

Highlight News / March 13, 2023



- 'Cambodia to achieve 6.6% GDP growth in 2023'
- Cambodia is banking on series of major sporting activities to draw tourists
- Govt Plans to Build Around Five Overpasses in Vientiane Capital
- CMP garment export brings in over \$4.7 bln in 11 months of this FY
- Cars in Việt Nam not coming cheap
- Retail market motivates e-commerce gain momentum



Advisory Institute for Trade and Investment by TCC (AiTi)



'Cambodia to achieve 6.6% GDP growth in 2023'



Cambodia News | 10 March 2023

The Gross Domestic Product (GDP) of Cambodia would grow by 6.6 percent in 2023, a message from Prime Minister Hun Sen said yesterday. "The economy has recovered fast," Mr Hun Sen said, adding, "thanks to all of the efforts proactively made by the government on its ownership through releasing measures to maintain the balance of the socio-economy." Cambodia achieved economic growth of an average 7 percent annually in the last decade of development in the country. The government has also forecasted that Cambodia's economy would grow 6.6 percent this year—the highest projected growth rates compared to the three major international bodies including the International Monetary Fund (IMF), World Bank (WB) and Asian Development Bank (ADB), according to the report released by the National Bank of Cambodia (NBC). However, Meas Soksesan, MEF's spokesman, told Khmer Times yesterday that the two GDP Growth figures—6.6 percent (2023) and 5.6 percent (2022)—are both still projections taking into account various new development factors as there may be more revisions made by the government this year. "The global circumstances move very fast," Soksesan pointed out. He said the government has set more measures this year to boost Cambodia's economic recovery and mitigate the effects or impacts of the ongoing external factors or shocks. "Government intervention and major reforms are still going on [and] risks and challenges still exist and the government has tried to do everything to mitigate those risks," Soksesan said. According to the government's actual forecasting,

Soksesan pointed out that it is unlikely that the current ongoing external factors or shocks such as geopolitical, economic and climate crises and the Russia-Ukraine war and the crisis in Taiwan have threatened Cambodia's journey to leave the Least Developed Country (LDC) category hopefully in 2027. During his keynote address at the opening of the 14th Cambodia Outlook Conference in early October last year, Prime Minister Hun Sen raised the question of whether Cambodia can achieve its goals of becoming an upper-middle-income economy by 2030 and a high-income economy by 2050 or not, amid the economic uncertainties the country has been confronting the negative effects of the global economy. Prime Minister Hun Sen further said Cambodia has been passing through a challenging phase mainly due to the impacts of the Covid-19 pandemic, Russia's invasion of Ukraine and economic sanctions imposed by the US and European Union. "So, it should be assessed beforehand to see whether or not the targets are achievable," said Prime Minister Hun Sen. MEF's Permanent Secretary of State and Minister attached to Prime Minister Vongsey Vissoth stated in January this year during the opening session of the Macroeconomic Management and Budget Law 2023 at Sofitel Phnom Penh Phokeethra that Samdech Techo Prime Minister Hun Sen approved the re-projection of Cambodia's GDP Growth at 5.6 percent from 6.6 percent for 2023. "The ambition is high and difficult due to the complicated issues to come, but we have a philosophy 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 well together... That's why the macroeconomic and budget management will

respond to all concerns and challenges that our country has been facing,” Vissoth said.

Source:<https://www.khmertimeskh.com/501252331/cambodia-to-achieve-6-6-gdp-growth-in-2023/>

Cambodia is banking on series of major sporting activities to draw tourists



Cambodia News | 12 March 2023

Cambodia is pushing sports tourism as part of its Visit Cambodia Year 2023 campaign as it gears up to host the Southeast Asian Games (SEA Games) for the first time in May. Prak Vuthy, director of the Ministry of Tourism’s overseas marketing and promotion department, said the games would serve as a catalyst to promote sports tourism nationwide. Cambodia’s Phnom Penh will host the Southeast Asian Games in May this year “This year will see Cambodia host the SEA Games and ASEAN Para Games, which is a big thing for Cambodia,” he remarked. Both events are expected to attract between 250,000 and 500,000 international tourists. The SEA Games will take place from May 5 to 17, followed by the ASEAN Para Games 2023 from June 3 to 9. Prak added that Cambodia annually hosts many sporting events that attract visitors from across the globe, including the Angkor Half Marathon in December and Ultra-Trail Angkor in February, and various international cycling events as well. He added that Cambodia’s southern coastline is also perfect for water activities, including sailing and

yachting, with more sports-driven itineraries being drawn up. TTG Asia

Source:<https://www.khmertimeskh.com/501253326/cambodias-is-banking-on-series-of-major-sporting-activities-to-draw-tourists/>

Govt Plans to Build Around Five Overpasses in Vientiane Capital



Laos News | 10 March 2023

Deputy Head of the Vehicle Transportation Management Department of the Ministry of Public Works and Transport, Mr. Siphon Manivong, gave an interview on Thursday in which he discussed the construction of an overpass over Kaysone Phomvihane road in Saysettha District. Mr. Siphon said that the construction began on Wednesday and that authorities have already cordoned off the road around the construction site. He added that the construction would take about four months to complete. He did, however, reveal that the actual plan is to build four to five overpasses across Vientiane Capital but most of these are still awaiting government approval. According to Mr. Siphon, the aim is to construct the remaining overpasses in the vicinity of the National University of Laos, Mahosot Hospital, Luk 2 Hotel, and in front of the Finance Department of Vientiane Capital. Mr. Siphon went on to clarify that to construct the other overpasses, the government must do a study to determine if the intended region is suitable for their construction. In

addition, he also called on road users, instructing them to exercise extreme caution when driving in the vicinity of the Kaisone Phomvihane road construction site so as not to impede on the work.

Source: <https://laotiantimes.com/2023/03/10/govt-plans-to-build-around-five-overpasses-in-vientiane-capital/>

CMP garment export brings in over \$4.7 bln in 11 months of this FY



Myanmar News | 13 March 2023

CMP garment exports generated over US\$4.7 billion income abroad during the first 11 months of the 2022-2023 financial year, according to the statistics of the Myanmar Garment Manufacturers Association. Garment factories operating under CMP system were able to export to foreign countries from April 2022 to February 2023 of current FY. Garment industries in Myanmar are run by local entrepreneurs, China, South Korea, Japan and Thailand. Myanmar exports products of these industries to China, Thailand, Singapore as well as European countries. Deputy Minister for Labour U Win Shein, at the garment factories in Shwelinban and Shwe Thanlwin Industrial zones in Hlinethaya township on 13 January, said that being factory managers, they have to understand that the capacity of skilled workers is the primary factor for timely export of products. He urged them to build fair relationship with workers and employees, must observe and practise the workplace regulations. The

garment industry is the major source of job opportunities and emphasizes the producing skilled workers. Employers and employees stand to benefit through mutual interests. Employees must remain committed to their business, he said. According to the deputy minister, the ministry is responsible for issuing national-level employment certificates that recommend their skill levels. To achieve this, assessment centres would have been set up in garment factories run with significant number of workers, in collaboration with partner ministries, to evaluate their skills without interrupting their work procedures, he added. Now, there are a total of 738 factories operating throughout the entire country including 505 garment factories, 48 shoe manufacturing factories, 8 wig factories, as well as 117 factories involved in bags, sportswear, sports shoes, and socks. All of these enterprises are running their operations in compliance with the rules and regulations. —TWA/KZL

Source: <https://www.gnlm.com.mm/cmp-garment-export-brings-in-over-4-7-bln-in-11-months-of-this-fy/#article-title>

Cars in Việt Nam not coming cheap



Vietnam News | 11 March 2023

HÀ NỘI — Vietnamese automobile prices are substantially higher than those in other regional countries because of high taxes and low output, according to the Ministry of Industry and Trade. Cars in Việt Nam are not coming cheap as their prices are twice as high as those in Thailand and Indonesia,

and even way higher than in developed countries like Japan and the US. Two major causes of the high prices are high taxes and low output, with the latter being in evidence as domestic manufacturers are operating far under their capacity. The ministry said the domestic automobile "industry" still had a long way to go before it could meet the criteria to be categorised as an industry. It did mostly unsophisticated assembly work with production lines centring around coating, welding, assembling, and testing. The underdevelopment of its supporting industries is another matter of concern for the ministry as most component producers are small in size and have weak ties with one another. Some churn out components with high error rates and substandard quality. Annually, Việt Nam imports between 80 to 90 per cent of the automobile parts used in car-making, which run to US\$5 billion. Domestically-produced parts include tyres, seats, glass, wires, and some other plastic parts. The ministry said the fragmentation of the market led to the situation that every car producer only got a thin slice of the pie. With such a tiny market portion, producers had insufficient resources to expand operations and reach as far as foreign supply chains. Under the ministry's estimation, the Vietnamese average income is not high enough to give the industry the momentum it needs to take off. The industry needs a GDP per capita of at least \$4,000 per year to turn the corner. Việt Nam has over 40 automobile assemblers and manufacturers to date, which cater to 70 per cent of the domestic

under-nine-seat car market. Their total capacity amounted to 755,000 vehicles per year in 2022. It is worth noting that around 60 per cent of buses in Việt Nam have been domestically manufactured. The figures for other vehicles are lower, with 40 per cent for trucks and 25 per cent for cars. Those figures indicate that the domestic vehicle-making industry has met its production targets for buses and trucks, but not so for cars, which still fall far short of expectations. The ministry said it would take measures to help domestic automobile manufacturers and assemblers reach economies of scale, thereby driving down car prices in Việt Nam. The measures would include financial support to facilitate technology transfer and improve corporate governance. Preferential loans with a rate of 3 per cent would also be introduced to redouble the efforts. The ministry also pledged legal support for the car-makers by developing laws in favour of the industry, allowing them to get off the ground at home and abroad. Tru^ong Chí Binh, vice president and general secretary of the Vietnam Association for Supporting Industries, shared this view. He said car-makers need better access to credit, land, and construction approval in order to cut costs and have a deeper involvement in the supply chains. He called for favorable policies to improve their capability and foster their ties, thereby laying the groundwork for the formation of industrial clusters. —VNS

Source:<https://vietnamnews.vn/economy/1495148/cars-in-viet-nam-not-coming-cheap.html>

Retail market motivates e-commerce gain momentum



Vietnam News | 12 March 2023

Vietnam's retail market has seen positive signs of recovery, especially domestic demand, after COVID-19. In the new context of the market, many businesses and retailers in Ho Chi Minh City have carried out plans to improve e-commerce infrastructure in both online and offline channels. Statistics showed that in 2022, the retail sector's net leasing area in the southern metropolis remained unchanged compared to the same period in 2021 with 1.5 million sq.m. According to the Vietnam Association of Realtors (VARs), demand for retail space in shopping centres in big cities such as Ho Chi Minh will continue to strongly grow thanks to brand expansion. Experts said, growth momentum for 2023 was based on economic bright spots like Ho Chi Minh City's retail turnover in 2022 of VND626 trillion (roundly US\$26.5 billion), up 21% year on year. The total retail sales of consumer goods and services in Ho Chi Minh City in January 2023 increased by 5.7% compared to the same period last year. The growth of retail sales has contributed greatly to rental capacity in the southern hub. In addition, consumers are increasingly interested in brands in the health care setor, sports and outdoor activities, leading to the increasing demand for premises of these industries. Deputy Managing Director of Savills Vietnam Troy Griffiths said that the COVID-19 pandemic also changed consumers'

shopping habits to online shopping, making retailers to reach clients through e-commerce. Vietnam's e-commerce activities have become an important distribution channel, as they help retailers approach loyal and potential customers faster and more conveniently. With a growth rate of about 20% per year, Vietnam is ranked among the top five countries with the world's top e-commerce growth. The growth of e-commerce has motivated businesses and retailers to make an effort to boost offline sales and logistic services. Many units operating in the logistics industry believe that Asia in general and Southeast Asia and Vietnam in particular have great opportunities in logistics. There is opportunity for delivery businesses to catch up with trends in a timely fashion, build long-term competitive advantages and strengthen market position. Stakeholders in the industry are asked to pay more attention to investing in technology and warehousing systems, expanding the number of post offices and connecting multi-party businesses, and creating a complete ecosystem to bring more benefit for businesses, traders and consumers.

Source: <https://english.vov.vn/en/economy/retail-market-motivates-e-commerce-gain-momentum-post1006824.vov>