

Highlight News / May 11, 2022



- Rural credit institutions help people improve livelihoods, NBC says
- Cambodia spends more than \$400 million on domestic fuel imports in Q1
- Laos' trade deficit hits US\$17 mn in April
- Myanmar's rice exports decline to 47,888 tonnes in April
- Industrial production increases in April
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Advisory Institute for Trade and Investment by TCC (AiTi)

Rural credit institutions help people improve livelihoods, NBC says



Cambodia News | 10 May, 2023

National Bank of Cambodia (NBC) said rural credit institutions played an important role in helping the livelihoods of low-income people. Rural credit institutions have continued to provide loans to low-income people through micro-credit services, it said. It is in line with the policies of the government, which is working to improve the financial environment so that everyone can access and use official financial services in a timely, appropriate, affordable, and legally protected manner. According to the NBC report, there are currently 223 rural credit agencies operating in Cambodia with a total asset value of \$56.8 million. The rural credit agencies (RCAs) have a loan portfolio of \$51.3 million and the largest sector that received loans from the RCAs is agriculture, which accounted for 32.5 percent of the total loan portfolio. Households received 29 percent of the loans, followed by commercial activities at 20 percent. The remaining 8.5 percent of the loans were distributed to other sectors. NBC Governor Chea Chanto said it is committed to strengthening the stability, resilience, and progress of the banking system. The central bank is doing this by introducing prudent macro measures to reduce systemic risks and shocks to the national economy. He said supervising banking and financial institutions is a top

priority for NBC, which is committed to implementing new risk-based auditing and risk-based supervision standards to ensure the stability and resilience of the banking system. “The NBC has been working to improve the financial environment, financial education, and consumer protection. These efforts play an important role in contributing to poverty reduction and boosting the national economy,” he said. Promoting a sound financial environment aims to ensure that everyone has access to quality, affordable, and legally protected financial services. Cambodia has a robust financial system with a wide range of financial institutions, including 58 commercial banks, nine specialised banks, and 86 microfinance institutions. These institutions have a total of 2,614 headquarters and branches, as well as 3,998 automated teller machines (ATMs) throughout the country, NBC added.

Source: <https://www.khmertimeskh.com/501287567/rural-credit-institutions-help-people-improve-livelihoods-nbc-says/>

Cambodia spends more than \$400 million on domestic fuel imports in Q1



Cambodia News | 10 May, 2023

Cambodia has spent more than \$400 million on gasoline and diesel imports in the first three months of 2023. According to data from the Ministry of Commerce, imports of gasoline amounted to more than \$197 million, an increase of more than 21

percent, while imports of diesel amounted to more than 21 percent. More than \$211 million, a decrease of more than 30 percent. Imports of jet fuel amounted to nearly \$17 million, an increase of more than 77 percent. \$6 million, down nearly 90 percent, lubricants worth nearly \$5 million, up more than 10 percent, burning gas more than \$54 million down nearly 1 percent, coal over \$153 million, up more than 45 percent, NAPHATA oil nearly \$1,000 decrease by more than 70%. Ministry of Commerce spokesman Pen Sovicheat told local news that Cambodia's oil supply was good for the domestic market without any worries. However, he confirmed that the price of fuel in Cambodia is based on international market prices. Recently, the world oil market has fallen slightly, leading to a drop in oil prices in Cambodia. According to the retail price list released by the Ministry of Commerce, gasoline sold this week was 4,200 riel and diesel was 3,950 riel per liter. This applies from May 1-10. According to Pen Sovicheat, the fuel that Cambodia uses is imported from Singapore, Thailand and Vietnam. Cambodian retailers that import fuel include Tela Sokimex, Papa Savimex, Lim Long and others. Foreign companies importing fuel to Cambodia include Total Caltex and PTT. Kampuchea Thmey

Source: <https://www.khmertimeskh.com/501287333/cambodia-spends-more-than-400-million-on-domestic-fuel-imports-in-q1/>

Laos' trade deficit hits US\$17 mn in April



Laos News | 10 May, 2023

Laos registered a trade deficit of US\$17 million in April, according to official statistics released on Tuesday. Imports and exports during the fourth month of the year totalled US\$ 947 million. Exports hit US\$465 million, while imports touched approximately US\$482 million, according to figures from the Lao Trade Portal of the Ministry of Industry and Commerce. The top three products by value that Laos exported were mixed gold and bullion amounting to US\$ 87 million, salts at US\$ 48 million, and paper and paper products at US\$42 million. They were followed by gold ore that earned US\$ 31 million, iron ore US\$ 25 million, pulp and paper scrap US\$ 23 million, cassava US\$ 21 million, bananas US\$ 20 million, and beverages US\$ 16 million. Laos' exports to China were worth US\$ 196 million, followed by Vietnam (US\$ 82 million), Thailand (US\$ 60 million), Australia (US\$ 35 million), and Singapore (US\$ 26 million). The top three imports by value for Laos were diesel (US\$ 71 million), land vehicles (US\$ 41 million), and mechanical equipment (US\$ 38 million). Gasoline, steel and steel products, beverages, wood pulp and paper waste, plastic products, electrical appliances and electrical equipment, and auto parts were the other major

imports. Thailand, China, Vietnam, the USA and Japan were the top five countries from which Laos imported goods in April, according to the statistics. These figure do not include the export of electric power – a key source of income for Laos. Officials said the value of exports will be updated at a later date once the relevant data is available.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent88_laostrade_y23.php

Myanmar's rice exports decline to 47,888 tonnes in April

 Myanmar News | 10 May, 2023

YANGON (Xinhua): Myanmar's rice exports declined to 47,888 tonnes in April this year, compared to 144,034.866 tonnes of rice exported during the same period last year, the Myanmar Rice Federation (MRF)'s figures showed on Tuesday (May 9). The South-East Asian country also exported 39,760 tonnes of broken rice in April, as compared to 106,912 tonnes of broken rice exported in April last year, the MRF data showed. Malaysia was the top buyer of Myanmar's rice in April, buying 8,050 tonnes of rice, while Belgium was the top buyer of Myanmar's broken rice during the period, purchasing 15,725 tonnes of broken rice, its figures showed. Myanmar has shipped most of its rice and broken rice via sea routes, as the country has a long coastline. The country exported its rice and broken rice

to China, Malaysia, the Philippines, some European countries and others, according to the MRF. Myanmar earned US\$853.472 million from the exports of more than 2.2 million tonnes of rice and broken rice during the 2022-23 fiscal year, the federation's figures showed. In Myanmar, rice is the most cultivated crop followed by beans and pulses.

Source: <https://www.thestar.com.my/aseanplus/aseanplus-news/2023/05/10/myanmar039s-rice-exports-decline-to-47888-tonnes-in-april>

Industrial production increases in April

 Vietnam News | 10 May, 2023

Hanoi (VNS/VNA) - The index of industrial production (IIP) in April was estimated to increase by 3.6% month on month and by 0.5% over the same period last year, according to the General Statistics Office (GSO). However, the office also reported that IIP in the first four months of 2023 decreased by 1.8% year on year. The IIP growth in the first four months of 2022 was 7.8%. Among the sectors, the water supply, waste-water treatment and management activities recorded the highest IIP increase of 5.5% in the first four months. The electricity generation and distribution sector followed with 0.5%. However, the mining industry and the processing and manufacturing saw a decline of 2.8% and 2.1% in IIP, respectively. The world economy's slow recovery and tightened monetary policy in many countries has made the consumption

demand of major trading partners decline, leading to a decrease in goods orders and export turnover. Those factors affected the growth of industrial production in the first four months of 2023, according to the Ministry of Industry and Trade (MoIT). In terms of localities, the GSO said in the first four months, 52 localities gained growth in this index compared to the same period of last year, while IIP decreased in the remaining 11 localities. Of which, Tuyen Quang recorded the highest increase in IIP at 14.8%. Dak Lak followed with the IIP growth at 14.2%. Other top ten localities achieving high growth rates included Thai Binh (13.8%), Hau Giang (13.8%), Hai Phong (13.4%), Bac Giang (13.3%), Quang Tri (12.2%), Nam Dinh (12%), Kien Giang (11.6%), and Cao Bang (11.2%). Several essential industrial products showed a decrease in IIP during the first four months of 2023, including automobiles (19.3%), bar and angle steel (15.1%), mobile phones (13%), motorbikes (12.3%), urea fertiliser (12.2%), textiles from natural fibres (11.1%), casual wear (10.4%), and phone components (10.1%). Meanwhile, some other products gained growth in IIP in the same period, such as sugar (23.2%), gasoline (15.1%), garments made from man-made fibres (12.2%), NPK fertiliser (10.4%), and chemical paint (6.1%). The world economy has shown signs of recovery but it is slow and unequal in different countries, so consumer demand is also recovering slowly. China's reopening also increases competition for Vietnam's products in export markets.

They are factors that will continuously affect Vietnam's production and trade activities in the coming months. Besides that, the slow recovery of the real estate market and low disbursement of investment capital will affect the consumption of some related manufacturing industries. To promote production development and support businesses, MoIT has said it will closely monitor the production of sectors and fields to promptly grasp and remove difficulties in promoting production development. In addition, the ministry will continue to implement the connection of domestic enterprises to FDI enterprises and large global enterprises to participate in their global supply chains. At the same time, it continues to support businesses, especially small and medium-sized enterprises, to recover and develop production through solutions for stabilising financial and monetary markets. Those solutions include proposing the exemption and reduction of some taxes and fees, and favourable conditions on access to credit. According to experts, Vietnam should give priority to the development of domestic manufacturing industries, especially the mechanical industry. According to Nguyen Ngoc Thanh, Deputy Director of MoIT's Industry Agency, the processing and manufacturing industry plays a key role, creating the largest added value for the industrial sector. Most of Vietnam's important economic sectors directly or indirectly depend on the manufacturing industry. It is also to provide employment and stable income for the long term.

So it is necessary to have timely and efficient policies and solutions to find markets for industrial products, thereby promoting domestic production and improving economic growth. Assoc. Prof. Dr. Nguyen Chi Sang, Vice Chairman of the Vietnam Association of Mechanical Industry, said that the Government should promote the development of finished mechanical products and large mechanical products for several industries such as wind power, high-speed railways and medical equipment. Vietnam needed a strategy and a roadmap to make those products. Economist Dr. Le Dang Doanh said it was necessary to promote Vietnam's advantages for sustainable industrial development. Specifically, industrialisation in Vietnam should combine agriculture and industry with the development of industrial products for lines processing agricultural products to enhance the value of Vietnam's farm produce. According to Thanh, to promote domestic production, the steel and mechanical industries need to take advantage of public investment capital in large projects in the field of industrial construction, infrastructure, transport and energy, to create a market for mechanical products. For the auto industry, it is necessary to increase purchasing power to restore the auto market, maintaining and promoting the assembly of automobiles in the country. MoIT is working with the Ministry of Finance to research and propose the Government issue a number of financial support policies for the industry. They include extending the deadline for

paying excise tax or having incentives on registration fees for domestically manufactured and assembled cars./.

Source: <https://en.vietnamplus.vn/industrial-production-increases-in-april/252778.vnp>

Vietnam dong one of most stable currencies in Asia:

Experts



Vietnam News | 10 May, 2023

Hanoi (VNA) – Amid the fluctuation of the global financial market, the exchange rate in Vietnam has remained stable in the first four months of this year, and the Vietnam dong has been considered one of the most stable currencies in Asia, according to experts. Market analysis reports released by Mirae Asset Securities Vietnam showed that in April, the USD/VND exchange rate dropped 0.2% and the average exchange rate hovered around 23,500 VND/USD during the month. The rate has remained stable throughout the January-April period. The United Overseas Bank (UOB) rated the Vietnam dong as one of the most stable currencies in Asia, despite significant changes in the Fed's interest rate hike expectations as well as concerns about a global recession and instability of the US banking system. Mirae Asset noted that the State Bank of Vietnam had bought a large volume of foreign currency in the first four months, raising the foreign exchange reserves

to around 90 billion USD. Dao Xuan Tuan, head of the Foreign Exchange Management Department under the State Bank of Vietnam (SBV) said that since the end of 2022, the foreign exchange market has developed positively and gradually become stable. The USD/VND exchange rate tends to decrease and stabilise again, he said, adding that the recovery of the Vietnamese currency against the US dollar since December 2022 was similar to that of many other currencies in the region such as the Japanese yen, Chinese yuan, the won of the Republic Korea and the Thai baht. Tuan said that the increase of foreign currency supply enabled the SBV to buy more foreign currencies for the foreign exchange reserves. In the first four months of this year, the SBV bought nearly 4.9 billion USD from credit institutions, up about 1 billion USD from the amount recorded at the end of the first quarter of 2023. Experts from VNDirect forecast that Vietnam's foreign exchange reserves will recover to reach 102 billion USD by the end of this year./.

Source: <https://en.vietnamplus.vn/vietnam-dong-one-of-most-stable-currencies-in-asia-experts/252792.vnp>
