

## Highlight News / January 13, 2022



- Cambodia's National Bank says banking system plays active role in continuing to support economic recovery
- Kingdom's GFT exports grow by 15% in 2022
- Lao Airlines plans more flights to China in coming months
- Myanmar pockets US\$190 mln from FDIs in manufacturing sector as of Dec
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- Vietnam's 2022 foreign trade expands 9.1% y-o-y



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

## Cambodia's National Bank says banking system plays active role in continuing to support economic recovery



*Cambodia News | 12 January, 2023*

The National Bank of Cambodia (NBC) said the banking system has played an active role in continuing to support the economic recovery by continuing to provide appropriate financial services to meet economic needs. In its Macroeconomic and Banking Sector Development in 2022 and Outlook for 2023 released on Jan. 11, the NBC said that cautious regulations have been flexibly eased during the crisis to ease the burden on borrowers and sustain credit to the economy. Lending to the private sector increased by 21 percent, which was allocated to support the recovery in key sectors of the national economy, while consumer deposits grew by 11.3 percent, the central bank added. Moreover, regional connections are gradually being expanded with regional countries, facilitating inter-banking and financial transactions, promoting trade, investment and tourism. Currently, Cambodia has 58 commercial banks, nine specialized banks, and 86 microfinance institutions, with a total of 2,614 headquarters and branches as well as 3,998 automated teller machines (ATMs)

throughout the country. Chea Vannak – AKP

Source: <https://www.khmertimeskh.com/501218507/cambodias-national-bank-says-banking-system-plays-active-role-in-continuing-to-support-economic-recovery/>

## Kingdom's GFT exports grow by 15% in 2022



*Cambodia News | 12 January, 2023*

Cambodia's exports of garments, footwear and travel (GFT) goods grew by around 15 percent in 2022 compared to the previous year, from \$10.99 billion to \$12.63 billion, but the total share of the sector declined marginally, according to the latest report on trade by the General Department of Customs and Excise (GDCE). The GFT sector continued to be the largest export earner for the country accounting for 56.2 percent of the total exports last year but its share declined from 56.9 percent in 2021, showed the GDCE report released on Tuesday. Among the GFT goods, exports of footwear grew by 24.8 percent in 2022 compared to the previous year, while non-knitted apparel articles went up by 21.4 percent, travel goods by 17.6 percent and knitted apparel articles by 9.4 percent. The latest statistics also indicated that the GFT exports in the second half of last year declined compared to the first half when it showed a growth of nearly 40 percent. Massimiliano Tropeano, Sustainability and Garment Expert, told Khmer Times yesterday that the export orders would not revive

until mid 2023 as retailers in Europe and the US have just too much stock from unsold goods of the previous seasons. “Moreover, the Ukraine war and inflation have done the rest in pushing the garment global demand down,” he said. Meanwhile, the 2023 economic outlook of the National Bank of Cambodia (NBC), released yesterday, reckoned that the GFT sector in the country would expand (not just exports) by 6.5 percent this year. Data from the National Institute of Statistics (NIS) suggested that the continued progress of the GFT sector was crucial for the Kingdom during the Covid-19 pandemic. The sector accounted for 11 percent of the economy and contributed around 50 percent of Cambodia’s real GDP growth in 2021. This indicated that the GFT sector had been functioning relatively well throughout the Covid-19 pandemic, while other sectors such as tourism suffered greater setbacks. In March 2022, the Royal Government of Cambodia launched the ‘GFT Sector Development Strategy 2022–2027,’ which underscores the sector’s important role as a major economic growth pillar, with GFT exports averaging over 70 percent of Cambodia’s total merchandise exports over the past decade and more. The strategy also emphasizes the sector’s direct and indirect contributions to the livelihoods of between 2.5 to 3 million Cambodians. Despite being one of the key drivers of the Cambodian economy, the GFT sector still faces challenges related to its competitiveness and long-term sustainability. The sector’s current exports are reliant on preferential market access granted by the

US and the European Union (EU) which makes it highly vulnerable to the potential withdrawal of such agreements, or to other external shocks. Huot Pum, Under Secretary of State, Ministry of Economy and Finance, recently said that Cambodia gets immediate impacts of global economic slowdown as it is a small economy that is also fully open to the world for business. While participating in an event in connection with the release of the ‘GFT Sector Brief’, organised by the European Chamber of Commerce along with the Textile, Apparel, Footwear & Travel Goods Association in Cambodia, Pum said the GFT Sector Development Strategy 2022-2027 targets to strengthen human resources, improve working conditions, promote investment in high value-added and high-end products, promote investment in support industries and promote market diversification within the industry.

Source: <https://www.khmertimeskh.com/501218056/kingdoms-gft-exports-grow-by-15-in-2022/>

## Lao Airlines plans more flights to China in coming months



*Laos News | 12 January, 2023*

As China eases Covid-19 restrictions, Lao Airlines plans to operate more flights to cities in the northern neighbour, whose citizens are now taking the opportunity to travel and explore the world. Additional flights are expected to come into

operation next month or in March, Director of the airline's Commercial Department, Mr Noudeng Chanthaphasouk, told Vientiane Times. "We have sent a request to China say that we would like to operate daily flights to Kunming, as well as to other destinations, and are waiting for a response," he said. The national flag carrier currently operates three flights a week from Vientiane to Kunming, the capital of Yunnan province. In its request, Lao Airlines suggested additional flights from Vientiane to Guangzhou, Shanghai, Chengdu, Changzhou and Hangzhou. The airline also plans to increase the number of flights from Luang Prabang and Champassak to China. Lao Airlines has seen a surge in seat reservations by Chinese in Laos as they head home for the Chinese Lunar New Year or Spring Festival, which runs from January 21-27. "Flights to Kunming are fully booked until January 15 but there are still seats available on return flights," Mr Noudeng said. The director added that the airline is currently able to meet passenger demand for flights. The planned increase in flights comes as the airline foresees a spike in demand for air travel in the world's most populous country, where people are now eager to take holidays after almost three years of restrictions. In a momentous and long-awaited decision, China announced on January 8 it was reopening its borders and allowing people to leave and enter the country. During the first two days

(Sunday and Monday), more than 1,200 people passed through the Laos-China border at the Boten-Mohan international border crossing. People who hold business, visit, study, diplomatic, official and other types of visa can now cross the border, although tourist visas are not yet accepted. Lao authorities expect that tourist visas will be accepted at this border crossing after Chinese New Year.

Source: [https://www.vientianetimes.org.la/freeContent/FreeContent2023\\_Lao08.php](https://www.vientianetimes.org.la/freeContent/FreeContent2023_Lao08.php)

## Myanmar pockets US\$190 mIn from FDIs in manufacturing sector as of Dec



*Laos News | 12 January, 2023*

A total of 44 foreign enterprises pumped US\$187.426 million into Myanmar's manufacturing sector in the past nine months (April-December) of the current financial year 2022-2023, including capital expansion by the existing enterprises, as per the statistics released by the Directorate of Investment and Company Administration (DICA). Myanmar attracted foreign direct investments of \$1.462 billion from 59 enterprises during the April-December period. The majority of the investments were brought into the manufacturing sector. The agriculture sector drew \$3.5 million from two

projects. The power sector received \$817 million from 10 projects, while one enterprise put \$29 million in the real estate sector and two other foreign enterprises made an investment of \$413.068 million in the service sector respectively. The hotels and tourism sector attracted less than \$1 million. The mining sector received \$7 million from one project, while one enterprise also put investments of less than a million into the hotels and tourism sector and some capital expansion of the existing businesses is also seen. Additionally, the livestock and fisheries sector saw a capital expansion of \$1.545 million. The manufacturing enterprises and businesses that need a large labour force are prioritized to create job opportunities for the local community. Manufacturing of fertilizer, cement, iron and steel, value-added foodstuff, electric vehicle and pharmaceutical and medical devices, agriculture and livestock farming and its related industries and public transportation services will be prioritized for investment. The commission welcomes both foreign direct investment and domestic investments made by Myanmar citizens in those sectors. Myanmar Investment Commission and the related ministries will also ensure investment facilitation. Myanmar's manufacturing sector is largely concentrated in garment and textiles produced on the cutting, making, and packaging (CMP) basis, and it contributes to the country's GDP to a certain extent.

There are active 541 factories operated under MGMA. The majority of them are from China, followed by Myanmar and the Republic of Korea. Myanmar has drawn foreign direct investment of more than \$647.127 million from 49 enterprises in the past mini-budget period (October 2021-March 2022). Of them, 40 foreign enterprises put investments in the manufacturing sector, pumping an estimated capital of \$202.667 million. — K

Source: <https://www.gnlm.com.mm/domestic-pilgrims-flock-to-shwedagon-pagoda-during-public-holidays/>

## Automobile sales

### increase 33% in 2022



*Vietnam News | 12 January, 2023*

Hanoi (VNA) - Members of the Vietnam Automobile Manufacturers' Association (VAMA) sold 404,635 vehicles of all kinds last year, an annual rise of 33%. Of the total, there were 316,941 passenger cars, up 48% year-on-year; 82,714 commercial vehicles, down 1.5%; and 4,980 special-purpose ones, down 14%. Also of the total, 226,487 were domestically assembled and 178,148 imported, increasing by 30% and 37% from 2021, respectively. In December alone, VAMA's sales stood at 35,301 units, a month-on-month reduction of 3%. The figures of domestically assembled and imported vehicles were 17,666 and 17,635, down 6% and up 0.4%,

respectively. The December drop followed a decrease of 0.5% posted in November. Explaining such downward trend in the year-end peak period of consumption, experts mentioned difficult access to banks' loans and increasing interest rates that have forced many to delay their purchases. Apart from VAMA's members, Vietnam's automotive market also witnessed operations of other car manufacturers including Audi, Jaguar, Land Rover, Mercedes-Benz, Nissan, Subaru, Volkswagen and Volvo. However, they did not make public their sales figures. Other manufacturers, such as Hyundai, recorded combined sales of 81,582 units last year./.

Source: <https://en.vietnamplus.vn/automobile-sales-increase-33-in-2022/246911.vnp>

computers, electrical products and parts thereof (16.3%) and textiles and garments (12.1%). The total value of imports dropped 5.6% to nearly US\$13.2 billion compared to the first half of December due to a plunge in the import value of crude oil (66.6%), petroleum products (39.3%) and machinery and equipment (11.7%).

Source: <https://english.thesaigontimes.vn/vietnams-2022-foreign-trade-expands-9-1-y-o-y/>

## Vietnam's 2022 foreign trade expands 9.1% y-o-y



*Vietnam News | 12 January, 2023*

HCMC – Vietnam's foreign trade in goods topped US\$730 billion, up 9.1% year-on-year, with a trade surplus of US\$12.4 billion, according to preliminary data released by the General Department of Vietnam Customs. Imports rose 7.8% over 2021 to US\$358.9 billion while exports soared 10.5% over the same period last year to US\$371.3 billion. In December 2022, the second half saw a significant improvement in exports over the first half of the month, up 12.4% with US\$15.3 billion, thanks to a strong surge in the export value of machinery and equipment (26.3%),