

Highlight News / January 05, 2022



- Cambodia's export to RCEP countries up 5 percent at \$5.6B
- Cambodia's milled rice export up 3.2 pct in 2022
- NA approves economic growth rate of 4.5 percent for 2023
- Thilawa SEZ attracts over US\$2.188 bln as of Nov 2022
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Advisory Institute for Trade and Investment by TCC (AiTi)



Cambodia's export to RCEP countries up 5 percent at \$5.6B



Cambodia News | 04 January, 2023

Cambodia exported \$5,671 million worth of goods to the members of the Regional Comprehensive Economic Partnership (RCEP) countries in eleven months of last year, an increase of 5 percent compared to the same period last year, data from the Ministry of Commerce showed yesterday. Cambodia's top three export RCEP destinations were Vietnam, China and Japan with shipped products worth \$1,894 million, \$1,109 million, and \$1,069 million, respectively. The Kingdom's export to ASEAN nations amounted to \$2,921 million, an increase of 10 percent. China is the biggest market for goods imported to Cambodia with a total of \$9,470 million, followed by Vietnam, Thailand and Singapore with \$3,617 million, \$3,542 million, and \$3,169 million, respectively. The RCEP free trade agreement entered into force on January 1, 2022. The regional trade pact comprises 15 Asia-Pacific countries including 10 member states of the Association of Southeast Asian Nations (ASEAN) — Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam — and their five trading partners, namely China, Japan, South Korea, Australia and New Zealand. The mega trade pact has given a big boost

to Cambodia's export and attracted new investment to Cambodia, contributing to the economic development, said Lim Heng, vice president of the Cambodia Chamber of Commerce. "Export to the RCEP countries is Cambodia's potential market and will complement the markets of EU and America under the trade preferences – EBA and GSP," Heng told Khmer Times. Cambodia is expected to see its export growth in years to come, he said. The mega-regional pact will eliminate as much as 90 percent of the tariffs on goods traded among its signatories over the next 20 years. Cambodia expects to see export growth between 9.4 percent and 18 percent, which will contribute to the national economic growth between 2 percent and 3.8 percent, stated the Ministry of Commerce. Being the world's largest trade bloc, the RCEP trade deal has a combined GDP of \$26.2 trillion, representing around 30 percent of the global GDP, 28 percent of global trade, and 32.5 percent of global investment. Noting that RCEP is an important mechanism to safeguard the rules-based multilateral free trade system against the trends of anti-globalization and protectionism, Prime Minister Hun Sen has announced Cambodia's commitment to host the RCEP Secretariat in Phnom Penh, aiming for functional cooperation and mutual support to fully implement the RCEP agreement to maximise the benefits. The export to the RCEP countries amounted to \$28,407 million, accounting 28 percent of the total export amount to the world at \$20,458 million and imports from RCEP countries

accounted for 59 percent of Kingdom's total import at \$48,205 from the world during the period.

Source: <https://www.khmertimeskh.com/501213231/cambodias-export-to-rcep-countries-up-5-percent-at-5-6b/>

Cambodia's milled rice export up 3.2 pct in 2022



Cambodia News | 04 January, 2023

Cambodia exported 637,004 tons of milled rice to international markets in 2022, up 3.2 percent, from 617,069 tons a year earlier, the Cambodia Rice Federation (CRF) said in a news release on Tuesday. The Southeast Asian nation earned 414 million U.S. dollars in revenue from the exports of the commodity to 59 countries and regions last year, the CRF said. China remained the top buyer of Cambodia's milled rice, the CRF added. Exported milled rice varieties included premium aromatic rice, fragrant rice, long grain white rice, parboiled rice, organic rice and glutinous rice, it said. Cambodian Minister of Agriculture, Forestry and Fisheries Dith Tina said that China is a huge market for Cambodia's potential agricultural products, saying that the kingdom hoped to export more to China under the Regional Comprehensive Economic Partnership and the Cambodia-China Free Trade Agreement. "Cambodia and China have solid agricultural cooperation, and we have exported milled rice, mangoes, bananas, and, most recently, longans to

China," he told Xinhua. Xinhua

Source: <https://www.khmertimeskh.com/501213617/cambodias-milled-rice-export-up-3-2-pct-in-2022/>

NA approves economic growth rate of 4.5 percent for 2023



Laos News | 04 January, 2023

The National Assembly (NA) has approved an economic growth rate of at least 4.5 percent for 2023 as proposed by the government amid a global economic downturn. The agriculture sector is expected to grow at 2.5 percent, representing 17.2 percent of the Gross Domestic Product (GDP), while industry will grow at 5 percent, accounting for 34.2 percent of the GDP. The services sector is expected to grow at 4.7 percent, making up 37.5 percent of the GDP, while tariffs and taxes are expected to expand 4.3 percent, representing 11.1 percent of the GDP. The value of the GDP is expected to increase to 234,160 billion kip by the end of the year, with the GDP per capita at US\$1,625, and the gross national income (GNI) per capita at US\$1,534. The Deputy Chairman of the NA's Planning, Finance and Auditing Committee, Mr Thanta Kongphaly, highlighted key accomplishments made by the government during 2022 and challenges that lie ahead in 2023. "Our NA has realised that the government's implementation of the socio-economic

development plan for 2022 took place at a time when Laos was hit hard by the global economic downturn and the Covid-19 pandemic,” he said. “Laos’ economy is expected to grow by 4.4 percent over the whole of 2022, which was lower than the target of 4.5 percent approved by the NA.” Mr Thanta urged the government to work harder to curb inflation and stabilise exchange rates to minimise impacts on the Lao economy and the livelihoods of the people. The Minister of Planning and Investment, Mr Khamjane Vongphosy, said the government has pledged to manage inflation at the ceiling rate of not more than 9 percent for 2023. The economic and financial difficulties, notably the skyrocketing inflation, directly impacted the livelihoods of the people, particularly the poor, he said. The year-on-year inflation rate jumped to a new high of 38.46 percent in November 2022, up from 36.75 percent in October. Mr Khamjane said the amount of M2, or money circulating in the economy, will increase by 26 percent in 2023 when compared to the figure for 2022, and ensure sufficient foreign currency reserves for the purchase of imports for at least three months. The minister said the government will strive to stabilise exchange rates and ensure the depreciation of the Lao kip is managed at a level that does not ramp up too much pressure on inflation. Over the past few years, the continuing depreciation of the Lao kip resulted in rising amounts of public

debt owed to foreign countries, since Laos had to spend more to buy foreign currencies to repay the nation’s debts. In 2022, the GNI per capita reached only US\$1,729, which was lower than the rate of US\$2,358 approved by the NA. The GNI per capita declined from US\$2,161 in 2020 and US\$2,004 in 2021 due to the devaluation of Lao kip.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent02_Na_23y.php

Vietnam’s manufacturing PMI falls in December 2022



Myanmar News | 04 January, 2023

VOV.VN - The S&P Global Vietnam Manufacturing Purchasing Managers’ Index (PMI) dropped to 46.4 in December 2022 from 47.4 in November, indicating the continued deterioration of business conditions in manufacturing. This is the second straight month of contraction in the manufacturing sector and the steepest pace since September 2021, according to S&P Global Market Intelligence that collects the survey results of the PMI. In the last month of 2022, Vietnam’s manufacturing sector declined more sharply as demand both at home and abroad fell. In such context, companies reduced employment and purchasing activity, while business confidence remained low. The number of new orders fell sharply in December due to weak demand in Vietnam’s some key export markets including China, the European Union and the United States. At the same time, employment declined at a marked pace, and

one that was the sharpest in 14 months. Meanwhile, suppliers' delivery times lengthened for the second month running, but only marginally. On the price front, input cost inflation accelerated to the fastest in five months due to higher costs for raw materials, gas, and shipping. Meanwhile, selling prices fell for a second successive month as part of attempts to boost customer demand. Finally, business sentiment remained muted amid concerns over weak demand conditions. Some survey team members were concerned that market difficulties would persist into 2023, while some others expressed optimism that demand would recover that could help fuel new orders and output.

Source: <https://english.vov.vn/en/economy/vietnams-manufacturing-pmi-falls-in-december-2022-post994561.vov>

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UOB maintains Vietnam's GDP growth forecast at 6.6%



Vietnam News | 04 January, 2023

The Singapore-based United Overseas Bank (UOB) has kept its forecast for Vietnam's GDP growth in 2023 unchanged at 6.6% in line with the official forecast of 6.5%, although growth momentum is likely to be weaker. In its report on Vietnam's economic growth in the last quarter of 2022 and prospects for 2023, the bank said Vietnam's real GDP growth in the fourth quarter of 2022 returned to normal at 5.92% year on year, due to signs of a decline in external demand. There was a sharp increase of 13.67% in the third quarter. The General Statistics Office (GSO) reported that the country's GDP expanded by 8.02% in 2022 from the growth of just 2.58% in 2021. This is the fastest pace annually since 1997. UOB experts said that the strong growth thanks to its manufacturing and service industries in 2022 shows Vietnam's resilience after the impact of the COVID-19 pandemic. The bank said the inflation rate is likely to remain stable, especially in the first half of 2023 thanks to the flexible management of monetary policy by the State Bank of Vietnam. At the end of December 2022, the State Bank of Vietnam said that it will operate monetary policy "flexibly" to keep the inflation rate at 4.5% in 2023, aiming to stabilise the currency and foreign exchange markets. Regarding the foreign exchange strategy, UOB forecast a upward momentum of VND/USD

exchange rate with a forecast of 25,200 VND, 25,400 VND, 25,600 VND, and 25,800 VND in the four quarters of 2023.

Source: <https://en.nhandan.vn/uob-maintains-vietnams-gdp-growth-forecast-at-66-post121526.html>
