

*Highlight News / March 24/2023*



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## China remains as top supplier of raw materials to Cambodia's garment industry



*Cambodia News | 23 March, 2023*

Cambodian Prime Minister said on Wednesday that China is the largest supplier of raw materials to the kingdom's garment industry. "For us, a garment manufacturing country, we import more than 80 percent of fabrics from China," he told a graduation ceremony of some 4,700 students at the Vanda Institute in Phnom Penh. "Cambodia acquires raw materials from China to make clothes in our country and we export finished products to other countries," he added. Hun Sen also praised China for supplying raw materials to Cambodia in time, even during the COVID-19 pandemic era, thanks to the close relationship between the two countries. Garment is the biggest foreign exchange earner for Cambodia, generating hundreds of thousands of jobs for local people, mostly women, the Southeast Asian nation exported garment products worth 9.03 billion U.S. dollars in 2022, accounting for 40.1 percent of the kingdom's total export of 22.48 billion dollars, according to a report from the General Department of Customs and Excise. Xinhua

Source : <https://www.khmertimeskh.com/501260728/china-remains-as-top-supplier-of-raw-materials-to-cambodias-garment-industry/>

## Vietnam-Cambodia seek to further facilitate cross-border trade



*Cambodia News | 23 March, 2023*

Prime Minister Phạm Minh Chính received on Tuesday Cambodian Deputy PM and Minister of Foreign Affairs and International Cooperation Prak Sokhonn, who is on an official visit to Việt Nam. PM Chính extended Vietnamese leaders' greetings to Cambodia on the occasion of the country's coming traditional Khmer New Year festival. He congratulated Cambodia on its enormous achievements over the past years, especially in the COVID-19 fight, inflation control, economic growth, the ASEAN Chairmanship in 2022, and the fifth-tenure communal/ward council elections last June. Deputy PM and Foreign Minister Prak Sokhonn affirmed that Cambodia always attaches importance to the reinforcement and development of the "good neighbourliness, traditional friendship, comprehensive cooperation, and long-term sustainability" with Vietnam. He expressed his delight at the flourishing bilateral relations in all aspects. Leaders of the two countries have maintained frequent meetings and mutual visits. Bilateral trade topped US\$10 billion in 2022, rising nearly 11 per cent from 2021. As of the end of last year, Vietnam had 205 investment projects worth \$29.4 billion in Cambodia, establishing itself as the biggest ASEAN investor and one of the five biggest foreign direct investors there. The two sides also coordinated to hold many meaningful activities in the

Vietnam – Cambodia Friendship Year 2022. Reporting on the outcomes of his talks with Vietnamese Foreign Minister Bui Thanh Sơn and the 20th meeting of the countries' Joint Committee, the official said the meeting's minutes will serve as the basis for the two sides' ministries and sectors to further expand and intensify their sound cooperation in different areas, from politics, diplomacy, security, defense to economy, trade, investment, culture, and people-to-people exchange, thus generating practical benefits to the two peoples. To develop bilateral relations more fruitfully, PM Chinh asked both sides to effectively implement high-level agreements and joint statements; boost transport and economic connectivity and jointly build independent and self-reliant economies in tandem with extensive, substantive, and effective international integration; facilitate cross-border trade and economic development in border areas; cooperate in fighting transnational and drug crimes; and work together in green transition and climate change response. He thanked and asked Cambodia to continue creating conditions for Vietnamese-origin people to live and work there and promote the settlement of legal procedures related to the community. He also urged the two sides to jointly seek appropriate solutions for accelerating border demarcation and marker planting on the remaining 16 per cent of the land border so as to build a border of peace, stability, cooperation, and development. As Cambodia will host many important events in 2023, including the seventh National Assembly

election, the 32nd Southeast Asian Games (SEA Games), the ASEAN Para Games, and the 12th summit of the Cambodia – Laos – Việt Nam Development Triangle Area, the Vietnamese Government, within its capacity, is ready to assist, share experience, and support Cambodia to successfully organise those events, the host leader affirmed. The two sides also agreed to maintain close coordination and mutual support at regional and international forums and contribute to the building of a united, strong, and prosperous ASEAN Community. VNS

Source : <https://www.khmertimeskh.com/501260736/vietnam-cambodia-look-to-further-facilitate-cross-border-trade/>

## Laos suspends pork imports from Vietnam



*Laos News | 23 March, 2023*

The Lao Ministry of Agriculture and Forestry has announced the suspension of pork imports from Vietnam and other countries hit by the outbreak of African swine fever. According to the announcement, Laos will suspend the import of pork, including live pigs and processed products, from Vietnam. Relevant units will monitor illegal import at international, local and international border gates and international airports. Additionally, pork that has been smuggled or illegally imported into Laos must be destroyed. In 2020, Laos suspended the import of pork from China and Thailand after detecting seven outbreaks of African swine fever with 973

dead pigs in Salavan province. Most recently in January, Laos also halted the import of pork from Thailand./. VNA

Source : <https://vietnamnet.vn/en/laos-suspends-pork-imports-from-vietnam-2123587.html>

## Myanmar strives to double coffee exports in 2023



*Myanmar News | 23 March, 2023*

YANGON, March 22 (Xinhua) -- Myanmar aims to double coffee exports to 10,000 tons this year, an official from the Ministry of Commerce said on Wednesday. Official data showed that the Southeast Asian country exported nearly 5,000 tons of coffee in 2022. Coffee is annually harvested in Myanmar between November and February, and it is exported to foreign markets between April and May. Myanmar exported more than 5,800 tons of coffee in the fiscal year 2021-22 (April 2021-March 2022). The country exported coffee to countries including China, Thailand, the United States, the Netherlands, Australia, Japan, France, Germany, Belgium and Switzerland. There are some 50,000 acres of coffee plantations in Myanmar, about 38,000 acres of which are Arabica and 12,000 acres are Robusta. The country produces over 9,000 tons of coffee yearly and is exporting its Arabica coffee to the global market, according to the agriculture department. Most of the coffee plantations in Myanmar are in Mandalay Region, Shan State and Kayin State.

Source : <https://english.news.cn/20230323/84c83a24e49a4f049de088aadea7879f/c.html>

## Credit Suisse escapes 'Lehman moment', Vietnam unaffected



*Vietnam News | 23 March, 2023*

Vietnam's economy is well supported by its policy, but headwinds in the world's financial market, with risks from the European and American financial systems, have caused concern. Another historical rescue in the world's financial market has taken place. Switzerland's largest bank UBS agreed to the emergency acquisition of the second largest bank of the country Credit Suisse in an effort to prevent a bank crisis from spreading to Europe and the world. Reuters reported that UBS acquired Credit Suisse for US\$3.2 billion, which means that UBS will bear the losses of the bank. As such, the world's financial market has just escaped the 'Lehman moment'. However, risks still exist, and the world is taking cautious steps, joining forces to prevent a crisis. Prior to that, the US FED had to take action to deal with the collapse of two banks Silicon Valley Bank (SVB) and Signature Bank. Some large banks have used US\$30 billion to rescue First Republic Bank. Meanwhile, Michael Kokalari, chief economist of VinaCapital, in a recent report, commented that the collapse of SVB, Signature Bank and the crisis at Credit Suisse won't have a big impact on Vietnam. He said he believes that these cases won't create considerable risks to profitability or solvency of banks in Vietnam. Though the US is Vietnam's largest export market, the collapse of SVB won't make exports to the US slow down further. Exports

to the US slowed down recently primarily because of the high inventories at retailers and other consumer goods companies. The US FED monetary policy may hamper US dollar appreciation, thus further easing pressure on the exchange rate in the time to come. Once the pressure on the VND/USD exchange rate eases, the State Bank of Vietnam will have more space to slash interest rates, thus helping develop the economy. The central bank on March 25 cut the interest rate by 100 basis points. VinaCapital still expects 6% GDP growth rate for Vietnam this year. Vicente Nguyen, CIO of AFC Vietnam Fund, said that the collapse of Credit Suisse may not cause a spreading crisis like the Lehman Brothers case in 2008, because the collapse was caused by errors of Credit Suisse itself. In Vietnam, the financial market has become stable again. The VND/USD exchange rate and interest rate tend to decrease. The overnight interest rates in the interbank market have dropped sharply from over 6% one week ago to 4%.

Source : <https://english.vov.vn/en/economy/credit-suisse-escapes-lehman-moment-vietnam-unaffected-post1009172.vov>

## Vietnam's rice prices remain highest in world market

 *Vietnam News | 23 March, 2023*

Since August 2022, the price of Vietnam's 5% broken rice has been the highest it has ever been on the world market. Vietnam's export price of 5% broken rice has been the highest in the world for several months since August 2022, surpassing Thailand's by

US\$15-27 per ton and India's by US\$40-50 per ton, according to a report by the Ministry of Industry and Trade (MoIT). Last year, Vietnam's rice export volume reached a 10-year high of 7.1 million tons. Despite a more than 20 percent drop in export volume in the first month of 2023, the upward trend in rice export prices continued, averaging more than \$519 per ton in the first two months of the year. The price increase was about 7%, offsetting the decline in volume, MoIT said. The Vietnamese Food Association (VFA) reports that the current export price of 5% broken rice is \$463 per ton, up more than 16% from last year. The price of Vietnamese rice is now on par with Thai rice and exceeds that of India and Pakistan by \$20-23 per ton. This year, Vietnam plans to export 6.6 million tons of rice, and for the first half of the year, the country is expected to export 4.12 million tons of rice, but in fact, only about 360 thousand tons were shipped in January. This means that Vietnam needs to export more than 3.76 million tons of rice in the next few months to meet the target. The MoIT has predicted that rice exports will remain favorable this year, with an estimated 6.5-7 million tons, thanks to the shipments to Indonesia, and Bangladesh and increased import demand from China following the pandemic. Vietnam's main rival, India, has banned exporting broken rice and a 20% tax on white rice, prompting buyers to seek alternative markets with competitive prices, including Vietnam. White rice constitutes 45% of Vietnam's export structure, with fragrant rice, sticky rice, organic rice, and rice fortified with

micronutrients making up the rest. Despite the positive outlook, the ministry acknowledges several potential challenges to rice exports this year. The first is that traders have limited market diversification strategies, and the rice export market still shows signs of unsustainability, relying on traditional markets such as China and the Philippines (the largest import market, accounting for more than 45% of Vietnam's total rice exports). Moreover, Vietnam's rice exports face stiff competition from other low-cost suppliers like India and Pakistan. The escalating prices of agricultural inputs have also pushed up the production costs, which in turn, have led to an increase in the purchase price of paddy and commodity rice. This has put immense pressure on rice exporters as the export selling price has not increased significantly. Although international freight rates have decreased compared to 2021, they remain high, especially after the Russia-Ukraine conflict. To meet the export target, the MoIT plans to request the EU to include fragrant rice in the list of exports to that market and diversify and expand markets through trade promotion channels. The ministry also suggested that banks adopt more flexible measures, such as opening up new forms of mortgages for reputable export traders instead of just mortgaging assets, to provide them with more capital to purchase rice and export processing during the harvest season.

Source : <https://hanoitimes.vn/vietnams-rice-prices-stay-highest-in-world-market-323203.html>

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