

Highlight News / June 15, 2023



- Cambodia's international trade recorded at over \$19 billion in first five months
- US remains Cambodia's largest export market
- Direct transport link via China-Laos Railway ships Thai durians to SW China's Chongqing in under 88 hours
- Gold price surpasses K3.1 mln per tical in shady dealings
- Reputable organisations optimistic about Vietnam's economic outlook
- Thai investor suspends \$2.3 billion thermal power plant project in Quang Tri



Advisory Institute for Trade and Investment by TCC (AiTi)

Cambodia's international trade recorded at over \$19 billion in first five months



Cambodia News | 14 June, 2023

The total trade volume between Cambodia and its partners around the world reached more than \$19 billion in the first five months of 2023, down 14 percent compared to the same period last year. Figures from the General Department of Customs and Excise at the Ministry of Economy and Finance showed that Cambodia exported almost \$9.2 billion worth of products to foreign markets, a year-on-year decline of 2.4 percent. At the same time, the Kingdom's imports saw a decrease by 22.6 percent to over \$10 billion. Cambodia's 10 biggest markets during the said period were China, the U.S., Vietnam, Thailand, Japan, Singapore, Indonesia, Germany, China's Taiwan, and Canada. The main exported items included garments, footwear, travel goods, bicycles, rice, electrical equipment, rubber, furniture, and vegetables and fruits. The country imported mostly raw materials, construction materials, automobiles, pharmaceutical products, electronics and electrical equipment, fertilisers and pesticides. AKP-Phal Sophanith

Source: <https://www.khmertimeskh.com/501307770/cambodias-international-trade-recorded-at-over-19-billion-in-first-five-months/>

US remains Cambodia's largest export market



Cambodia News | 14 June, 2023

The United States remained Cambodia's largest export market in the first five months of this year, according to the General Department of Customs and Excise (GDCE)'s report. The report of GDCE, under the Ministry of Economy and Finance, showed that the Kingdom's total exports to the US reached \$3.19 billion during the first five months of 2023, down 14.3 percent from \$3.73 billion for the same period in the previous year. The US exports accounted for 34.8 percent of Cambodia's total exports of \$9.18 billion. Cambodia-made products exported to the US are subject to regular import duties under the Most-Favoured Nation (MFN) status. However, travel goods exported from the country to the US benefited from the Generalised System of Preferences (GSP) until it expired in 2020. The biggest share of Cambodia's total exports to the world's biggest economic nation are clothes, footwear, and travel goods, said Ministry of Commerce spokesman Penn Sovicheat. "The US remains the biggest market for Cambodia's products. Although the GSP scheme has not yet been renewed, exports to the US account for a major share in Cambodia's total exports," Sovicheat told Khmer Times. Garment, footwear and travel goods industry is the largest foreign exchange earner for Cambodia. The sector consists of roughly 1,326 factories and branches, employing some 850,000

workers, mostly female. According to the Cambodia Footwear Association, the Kingdom exports travel bags and footwear to the two largest markets – the United States and the European Union. It also exports to Canada and ASEAN countries. In 2023, the export situation might face difficulties as the orders have notably been down, said Ly Kunthai, chairman of the Cambodia Footwear Association. Cambodia's footwear products are likely to see a drop in purchase orders this year due to the prolonged war in Ukraine, Kunthai said earlier this year. Last year, the bilateral trade between Cambodia and the US was valued at \$6.92 billion, up 18 percent from 2021.

Source: <https://www.khmertimeskh.com/501307389/us-remains-cambodias-largest-export-market/>

Direct transport link via China-Laos Railway ships Thai durians to SW China's Chongqing in under 88 hours



Laos News | 14 June, 2023

(Global Times) -- Some 500 tons of durian and other fruits arrived in China from fruit packaging factory in Thailand to Southwest China's Chongqing Municipality, logistics firm China Railway Materials said on Monday. Stored in 28 refrigerated 40-foot containers, Thai durians, mangosteen and other tropical fruits left plantations in Thailand and arrived Chongqing's Xiaonanya railway logistics centre in 88

hours, opening up a cold-chain logistics link linking fruit plantations to retail markets in the Chengdu-Chongqing area. The link utilised the China-Laos Railway and railways in China, as the new western land-sea corridor continues to promote China-Asean trade. After fruit was uploaded to trains in Vientiane, it took just 52 hours to reach Chongqing, representing a cheaper and faster form of transport compared with traditional sea and overland transport, setting up a record in transportation efficiency, the company said. The durian express has slashed transport time by over a half, according to Deng Haoji, a manager from Chongqing Hongjiu Fruit. "This allows Thai durians to enter Chinese market at a cheaper price." The successful transportation of the cargo lays a foundation for regular commercial operation in the future, China Railway Materials said. So far, 13 provincial-level localities and two cities have opened at least one logistics link tapping the increasingly popular new western land-sea corridor, a land-sea multimodal option, which combines rail, sea and road traffic. The 1,035-km cross-border railway China-Laos Railway has transported over 4 million tons of cargo since it was put into operation in 2021, the Bangkok Post reported, citing local Lao media outlets. As companies from regional countries receive benefits from the Regional Comprehensive Economic Partnership mega trade deal, Asean continues to be

China's largest trading partner from January to May, according to the General Administration of Customs (GAC) last week. The total trade value between China and Asean rose 2.59 trillion yuan (\$360 billion) in the first five months, an increase of 9.9 percent year-on-year, accounting for 15.4 percent of China's total foreign trade, per the GAC.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent112_Direct_y23.php

Gold price surpasses

K3.1 mln per tical in shady dealings



Myanmar News / 14 June, 2023

The price of pure gold has surged above K3.1 million per tical (0.578 ounce or 0.016 kilogramme) in the unofficial domestic market, following the upward trend in spot gold prices and the depreciation of the Kyat against the US dollar. Spot gold prices have reached \$1,962 per ounce, and the Kyat has depreciated to K2,970 in the grey market, leading to a rise in gold prices to K3,122,000 per tical in the unofficial market. As a result, the YGEA (Yangon Gold Entrepreneurs Association) has raised the reference rate to over K2,311,400 per tical. There is a significant price difference of over K800,000 per tical between the YGEA's reference price and the price in the unofficial market. The YGEA calculates the price based on the Central Bank of Myanmar's

reference exchange rate of K2,100, with some additional adjustments, while the US dollar is exchanged at K2,960 in the unauthorized forex market. The exchange rate of the US dollar has a direct impact on domestic gold prices. In instances where the price gap between the reference price and the market price is wide, the YGEA has urged sellers to conduct gold transactions below K2.9 million per tical, as it was on 27 April. Following the bankruptcy of a US bank in early March, the gold price experienced a sharp surge. Despite the global increase in gold prices, Myanmar's forex market remained stagnant. Consequently, the YGEA released a statement on 20 March, advising its members not to engage in competitive buying while monitoring the upward trend in gold spot prices. Furthermore, the YGEA has instructed its members to only engage in gold transactions with immediate payment and to avoid verbal transactions over phone calls without physical stocks. It should be noted that the YGEA does not bear any responsibility for market manipulation in the unauthorized market. Therefore, its members are required to strictly adhere to the rules and regulations of the association during gold transactions. Currently, the relevant authorities are taking measures to address market abuses, including inspections and prosecutions of market manipulation. In addition, the Central Bank of Myanmar has announced that it will investigate those

involved in market manipulation through digital platforms, as stated in the notification dated 20 March. The surging US dollar, which is being exchanged at over K4,500, has pushed the price of pure gold to a record-high of K3.7 million per tical in late August 2022. To curb gold prices, the Ministry of Natural Resources and Environmental Conservation has been selling gold ingots through the competitive bidding system in Yangon, Mandalay, and Nay Pyi Taw. In an effort to reduce gold prices, both the YGEA and the Mandalay Region Gold Entrepreneurs Association have sold gold bullion supplied by their executive members and general members as well. — NN/EM

Source: <https://www.gnlm.com.mm/gold-price-surpasses-k3-1-mln-per-tical-in-shady-dealings/#article-title>

Reputable organisations optimistic about Vietnam's economic outlook



Vietnam News | 14 June, 2023

The World Bank (WB) has announced its updated forecast of Vietnam's GDP growth of about 6% in 2023, down about 0.3% compared to the prediction that the lender made in January. However, the growth rate is still the highest in the Southeast Asian region despite the gloomy global economic situation. The global trade of goods is recording extremely

dismal growth in 2023. This situation is likely to affect the performance of some economies having trade as the main growth engine, especially Malaysia and Vietnam, where growth is forecast to be moderate, according to a WB report. In fact, the growth rate of 6.5% for the whole year as set by the Government is considered the most optimistic scenario. Although the country's GDP increased only 3.32% in the first quarter of this year, many reputable organisations in the world still believed that the country can achieve this goal. The Organisation for Economic Cooperation and Development (OECD), Standard Chartered Bank and ADB forecast that Vietnam's GDP in 2023 will expand by 6.5%. However, experts held that the Vietnamese economy will face many risks, including those from the slow recovery of major trade partners, high global inflation, the tightening of monetary policies in many countries, disruption of the global supply chain, energy and food security, disasters and climate change. Meanwhile, a survey announced by McKinsey & Company showed that around 70% of millennials (persons born between 1981 and 1996) are optimistic about the country's economic outlook, the highest level among Asian countries. According to WGSN, a global trend forecasting company, Vietnam will soon become the fastest growing digital economy in Southeast Asia and one of the fastest growing economies in Asia this year. Alongside, improvements in logistics

infrastructure are expected to contribute to boosting Vietnam's e-commerce industry, which is estimated to reach 49 billion USD by 2025. Vietnamese consumers are increasingly confident in domestic brands and products with 76% preferring domestic and "Made in Vietnam" brands to foreign brands, said Helen Sac, WGSN's Consultant Director for Asia Pacific./. VNA

Source: <https://vietnamnet.vn/en/reputable-organisations-optimistic-about-vietnam-s-economic-outlook-2154134.html>

Thai investor suspends \$2.3 billion thermal power plant project in Quang Tri



Vietnam News | 14 June, 2023

According to Quang Tri Economic Zones Management Authority, on May 29, EGATi sent a letter to the MoIT announcing their decision to halt the development of the Quang Tri project. With a capacity of 1,200MW (and a gross capacity of 1,320MW), the project was approved by the prime minister in 2013, designating EGATi as the project's investor under the BOT framework. As per the design, the power plant was intended to consist of two units, each with a capacity of 660MW, requiring a total investment of around \$2.3 billion. Following the project's approval, local authorities agreed on the route alignment, and National Power

Transmission Corporation completed the construction of a 500kV power transmission line to facilitate the thermal power plant. In light of the suspension of the thermal power plant project, Quang Tri Economic Zones Management Authority has proposed that Quang Tri People's Committee ask the prime minister and relevant central ministries to approve a revised plan for a 1,320MW power plant, allowing Quang Tri to explore alternative environmentally friendly fuel sources to replace the use of coal. Currently, the province has already reclaimed a land area of 56.8 hectares for the project. This decision by EGATi reflects an emerging trend towards more sustainable and environmentally friendly energy sources. The move aligns with global efforts to reduce reliance on coal and transition to cleaner forms of power generation. Quang Tri, located in the central province of Vietnam, has recognised the importance of mitigating environmental impacts and is seeking solutions to ensure the region's energy needs are met while minimising harm to the environment. By proposing the exploration of alternative fuel sources, Quang Tri aims to promote the use of more eco-friendly energy options and contribute to the country's sustainable development goals. At a forum that was held at the headquarters of the Thai Ministry of Energy in October last year, a provincial delegation from Quang Tri participated in a bilateral meeting

between the Vietnamese MoIT, the Thai Ministry of Energy, the Electricity Generating Authority of Thailand (EGAT), and the Thai Ambassador to Vietnam. The purpose of this meeting was to discuss the future of the Quang Tri project, which is receiving investment from EGAT as the project's owner. The project has been put on hold due to various factors, including financial considerations, objective obstacles, and the commitment to achieving net-zero emissions by 2050 – as agreed to by the governments of both Vietnam and Thailand. Furthermore, the Thai side had suggested that Vietnam's MoIT and Quang Tri continue to facilitate opportunities for EGAT and its subsidiary EGATi to seek investments in other renewable energy projects or infrastructure development for energy projects in Vietnam as a whole, and specifically in the central province.

Source: <https://vir.com.vn/thai-investor-suspends-23-billion-thermal-power-plant-project-in-quang-tri-102618.html>
