

Highlight News / February 28, 2023



- Cambodia's economy resilient despite external factors, says PM Hun Sen
- Cambodia's export to South Korea swells under FTA
- Laos eyes influx of Chinese tourists
- Palm oil reference price for Yangon Region rebounds this week ending 5 March
- Vietnam Jan-Feb FDI inflows seen down 4.9% y/y at \$2.55 billion - Planning Ministry
- Vietnam eyes 1 billion USD from seaculture product exports by 2025



Advisory Institute for Trade and Investment by TCC (AiTi)



Cambodia's economy resilient despite external factors, says PM

Hun Sen



Cambodia News | 27 February 2023

Prime Minister Hun Sen on Friday affirmed that Cambodia has maintained its strong economic resilience effectively as some figures of macroeconomic indicators reflect that the country's economy is in a strong position with high growth even though the country has been affected by the ongoing external factors in the regional and the world. The affirmation was made during the graduation ceremony held at the Royal University of Phnom Penh (RUPP), attended by more than 7,000 students, senior government officials and representatives of Cambodia's development partners. The Premier pointed out that the market exchange rate on Thursday last week was 4048 riel per dollar on average, while the exchange rate set in the macro-economic framework or the national budget is 4050 riel per dollar. "Our exchange rate is good as it runs around this point," he said, adding that Cambodia's inflation is still manageable. "We want the inflation to be lower than that, but it is impossible due to external factors, especially the oil price because all other items are affected by rising oil price as now we don't transport by cow, buffalo or horse carts to markets, but by means of transportations that consume oil. Consequently, rising costs of transportation raise the prices of other goods," the Premier said. Mr Hun Sen said Cambodia's economy is connected with the regional and global economies. However, the economy has been positively affected by its neighbouring Vietnam and Thailand. Vietnam's economy is stable without high inflation, which does not

negatively affect the economy, but Laos's inflation has risen to about 40 percent, while Lao Kip has depreciated. Prime Minister also indicated that the world has been impacted by geopolitical strategic competition and war between Russia and Ukraine that has been going on for little more than one year and has resulted in food and especially energy crises. The Premier said the energy crisis has pushed inflation up globally, especially oil prices, saying that the oil price on the international market was \$82.89 per barrel on Friday last week, which is slightly lower than several days ago when it was over \$85 per barrel, but the price is good for both producers and consumers if it between \$50-\$70 per barrel. "So, it has fluctuated ... All things are connected with us and so we have to track them, while food security has been another challenge. In any situation, we must not let our country fall into a hard time in terms of food," said Prime Minister Hun Sen, adding that Cambodia has been strengthening its food security management as a preventive measure. Vongsey Vissoth, Secretary of State of the Ministry of Economy and Finance (MEF), said that the government has set macroeconomic and financial strategies on the strong economic resilience base in response to these hard times. He termed the year 2023 as a 'special year for Cambodia' and a test for the government's leadership to overcome the subsequent crises that have been transformed from risks into reality. Cambodia's Gross Domestic Product (GDP) is re-projected at 5.6 percent from 6.6 percent for 2023, according to Vissoth. "It is the figure similar to the projections by the main international institutions," he said, further adding that the global economy is expected to grow by 2.7 percent, while WB estimated at 1.7 percent and the ASEAN as the "bright spot". Vissoth

said the world's GDP has been re-forecasted by World Bank (WB) to 1.7 for 2023, which is more sceptical than the International Monetary Fund (IMF) that forecasted the GDP Growth for this year would be percent 2.7 percent after it estimated that the global economy would grow by 3.2 percent. "The figures have been lower and lower," he said. He also said the economic growths of the world's main economic engines—United States, China and East Asia—have all declined, while one-third of all countries all over the world would fall into economic recession, but the economy of the Association of Southeast Asia (ASEAN) looks good. "The ambition is high and difficult due to the complicated issues to come. Yet we have a maxim saying difficulty does not make us afraid, but it is the base or reason why we need to work harder. This is our strength. So, we must not be afraid of difficulty, but we need to work together... That's why the macroeconomic and budget management will respond to all concerns and challenges that our country has been facing," Vissoth added.

Source:<https://www.khmertimeskh.com/501245617/cambodias-economy-resilient-despite-external-factors-says-pm-hun-sen/>

Cambodia's export to South Korea swells under FTA



Cambodia News | 27 February 2023

Cambodia's export to South Korea has increased significantly thanks to the bilateral free trade agreement, which was put into force last December. Cambodia exported some 44.3 million worth of goods to South Korea in January this year, 39.7 percent compared to January last year, the Korea

International Trade Association's report said last week. Import from Korea decreased by 34 percent to \$47.4 million. Cambodia mainly exports footwear and other apparel, travel products, beverages, electrical and electronic components, rubber, pharmaceuticals and agricultural products to South Korea. The Kingdom imports vehicles, electronics, kitchen appliances, beverages, pharmaceuticals and finished plastics and products. The implementation of the FTA has pushed the country's exports to Korea to increase remarkably, said Penn Sovicheat, secretary of state and spokesman of the Ministry of Commerce. "In the whole year in 2022, the main products Cambodia exported to Korea are clothes and footwear, which increased significantly in value, particularly in the last month of the year, so, the FTA has pushed the export increase," Sovicheat told Khmer Times. The Cambodia-Korea FTA came into force in December last year. With South Korea agreeing to remove tariffs on 95.6 percent of products imported from Cambodia, and Cambodia to axe duties on 93.8 percent of imported goods, trade between the two countries is expected to hit new levels. The two-way trade reached \$1 billion last year and the Republic of Korea is the second largest investor in Cambodia, newly-appointed South Korean Ambassador to Cambodia Park Jung-Wook said during a meeting with Prime Minister Hun Sen in Phnom Penh last week. Noting the bilateral relations between the two countries have been growing steadily despite the Covid-19 pandemic, Park said the free trade agreement and the double taxation

avoidance agreement would increase the trade volume between Cambodia and South Korea to more than \$1 billion and encourage South Korean investors to invest more in Cambodia. The FTA has contributed only to gaining market access to Cambodia-made products and agricultural products, but also to attracting inflows of foreign direct investments to the Kingdom, said Lim Heng, vice president of the Cambodia Chamber of Commerce (CCC). "The free trade agreement would not only open up more markets to Cambodian products but also attract investment for producing and exporting them, providing the best opportunity that will enable the two countries' governments to promote trade exchanges as planned and through this trade promotion," Heng added.

Source: <https://www.khmertimeskh.com/501245624/cambodias-export-to-south-korea-swells-under-fta/>

Laos eyes influx of Chinese tourists



Laos News | 28 February 2023

VIENTIANE, Feb. 28 (Xinhua) -- Lao tourism authorities anticipate that around 368,000 Chinese nationals will visit Laos in 2023, an increase of 21 percent compared to 2022. The figure was cited at a meeting of the Department of Tourism Development of the Ministry of Information, Culture and Tourism last Friday to discuss plans to prepare for the influx of Chinese tourists, Lao National TV reported on Monday. The Lao government and private sectors are preparing for the arrival of Chinese tourists after

it was listed among countries greenlit by the Chinese government for outbound group tours. Before the COVID-19 pandemic hit in early 2020, some 1,022,727 Chinese tourists came to Laos in 2019, accounting for 21 percent of the total number of tourists. In 2022, 45,249 Chinese visitors came to Laos. Director General of the Tourism Development Department, Phonemaly Inthaphome, presented a draft plan on preparations for Chinese tourists which outlined the general situation and future outlook concerning the Chinese tourism market, preparations to welcome Chinese tourists, and the advantages and disadvantages concerning the surge in visitors coming to Laos. He instructed the Tourism Development Department and related sectors to improve tourism products and transform the tourism industry into a modern and efficient service provider in ways that respond to the needs of Chinese travelers. The China-Laos railway is a crucial factor in facilitating travel, while in the near future, new flights are planned between Vientiane and several cities in China to provide more routes for Chinese nationals to visit Laos, said the report. The meeting discussed ways to bolster Laos' reputation as an attractive tourist destination, such as improving facilities, travel within the country, tourist attractions, hotels, restaurants, travel companies, tour guides, gift shops, services and security, as well as streamlining entry and exit procedures.

Source:<https://english.news.cn/20230228/b92c4946f6044de29fd524aebd39e6b/c.html>

Palm oil reference price for Yangon Region rebounds this week ending 5 March



Myanmar News | 28 February 2023

The wholesale reference rate of palm oil for the Yangon market jumped this week ending 5 March compared to that of the previous week, according to the Supervisory Committee on edible oil import and distribution. The reference price stood at K4,470 per viss in the week from 20 to 26 February. For the week ending 5 March, the price was set higher at K4,600 per viss. The figures showed an increase of K130 per viss. The Supervisory Committee on edible oil import and distribution under the Ministry of Commerce has been closely observing the FOB prices in Malaysia and Indonesia including transport costs, tariffs and banking services, and issuing the wholesale market reference rate for edible oil every week. Regardless of the reference price, the current market price is too high at over K6,000-7,000 per viss. If those edible oil retailers and wholesalers are found overcharging, storing inventory intentionally and attempting unscrupulous action to manipulate the market, they will face legal action under the Special Goods Tax Law, MoC released a statement. The Ministry of Commerce is striving for consumers not to worry over the supply of edible oil. The ministry is also trying to secure edible oil sufficiency, supervise the

market to offer reasonable prices to the consumers and maintain price stability. At present, mobile market trucks operated by oil importing companies, in coordination with Myanmar Edible Oil Dealers' Association, were back to business in some townships on 17 July to offer palm oil at a subsidized rate. They offer palm oil at K4,800 per viss to consumers directly at present. However, there are limited sources of supply although they directly sell palm oil at a reference rate depending on the volume quota. The domestic consumption of edible oil is estimated at one million tonnes per year. The local cooking oil production is just about 400,000 tonnes. To meet the oil sufficiency in the domestic market, about 700,000 tonnes of cooking oil are yearly imported through Malaysia and Indonesia. —NN/EM

Source: <https://www.gnlm.com.mm/palm-oil-reference-price-for-yangon-region-rebounds-this-week-ending-5-march/>

Vietnam Jan-Feb FDI inflows seen down 4.9% y/y at \$2.55 billion - Planning Ministry



Vietnam News | 27 February 2023

HANOI : Disbursement of foreign direct investment (FDI) in Vietnam in the first two months of this year fell 4.9 per cent from a year earlier to \$2.55 billion, the Ministry of Planning and Investment said on Monday. FDI pledges, which indicate the size of future FDI disbursements, also fell 38 per cent to \$3.1 billion in the two-month period, the ministry said in a report. Of those, 70 per cent were due to be

invested in manufacturing and processing, while 12.8 per cent targeted real estate, it said.

Source: <https://www.channelnewsasia.com/business/vietnam-jan-feb-fdi-inflows-seen-down-49-y-y-255-billion-planning-ministry-3307936>

Vietnam eyes 1 billion USD from seaculture product exports by 2025



Vietnam News | 27 February 2023

Hanoi (VNA) – Vietnam expects to rake in between 800,000 to 1 billion USD worth of seaculture product exports by 2025, according to a development project of the sector towards 2030 with a vision to 2045. Also by the time, the total area of seaculture is set to hit 280,000ha with an annual yield of 850,000 tonnes. By 2045, the sector is expected to contribute more than 25% of the country's total fishery productivity, with its export value expected to exceed 4 billion USD. Such goals require efforts to tackle bottlenecks and turn Vietnam's seaculture into a large-scale production industry in a synchronous, safe, effective, environmentally friendly and sustainable manner. According to the Ministry of Agriculture and Rural Development, the country now has about 7,447 seaculture establishments with a total area of 85,000ha. The sector's current growth is estimated at 23.3% on average a year./.

Source: <https://en.vietnamplus.vn/vietnam-eyes-1-billion-usd-from-seaculture-product-exports-by-2025/248993.vnp>
