

Highlight News / January 17, 2023



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Advisory Institute for Trade and Investment by TCC (AiTi)



21% fall in Dec 22 pulled annual apparel exports down



Cambodia News | 16 January, 2023

Sluggish global demand led to a 21 percent decline in apparel exports from Cambodia in December 2022, which in turn lowered the sector's overall performance for the year. With December not playing a dampener, the annual exports data would have been better than the 12.69 percent increase over the previous year. The export of apparel from the Kingdom declined by 20.9 percent to \$432.261 million in December from \$591.851 million reported for the same month of the previous year. The export of non-crocheted (not knitted) apparel shrunk 1.1 percent to \$245.247 million in the last month of 2022. According to data from the General Department of Customs and Excise, which comes under the Ministry of Economy and Finance, Cambodia shipped \$9.035 billion worth of apparel in the last year, accounting for 40.18 percent of the country's total foreign income of \$22.482 billion for the year. In the year just gone by, the country reported earnings of \$6.367 billion from the shipment of knitted apparel and clothing accessories. This was an increase of 9.4 percent over \$5.819 billion worth of exports reported for the previous year. During the same period, the shipment of non-knitted apparel and clothing accessories increased 21.4 percent to \$2.668 billion against \$2.198 billion reported for 2021. Earlier in the month of November too, the export of knitted apparel and clothing accessories declined, reflecting a general sluggish global demand scenario due to rising inflation, toughening interest rates and shrinking growth in developed economies. The shipment declined by 9.5 percent to \$430.131 million in

November 2022 compared with \$475.236 million in the eleventh month of last year. The European Union countries, the UK, the US, Japan and Canada are major importers of apparel from Cambodia. The Southeast Asian nation imports apparel and clothing accessories (knitted or crocheted) mainly from China, Hong Kong, Vietnam, South Korea and Thailand. The global economic slowdown impacts Cambodia as it is a small economy fully open to the world for business, Under Secretary of State at the Ministry of Economy and Finance Huot Pum said recently. "The export orders are unlikely to revive until mid-2023 as retailers in Europe and the US have just too much inventory from the previous seasons," sustainability and garment expert Massimiliano Tropeano told Khmer Times earlier. The import of knitted fabric in the full year of 2022 declined 2.1 percent to \$2.891 billion from \$2.952 billion reported for 2021. The inbound shipment of cotton in the previous year came down 5.9 percent to \$507.933 million from \$539.958 million reported for 2021. However, the import of manmade fibre increased by 7.2 percent to \$1,199.842 million in 2022 compared with \$1,119.304 million in 2021. "The decline in garments export is likely to continue for the January-March period in the absence of a rise in fresh orders," Ken Loo, Secretary General of the Textile, Apparel, Footwear & Travel Goods Association in Cambodia (TAFTAC) told Khmer Times, last week. Garments export improved in 2022 due to the growth of orders, especially from the US. The garments and footwear sector may be in a cautious situation in 2023 as orders from Europe will decline, Heng Sour, a spokesman for the Ministry of Labour, reportedly claimed in early December. Export to the US is expected to attain a new high in the coming years as a large

number of American fashion companies are reportedly planning to expand their supply base.

Source: <https://www.khmertimeskh.com/501219856/21-fall-in-dec-22-pulled-annual-apparel-exports-down/>

Work on Cambodian capital new airport expected to finish in 2024



Cambodia News | 16 January, 2023

Airport, is expected to be completed in 2024, a spokesman said on Sunday. Invested by the Cambodia Airport Investment Co., Ltd (CAIC), the \$1.5 billion project is being constructed by the China Construction Third Engineering Bureau Group Co., Ltd. on an area of 2,600 hectares in southern Kandal and Takeo provinces. The work on the 4F-class airport, which is the world's highest class, began in 2019. State Secretariat of Civil Aviation's Undersecretary of State and Spokesman Sinn Chanserey Vutha said the new airport will play a key role in boosting Cambodia's economic growth and tourism when it is put into operation. "According to the updated master schedule provided by the CAIC, the project in the first phase is expected to be completed in the middle of 2024," he told Xinhua. According to the contractor, to date, more than 50 percent of the construction work had been completed. The master plan shows that the new airport will be capable of handling 13 million passengers a year in the first phase, 30 million passengers in the second phase in 2030, and up to 50 million passengers in 2050 in the third phase. The project is the fruit of close cooperation between Cambodia and China under the framework of the Belt and Road Initiative. Xinhua

Source:

<https://www.khmertimeskh.com/501220244/work-on->

cambodian-capital-new-airport-expected-to-finish-in-

2024/

Vietnamese investment in Laos surges 52.5 percent



Laos News | 16 January, 2023

The value of investment by Vietnamese companies in Laos reached US\$180 million in 2022, an increase of 52.5 percent, according to a VietnamPlus report. In the meantime, Lao companies are operating 10 investment projects worth over US\$71 million in Vietnam. The figures were revealed during the two countries' investment cooperation conference held in Vientiane last week, co-chaired by Prime Minister Dr Sonexay Siphandone and his visiting Vietnamese counterpart Pham Minh Chinh. The meeting aimed to provide opportunities for Lao and Vietnamese business operators to meet and discuss cooperation, enabling the governments of the two countries to consider solutions to the problems encountered by Lao and Vietnamese businesses. Dr Sonexay said the Lao government welcomed suggestions from Vietnamese investors and was ready to seek solutions to help investors overcome their challenges. The Lao government pledged to improve the investment climate and provide optimal conditions for Vietnamese companies to invest in areas of potential in Laos. Vietnam is the third largest foreign investor in Laos after China and Thailand, with Vietnamese companies involved in 238 operational projects with total pledged capital of US\$5.34 billion. In 2021, Vietnamese firms invested

US\$118.3 million in Laos, up 33.3 percent year-on-year while the value of two-way trade surged to US\$1.49 billion in 2022, an increase of 23 percent year-on-year. Vice Chairman of the Laos-Vietnam Cooperation Committee, Mr Viengsavanh Vilayphone, said Vietnamese investment in Laos had increased after Laos reopened to international visitors and businesses in May last year. In 2022, the Lao government issued investment licences for three new projects and approved revised investment capital for three other projects operated by Vietnamese companies, with registered capital of US\$65.92 million, according to Mr Viengsavanh. "Vietnamese investment contributes significantly to socio-economic development and job creation for thousands of people in Laos, and also generates income for the government," he said. In recent years, Laos and Vietnam have jointly resolved issues faced by major development projects, particularly those relating to hydropower and mining. Vietnamese Premier Pham Minh Chinh was quoted by VietnamPlus as saying that despite the huge potential offered, Laos-Vietnam economic cooperation has yet to match the level of the special relations between the two countries. PM Chinh stressed that the two governments should refine regulations and implement policies consistently in order to facilitate bilateral investment while also maintaining political stability, creating an open investment climate and providing investment incentives in priority areas. The Vietnamese PM said the two countries also need to provide more mutual

assistance in building independent and self-reliant economies that actively, extensively and effectively integrate with the rest of the world. Vietnamese companies have been encouraged to invest more in clean agriculture, technology, and the manufacture of consumer goods in Laos.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent2023_Vietnamese10.php

Myanmar-China border trade allows Yuan, Dollar payments



Myanmar News | 16 January, 2023

According to the statement of the Ministry of Commerce, the types of goods were released for payments of Yuan and dollars in Myanmar-China border trade measures. The statement stated that pulses, corns, sesame and peanuts can be paid in Yuan in addition to the dollar currency, and other agricultural produce and fishery products such as crab and eel are allowed in Yuan currency. While trading at the Muse 105th-mile trade zone, if the exporter asks a Certificate of Origin-Form E issued between China and ASEAN countries for customs relief, the verification is being allowed in accordance with the regulations. A total of 98 applications for Form E were issued from 1 to 3 January 2023, and 29 applications of Form E were approved on 3 January alone. Export and import licence applications can be submitted online by the Tradenet 2.0 system, as well as in person at trade posts. It was reported that 541 truckloads of export and 114 truckloads of import were able to be traded

between 1 and 3 January 2023. According to the Ministry of Commerce, the most exported products are crab, sesame, watermelon, rice, broken rice, eel and sugarcane, and most imported goods are vehicles and heavy machinery, telephone and communication devices, apple, orange, kitchen utensils, motorcycle spare parts, plastic raw materials, electric light bulbs, lamps and other consumer goods. — TWA/CT

Source: <https://www.gnlm.com.mm/myanmar-china-border-trade-allows-yuan-dollar-payments/#article-title>

Retail market returns to pre-pandemic level



Vietnam News | 16 January, 2023

Hanoi (VNA) – The Vietnamese retail sector has recovered to the pre-COVID-19 level, with 53.8% of total retailers reporting similar or better business outcomes, according to Vietnam Report JSC. In its recently released survey, Vietnam Report said that after the pandemic is controlled, the Vietnamese retail market saw the speeding up of the application of digital technologies in business administration, operations, logistics and distribution of many firms. Meanwhile, a report from the Ministry of Industry and Trade (MoIT) showed that Vietnam's retail market currently values at 142 billion USD, which is expected to reach 350 billion USD in 2025, making up 59% of the country's 2022 GDP. Last year, total revenue from retail sales of goods and services

rose 21%, exceeding the target set by the MoIT. However, according to MoIT Deputy Minister Do Thang Hai, the figure is equivalent to 82% of the calculated level in normal conditions, while the sector is still facing many problems, including those in logistics, infrastructure and linkage in the supply chain. Vu Thi Hau, President of the Association of Vietnam Retailers, said that to catch up with the strong growth of e-commerce activities, the association is building a project on digital transformation in the retail sector, which is expected to help payment process easier. Hau said she believes that 2023 will be a successful year for both domestic and foreign retailers with stronger recovery of the market after the pandemic./

Source: <https://en.vietnamplus.vn/retail-market-returns-to-prepandemic-level/247072.vnp>

Vietnam's stock market still attractive to investors: report



Vietnam News | 16 January, 2023

Hanoi (VNA) - The relatively low devaluation of the VND against the USD in comparison with that of other currencies in the region shows that the Vietnamese stock market remains an attractive destination for investment flows, as uncertainties persist in most of the global financial market, according to a weekly investment strategy report of the Vietcombank Securities Co., Ltd (VCBS). That the US Dollar Index continues to decrease slightly and

the State Bank of Vietnam's successful increase of foreign exchange reserves in the past week is considered a positive signal for the domestic market, it said. In the short term, the liquidity of the VND will continue to improve significantly, resulting in the possibility of interest rate reduction in the interbank market. At least 12 commercial banks, notably Vietcombank and Agribank, have announced to reduce lending interest rates to support businesses following a directive from the central bank. Following a slight increase in the benchmark index and continued low liquidity levels in recent weeks, the VCBS believes that the market will continue to struggle and fluctuate in a narrow range before the holidays. Experts from the company recommend short-term investors take advantage of the uptrend to take profits on short-term speculative stocks while limiting the opening of new transactions until the Lunar New Year holiday. MB Securities (MBS) said that as the VN-Index gained for two consecutive weeks, the upper limit of 1,064 points is still a strong resistance when there is no support from liquidity. The market is expected to break out of the accumulation zone after the Lunar New Year or remain sideways, but investors will have opportunities with individual stocks./.

Source: <https://en.vietnamplus.vn/vietnams-stock-market-still-attractive-to-investors-report/247078.vnp>
