

Highlight News / July 04/2023



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Cambodia's remittances rise to \$1.25B



Cambodia News | 3 July, 2023

Remittances from Cambodian migrant workers increased from \$1.15 billion in 2021 to \$1.25 billion in 2022 and are the third highest in the Asean as a share of national GDP after those of the Philippines and Vietnam, according to a new report. The report is based, in part, on policy maker and expert discussions during the '12th Annual ADBI-OECD-ILO Roundtable on Labour Migration: Recovering from Covid-19: What Does It Mean for Labour Migration in Asia?', cohosted by the Asian Development Bank Institute, the Organisation for Economic Co-operation and Development, and the International Labour Organization. The end of strict entry controls over the course of 2021 and 2022, with a few notable exceptions such as the late lifting of controls in the People's Republic of China (PRC), allowed the Asian labour migration landscape to recover most of its characteristics from before the coronavirus disease (Covid-19) pandemic, said the report compiled and released by the three agencies together. The report showed that as the pandemic progressed, remittances to Cambodia fell to \$1.27 billion in 2020 from \$1.52 in the previous year. It declined further to a low of \$1.15 billion in 2021. At 4.4 percent of GDP in 2022, Cambodia's remittances were only behind that of the Philippines, estimated at 9.5 percent of the country's GDP and Vietnam at 4.6 percent. Indonesia had Asean's fourth-highest

remittances at 0.8 percent of GDP. While the Philippines received \$38 billion as remittances, Vietnam received \$19 billion. The report also revealed that India is the highest remittance receiver among the Asian economies with \$100 billion last year, up from \$89 billion in 2021. China received \$51 billion, down from \$53 billion in 2021, Pakistan \$29 billion, down from \$31 billion and Bangladesh \$21 billion, down from \$22 billion in the previous year. It has also been reported that Thailand had an estimated 1.2 million Cambodian workers in 2021. South Korea had almost 46,000 workers from Cambodia followed by Malaysia with 23,000, Japan with nearly 12,000 and Singapore with about 800. Singapore, Malaysia, and Thailand are the main destination countries for Asean migrant workers. For studying abroad, the most popular destination for Cambodian students was Australia which had 1,900 students from the country in 2000. The US ranked second with about 800 Cambodian students and Japan came as the third favourite destination with about 600 students. According to the report, the state of the world holds many uncertainties, including wars (current and potential), threats to the environment, supply disruptions (including food supply and prices), and financial instability. Any of these could again severely impact labour migration to Asia, highly skilled and less skilled. "However, the disruption caused by the Covid-19 pandemic is largely behind us as far as labour migration trends and policies are concerned. Remaining difficulties for migrant workers in early 2023 include the

consequences of the Russian invasion of Ukraine, relatively slow global growth, and tensions on prices," it said.

Source : <https://www.khmertimeskh.com/501317625/cambodias-remittances-rise-to-1-25b/>

PM urges premium rice exports to Singapore



Cambodia News | 3 July, 2023

Prime Minister Hun Sen has urged the export of premium rice to Singapore as the country currently relies on imported agricultural products. Cambodia is expected to become one of the countries that supply agricultural products to Singapore, the Prime Minister said during a get-together with garment workers in Pursat province on Friday. Singapore receives millions of foreign tourists each year, requiring it to import food supplies from abroad. "I want to see Cambodia supply premium milled rice to Singapore. I want Singaporeans and foreign tourists alike to enjoy the taste of our world-renowned rice," he said. Cambodia's Phka Romduol rice won the World's Best Rice 2022 Award at the World Rice Conference (WRC). Cambodian premium fragrant rice won the award for the fifth — 2022 after 2018, 2014, 2013 and 2012 — of its rice industry history since participating in the annual contest, which is a very big honour for Cambodia. Significantly, Cambodia recently started the official export of milled rice to the Philippines. The first large-scale export was carried out by the Khmer Food Group. Pan Sorasak, Minister of Commerce, during the

inauguration ceremony of rice exports to the Philippines last week, hailed the efforts of the government, which has always been trying to find a market for Cambodian rice. Sorasak recalled that during last year's ASEAN Summit, the Prime Minister requested several countries to buy milled rice from Cambodia, and to invest in the development of key infrastructure rice production facilities. Cambodia exported 278,184 tons of milled rice to 50 countries and regions during the first five months of this year, generating \$191 million in revenue, according to the Cambodia Rice Federation's report. China was the largest market for Cambodia's milled rice with 118,041 tons, followed by European and ASEAN countries. Cambodian goods exports to Singapore reached \$343 million in the first five months of 2023, up 508 per cent year-on-year from \$56 million. The Premier also asked Cambodian Ambassadors to participate in promoting products, culture and tourism through economic diplomacy.

Source : <https://www.khmertimeskh.com/501317626/pm-urges-premium-rice-exports-to-singapore/>

BOL chief attributes foreign currency deficit to drop in loans, tourism



Laos News | 3 July, 2023

The governor of the central bank highlighted the root causes of the foreign currency shortage and outlined key measures to address them during debates at the National Assembly last week. In response to questions raised by members of parliament, the Governor of the Bank of the Lao PDR, Dr Bounleua

Sinxayvoravong, said Laos has faced a deficit in foreign currencies since 2010. This means the inflow of foreign currencies is less than the outflow, creating an imbalance in foreign currency supply. Dr Bounleua said that in the years immediately following 2010, the massive inflow of foreign investment capital and loans from foreign countries helped to balance the country's income and expenditure and kept the deficit in check. Unfortunately, since 2018, the government has restricted the amount of loans due to rising public debt, which has led to a shortfall in the overall balance of payments. In addition, the Covid-19 pandemic which hit Laos in 2020 resulted in a massive loss of foreign currency due to the sharp decline in the number of foreign visitors and foreign investment, which are considered to be Laos' main sources of foreign currency. "In 2018 and 2019, tourism generated between US\$900 million and US\$1 billion each year," Dr Bounleua said. The central bank governor said the foreign currency lost from tourism and the drop in loans led to an overall foreign currency deficit because there was no corresponding decline in the demand for foreign currency. "One of the best approaches is to reduce the foreign currency deficit by regulating foreign currencies earned from exports," Dr Bounleua said. At present, only just over 30 percent of export receipts enter Laos through the banking system. In 2022, the value of exports stood at US\$8.19 billion, but only US\$2.7 billion entered the country. For instance, in 2022, about US\$2.2 billion was earned

from the export of electricity but only US\$500 million flowed into Laos. This is because investors have been permitted to make payment of their debts in foreign countries as those investors borrowed money offshore to build dams in Laos. With regard to the export of minerals, only 67 percent of export receipts entered the country. "The most important thing is that we need to regulate the foreign currency earned from exports," Dr Bounleua said. "At the same time, we need to strongly promote foreign investment and tourism. If we can attract 4 million visitors annually, we will have about US\$900 million or US\$1 billion circulating in the country." He added that Laos also needs to limit imports of luxury and non-essential goods that require large amounts of foreign currency, while reducing the use of foreign currencies in the country. The government may raise taxes on certain products as a means to restrict imports and reduce the use of foreign currencies. Economists say it's also critical for the government to consider a more favourable visa policy to attract more high spending tourists from Asia and Europe. In addition, improving the investment climate, particularly by speeding up the approval of investment projects and introducing faster procedures for exporters, is necessary to attract foreign investment.

Source : https://www.vientianetimes.org.la/freeContent/FreeContent_Bol126.php

Demand for palm oil decreases due to large foreign palm oil imports



Myanmar News | 3 July, 2023

Around 20,000 tonnes of palm oil were expected to arrive from abroad in early July. Therefore, the demand for palm oil in the various regions, including Yangon, decreased remarkably on 1 July. In the Yangon edible oil market, palm oil prices rose due to the difficulty of purchasing palm oil at the end of June. Edible oil dealers said that the price has risen to K8,000–K8,200 per viss in the market. The wholesale reference price was K4,010 per viss from 26 June to 1 July, and the market price is around K4,000 per viss higher than the reference price. Due to the high market prices, the relevant authorities discussed and negotiated with related parties on 1 July to stabilize palm oil prices. In addition, there has also been news recently that imported palm oil would continue to enter the country. The increase in oil imports from abroad and the discussion of relevant authorities on the rise in palm oil prices caused an excess supply of palm oil in the Yangon market. According to a dealer, those who had stored palm oil at more than K7,000 per viss in previous months were able to sell them again when the price went up at the end of June and got profits instead of losses. In the Yangon oil market, the price is often raised for some reason, and at the end of June, the wholesale price rose to around K1,000 per viss within a few days. The price of a tonne of imported palm oil was only US\$860 on 30 June. In this situation, local oil

traders said that they would monitor the price situation of the oil market on 3 July. — TWA/CT

Source : <https://www.gnlm.com.mm/demand-for-palm-oil-decreases-due-to-large-foreign-palm-oil-imports/#article-title>

Index of industrial production up 0.44% in six months



Vietnam News | 3 July, 2023

The index of industrial production (IIP) in the first half of 2023 grew by only 0.44% compared to the same period last year due to decreasing orders, falling demand and rising input costs, according to the General Statistics Office (GSO). The office pointed out that, in the period, the IIP of some key industries increased significantly year-on-year, including coke and refined petroleum (13.2%), metal ore mining (11.5%), rubber and plastic (7.2%), tobacco (6.7%), and beverages (5.7%). Conversely, the index of others went down, including wood processing and wood product manufacturing (7.7%), paper and paper product manufacturing (7.5%), and clothing and motor vehicle manufacturing (6.8%). The GSO report also showed that the six-month IIP saw annual rises in 48 provinces and centrally-run cities and decreases in 15 others nationwide. A number of localities achieved a relatively high increase in their indexes thanks to the growth in the industries of manufacturing and processing as well as electricity production and distribution. In the first half, the consumption index of the entire manufacturing and processing industry decreased by 2.2% from the

same period in 2022, while its average inventory ratio was 83.1% compared to 78% posted last year. To further promote production, the Ministry of Industry and Trade has requested localities and sectors involved to complete their related industrial development projects, strategies and plans; and tackle hurdles facing enterprises.

Source : <https://en.nhandan.vn/index-of-industrial-production-up-044-in-six-months-post127057.html>

Vietnam remains biggest rice provider of Philippines



Vietnam News | 3 July, 2023

Vietnam remained the biggest rice provider of the Philippines in the first five months of this year with turnover of 772.4 USD million, surging 31.1% year-on-year. During January-May, the Philippines imported 1.5 million tonnes of rice from Vietnam, accounting for nearly 90% of its total imported rice, according to the Asia-Africa Market Department under the Ministry of Industry and Trade, citing data from the Philippine Bureau of Statistics. This was also the record level of Vietnam's rice exports to the Philippines so far. In the first five months, Vietnam exported 3.6 million tonnes of rice, with the Philippines accounting for 42.3% of the total. In the last six months of the year, rice exports to the Philippines are forecast to continue to increase due to the impact of climate change and El Nino phenomenon that could severely affect domestic food production in the country of 113 million people. According to the department, for the remaining

months of 2023 and 2024, it is expected that the Philippines' rice consumption and import demand will continue to increase. Therefore, to take advantage of the opportunity to increase exports to this market, businesses need to closely follow market developments and policies on rice trade. Besides, businesses should actively coordinate with relevant Government agencies, ministries, branches and associations to promptly remove difficulties and obstacles arising in trade activities and participate in activities to promote exports to the Philippines.

Source : <https://en.nhandan.vn/vietnam-remains-biggest-rice-provider-of-philippines-post127056.html>
