

## Highlight News / January 12, 2022



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**Advisory Institute for Trade and Investment by TCC (AiTi)**



## Cambodia's total trade up 9% to \$52 billion in 2022



*Cambodia News | 11 January, 2023*

Cambodia's international trade in 2022 totalled more than \$52 billion, a 9.2 percent year-on-year increase, while Cambodia's exports jumped more than 16 percent. In 2022, Cambodia exported a total of \$22.4 billion worth of goods, up 16.4 percent from a year ago, and imported \$29.9 billion, up 4.3 percent, according to data from the General Department of Customs and Excise of the Ministry of Economy and Finance. Cambodia's international trade in 2022 resulted in a trade deficit of \$7.4 billion. Ministry of Commerce's under-secretary of state and spokesperson Penn Sovicheat said that the increase in exports was because of Cambodia's full implementation of the Regional Comprehensive Economic Partnership (RCEP), the free trade agreement between China, and trade preferences in the EU and US markets. The export growth shows the potential of Cambodian products in foreign markets, although the world is facing a crisis, he said. "The trade pacts have given an impetus to Cambodia's export growth," Sovicheat told Khmer Times. Cambodia's main products exported are garments, machinery and electrical equipment, footwear products, leather goods, grain, furniture, rubber, fruits, vegetables, pearls, toys, and textiles. The garment, footwear and travel goods industry is the largest foreign exchange earner for Cambodia.

The sector consists of roughly 1,100 factories and branches, employing approximately 750,000 workers, mostly female. Senior economist Ky Sereyvath, director-general of the Institute of China Studies at the Royal Academy of Cambodia, said that the garment sector played an important role, as it withstood the crisis and generated income for the national economy, especially helping workers with jobs, even though that crisis had some impact. "The garment sector is a potential part of Cambodia. But it also sees challenges of competition that need to be addressed and requires attention from the government and private sector to keep the production chain in the garment sector," he said. The Kingdom's main trade partners are China, the US, European Union, Vietnam, and Singapore. RCEP 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. Being the world's largest trade bloc, the RCEP trade deal has a combined Gross Domestic Product (GDP) of \$26.2 trillion, representing around 30 percent of global GDP, 28 percent of global trade, and 32.5 percent of global investment. The Cambodia Chamber of Commerce's vice president Lim Heng attributed the growth in export to the confidence of investors who keep production busy, particularly during the tough time of Covid-19. "The successful management of Covid-

19 pandemic under the government has led to the resumption of all socio-economic activities, leading to the production chains being busy, supplying to purchase orders," Heng said.

Source: <https://www.khmertimeskh.com/501217283/cambodias-total-trade-up-9-to-52-billion-in-2022/>

## Imports and exports via Sihanoukville special economic zone up 12 percent in 2022



*Cambodia News | 11 January, 2023*

The value of imports and exports passing through the China-Cambodia jointly invested Sihanoukville Special Economic Zone (SSEZ) reached \$2.49 billion in 2022, a year-on-year increase of 12 percent, SSEZ General Manager Cao Jianjiang told Xinhua on Tuesday. Cao said the 11-square-km industrial zone has accommodated 175 companies from China, the United States, Europe, Southeast Asia and other regions, creating nearly 30,000 jobs. "The growth last year clearly reflects the resilience of the zone's development, which has steadily contributed to Cambodia's socio-economic development," he said. Situated in the southwestern coastal province of Preah Sihanouk, the SSEZ is the country's largest industrial zone in terms of size and occupancy. The Cambodian Ministry of Commerce's Undersecretary of State and Spokesman Penn Sovicheat said the SSEZ is a perfect example of win-win cooperation

under the framework of the China-proposed Belt and Road Initiative. "The SSEZ has provided a lot of jobs to Cambodian workers and served as a role model for the cluster industries and as a base for exports," he told Xinhua. Long Dimanche, deputy governor of Preah Sihanouk province, said the SSEZ has good potential for investors as it is located adjacent to the Sihanoukville Autonomous Port, the sole international and commercial deep-sea port of Cambodia. "The SSEZ has played an important role in supporting Cambodia's economic development and has become a link of regional and global supply chains," he told Xinhua.

Source: <https://www.khmertimeskh.com/501217663/imports-and-exports-via-sihanoukville-special-economic-zone-up-12-percent-in-2022/>

## More than 1,200 people cross Laos-China border in 2 days



*Laos News | 11 January, 2023*

More than 1,200 people passed through the Laos-China border at the Boten-Mohan international border crossing during the first two days after China reopened its border with Laos on Sunday, Lao authorities said. But the Chinese side is not yet permitting entry by people with tourist visas. A source at the Boten International Border Checkpoint said the full re-opening of the border, when holders of tourist visas can also enter China, is expected to

resume after the Chinese Lunar New Year holiday. The Chinese New Year holiday, or Spring Festival, runs from January 21 to 27. "According to unofficial talks between both sides, service for tourist visa holders is expected after Chinese New Year," the source said. Holders of other types of visa and border pass, including visas for business, visit and study purposes, as well as for diplomatic and official purposes, have crossed the border since Sunday. The Lao government officially reopened all its international border crossings to foreign travellers on May 9 last year. More than 400 people, mostly Chinese nationals, entered Laos on Sunday and Monday, an official in charge of immigration affairs at the border crossing, who asked not to be named, said. Meanwhile, more than 800 people, mostly Chinese business operators and workers, including those stranded in Laos during the lockdown, returned home including for the Chinese New Year celebrations. "Cross border travel is now convenient. There is no [Covid] check requirement, even on the Chinese side," the official said. He added that not only Lao and Chinese nationals can now cross the border, but also people from a third country. China has eased Covid-19 control measures after almost three years of travel restrictions. The move has sparked hope in many countries that Chinese tourists will once again return and help revitalise tourism industries and economies that have been

paralysed by the pandemic. The search volume for international flight tickets has surged in China after the country's travel restrictions eased on January 8, the China Daily reported recently, citing the news website chinanews.com. The international flight ticket search volume increased sevenfold within 15 minutes after the new Covid-19 management measures were announced, with the most popular destinations being Thailand, Japan and South Korea. On Monday, three Thai ministers welcomed the first large group of 269 Chinese tourists at Suvarnabhumi Airport in Bangkok, Thailand's The Nation reported.

Source: [https://www.vientianetimes.org.la/freeContent/FreeContent07\\_More\\_y23.php](https://www.vientianetimes.org.la/freeContent/FreeContent07_More_y23.php)

## Myanmar's mineral export bags over \$200 million in past nine months



*Laos News | 11 January, 2023*

The value of Myanmar's mineral exports in the past nine months (April-December) in the current financial year 2022-2023 exceeded US\$200 million, according to the Ministry of Commerce. During the April-December period, the public sector performed mineral exports valued at \$16.151 million whereas the private sector saw mineral exports worth \$206.19 million. Myanmar earned \$519.76 million from mineral exports in the corresponding

period last FY. Myanmar targets to achieve exports worth \$15.5 billion and imports worth \$14 billion in the 2022-2023 FY, the National Planning Law stated. The export items are gems and jewellery, gold, jade, pearl, lead, tin, tungsten, silver, copper, zinc, coal and other minerals. Myanmar's mineral exports amounted to \$288.599 million in the 2021-2022 mini-budget period and \$895.611 million in the 2020-2021 FY. — TWA/EMM

Source: <https://www.gnlm.com.mm/myanmars-mineral-export-bags-over-200-million-in-past-nine-months/>

## Denmark to contribute K2 billion for Myanmar SMEs



*Myanmar News | 11 January, 2023*

Denmark has pledged to contribute K2 billion for Myanmar's small and medium enterprises and the Responsible Business Fund (RBF) announced its sixth call for proposals by 9 January 2023. RBF, the development assistance from Denmark, will provide funding for micro, small and medium enterprises (MSMEs) to carry out renewable energy projects. RBF aims to help support MSMEs that are grappling with power supply, high energy costs and a drop in production, and the families reliant on those businesses. Denmark contributed K19.576 billion for 609 MSMEs across all regions and states in the past five years. This sixth call for proposals happened in November 2022, intending to cover at

most K40 million (25 per cent of the total fund) for each project. It encouraged the local MSMEs to implement innovative projects with the funds and increase the responsible behaviour of Myanmar enterprises.—TWA/EMM

Source: <https://www.gnlm.com.mm/denmark-to-contribute-k2-billion-for-myanmar-smes/#article-title>

## World Bank says Vietnam's GDP growth to moderate in 2023



*Vietnam News | 11 January, 2023*

Vietnam's GDP growth is projected at 6.3 per cent in 2023, according to the latest Global Economic Prospects report by the World Bank. Vietnam has witnessed strong growth in 2022 which was supported by a release of pent-up demand as Vietnam continued to lift pandemic-related mobility restrictions and travel bans. The country also benefited from a surge in private consumption and export growth. After the strong rebound in 2022, Vietnam's GDP growth is expected to fall back as the growth of exports to major markets slows. Specifically, the prolonged war in Ukraine and intensifying geopolitical uncertainty could further reduce global business and consumer confidence. This could lead to a sharper slowdown than projected in the Asia-Pacific region's export growth through weaker global demand and trade

disruptions. Such interruptions could lead to shortages and higher prices for food, fertilisers, and energy. Further geopolitical fragmentation could also impede global trade and investment and weigh on regional growth for a prolonged period. Commodity- and export-dependent economies like Vietnam are particularly vulnerable to weaker export demand, including from China. The report says that GDP growth is predicted to be 4 per cent in Malaysia and 5.4 per cent in the Philippines in 2023. Meanwhile, Thailand's GDP growth is expected to accelerate to 3.6 per cent, reflecting the delayed recovery of contact-intensive sectors like tourism and transport. In Indonesia, GDP is anticipated to grow by 4.9 per cent on average in 2023-24, only slightly slower than in 2022. This reflects softening but still robust private spending.

Source: <https://vir.com.vn/world-bank-says-vietnams-gdp-growth-to-moderate-in-2023-99184.html>

## Vietnam's retail market to rise by \$163.5 billion over next five years



*Vietnam News | 11 January, 2023*

The retail market in Vietnam is estimated to increase by \$163.5 billion at a compound annual growth rate of 11.4 per cent between 2022 and 2027. Amidst the intensifying competition in Vietnam's fragmented

retail industry, more mergers and acquisitions are taking place with major players scooping up or merging with smaller retailers. Vietnam's retail market is dominated by a number of large retailers. However, small- and medium-sized enterprises are growing their footprint by securing new contracts and breaking into new markets as a result of technological advances and product innovations. As a result, there will likely be fierce competition and significant room for expansion in the Vietnamese retail market. Local and foreign retailers in Vietnam are vying for market share by offering a variety of shop formats, including commercial centres, supermarkets, groceries, and convenience stores. The report pointed out that the growth of the local retail market is being driven by the rising demand for convenience food. Compared to home-cooked meals that require extensive preparation, convenience food items like processed beef and poultry products are becoming increasingly popular. During the projected period, this is anticipated to boost consumer demand for convenience goods and, in turn, support the expansion of Vietnam's retail industry. The rapid pace of urbanisation and the shifting shopping preferences of young urban consumers have led to important changes in modern retail channels, including convenience stores and e-commerce. Online sales are becoming a bigger priority for market leaders and independent merchants alike. Retailers are taking advantage of favourable indicators like high internet penetration and smartphone ownership to offer their products

online. These factors will encourage market expansion over the course of the projection.

Source: <https://vietnamnet.vn/en/vietnam-s-retail-market-to-rise-by-163-5-billion-over-next-five-years-2100000.html>

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