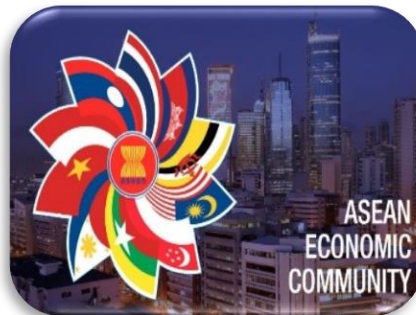


Highlight News / June 22, 2023



- Cambodia to promote cross-border digital payment with Việ̣t Nam, Laos
- Cambodia's rubber exports surge by over 41%
- Railway bringing more Chinese to Laos, business operators say
- Fuel prices gain above K2,000 per litre in domestic market
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Cambodia to promote cross-border digital payment with Viêt Nam, Laos



Cambodia News | 21 June, 2023

National Bank of Cambodia (NBC) is preparing to sign agreements with the State Bank of Vietnam and the Bank of the Lao People's Democratic Republic to promote the use Cambodia's local currency, riel, in their economic activities. NBC Deputy Governor Chea Serey, as quoted by Vietnam News Agency correspondent in Phnom Penh, highlighted that this initiative would allow consumers to utilise riel for purchasing products/services in other countries through QR codes linked to their domestic accounts. Chea said the promotion of cross-border payments using the riel is expected to enhance its circulation. She noted that the demand for riel has been gradually increasing. Over the years, the circulation of riel in Cambodia has experienced an average annual growth rate of 16.6 per cent, reaching about 14.1 trillion riel (equivalent to \$3.4 billion) in 2022, up from 356 million riel in 1998. However, the rising value of the US dollar has impacted the Cambodian economy. In addition to facilitating cross-border transactions, the use of riel will be encouraged among tourists visiting Cambodia who wish to pay in their local currencies when engaging with Cambodian merchants. However, Cambodia's top economist did not specify when new agreements will be reached.

It is worth noting that ASEAN-5, consisting of Indonesia, Malaysia, Philippines, Thailand and Singapore, signed an agreement last year to establish cross-border digital payment systems using QR codes. Currently, Malaysia, Indonesia, and Thailand are already connected, and Singapore, Viêt Nam and the Philippines are expected to be connected by the end of this year. Moreover, individual bilateral agreements have been formed, such as Thailand's QR links with Cambodia, Indonesia, Malaysia and Viêt Nam. — VNS

Source: <https://www.khmertimeskh.com/501311878/cambodia-to-promote-cross-border-digital-payment-with-viet-nam-laos/>

Cambodia's rubber exports surge by over 41%



Cambodia News | 21 June, 2023

Cambodia earned \$260 million from the exports of natural rubber and rubber articles in the first five months of the year, a surge of 41.4 percent compared to the same period last year, according to the latest trade data of the General Department of Customs and Excise (GDCE). As against this, for January to May 2022, Cambodia earned only \$184 million from the exports of rubber goods. The latest data showed that for May 2023 alone, Cambodia earned \$53.5 million from rubber exports and the rising trend has been continuing all through this year since January. The surge in rubber exports this year is remarkable as Cambodia's total exports recorded a decline of 2.4 percent till May 2023.

According to a report released by Kuala Lumpur-based Association of Natural Rubber Producing Countries (ANRPC) on May 17, global natural rubber (NR) production posted a much slower growth of 1.5 percent, year-on-year, amounting to 896,000 tons in April. The production slowed even as the global demand for NR witnessed a much rapid growth of 2.7 percent, year-on-year, amounting to 1.241 million tons. This has also made some impact on the price of rubber. “Due to the characteristics of NR market, which is relatively sensitive to the market sentiments, the positive market fundamentals were offset by elevated risks around global financial markets, high borrowing costs from interest rate hikes, impact from the prolonged conflicts between Russia and Ukraine, and stubborn inflation amid a projected slowdown recovery of global economy in 2023,” said Heng Guan, Secretary-General of ANRPC in the report. In 2023, global natural rubber market is anticipated to reach 14.693 million tons for production while consumption is projected at 14.738 million tons. While Thailand remained the biggest producer of natural rubber, Cambodia occupied the seventh position in terms of production in April 2023. China was the biggest consumer, followed by India. “The year 2023 is still a challenging year ahead with the uncertainties surrounding the global economic recovery from the pandemic. Despite the World Bank and International Monetary Fund (IMF) have both projected a slower growth for 2023 at 1.7 percent and 2.9 percent respectively compared to last year,

the anticipated growth is cautiously optimistic for an economic recovery in 2023,” said Heng Guan, Secretary-General of ANRPC. While the natural rubber market is weighed on by the fundamentals of the produce itself, other external factors such as inflationary pressures, geopolitical tensions and the global crude oil market could play an influential role in the rubber market, including in the price of natural rubber. It may be noted that Cambodia earned \$541.66 million from the export of rubber and rubber articles in 2022, recording a growth of 28.3 percent compared to the previous year. The Cambodian rubber market mainly consists of China, Vietnam, Malaysia, Singapore, India, and the EU.

Source: <https://www.khmertimeskh.com/501311550/cambodias-rubber-exports-surge-by-over-41/>

Railway bringing more Chinese to Laos, business operators say



Laos News | 21 June, 2023

The number of Chinese tourists coming to Laos has increased significantly since the launch of cross-border passenger services on the Laos-China Railway on April 13, according to hospitality business operators. President of Laos' Hotel and Restaurant Association, Mr Pakasith Chathapaya, told Vientiane Times recently “Chinese nationals staying at my hotel now account for 40 percent of my clients thanks to cross-border passenger services.”

“Most of my Chinese clients stay here independently, not as part of a tour group. I’m optimistic that the tourism industry will boom as Laos prepares to launch Visit Laos Year and host the Asean Summit next year,” Mr Pakasith said. According to figures from the Ministry of Information, Culture and Tourism, more than 1.11 million foreign tourists visited Laos in the first four months of this year. The largest number came from Thailand with 430,979 arrivals recorded, followed by Vietnam with 224,461 and China with 223,350. The number of Chinese visitors surged from 16,283 in January to 53,837 in February, rising to 73,192 in March and 80,038 in April. According to Xinhua, the Laos-China Railway has handled 25,000 cross-border passenger trips since the new service was introduced on April 13. Mr Mongkhon Vongsamang, who works for a tour operator in the world heritage town of Luang Prabang, said that since China reopened its doors to international tourism in January, many more Chinese had come to Laos. “I estimate that the number of Chinese visitors could exceed the figure recorded in the year before the Covid pandemic,” he said. Mr Mongkhon said more than one million Chinese nationals visited Laos in 2019, which was Visit Laos-China Year. The Laos-China Railway has greatly improved connectivity and accessibility, inspiring thousands of people in China to take holidays in Laos. The railway, which was inaugurated on December 3,

2021, runs between Vientiane and Kunming in southwest China’s Yunnan province over a distance of 1,035 kilometres. Mr Mongkhon said Chinese businesses are investing in the hospitality sector by setting up tour operators and partnering with local tourism companies to accommodate the rising number of Chinese tourists. The public and private sectors in Laos are providing Chinese language training for tour guides and improving services and facilities so that more tourists, including from China, are keen to come to Laos and are satisfied with hospitality standards. Lao entrepreneurs say Chinese tourists particularly enjoy Laos’ natural environment and adventure activities, such as zip-lining, which they can experience in Vangvieng district, Vientiane province. The Chinese are also interested in Laos’ cultural attractions and the world heritage site in Luang Prabang is one of their favourite destinations. Laos has been ranked by several media organisations including CNN, National Geographic and The Telegraph as one of the world’s top travel destinations for 2023, further putting Laos in the spotlight as a special place to visit.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent118_Railway_y23.php

Fuel prices gain above K2,000 per litre in domestic market



Myanmar News | 21 June, 2023

The prices of fuel oil (diesel and Octane 92) rebounded to above K2,000 per litre in the domestic fuel oil market. The prices increased to K2,025 per litre for Octane 92, K2,125 per litre for Octane 95, K2,005 for diesel and K2,085 for premium diesel. The domestic fuel prices are set depending on the price index set by Mean of Platts Singapore (MOPS), the pricing basis for many refined products in southeast Asia, according to the Supervisory Committee on Oil Import, Storage and Distribution of Fuel Oil. In August 2022, the oil prices surged to K2,605 per litre for Octane 92, K2,670 for Octane 95, K3,330 for premium diesel and K3,245 for diesel. The committee is therefore governing the fuel oil storage and distribution sector effectively not to have a shortage of oil in the domestic market and to ensure price stability for energy consumers. The Petroleum Products Regulatory Department, under the guidance of the committee, is issuing the daily reference rate for oil to offer a reasonable price to energy consumers. The reference rate in Yangon Region is set on the MOPS's price assessment,

shipping cost, premium insurance, tax, other general cost and health profit per cent. The rates for regions and states other than Yangon are evaluated after adding the transportation cost and the retail reference rates daily covered on the state-run newspapers and are posted on the media and official website and Facebook page of the department daily starting from 4 May. The committee is inspecting the fuel stations whether they are overcharging or not. The authorities are taking action against those retailers of fuel stations under the Petroleum and Petroleum Products Law 2017 if they are found overcharging higher than the set reference rate. As per the statement, 90 per cent of fuel oil in Myanmar is imported, while the remaining 10 per cent is produced locally. The domestic fuel price is highly correlated with international prices. The State is steering the market to mitigate the loss between the importers, sellers and energy consumers. Consequently, the government is trying to distribute the oil at a reasonable price compared to those of regional countries. Some countries levied higher tax rates and hiked oil prices compared to that of Myanmar. However, Malaysia's oil sector receives government subsidies and the prices are about 60 per cent cheaper than that of Myanmar. Every country lays down different patterns of policy to fix the oil prices. Myanmar also levies only a lower tax

rate on fuel oil and strives for energy consumers to buy the oil at a cheaper rate. — NN/EM

Source: <https://www.gnlm.com.mm/myanmars-honey-exports-exceed-330-tonnes-in-may/#article-title>

Maybank: Vietnam among fastest growing countries in ASEAN



Vietnam News | 21 June, 2023

The six economies of ASEAN, including Malaysia, Singapore, Thailand, Indonesia, the Philippines, and Vietnam are predicted to grow by 4.2% this year, far exceeding the projected global GDP growth of 2.0%. Maybank Group of Malaysia president and chief executive officer (CEO) Datuk Khairussaleh Ramli cited growth projections made by the group's research team, and assessed the bloc's strength in diversity, honouring cultural intersection, while navigating differences in political, economic, and social systems. In his speech given at the opening of the ASEAN Investment Conference organised by Maybank in Singapore, he emphasised that the spirit of the bloc is in its resilience. The president of Maybank outlined that now that the COVID-19 pandemic is over, ASEAN has moved to reopen for business and is likely to remain a bright spot amidst increasing headwinds as the region's resilience is once again demonstrated. Boasting a total

population of more than 660 million people and a total GDP of nearly US\$3.66 trillion by 2022, Khairussaleh noted that the bloc ranks as the third largest largest regional economy in Asia, as well as being the fifth largest economy in the world, behind the United States, China, Japan, and Germany. Foreign direct investment (FDI) inflows into ASEAN rebounded in 2021 to US\$174 billion, marking a rise of 42% from 2020, with these figures reflecting the attractiveness of the region's economy to global investors. Khairussaleh stated that ASEAN's resilience is evident in its investment flows, noting that even when foreign investors withdrew from the stock market last year, there was still a large number of domestic investors capable of coping with regional fluctuations. According to the chairman of Maybank, another area of optimism for the regional economy is digitalisation, especially in the financial service sector. He assessed that the digital economy currently accounts for only 7% of the regional group's GDP, compared with 35% in the US and 16% in China, adding that there is a lot of room for future growth. However, he noted that ASEAN must consider the fact that the regional bloc is experiencing a slowing global economy, due to inflationary pressures and geopolitical and geo-economic fragmentation. Established back in 1960, Maybank Group is one of the largest financial groups in Malaysia. In addition to operating in Malaysia,

Maybank has moved to expand its business activities to other countries such as Singapore, Vietnam, the UK, and the US.

Source: <https://vietnamnet.vn/en/maybank-vietnam-among-fastest-growing-countries-in-asean-2156785.html>

Vietnam credit in high-risk sectors under control - central bank



Vietnam News | 21 June, 2023

HANOI: Borrowing in Vietnam's high-risk sectors remains under control, deputy governor of the central bank, Dao Minh Tu, said on Wednesday. Credit growth, which as of June 15 was seen at 3.36 per cent against the end of 2022, is not as high as expected and increasing it remains a main goal, Tu said. Corporate bond and stock markets in the Southeast Asian country are facing difficulties, he said. Inflation remains under 4 per cent and the State Bank of Vietnam (SBV) continues to buy foreign currency to strengthen its own reserves, he added. SBV last week delivered its fourth interest rate cut this year in an effort to boost growth as the manufacturing-led economy weakens amid softening global demand. Reuters.

Source: <https://www.channelnewsasia.com/business/vietnam-credit-high-risk-sectors-under-control-central-bank-3576701>
