent of Cambodia's total goods export volume during the January-September period. Cambodia's exports to the US were mostly garments and included goods such as footwear, bicycles and furniture. The Kingdom imports include automobiles, machinery, electrical appliances and electronics. The Kingdom imported \$250.7 million worth of goods from the US during the period, a year-on-year decrease of 2.5 percent, read the report. According to the GDCE, Cambodia exported \$17.2 billion in the three quarter period, a 22.1 percent increase over the same period last year.

Source: <https://www.khmertimeskh.com/1168743/cambodia-earns-7-billion-from-goods-export-to-us/>

Cambodia garment exports rise 24% to \$10.25 billion



Cambodia News | 14 October, 2022

Cambodia earned \$10.25 billion from exports of garment products – clothes, footwear, and travel goods – during the January-September period of this year, a year-on-year increase of 24 percent, according to a report from the General Department of Customs and

Excise yesterday. The garment export is the largest foreign exchange earner for Cambodia, accounting for almost 60 percent of the country's total export value of \$17.25 billion, the report said. The garment sector showed a significant increase in the first nine months of this year, thanks to the government's vaccination campaign which controlled the Covid-19 pandemic, said Heng Sour, Secretary of State and spokesman at the Ministry of Labor and Vocational Training. "The increase in the number of factories, job creation, and garment exports were due to the resumption of socio-economic activities resulting from the high vaccination rate of Covid-19 to people and workers in Cambodia," Sour said at a press conference on Wednesday. Lim Heng, vice president of Cambodian Chamber of Commerce, said that the government's vaccination campaign led to the resumption of socio-economic activities, including factories having their production chains kept operating during the pandemic time. "The government's policy on Covid-19 vaccination has made Cambodia a production chain hub during the Covid-19," Heng said. The Kingdom's garment export is likely to suffer in the last quarter this year due to the ongoing Russia-Ukraine war and rising global inflation, the Labor Ministry's Sour said. The Russia-Ukraine war causes risk for the global economy and this would affect Cambodia's garment product exports, Sour said. "People prioritise money into gas, energy and electricity and cut unnecessary expenses, which lead to a decline in orders for clothes, footwear and travel goods from foreign markets in the fourth quarter," Sour said. "Reduction in the consumption of clothes, footwear and travel goods by the people in Cambodia's major markets has further affected the brand owners' orders, which is

why exports see a decline,” Sour said. The Garment Manufacturers Association in Cambodia (GMAC) in August expressed concern over a decline in purchase orders from Western countries for the second half of 2022. “The unstable global situation and the likeliness of an economic downturn mainly in Western countries have raised serious concern over the export situation for the second half of the year,” GMAC Secretary-General Ken Loo said. The garment, footwear and travel goods industry is the largest foreign exchange earner for Cambodia. The sector consists of nearly 1,300 factories and branches, employing approximately 830,000 workers, mostly female. According to the GDCE, the Kingdom’s exports of non-garment products such as electronic components, wiring harnesses, bicycles, automobile parts, decorative lamps, wood products, plastics products, processed animal skins and other products amounted to \$4.18 billion, up 23.9 percent year-on-year, the report added. Agricultural products registered a 5.8 percent rise in exports worth \$2.22 billion, the report read. Cambodia’s total export was valued at \$17.25 billion, a year-on-year increase of 22.1 percent.

Source: <https://www.khmertimeskh.com/501168112/cambodia-garment-exports-rise-24-to-10-25-billion/>

Lao economy projected to grow at only 2.2 percent this year: IMF



Laos News | 17 October, 2022

The International Monetary Fund (IMF) is predicting that Laos will see economic growth of just 2.2 percent this year, before rising 3.1 percent in 2023 and 4.3 percent in 2027. The IMF’s October

projection remained unchanged at 2.2 percent, which was also projected in July, but the figure was downgraded from 3.2 percent forecasted in April. The IMF’s downgraded growth for Laos is linked to both external and internal factors, with the report forecasting that global growth will decrease from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. “This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the Covid-19 pandemic. It reflects significant slowdowns for the largest economies: a US GDP contraction in the first half of 2022, a euro area contraction in the second half of 2022, and prolonged Covid-19 outbreaks and lockdowns in China with a growing property sector crisis,” the IMF report stated. “About a third of the world economy faces two consecutive quarters of negative growth. Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024.” “Upside inflation surprises have been most widespread among advanced economies, with greater variability in emerging market and developing economies.” In Laos, the skyrocketing price of fuel and the petrol shortage in May and June have had huge effects on economic activities, notably agriculture and manufacturing. Meanwhile the Asian Development Bank (ADB) has lowered its 2022 growth outlook for Laos to 2.5 percent from 3.4

percent projected in April and to 3.5 percent from 3.7 percent for 2023. The downgrade is linked to supply disruptions and rising commodity prices, which have increased inflationary pressures. In addition, the World Bank's East Asia and Pacific October 2022 Economic Update also lowered the growth forecast for Laos this year, to 2.5 percent from the earlier 3.8 percent projection and 3.8 percent for 2023. In September, the Lao Academy of Social and Economic Science (LASES) lowered its economic growth forecast for Laos to 3 percent this year, from 4 percent projected in previous months. The academy said the downgraded projection of economic growth is due to slow expansion in sectors relating to consumption, exports, and private and state investment. According to the IMF, the revisions of global growth outlook reflect the downgrade for growth in China, to 3.2 percent in 2022, the lowest growth in more than four decades, excluding the initial Covid-19 crisis in 2020. The IMF report noted that the external environment is already very challenging for many emerging market and developing economies. The sharp appreciation of the US dollar adds significantly to domestic price pressures and to the cost-of-living crisis for these countries.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent201_Lao_Y22.php

Myanmar ships 319 tonnes of coconut to Bangladesh via Maungtaw trade post in H1



Myanmar News | 15 October, 2022

Myanmar delivered 319 tonnes of coconuts to Bangladesh through the Maungtaw border trade post in the first half of the current financial year 2022-2023, with an estimated value of US\$0.128 million. It is commonly used in religious events beyond health benefits. That being so, there is a steady demand from Bangladesh for Myanmar's coconut. Coconut is one of the export items to Bangladesh through Bangladesh. There are three types of coconuts cultivated in the southern Rakhine State, delta and coastal regions of Myanmar; tall, dwarf and orange coconut. They can be grown at least 27 °C and under rainfall ranging from 30 to 70 inches. It yields between seven and ten years for tall coconuts, while coconuts can be harvested within three to five years for dwarf coconut trees and orange coconuts produce fruits within five to seven years. A tree can produce about 100 coconuts on average. Coconut's health benefits are quick digestion, good cholesterol level, anti-ageing, rich in copper and iron, killing bacteria and viruses, hormone balancing, nutritional facts, better memory, bone health and metabolism. The coconut water content is around 200-1,000 ml in one coconut. Coconut water boosts the immune system and has other benefits. It is widely used in making traditional snacks. The coconuts produced from Yangon Region and Manaung, Kyaukpyu and

Thandwe in Rakhine State are sent to Bangladesh through the Maungtaw border trade post. Additionally, Myanmar has been exporting coconuts to Thailand through a legitimate trade channel since 2015. – KK/GNLM

Source: <https://www.gnlm.com.mm/myanmar-ships-319-tonnes-of-coconut-to-bangladesh-via-maungtaw-trade-post-in-h1/>

CPI in 2022 forecast to expand at 3.27-3.51%



Vietnam News | 15 October, 2022

Vietnam's consumer price index (CPI) this year is expected to rise 3.27% to 3.51%, the Ministry of Finance said at a meeting with Deputy Prime Minister Le Minh Khai on October 13. The General Statistics Office estimated that the CPI would increase in the range of 3.2%-3.5%, while inflation would rise 3.4%. The CPI in September inched up 0.4% month-on-month, 4% against December last year, and 3.94% over the same period last year. The January-September period saw an increase of 2.73% versus the year-ago period. Meanwhile, core inflation picked up 1.88%. Given the increasing openness of the Vietnamese economy, global inflation has been imported into the country, sending the prices of essential goods and services in Vietnam soaring, the Ministry of Finance explained. Fuel prices will remain volatile until the end of this year. Moreover, the prices of garments, foods and beverages, especially pork,

often soar due to the high demand in the lead up to the Tet holiday. The prices of construction materials are also forecast to surge due to high demand when the disbursement of public investment in many projects is sped up.

Source: <https://vietnamnet.vn/en/cpi-in-2022-forecast-to-expand-at-3-27-3-51-2070206.html>

Standard Chartered raises Việt Nam's 2022 GDP growth forecast to 7.5%



Vietnam News | 15 October, 2022

HÀ NỘI — Standard Chartered Bank has raised its Việt Nam GDP growth forecast for 2022 to 7.5 per cent from the previous 6.7 per cent and for 2023 to 7.2 per cent from 7.0 per cent to reflect robust Q3 growth of 13.7 per cent year-on-year. The last quarter 2022 growth is anticipated at 4.0 per cent. While the bank lowers its inflation forecast for this year to 3.3 per cent from 4.2 per cent, it expects an acceleration in Q4 to 5.0 per cent from 3.3 per cent in Q3. Inflation has been largely under control; price pressures may increase in the rest of 2022 and in 2023. In addition to supply-side factors, demand-side factors might kick in more strongly. "We maintain our average 2023 inflation forecast at 5.5 per cent, expecting it to rise throughout next year, reaching around 6 per cent late next year. We see inflation as a threat to Việt Nam's continued recovery," said Tim

Leelahaphan, Economist for Thailand and Việt Nam, Standard Chartered Bank. Standard Chartered's economists expect the State Bank of Việt Nam (SBV) to continue tightening monetary policy and forecast a 50bps hike in the refinancing rate each in Q4-2022 and Q1-2023, taking the rate to 6 per cent, following a 100bps hike to 5 per cent on 22 September. "We see a risk of SBV raising rates more than we expect if inflation accelerates and the Vietnamese đồng weakening more than we forecast as the Fed maintains a relatively hawkish stance. We expect SBV to stay vigilant against inflation and financial instability besides helping businesses recover from the COVID-19 impact," said Leelahaphan. According to the UK-based lender, the VNĐ is likely to face several headwinds in the short term – a hawkish Fed, strong USD, higher commodity prices and slowing external demand. The VNĐ continues to significantly outperform its peers across EM Asia, despite recent depreciation. Standard Chartered Bank expects the pace of VND depreciation to slow in the coming months. USD-VND's correlation with USD-CNY remains extremely strong. As such, a peak in USD-CNY will likely coincide with the peak in USD-VNĐ. The Bank forecasts USD-VNĐ at 24,200 by end-2022 and at 24,000 for end-Q1-2023 and declining towards 23,400 by end-2023. — VNS

Source: <https://vietnamnews.vn/economy/1345133/standard-chartered-raises-viet-nam-s-2022-gdp-growth-forecast-to-7-5.html>
