

Highlight News / April 05, 2022



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Advisory Institute for Trade and Investment by TCC (AiTi)



OECD sees Cambodia GDP growth at 5.4%



Cambodia News | 04 April, 2023

Cambodia's economy is projected to grow by 5.4 percent in 2023 after it grew by an estimated 5.1 percent last year, according to a report by the Organisation for Economic Co-operation and Development (OECD). While manufacturing played a vital role in the recovery and tourism is expected to boost the growth this year thanks to China's decision to abandon its zero-Covid policy, it said. The Launch Version of the 2023 Economic Outlook for Southeast Asia, China and India: Reviving Tourism Post-Pandemic issued by the OECD showed that the recovery of tourism will produce positive spillovers, invigorating the food and hospitality industries as well, while efforts to de-dollarize the economy are ongoing. The forecast also indicated that Cambodia's economy is expected to grow 0.8 percent higher than the average growth rate of the real Gross Domestic Product (GDP) among the member states of the Association of Southeast Asian Nations (ASEAN) that is forecasted at 4.6 percent in 2023 and the country's GDP growth is projected to increase to 5.9 percent in 2024. As the host of the upcoming Southeast Asian (SEA) Games, Cambodia is poised to get a further boost in tourism. While the Vietnamese carrier Bamboo Airways has already begun operations on the Hanoi-Siem Reap route, Bangkok Airways is operating from Phnom Penh.

Flights from Singapore and Malaysia are expected to increase and tourist arrivals to reach levels higher than before the pandemic, according to the launch-version report. Pan Sorasak, Minister of Commerce (MoC), said trade and tourism played vital roles in economic recovery, especially in Cambodia's inclusive, resilient and sustainable socio-economic development, adding that the tourism sector is considered as the key driver of economic growth for the country to become an upper-middle-income economy by 2030 and a high-income economy by 2050. "Trade has contributed to the creation of jobs for the people to generate income and supported the flow of goods to supply their daily livelihood, while tourism is the catalyst of boosting service trade, infrastructure development and strengthening relations among people," said Sorasak, adding that the government has diversified its economy through free trade agreements in the region, sub-region and the world on multilateral and bilateral bases. Sorasak said that the progress of the economic development in developing countries in Asia has shown their resilience against the uncertainties of the world as they have gained their respective economic growths that are expected to continue to grow further this year even though the world faced challenges such as high inflation and economic downturns. Sorasak also pointed out that the launch of OECD's economic forecast report would provide the world economic updates after the Covid-19 pandemic and shows the economic, trade and investment pictures of the

region and the world. "Tourism sector has to be developed in line with the digitalisation that is one of the main drivers of economic growth," said Sorasak. The soon-to-resume Cambodian Airways routes from Singapore, Siem Reap and Da Nang will restore Cambodia as a popular destination for cultural heritage and seaside resorts, but inbound passenger traffic continues to be impacted by fears that rising oil prices will cause flight costs to increase. The report stated that Cambodia depended heavily on Thailand and Singapore as regional hubs to bring in tourists, while the country's aviation authorities need to make greater efforts to invite airlines from beyond Southeast Asia, China and South Korea and direct flights from Europe and US could help increase tourist traffic into the country. "This is currently hampered by existing airport infrastructure, which cannot host large aircraft and mass tourist arrivals despite previous investment to expand both runways and airport facilities," said the report, adding that the new Siem Reap-Angkor International Airport that is expected to open this year would help receiving a large number of international tourists. The country's agriculture has contributed about 22 percent to GDP, the report added.

Source: <https://www.khmertimeskh.com/501267156/oecd-sees-cambodia-gdp-growth-at-5-4/>

Korea becomes Cambodia's 14th largest trading partner in 2022



Cambodia News | 04 April, 2023

Korea has become Cambodia's 14th largest trading partner in 2022, as the bilateral trade volume posted \$780 million, inching up 0.6 percent. Cambodia exported \$234 million worth of goods to Korea last year, a 20.4 percent increase year-on-year, while its imports decreased by 6 percent to \$545 million, stated the Cambodia-Republic of Korea Trade Statistics and Facts of the Ministry of Commerce issued last week. Cambodia got preferential tariff treatment on exports to Korea via Cambodia-Korea Free Trade Agreement, Regional Comprehensive Economic Partnership, ASEAN-Korea Free Trade Agreement, and the Generalized System of Preferences under the WTO framework. Cambodia's main products exported to Korea are footwear, clothes, electrical equipment, and aluminums, while its major imports include vehicles, beverage, furskins and leather, electrical machinery and equipment, and knitted fabrics, read the report. The Cambodia-Korea Free Trade Agreement, which came into force last December, plays an important role in encouraging more investors from Korea to

invest in the Kingdom for export to Korea. Chea Vannak – AKP

Source: <https://www.khmertimeskh.com/501267568/korea-becomes-cambodias-14th-largest-trading-partner-in-2022/>

World Bank raises 2023 growth outlook for region as China reopens



Laos News | 04 April, 2023

Growth in developing East Asia and the Pacific including Laos is forecast to accelerate in 2023 thanks to China's opening and its economic rebound, according to the latest report from the World Bank. However, the region's strong growth could be held back this year by slowing global growth, elevated commodity prices, and tightening financial conditions in response to persistent inflation, according to the World Bank's East Asia and Pacific April 2023 Economic Update. The Washington-based lender said growth in developing East Asia and the Pacific is forecast to accelerate to 5.1 percent in 2023 from 3.5 percent in 2022, as China's reopening helps the economy rebound to a 5.1 percent pace from 3 percent last year. "Growth in the region outside China is anticipated to moderate to 4.9 percent from the robust post-COVID-19 rebound of 5.8 percent in 2022, as inflation and elevated household debt in some

countries weigh on consumption," the World Bank stated. "Most major economies in East Asia and the Pacific have come through the difficulties of the pandemic but must now navigate a changed global landscape," said World Bank East Asia and Pacific Vice President Manuela V. Ferro. "To regain momentum, there is work left to do to boost innovation, productivity, and to set the foundations for a greener recovery." Among the larger economies of the region, most, including Indonesia, the Philippines, Thailand, and Vietnam, are anticipated to grow more modestly in 2023 than in 2022. Economic activities in Laos have seen a positive rebound after the country reopened its borders in May last year. Meanwhile the Laos-China railway is driving the growth of logistics and tourism in Laos, with more and more cross-border transport of both goods and people taking place. President of the Hotel and Restaurant Association, Mr Pakasith Chathapaya, told the Vientiane Times that Laos may struggle to deal with the expected surge in Chinese visitors following the introduction of cross-border passenger train services on April 13. 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 amounting to US\$13.67 billion. According to the

World Bank, the region's economies must also cope with three important challenges as policymakers act to sustain and accelerate economic growth in the aftermath of the pandemic. Apart from climate risk, rising tensions between major trading partners will affect trade, investment, and technology flows across the region. In addition, the rapid ageing of the major economies of East and Southeast Asia heralds a new set of challenges and risks with implications for economic growth, fiscal balances, and health.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent66_World_y23.php

Rice price move upwards in domestic market



Myanmar News | 04 April, 2023

The prices of rice that are mainly consumed locally continued to rise, according to the Wahdan Rice Wholesale Centre. At the end of March 2023, Pawsan rice prices moved in the range between K72,000 and K90,000 per bag depending on the producing areas (Shwebo, Myaungmya, Dedaye, Pyapon and Pathein). Meanwhile, the prices stood at K77,000 per bag for Kyapyan, K64,500 for Khunni, K54,000 for Ngasein, K59,000 for short-mature rice (90 days), K54,000 for Emahta, K65,000 for Pawkywe and K53,000 for rice grown under intercropping season. The prices of Pawsan rice climbed up to K75,000-93,000 per bag on 3 April. The prices of various rice varieties were up by

K1,000-3,000 per bag within three days. An increase in paddy prices drove rice prices up. Starting from 3 August 2022, Myanmar Rice Federation, Myanmar Rice Producers and Planters Association, Myanmar Rice Millers Association, and traders and brokers engaged in Wahdan Rice Wholesale Centre and Bayintnaung Rice Wholesale Centre have been working together to offer fair prices for Shwebo Pawsan from K75,000-77,000 per bag and other rice varieties to the consumers at the Wahdan Wholesale Centre. The offer prices are K52,000-55,000 per bag of Pawsan from the Ayeyawady area, K55,000-60,000 per bag of Kyapyan, and K35,000-37,000 per bag of short-mature rice varieties (90 days) at the Wahdan Rice Wholesale Centre. Each household can buy only one bag. Those traders and retailers are not entitled to buy them. — NN/EM

Source: <https://www.gnlm.com.mm/rice-price-move-upwards-in-domestic-market/#article-title>

ADB anticipates economic growth of 6.5% for Vietnam this year



Vietnam News | 04 April, 2023

VOV.VN - Vietnam's economic growth is forecast to decrease slightly at 6.5% this year before rising to 6.8% next year, according to the "Asian Development Outlook" report released by the Asian Development Bank (ADB) at a press conference in

Hanoi on April 4. The report also outlines that the country's inflation rate is projected to increase to 4.5% this year, increasing to 4.3% ahead in 2024. At the event, Andrew Jeffries, country director of the ADB in Vietnam, pointed out that the country's economic growth will be constrained this year by the global slowdown, continued monetary tightening, and spillover effects from global geopolitical tensions. However, the ADB representative emphasized that public investment will be the key driver in terms of economic recovery and growth in the year ahead. Accordingly, the government is committed to disbursing US\$30.0 billion in the year, of which 90% had been allocated to disbursing ministries and provinces as of January 2023. With a considerable amount of public investment expected to be disbursed this year coupled with China's reopening, these factors expected to help the national economy counter these headwinds moving forward, he noted. According to the report, falling global demand drove the industrial production index down by 6.3% in the first two months of 2023 relative to the same period in 2022. The manufacturing purchasing managers' index sank below 50 for four consecutive months as export-driven manufacturing contracted while consumption-led manufacturing was unable to take up the slack, then the index revived from 46.4 in January 2023 to 51.2 in February 2023. Industry growth is forecast to slow to 7.5%

Services are expected to expand by 8.0% in 2023 on revived tourism and associated services with China removing Vietnam from the list of the countries that could receive its outbound tourists recently. In addition, China's reopening could generate significant demand for Vietnam agricultural exports, as the country receives 45% of Vietnam's exports of fruit and vegetables. Agriculture is therefore expected to expand by 3.2% in 2023. The report also pointed out that surprise policy rate cuts make Vietnam the first economy in Southeast Asia to ease monetary policy with monetary and fiscal measures continuing to support the economy in the time ahead.

Source: <https://english.vov.vn/en/economy/adb-anticipates-economic-growth-of-65-for-vietnam-this-year-post1011747.vov>

Vietnam's export revenue up 13.5% in March: customs data



Vietnam News | 04 April, 2023

Export revenue in March was estimated at 29.57 billion USD, up 13.5% over the previous month, according to data released by the General Department of Customs. The import figure for the month was 28.92 billion USD, a month-on-month rise of 24.4%. The aggregate export revenue in the first quarter of 2023 fell 11.9% from a year earlier to 79.17

billion USD, while imports plunged 14.7% to 75.1 billion USD. Such figures indicate Vietnam recorded a trade surplus of 4.07 billion USD in the first three months of the year. Government revenue from export-import activities during the period reached 91.267 trillion VND (3.9 billion USD), equivalent to 21.5% of the target and down 17% from last year.

Source: <https://en.nhandan.vn/vietnams-export-revenue-up-135-in-march-customs-data-post123884.html>
