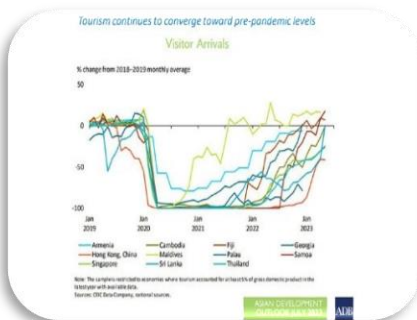


Highlight News / July 21, 2023



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Tourism recovery in full swing, says ADB



Cambodia News | 20 July, 2023

The tourism recovery is in full swing in Asia and the Pacific, including Cambodia, according to the Asian Development Outlook (ADO) July 2023, released yesterday. The sample was restricted to economies where tourism accounted for at least five percent of gross domestic product in the latest year with available data. "Revenge travel continues to lift tourist arrivals and related activities. In addition, while still subdued, China's recovery supports the demand for agricultural exports from the subregion," the ADB outlook pointed out. Though ADB maintained its growth forecasts for most subregions in Asia and the Pacific, the agency lowered its outlook for Southeast Asia to 4.6 percent this year and 4.9 percent next year, compared with April estimates of 4.7 percent and 5.0 percent, respectively. "Weaker global demand for manufactured exports has slowed growth even as domestic demand remained intact. Private consumption continued to be the primary driver of economic growth in the first half of 2023, buoyed by improved labour market conditions and income across Southeast Asia," ADB said. It said inflation is expected to continue falling, approaching pre-pandemic levels as fuel and food prices decline. Inflation in developing Asia is forecast at 3.6 percent this year, compared with an April forecast of 4.2

percent. The inflation outlook for 2024, meanwhile, is raised to 3.4 percent from an earlier estimate of 3.3 percent. ADB, which cautioned that the industrial activity in export-oriented economies has weakened following slow global demand, said the reopening of the People's Republic of China (PRC) is bolstering the region's growth. China's economy is projected to expand 5 percent this year, unchanged from the April forecast, amid strong domestic demand in the services sector. However, it pointed out that the demand for developing Asia's exports of electronics and other manufactured goods is slowing, as monetary tightening drags on economic activity in major advanced economies. "Asia and the Pacific continue to recover from the pandemic at a steady pace. Domestic demand and service activity are driving growth, while many economies also benefit from a strong recovery in tourism. However, industrial activity and exports remain weak, and the outlook for global growth and demand next year has worsened," ADB Chief Economist Albert Park. In its Asian Development Outlook (ADO) 2023, published in April, ADB predicted Cambodia's GDP growth at 5.5 percent this year and 6 percent next year. It said the economy is estimated to grow on more robust tourism recovery and higher growth in the services sector. According to the outlook, Cambodia's tourism and agriculture sectors are expected to grow 7.3 percent and 1.1 percent, respectively this year. The tourism growth is set to ease to 6.8 percent while agriculture is predicted to grow at 1.2 percent next year. However, the industry is estimated to grow

slower at 5.8 percent and 7.8 percent in 2023 and 2024, respectively. Launching the report, ADB Country Director for Cambodia Jyotsana Varma said: “Cambodia’s economic outlook is positive with robust growth, shrinking current account deficit and moderate inflation in 2023.” Agriculture is estimated to grow, boosted by crop production for exports. Meanwhile, the World Bank in its May 2023 Economic Update said that weakening external demand is affecting Cambodia’s recovery. Global growth is slowing sharply in the face of elevated inflation, higher interest rates, reduced investment, and disruptions caused by Russia’s invasion of Ukraine. Attributable largely for the decline in exports to the US and EU markets, total goods exports contracted at 14.2 percent y/y during the first two months of 2023, compared to an average growth rate of 6.7 percent in 2019, it pointed out.

Source: <https://www.khmertimeskh.com/501327000/tourism-recovery-in-full-swing-says-adb/>

CGCC provides \$130M credit guarantees to over 1,500 businesses



Cambodia News | 20 July, 2023

The Credit Guarantee Corporation of Cambodia (CGCC) has supported 1,566 businesses by providing credit guarantees for their loan applications, amounting to \$132.74 million as of June 2023. CGCC said in a statement yesterday that the total amount of outstanding guaranteed loans was

\$105 million, while the total amount of outstanding guaranteed amount was \$75 million. There are 1,432 micro, small and medium-sized businesses (MSME) and 134 large businesses in Cambodia, the report said, adding that about 640 were women-owned. The report stated that a significant portion of the loan guarantees were used for working capital, investment, business expansion, and capital expenditures. CGCC, the first credit guarantee institution in the country under the Ministry of Economy and Finance, was established in August 2020, during the Covid-19 pandemic to provide timely credit to support the rehabilitation and sustainability of local businesses. The credit guarantee scheme has contributed in strengthening entrepreneurship and improving financial inclusion in Cambodia by facilitating the smooth distribution of loans, said Mey Vann, Secretary of State at the Ministry of Economy and Finance. “The CGCC has played a key role in serving the needs of SMEs in Cambodia, which are struggling in the wake of the Covid-19 pandemic and the inflation crisis, and need credit from banks for their business,” Vann said. The government will continue to implement supportive policies through credit guarantee mechanisms to ensure the development of small and medium enterprises, he added. CGCC has so far guaranteed 40 percent of its total guarantees of \$130 million to women-owned MSMEs, said Chief Executive Officer of CGCC Wong Keet Loong while signing a \$3 million portfolio guarantee agreement for women entrepreneurs between CGCC and Prince Bank on

July 13. “The woman scheme comes with lower interest rates and guarantee fees for the 1st year. These favorable terms will enable women MSMEs to obtain lower cost of financing,” he said. The finance ministry has authorised the extension of the BRGS beyond December 31, 2022, until all funds have been utilised, an early-January CGCC statement confirmed, which noted that the terms of the scheme had also been updated, including the maximum guarantee amounts for different categories of businesses. CGCC’s main mission is to provide credit guarantees to lenders on loans made to businesses based on international standards to share the risk with lenders and to improve financial inclusion.

Source: <https://www.khmertimeskh.com/501327208/cgcc-provides-130m-credit-guarantees-to-over-1500-businesses/>

Laos shares sustainable development plans at UN forum



Laos News | 20 July, 2023

The government has reaffirmed its unwavering commitment to uphold multilateral cooperation and enhance partnerships to inspire the necessary transformative changes for achieving the Sustainable Development Goals (SDGs) by 2030. Deputy Minister of Foreign Affairs Mr Phoxay Khaykhamphithoune reiterated the government’s

stance when attending the Ministerial Segment of the UN High-Level Political Forum on Sustainable Development under the theme “Building momentum towards the 2023 SDG Plan Summit: Transformation for Accelerating Implementation of the SDGs”. The meeting took place in New York, USA, from July 10-19. “As we strive to recover from the Covid-19 pandemic and address pressing challenges, acceleration of the full implementation of the 2030 Agenda for Sustainable Development at all levels is more crucial than ever,” Mr Phoxay said. “Since this year’s Forum on Sustainable Development and the upcoming SDG Summit mark the halfway point of the 2030 Agenda, we have the opportunity not only to look at the progress made so far, but more importantly to reflect on how lost momentum on SDGs can be regained through more pragmatic and systematic approaches.” Laos is of the view that enhanced commitments and an achievable acceleration plan remain pivotal, he added. At the national level, the Lao government has adopted important measures, including the national agenda on addressing economic and financial difficulties for 2021-23 and the 9th National Socio-Economic Development Plan Financing Strategy for 2023-25, to address the impacts of the Covid-19 pandemic and the ongoing crisis. “Pertaining to the SDGs, we have begun the formulation process of our third voluntary national reviews for 2024, focusing on track analysis

of the progress of selected SDGs.” “This review will enable us to see which SDGs need greater attention both through internal efforts and with support from the international community, particularly developed countries and development partners, in collaboration with all relevant stakeholders,” Mr Phoxay said. He called on the international community to fulfill their commitments in providing necessary support and to act on all fronts so as to achieve the Sustainable Development Goals together and leave no one and no country behind.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent_Laos139.php

Myanmar’s education system in ‘crisis’



Myanmar News | 20 July, 2023

After violence erupted in Myanmar in the wake of the 2021 coup, most high school students in the remote township of Thantlang left their studies and took up arms to support a grassroots rebellion against the military, local school teacher Salai said. Across Myanmar, one of Southeast Asia’s poorest countries that has been ravaged by widening fighting since the coup, only about 22 percent of eligible students are enrolled at the high-school level, the World Bank said in a report published in July. Overall, enrolment rates in Myanmar’s education institutions have dropped by over 12 percent between 2017 and 2023, the World

Bank said, underlining “a crisis in education access”. A junta spokesperson did not answer a phone call seeking comment. While other countries in the region have seen education enrolments bounce back after the pandemic, large numbers of children in Myanmar have not come back to school, the World Bank said. Teachers and students in Myanmar have been at the forefront of opposition movements against military rule for decades.

Source: <https://www.thedailystar.net/news/asia/news/myanmars-education-system-crisis-3373856>

Vietnamese export rice price sets new record



Vietnam News | 20 July, 2023

HA NOI — The average export price of Việ̣t Nam’s rice last year was US\$650 per tonne, up 20.8 per cent over the same period last year. At the end of last week, the export price of Việ̣t Nam’s five per cent broken rice was trading at \$513 per tonne, a sharp increase over the \$500 to \$510 per tonne recorded in the first week of July. Meanwhile, the export price of 25 per cent broken rice also increased to \$493 per tonne. The latest data from the General Department of Việ̣t Nam Customs shows that, in the first half of this year, Việ̣t Nam exported more than 4.2 million tonnes of rice, worth \$2.26 billion, up 21 per cent in volume and 32 per cent in value compared to the same period last year. The average export price of

rice in the past six months reached \$539 per tonne, up more than 10 per cent over the same period last year and touching the highest level in the past 10 years. Notably, in June, the average export price of rice reached \$650 per tonne, up 9.4 per cent compared to the previous month and 20.8 per cent over the same period last year. The price of Vietnamese rice is continuing to maintain its upward momentum due to increased demand abroad. Many countries around the world are actively purchasing rice to ensure food security as the El Nino phenomenon is forecast to negatively affect agriculture globally. In the first five months of the year, Việt Nam's rice export growth to traditional markets such as the Philippines and China both recorded double-digit gains. Rice exports to many new markets such as Indonesia, Chile, Turkey, and Senegal recorded a sudden increase from 1,100 per cent to 16,000 per cent over the same period last year. Rice export prices in other countries in Asia also tended to increase in the past week as demand increased. Currently, the market is focusing on monitoring developments around India's rice export policy. Reuters News Agency reported that the Indian government is considering banning the export of all non-Basmati rice. India currently accounts for 40 per cent of total global rice exports. If the above export ban is passed, the world rice price will rise significantly; at the same time, creating conditions

for other rice exporting countries such as Việt Nam and Thailand to increase their market share. — VNS

Source: https://vietnamnews.vn/economy/1551320/vietnamese-export-rice-price-sets-new-record.html#google_vignette

ADB lowers growth forecast for Vietnam's to 5.8% this year



Vietnam News | 20 July, 2023

The Asian Development Bank (ADB) has revised its GDP growth forecast for Vietnam down to 5.8% for 2023 and 6.5% for 2024, from 6.5% and 6.8% in April, respectively, according to the Asian Development Outlook (ADO) released on July 19. Weak external demand continued to put pressure on manufacturing and industrial production, while domestic conditions are expected to improve moving forward, the bank said. The country's inflation is forecast to slow to 4% in 2023 and the next year. Meanwhile, the Asia Pacific region is expected to maintain growth of 4.8% this year, driven by domestic demand. Inflation is expected to continue falling, approaching pre-pandemic levels as fuel and food prices decline, according to the ADO. Inflation in developing Asia is forecast at 3.6% this year, compared with an April forecast of 4.2%. The reopening of China is bolstering the region's growth. However, demand for developing Asia's exports of

electronics and other manufactured goods is slowing, as monetary tightening drags on economic activity in major advanced economies. Thus, the region's growth forecast for next year is revised down to 4.7% from a 4.8% estimate in April. Asia and the Pacific continue to recover from the pandemic at a steady pace, said ADB Chief Economist Albert Park. Domestic demand and services activity are driving growth, while many economies are also benefiting from a strong recovery in tourism, he went on. The ADB maintains its growth forecasts for most subregions in Asia and the Pacific with Southeast Asia, Caucasus and Central Asia are exceptions. Notably, growth in Southeast Asia is now expected at 4.6% this year and 4.9% next year, down from 4.7% and 5% previously, due mainly to weak global demand for processed and manufactured industrial products, according to the ADO.

Source: <https://en.nhandan.vn/adb-lowers-growth-forecast-for-vietnams-to-58-this-year-post127656.html>
