

Highlight News / February 21, 2023



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Advisory Institute for Trade and Investment by TCC (AiTi)

Exports to Thailand, Vietnam up as traditional markets shrink



Cambodia News | 20 February 2023

Cambodia's exports to neighbouring Thailand and Vietnam surged in January this year compared to the same period last year in sharp contrast to the country's exports to traditionally strong markets such as China and the US declining during the period. According to the data of the General Department of Customs and Excise (GDCE), the exports to Thailand spiked by 22.8 percent to \$107 million and to Vietnam by 10.7 percent to \$172 million in January 2023 compared to January 2022. The exports to China declined by 22.2 percent to reach \$81 million and by 23 percent to the US earning \$562 over the same period. Despite the decline in exports, the US remained the biggest market for Cambodian goods with a share of 35.9 percent in January. China's share declined to 5.2 percent from 5.7 during the same period. Vietnam was the second biggest export market of Cambodia in January this year with a share of 11 percent and Thailand was the third with a share of 6.9 percent. Japan came fourth and China stood at fifth. The Kingdom's exports to Japan also showed a growth of 6.8 percent and reached \$104 million in January 2023 from \$98 million in January 2022. Another market that proved to be good for Cambodia this January was Australia where the country dispatched goods worth \$32 million as against \$30 million in January 2022, showing a growth of 7.1 percent over the period. The exports to India grew by 101.7 percent to reach \$22 million and Taiwan by 34.1 percent to move to \$9 million. In fact, Cambodia's overall foreign trade (exports and imports together) declined by 29 percent in January 2023

compared to the same period in 2022 and recorded \$3.4 billion, according to the GDCE data. While Cambodia's exports netted \$1.5 billion during the period, a decrease of 14 percent, the imports decreased by 37.5 percent to reach \$1.9 billion. Meanwhile, Thailand is planning to organise a series of activities to stimulate exports this year and Cambodia is one of the target markets, in addition to Laos, Myanmar and Vietnam. The country also wants to expand its markets in the Middle East, South Asia and China as well. According to Thailand's International Trade Promotion Department under the Ministry of Commerce, the export promotion activities comprise trade missions, participation in international trade fairs, business matching as well as in-store promotions at leading department stores and in e-commerce. Specialised units were set up by the ministry last year to spur exports, tackle obstacles to trade and curb the negative impact of a global economic slowdown in 2023, according to media reports. The ministry will also organise international trade fairs in Thailand. The Commerce Ministry's target is to increase Thailand's exports by 1-2 percent this year to \$290-293 billion, up from \$287 billion last year. Cambodia's main exports to Thailand include textiles, agricultural products, gems, raw materials and semi-finished products, while the imports include fish, meat, vegetables, automobiles, organic fertilisers, foodstuffs, and construction materials. Rubber and agricultural products constitute the biggest export items of Cambodia to Vietnam.

Source: <https://www.khmertimeskh.com/501241502/exports-to-thailand-vietnam-up-as-traditional-markets-shrink/>

Kampot contributes 50% of banana exports



Cambodia News | 20 February 2023

Coastal Kampot province in the southwestern part of the country has contributed about 50 percent of Cambodia's total banana exports, as the provincial authority encouraged the investors to expand the cultivation. About 2,000 tons of bananas are monthly exported to foreign markets, mostly to China, said Kampot Provincial Governor Mao Thonin, citing that the banana is one of the potential agricultural products in the province. Currently, there are two companies – Longmate Agriculture and World Tristar – exporting yellow bananas from Kampot province. Yellow banana farming provides jobs to more than 2,000 people. According to the Kampot Provincial Department of Agriculture, Forestry and Fisheries, yellow bananas were first planted in 2018 on 411 hectares. Since then, it has increased to 1,063 hectares. The harvested area now covers 662 hectares, yielding 43 tons per hectare. Each year, Kampot province exports more than 200,000 tons of yellow bananas. In 2022, Cambodia exported 423,168 tons of fresh bananas – mainly to China, Vietnam and Japan. “Bananas in Kampot not only meet local food security and exports, but attract tourists to the province,” he said. The governor has encouraged tourists, especially local tourists, to visit the farms and asked the two companies to expand cultivation to improve people's livelihoods and national income. The annual export volume is

expected to reach 500,000 tons, and fresh bananas have become Cambodia's largest exported agricultural product. However, China's strict Covid-19 controls have resulted in a decline in the commodity's export to that country. Bananas, in fact, were the first Cambodian fruit exported to the Chinese market. Cambodia began exporting bananas to China in May 2019. Since then, China has become the main export market for Cambodian bananas, accounting for approximately 90 percent of the exports over the past several years.

Source: <https://www.khmertimeskh.com/501241501/kampot-contributes-50-of-banana-exports/>

Natural Disasters Cost Laos Economy Over USD 77 Million in 2022



Laos News | 20 February 2023

Mr. Khamvong Phanthanuvong, Director of the Department of Social Assistance and Head Secretariat of the National Disaster Management Committee, reviewed the summary of the National Disaster Management Committee for 2022, at the National Disaster Management Committee meeting last week. During the review, he said that there had been a total of 96 natural calamities that struck Laos over the course of the year. During this time, over LAK 1.3 trillion (USD 77 million) in total damages and economic losses were incurred. The three most prominent natural disasters were the tropical storms Mulan, Ma-on, and Noru, which caused damage to

16 provinces across Laos. A total of 119 villages, 1,141 homes, and 47,161 families, were affected by the disasters that also damaged 17,013.76 hectares of farmland, killing 110,744 animals. Last year, Luang Prabang province estimated that natural disaster damages were in excess of LAK 10 billion.

Source: <https://laotiantimes.com/2023/02/20/natural-disasters-caused-losses-over-lak-1-trillion-in-2022/>

Plans underway to export 100,000 tonnes of onion in FY 2023-2024



Myanmar News | 20 February 2023

An onion trader said that 100,000 tonnes of Myanmar onions will be shipped in the 2023-2024 financial year according to the Myanmar Trade Promotion Organization of Ministry of Commerce. It is known from the onion market reports that an official from the Myanmar Kitchen Crops Association admitted the proposal to the MoC Union Minister for exporting surplus onions this month. A total of 30,000 tonnes of onions will be shipped in the first quarter of 2023-2024 FY, 15,000 tonnes in the second quarter, 20,000 tonnes in the third quarter and 35,000 tonnes in the last quarter, it is learnt. The first quarter of FY 2023-2024 is the time when hoarders buy and store summer onions. As 30,000 tonnes of onions (about 18 million visses) will be exported in these three months, onion growers are likely to get higher prices than normal years. Since the second quarter is the rainy season, only 15,000 tonnes of onions (about 9 million visses) were planned to export. A total of

20,000 tonnes of onion (approximately 12 million visses) will be shipped in the third quarter, when onion prices tend to rise to the highest level domestically. In the fourth quarter, 35,000 tonnes of onion (around 21 million visses) will be exported. Domestic consumption per year is 667,811 tonnes and the total estimated surplus tonnage is 597,043. In 2014-2015, only 36,135 tonnes of onions, which is around six per cent of the estimated surplus tonnage, were able to be exported. At the end of 2019, there were purchases up to onion storage regions for export to Bangladesh. Even though some onion hoarders said that the cultivation of winter onions produced in the summer of 2022 was less and the yield was reduced by a half due to weather issues, it is also known that 80,000 tonnes of onions were exported in mid-2022. The statements of hoarders are absurd if the consideration of the domestic consumption and over 190,000 acres of onion is made. It may just be a statement to increase the price of onions. An onion trader told the GNLM that the official notification of exporting onions may not push up the onion price to the highest, but it can be used as a reason for price speculation by some traders. Correct onion yield information reports can also be an excuse of commodity hoarders to push the unprecedented price hikes experienced by consumers. The Monywa market stated that three truckloads of new rain-grown onions will be shipped from Monywa to Wam Ding, China border on 18 February. One truck will be loaded with around 20,000 visses and the charge of freight is K4.8

million. The announced 100,000 tonnes of onions to be exported includes 65,000 tonnes for the summer onion sales period. — TWA/CT

Source: <https://www.gnlm.com.mm/plans-underway-to-export-100000-tonnes-of-onion-in-fy-2023-2024/>

Honda Vietnam sees sharp falls in bike, car sales



Vietnam News | 20 February 2023

Hanoi – Honda Vietnam reported sharp falls in motorcycle and automobile sales in January compared to the previous month. In January, it sold 222,545 motorcycles, down 13.1% month on month and 16% year on year, data showed. Meanwhile, 1,494 cars were delivered to buyers, declining 35.7% month on month and 60.4% year on year. Among them, Honda City and Honda CR-V were the best-sellers with 1,107 units sold in total, accounting for 74.1% of the firm's car sales last month. Experts said both motorcycle and automobile sales witnessed strong declines in January since the month coincided with the Lunar New Year (Tet) holiday, when many people tended to curb spending on valuable things, especially before and after the holiday. This is a common trend every Tet, and the market will bounce back in the following months for not only motorcycles and automobiles but also many other commodities.

Source: <https://vir.com.vn/honda-vietnam-sees-sharp-falls-in-bike-car-sales-99875.html>
