

Highlight News / April 03/2023



- Five renewable energy investment projects with installed power generating capacity of 520 MW approved
- Cambodia is regional exception to falling trend in manufacturing
- PM seeks more investment from China
- Over 30,000 tonnes of rice worth US\$13 mln exported in March 2nd week
- Vietnam's economy to grow by 6.6% this year: OECD
- Vietnam plans to have 1.5 million businesses in 2025



Five renewable energy investment projects with installed power generating capacity of 520 MW approved



Cambodia News | 1 April, 2023

The Royal Government of Cambodia has approved five renewable energy investment projects with a total capacity of 520 megawatts to increase the power supply to the national grid and contribute to reducing the emissions of carbon dioxide and protecting the environment. The renewable energy projects were endorsed during a cabinet plenary session chaired here Friday morning by Prime Minister Hun Sen. According to Phay Siphon, Minister Attached to the Prime Minister and Head of the Royal Government Spokesperson Unit, one of the five projects is a combination of the 70-megawatt Stung Russey Chrum Kandal hydropower project and the 100-megawatt Stung Veay Thmar Kambot hydropower project in Koh Kong province. The other four are solar power station development projects including the 150-megawatt project in Pursat province, the 60-megawatt project in Kampong Chhnang province, the 60-megawatt project in Svay Rieng province, and the 80-megawatt project in Prey Veng province. Besides increasing the power supply to address energy shortages, the government will receive a total tax revenue of approximately \$322.88 million during the operation of the five projects, excluding other tax revenues. Chea Vannak – AKP

Source : <https://www.khmertimeskh.com/501265922/five-renewable-energy-investment-projects-with-installed-power-generating-capacity-of-520-mw-approved/>

Cambodia is regional exception to falling trend in manufacturing



Cambodia News | 1 April, 2023

Manufacturing as a share of output has peaked in most developing East Asia and Pacific economies except for Cambodia and Vietnam, the World Bank says. In its April update released in Washington Thursday, the bank noted that East Asia and the Pacific went through two decades of faster and less volatile growth than other economies until about 25 years ago. But after the Asian financial crisis of 1997-98, “the region saw only limited structural reforms and therefore little productivity-enhancing structural change,” it said. And despite being open to trade and investment in manufacturing, the region remained “reluctant” to liberalize service sectors. As a result, productivity growth in many regional economies has been declining since the global financial crisis of 2008-09. “Limited growth in labor productivity had been driven more by capital deepening than total factor productivity growth,” the bank said. “These trends in growth and productivity have coincided with a shift in the pattern of structural change.” In the decade between the Asian and global financial crises, “the share of manufacturing in GDP peaked and began to decline in the early industrialisers. “Still-industrializing Cambodia and

Vietnam were the exceptions to this trend.” According to the bank, shifts in labor so far this century have generally not favored productivity growth in the region. “In major countries in recent years, workers moved mostly from least productive agriculture to below-average productivity services sectors, and not much to the most productive manufacturing and services sectors.” Such lower productivity may reflect “informalisation” and overcrowding among workers migrating from rural to urban areas. But “in Cambodia, Vietnam, and until recently, Myanmar, which are still industrializing, movement out of agriculture was accelerating and oriented towards relatively high productivity manufacturing and services,” the bank said. Cambodia’s GDP forecast for this year unchanged at 5.2 percent. The April update meanwhile left Cambodia’s GDP growth forecast for this year unchanged from October at 5.2 percent – the fastest pace of expansion in developing East Asia after Vietnam and the Philippines. At the same time, the bank upwardly revised forecasts to 5.1 percent for China (up from 4.5 percent), 3.9 percent for Laos (up from 3.8 percent) and 4.3 percent for Malaysia (up from 4.2 percent). But it revised downwards forecasts to 4.9 percent for Indonesia (down from 5.1 percent), 5.6 percent for the Philippines (down from 5.8 percent), 3.6 percent for Thailand (down from 4.1 percent) and 6.3 percent for Vietnam (down from 6.7 percent). For Myanmar, the bank forecast GDP growth of 3.0 percent this year. No forecast was available in October. Sao Da – AKP

Source : <https://www.khmertimeskh.com/501265854/cambodia-is-regional-exception-to-falling-trend-in-manufacturing/>

PM seeks more investment from China



Laos News | 1 April, 2023

The Head of the Lao government has requested help from the leadership of Yunnan province to encourage more Chinese companies to invest in Laos, using the potential offered by the Laos-China railway to boost trade cooperation between the two countries. During a meeting held in Vientiane this week, Prime Minister Sonexay Siphandone asked the Secretary of the Communist Party of China Committee in Yunnan province, Wang Ning, to persuade Chinese companies to invest in irrigation and agriculture, with a view to bolstering crop exports. Given the huge advantages provided by the Laos-China railway for the export sector, the government is keen to attract more foreign investment in agriculture so that more products can be exported to the Chinese market of 1.4 billion people. Laos has huge potential to grow more crops and raise cattle for sale to China, thanks to trade privileges extended by China to Laos. In 2021, more than 300 Chinese companies expressed interest in investing in agriculture and forestry in Laos, with investments expected to hit US\$1 billion due to the export potential provided by the railway. Key export products include bananas, rubber, cassava, sugarcane, watermelons, cattle and buffaloes, with

China being the largest purchaser. With the first cross-border passenger train expected to run on the Laos-China railway on April 13, Prime Minister Sonexay assured the Chinese side that Laos would work with China to ensure quicker cross-border transport for both goods and people. This would facilitate trade, investment and people-to-people exchanges and also help to boost economic cooperation between Laos and China. The Lao PM also asked Mr Wang Ning to encourage Chinese enterprises to continue with construction of the Oudomxay-Boten section of the Vientiane–Boten Expressway and Road R3 from the Chinese border to Huayxai district in Bokeo province. The two sides also discussed ways to resume direct flights between Laos and Yunnan province, similar to pre-Covid days. In recent years, businesses in Yunnan province have invested in various projects in Laos, notably the Vientiane-Vangvieng expressway, Saysettha Development Zone, Yunnan province agriculture investment project, and Boten Special Economic Zone. Last month, business operators and companies from Yunnan met Lao business representatives in Vientiane to discuss the potential and possibilities for cooperation in trade, investment and tourism. China is Laos' second largest trading partner. Trade between the two neighbours from 2018 and 2022 was valued at US\$15.9 billion, an average annual increase of 15.63 percent. China is also the largest foreign investor in Laos, with the value of Chinese investments in concessions and

special economic zones amounting to US\$13.67 billion, spread across 921 projects.

Source : https://www.vientianetimes.org.la/freeContent/FreeContent64_PM_y23.php

Over 30,000 tonnes of rice worth US\$13 mln exported in March 2nd week



Myanmar News | 2 April, 2023

More than 33,250 tonnes of rice and broken rice worth the trade value of US\$13.289 million were exported to foreign countries in the second week of March, the statistics of the Ministry of Commerce indicated. From 11 to 17 March, over 10,090 tonnes of rice were shipped via the maritime route to Asian countries and more than 9,000 tonnes of rice to EU member countries. Myanmar exported rice to the Philippines, China and Malaysia in Asian countries, and Turkiye, Spain, Poland, Slovenia, Bulgaria, the Netherlands, Lithuania, Lebanon, Italy, Portugal, Belgium, the Czech Republic, Hungary, Croatia and France in EU member countries. As for broken rice exports, more than 11,990 tonnes of broken rice were delivered to EU member countries, earning a trade value of \$4.156 million. More than 1,460 tonnes of broken rice were shipped through the Myanmar-China border trade this week, pocketing the trade value of \$0.517 million. Myanmar collected a total value of \$4.673 million from broken rice exports via maritime trade and border trade. — TWA/CT

Source : <https://www.gnlm.com.mm/over-30000-tonnes-of-rice-worth-us13-mln-exported-in-march-2nd-week/>

Vietnam's economy to grow by 6.6% this year: OECD

 *Vietnam News | 1 April, 2023*

Vietnam's economy will grow by 6.6% this year and at a similar rate in 2024, according to a report released on March 31 by the Organisation for Economic Co-operation and Development (OECD). The report "The Economic Outlook for Southeast Asia, China and India 2023: Reviving tourism post-pandemic" states that Vietnam's economic growth is driven by foreign investment in the manufacturing sector, especially electronics, machine manufacturing, textiles and footwear, and benefits from China's loosening of COVID-19 prevention and control measures. At this rate, the OECD believes that Vietnam continues to lead the top five largest economies in Southeast Asia. The Philippines is forecast to reach growth of 5.7% in 2023 and 6.1% in 2024, Indonesia at 4.7% and 5.1%, Malaysia at 4.0% and 4.2%, and Thailand at 3.8% and 3.9% in the same period. The report says that the end of support programmes after the COVID-19 pandemic will create favourable conditions for Vietnam to improve its public financial situation. However, weaker demand is likely to reduce investment in the Vietnamese economy. The report also recommends the country continue to closely monitor inflation trends. As tourism was among the sectors most

affected by both the COVID-19 pandemic and responses to it, the report highlights the economic impact of tourism in the region and explores how the sector can be reshaped to regain its significant role in Emerging Asia. The interruption of tourism allowed countries in the region to consider reforms in the sector, including diversifying tourism markets and addressing labour market challenges, while catering to the new needs and preferences of the post-pandemic world, prioritising sustainable and environmentally responsible activities, and accelerating digitalisation.

Source : <https://english.vov.vn/en/economy/vietnams-economy-to-grow-by-66-this-year-oecd-post1011080.vov>

Vietnam plans to have 1.5 million businesses in 2025

 *Vietnam News | 2 April, 2023*

The Government wants the private sector to be a main driver in the country's development, with a target of establishing 1.5 million businesses by 2025. Half of the 1.5 million domestic enterprises would be medium and large-sized, according to the Government's Resolution 45 issued on April 1. By 2030, Vietnam plans to set up at least two million firms, many of which will be large corporations capable of competing in the global market. The Ministry of Planning and Investment is in charge of formulating policies to support the operations of strong local companies, particularly in economic growth-driving sectors. The assignment involves

setting up manufacturing infrastructure for rising business demand, including industrial and economic zones. The private sector is expected to contribute 55% of GDP in 2025 and 60-65% in 2030. The Government has sought to raise the workforce productivity of local businesses by 5% per year and encourage 35-40% of domestic enterprises to participate in innovation and technology activities. Some 95% of Vietnam's almost one million businesses are now classified as small or medium in size.

Source : <https://english.vov.vn/en/economy/vietnam-plans-to-have-15-million-businesses-in-2025-post1011250.vov>
