

Highlight News / October 26/2022



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China company plans EV assembly in Cambodia



Cambodia News | 25 October, 2022

China Matrix Technology Group-Horche Intelligent Automobile plans to set up a unit to assemble electric vehicles in Koh Kong province, as per a virtual meeting on October 22. Heng Kim Chan, public affairs officer at Koh Kong Administrative Authorities, told Khmer Times, “It was an initial meeting to study the EV assembly project in Koh Kong province.” Though the Chinese company is yet to come out with details on the size of investment or output, “the electric car assembly project is expected to be operational soon,” he said. The meeting, he said, focused on building good relations and helping Chinese investors understand the land policy, human resources, and potential of the technology sector, like the EV unit in Koh Kong province. According to Mithona Phuthong, Governor of Koh Kong Province, in 2021, the province had 7 large-scale industries with 10,843 workers. It included car assembly, wiring, electronics, sports equipment, and textiles and garment units. It also has 755 small and medium enterprises. In Koh Kong province, agriculture accounts for about 55.5 percent, industry 0.3 percent, and the service sector 44.2 percent. Of the labor force, factory workers account for about 15.1 percent of the total population. The Cambodian Government is encouraging investment in EV assembling plants. The new unit has the potential to create more green

jobs and investments and help position Cambodia in the emerging global and regional supply chain for EVs. Electric vehicles are considered a way to achieve stringent emission standards. At the November COP26 summit in Glasgow, a group of governments, automakers, and other stakeholders agreed to transition to 100 percent zero-emission of new cars and vans by 2040 globally and by 2035 in “leading markets.” Fifteen countries separately pledged to work toward 100 percent zero-emission sales of EV trucks and buses by 2040. Cambodia is yet to follow suit. It’s worth noting that EVs are only as sustainable as the source of electricity from which they are charged. Emissions are obviously zero if charged with electricity from renewable, but not so if they are charged from the electricity grid. A recent International Council for Clean Transportation (ICCT) study confirmed that electric cars are still cleaner than internal combustion engines over their lifecycles even when charged from the dirtiest electricity grids. They also have health and environmental benefits through reduced air pollution. Moreover, the operating cost of an EV over one km is almost half that of a traditional internal combustion engine vehicle. The Government of Cambodia has included EVs in the country’s national transport policy – with a focus on cities. Cambodia’s Long-Term Strategy for Carbon Neutrality, submitted to the United Nations Framework Convention on Climate Change (UNFCCC) last December, incorporates a commitment to having 40 percent of

EV cars and buses and 70 percent of electric motorbikes by 2050.

Source : <https://www.khmertimeskh.com/501174221/china-company-plans-ev-assembly-in-cambodia/>

\$25.4M projects to create 6500 jobs



Cambodia News | 25 October, 2022

In continuance with the policy to strengthen the Covid pandemic-scarred economy and push for growth, the Council for the Development of Cambodia (CDC) has recently approved projects worth \$25.4 million. They are expected to generate around 6,500 job opportunities. While the three new investment projects will be set up in Kandal and Preah Sihanouk provinces, the other two will be in the Kampong Speu and Kandal provinces. The projects, according to the CDC release, related to shoe assembly parts, garments, and metal processing belong to Cheng Zhen Yong Industry, Xin Jin Hua Garment, and Success Metal Technology, respectively. These projects are expected to generate 2,500 jobs, according to media reports. The shoe assembly parts and garment factories will be set up in Kandal province's Ang Snoul and Kandal Stung districts, respectively. The metal processing plant will come up in a special economic zone of Preah Sihanouk province. The CDC recently approved one project each of J-Star Garment (Cambodia) and K5 Industrial in the Kampong Speu and Kandal provinces, respectively. With a total investment of \$11.3 million, the two planned projects are expected to generate employment for more than 4,000 people. J-Star will invest \$5.8 million to set up

a garment factory at Angkorong village in the Moha Rusey commune in Kong Pisey district. K5 Industrial will invest \$5.5 million to establish a factory for manufacturing belts and bags at Prek Samrong village in Takmao city of Kandal province, according to Cambodian media reports. The CDC has issued final registration certificates for 94 new private investment projects outside special economic zones in the first eight months of this year. It was a year-on-year increase of 19 projects. Meanwhile, apparel exports rose by 23.09 percent year-on-year to \$7.174 billion in January-September 2022. This constituted 41.60 percent of Cambodia's total foreign income of \$17.258 billion during the period under review, according to data from the general department of customs and excise under the ministry of economy and finance. Cambodia's exports of apparel and clothing accessories (knitted) earned \$5.110 billion in January-September 2022, which was 21.1 percent higher than the exports worth \$4.220 billion during the corresponding period of 2021. The country's exports of apparel and clothing accessories (not knitted) rose by 28.4 percent to \$2.064 billion in the period under review. Last year, the Kingdom exported apparel worth \$1.608 billion in this category. As for the imports, the country's knitted or crocheted fabric imports in January-September 2022 were valued at \$2.380 billion, which was 10 percent higher than the imports worth \$2.164 billion in the same period last year. Likewise, man-made fibre imports grew by 16.9 percent to \$916.897 million, against \$784.628 million

in January-September 2021. Cotton imports rose by 1.3 percent to reach \$392.064 million during the period under review, compared to \$387.153 million in the same period of 2021.

Source : <https://www.khmertimeskh.com/501174204/25-4m-projects-to-create-6500-jobs/>

Economy will grow

by 4.4 percent this year: govt



Laos News | 25 October, 2022

Despite financial challenges, the government is predicting that the economy will grow by 4.4 percent this year, although this is slightly less than the original target of 4.5 percent. Deputy Director General of the Planning Department of the Ministry of Planning and Investment, Mr Oula Somchanmavong, recently highlighted the key figures in the country's economic performance for 2022. Gross domestic product (GDP) growth in the first quarter of this year reached 4.5 percent before decreasing to 4.2 percent in the second quarter and 3.8 percent in the third quarter. Growth was driven by the agriculture and tourism sectors, which have enjoyed a partial recovery following the lifting of travel restrictions that were enforced during the Covid pandemic. In addition, industry, especially mining and energy exports, have contributed significantly to economic growth over the past nine months. Mr Oula also said revenue collection had met the target set for the past 9 months, particularly income collected from pilot and ongoing mining projects, natural capital charges, environmental fees

related to electricity generation, and from other sources. Over the past nine months, 24.24 trillion kip of the total 2022 targeted 31.59 trillion kip was collected, while 21.09 trillion kip of the 34.69 trillion kip budgeted for expenditure was spent. In addition, foreign currency was made available for priority imports such as fuel, while new sources of foreign currency are being explored so that much-needed import goods can continue to be purchased. However, Laos continues to suffer from external impacts, including the global economic downturn, Russia-Ukraine conflict, the Covid pandemic, and natural disasters. In addition, the country has experienced high inflation, which increased from the 30.01 percent year-on-year recorded in August to 34 percent in September, according to the Lao Statistics Bureau. The 22-year-high inflation rate is driven by the surge in the price of food, medicines, fuel, and other consumer goods. The Russia-Ukraine conflict and the Covid outbreak have disrupted economic activities, with high inflation resulting in households trimming spending on consumer goods, affecting output growth. The rising cost of living has decreased consumer purchasing power, and input supply constraints have reduced the growth prospects for agriculture and industry. Furthermore, the depreciation of the kip has had a devastating effect on the economy and people's livelihoods. Just recently, the Bank of the Lao PDR placed restrictions on currency exchange units, banning them from selling foreign currency. The ban supports the

government's attempts to give commercial banks a greater role in the purchase and sale of foreign currencies, while limiting the role of money exchange units in currency trading.

Source : https://www.vientianetimes.org.la/freeContent/FreeContent208_Economy.php

Myanmar earns \$2.11 mln from exports to Bangladesh in Sept



Myanmar News | 25 October, 2022

Myanmar exported goods worth US\$2.11 million to Bangladesh through the Shwemingan border post of Sittway and the Kanyinchaung border post of Maungtau in September. Myanmar shipped goods worth \$1.88 million to Bangladesh through the Sittway border post and goods valued at \$0.23 million via Maungtau. As transport to Maungtau was suspended, trade via Maungtau decreased. Approximately 1,129 tonnes of fisheries products worth \$1.42 million were exported via the Sittway border post, which accounts for 75 per cent of overall exports to Bangladesh in September. The Rakhine State Chambers of Commerce and Industry stated that weather conditions and transport difficulties damaged the trade at the Maungtau border post. The traders cannot deliver the goods to Maungtau through Sittway amid the transport barriers and erratic weather conditions so the trade volume via Sittway significantly increased. The cross-border trade between Myanmar and Bangladesh saw only exports, showing a total trade surplus. The fisheries products are the major export

items in the trade. Myanmar sent areca nut, coconut, jengkol, silver pomfret, anchovy, dried fish, broom, mushroom, ginger, onion, chickpea, dried plum, tamarind seed, footwear, lower garment (longyi), Thanaka, instant coffee mix, sunflower seed and instant noodle to Bangladesh. Meanwhile, apparel, consumer goods, PVC pipes, plastic water storage tanks and hand-drawn pumps are imported into the country. — TWA/GNLM

Source : <https://www.gnlm.com.mm/myanmar-earns-2-11-mln-from-exports-to-bangladesh-in-sept/>

Central bank revises up interest rates by 1% from October 25



Vietnam News | 25 October, 2022

Hanoi (VNA) - The State Bank of Vietnam on October 24 decided to revise up several interest rates by 1%, starting from October 25. Accordingly, the refinancing interest rate will be set at 6% per year, rediscount at 4.5%, and overnight inter-banking lending rate at 7%. The maximum interest rate for non-term and one-month deposits in VND is capped at 1% annually and that for 1-6 month deposits, 6%. Deposits of 1-6 months at people's credit funds and micro-finance organisations will enjoy an annual interest rate of 6.5%. Meanwhile, the maximum short-term lending interest rate in VND at credit institutions for the capital demand for a number of economic sectors increased to 5.5%, and those at people's credit funds and micro-finance organisations to 6.5%./.

Source : <https://en.vietnamplus.vn/central-bank-revises-up-interest-rates-by-1-from-october-25/240638.vnp>

Nearly 60% of digital consumers in Vietnam use fintech solutions



Vietnam News | 25 October, 2022

Hanoi (VNS/VNA) - Vietnam is a top market in adopting new technologies, in which 58% of digital consumers have used online banking solutions, e-wallets, money transfer applications, and digital banking. According to the "SYNC Southeast Asia" report on digital consumers in Southeast Asia in the new stage of development, Vietnam has nearly 80% of the population represented as digital consumers. Moreover, the average contribution of e-commerce to total retail has continued to grow at 15% over the past year, higher than India's 10% and China's 4% growth, with an online-to-total retail share of 6%. About three years into the pandemic, research shows that regional consumers are at a new stage of development, prioritising an integrated shopping experience that effectively combines online and in-person services. After the pandemic, 10% of Vietnamese surveyed moved at least one of their shopping categories from online to direct channels because of the "interface" factor that direct sales channels bring. However, there are still certain shopping categories that consumers still prefer to choose "closing" online, indicating that online shopping continues to serve as an important channel

for digital shoppers in the country. During the 'discovery' phase, 84% of Vietnamese shoppers see online as their go-to channel to browse and find items. According to the report, this is a period when Vietnamese digital consumers use more platforms than ever before, with the dominance of the e-commerce market accounting for 51% of online spending. At the same time, social networks account for nearly half of online discoveries, including images at 16%, social media videos at 22% and related tools such as messaging at 9%. Social media and related tools such as messaging were paramount channels for Vietnam's digital shoppers during the consideration period, accounting for 44% of survey respondents. "Consumers' openness to interaction and experimentation has also led to behavioural change, with 64% of respondents saying they have interacted with a business conversation account in the past year. As customers seek more engagement, the content creation economy also shows many positive signals." In Vietnam, the average sales volume related to entertainment, streaming and related products to content creators in the three months before our survey has increased 12 times," said Le Khoi, Country Director of Vietnam Market of Meta, adding: "In the context of digital consumption, Vietnamese users switch brands more often and increase the number of platforms they use to find a better value, with 22% of online orders made on

various e-commerce platforms."He added: "Value is one of the main factors driving this behaviour when 'better price' is chosen as the top reason for switching platforms, followed by the product quality and delivery times. As a result, the number of online platforms Vietnamese consumers use will increase from 8 in 2021 to 16 in 2022.Last week, in the seminar 'Promoting digital transformation for organisations and businesses', Nguyen Ba Diep, Co-Founder of MoMo Ewallet, said: "Digital transformation for retail businesses is an inevitable trend." Diep added that with more than 31 million customers on MoMo, they have solutions to help businesses, especially SMEs, banks, credit institutions, and investment funds, to reach more customers quickly and efficiently.He said MoMo would continue coordinating with tens of thousands of other partners to expand this service ecosystem specifically for retail solutions.He said in the last four years, it developed the Finance-Insurance service on MoMo with more than 10 million users, including consumer credit, accumulated investment and insurance.The report also shows that thanks to advanced thinking, Vietnam is among the top markets in adopting future technologies such as fintech and metaverse, alongside Indonesia and the Philippines. Currently, 58% of digital consumers in Vietnam have used fintech solutions such as online banking, e-wallets, money transfer applications, and

omnipotent digital banking.It also said the use of digital technology in Vietnam is ripe and mainly driven by functionality and convenience, adding 7 out of 10 digital consumers in the country used metaverse technology such as cryptocurrencies, augmented reality, virtual reality, virtual world, and NFT's in 2022. In particular, Vietnam has the highest rate of VR applications among Southeast Asian countries, with 29%./.

Source : <https://en.vietnamplus.vn/nearly-60-of-digital-consumers-in-vietnam-use-fintech-solutions/240652.vnp>
