

## Highlight News / August 04, 2023



- Cambodia's electrical exports rise to \$1.4 billion in 1H
- Cambodia sees significant increase in digital payments with e-wallets exceeding 20.2 million
- Party resolves firm action to tackle economic issues
- Local sugar price surges to K3,400 per viss
- Positive economic outlook predicted for Vietnam in H2
- Chinese firm to build US\$165-million aluminum factory in Nghe An



Advisory Institute for Trade and Investment by TCC (AiTi)

## Cambodia's electrical exports rise to \$1.4 billion in 1H



*Cambodia News | 03 August, 2023*

Cambodia exported \$1.4 billion worth of electrical equipment and electronic components in the first half of 2023, a 1.3-fold increase year-on-year, according to the National Bank of Cambodia's report. The export of manufactured products including garment and non-garment products decreased this year due to fall in external demand in Cambodia's main markets, including US, EU, and UK. "While the exports of garment products, bicycles and rubber decreased, exports of electric and electronic products saw a 1.3-fold increase year-on-year," the report said. Heng Sokkung, Secretary of State at the Ministry of Industry, Science, Technology, and Innovation, said that non-garment manufacturing exports have significantly increased in the last couple of years, outpacing the growth of garment manufacturing exports. "The Cambodian Industrial Development Policy 2015-2025 has boosted investment in technology in production chains, and we have seen an instant increase in the exports of non-garment manufacturing products," Sokkung told Khmer Times. He said that there is a good momentum to develop labour-intensive industries into skills- or technology-based industries. The global electronic and electrical industry has grown phenomenally to become an integral sector generating substantial export revenues and

employment, as well as an essential supporting element in other economic sectors including communications, education, finance and government. Despite a rapid and notable track record in building export sector capacities as the main driver of economic growth over the last two decades, Cambodia has recently started to expand beyond garments, shoes and bicycle production into regional electronic and electrical industry global value chains, according to Cambodia Development Research Institute (CDRI). The growing electronic and electrical production network is a promising development for Cambodia, as evidenced in the electronic and electrical industry's inclusion in Cambodia's industrial development policy (IDP) 2015- 2025, and government efforts to transform the country's industrial structure through better connection with regional and global value chains, it said.

Source: <https://www.khmertimeskh.com/501335905/cambodias-electrical-exports-rise-to-1-4-billion-in-1h/>

## Cambodia sees significant increase in digital payments with e -wallets exceeding 20.2 million



*Cambodia News | 03 August, 2023*

Cambodia has recorded a sharp rise in mobile payments as more and more people have turned from cash-based to digital transaction options, the

National Bank of Cambodia (NBC) said. The number of registered e-wallet accounts increased to 20.2 million as of June this year, read the report. The total number of transactions jumped to 333.7 million in the first half of this year from 211.2 million in the same period in 2022 with a total amount of US \$ 58.2 billion, a year-on-year increase of 98.3 percent, it pointed out. Cambodia's payment system has been modernized by incorporating a series of new technologies aimed at enhancing payment efficiency and security to facilitate the exchange of goods and services more easily and quickly, improve the financial environment and support the integration of payment systems into the region, said recently. outgoing NBC Governor HE Chea Chanto. "Inter-bank payments in Cambodia have become easier, in response to changes in the behavior of companies, enterprises and consumers, who increasingly rely on online shopping and electronic payments in the age of digital technology," he said. NBC's report stated that 35 payment service institutions (PSIs) have been licensed and two banking and financial institutions (BFIs) have been authorized to operate payment businesses. Chea Vannak – AKP

Source: <https://www.khmertimeskh.com/501336216/cambodia-sees-significant-increase-in-digital-payments-with-e-wallets-exceeding-20-2-million/>

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## Party resolves firm action to tackle economic issues



*Laos News | 03 August, 2023*

The Lao People's Revolutionary Party's central committee has resolved to initiate measures to ensure economic growth of 4.5 percent this year while reining in rampant inflation and slowing the depreciation of the kip. The Party Central Committee recently adopted a Resolution on the issue at its sixth session, outlining actions to be taken by the government to overcome the ongoing economic issues afflicting Laos and to prevent the country from defaulting on its debt payments. Chaired by Party Secretary General Thongloun Sisoulith, the committee's sixth session reviewed the internal and external factors that are negatively affecting the economy. The complex changes taking place around the world, including conflicts and political tensions, are all affecting the economy, according to a report from the Party Central Committee Office. At the same time, Laos is facing challenges relating to foreign currency deficit, skyrocketing inflation, continuing depreciation of the kip, and rising living costs. All these issues are affecting the leadership role of the Party and the state management role of the government.

All government bodies at the central and local levels are instructed to join forces to enable the country to overcome these challenges and sustain an acceptable level of socio-economic development. The government was asked to do more to boost production levels so that more goods are produced for export and fewer goods need to be imported, especially of the kind that can be produced in Laos. It is essential for the government to take steps to help farmers and producers lower production costs and encourage members of the public to buy locally made products. It is also necessary to review the credit policy to ensure that commercial banks provide more loans to boost commercial production, the Party Central Committee said. The Party reiterated that the government must ensure that more foreign currency earned from exports and investment enters the country through the banking system instead of being channelled elsewhere. At present, only a little more than 30 percent of export receipts enter Laos through the banking system. Over the past six months, the consumer price index increased by 38.06 percent, with the surge in prices closely linked to the depreciation of the kip. The government is advised to do more to create new revenue streams as a means to boost national income. The government also needs to plug loopholes that can result in financial losses and pursue a policy of austerity in order to curb debt

levels. The government was asked to do more to attract private investment to boost economic growth in parallel with improvement of the business environment.

Source: [https://www.vientianetimes.org.la/freeContent/FreeContent\\_Partyresolves149.php](https://www.vientianetimes.org.la/freeContent/FreeContent_Partyresolves149.php)

## Local sugar price surges to K3,400 per viss



*Myanmar News | 03 August, 2023*

The price of sugar jumped to K3,400 per viss in the domestic market amid the low stocks and inflation panic sparked by the issuance of the new K20,000 notes by the Central Bank of Myanmar (CBM). The CBM notified on 23 July that the new K20,000 notes will be issued from 31 July. The price of sugar hit K3,240-3,280 and then rocketed to K3,380-3,400 per viss on 2 August, showing an increase of over K100 within two weeks. Following the soaring sugar price, intending to help sugarcane growers, some companies have reportedly planned to contribute K200,000 per acre in advance for those new sugarcane growers for the 2023-2024 season. In the 2023-2024 season, new advanced machines will be added. Moreover, sugarcane expansion is also expected on account of soaring sugar prices, as per the Myanmar Sugar and Cane Related Association. Myanmar's annual sugar production is estimated at 450,000 tonnes. Myanmar earlier sent sugar to China

and Viet Nam beyond self-sufficiency. At present, it is delivered to Viet Nam only, said U Win Htay, vice-chair of the association. Sugar export to China via border was conducted under the state-level Memorandum of Understanding. However, it came to an abrupt stop due to the COVID-19 policy in China. Therefore, the sugar industry called for a government-to-government agreement to legally export sugar to China under quota. At present, Myanmar's sugar is shipped to Viet Nam and it can be granted tax exemption by presenting the Certificate of Origin. Only three registered Myanmar companies are entitled to sugar exports to Viet Nam so far. Sugarcane is commonly found in the upper Sagaing Region, followed by the northern Shan State. It is also found in the western and eastern Bago Region, Yangon Region and Mandalay Region. The sugarcane is grown in December-January. It can be harvested from November to February of the following years. The sugarcane growing rotation cycle lasts four years in Myanmar. — NN/EM

Source: <https://www.gnlm.com.mm/local-sugar-price-surges-to-k3400-per-viss/#article-title>

## Positive economic outlook predicted for Vietnam in H2



Vietnam News | 03 August, 2023

Hanoi (VNA) – International organisations and media have continued to make positive assessment of

Vietnam's economic recovery and outlook in the second half of 2023. Despite a slow growth amid global economic headwinds, Vietnam is performing better than most countries and is still an attractive destination for foreign direct investment (FDI) in the manufacturing sector, according to the International Monetary Fund (IMF) and Singapore-based DBS Bank as cited by Fibre2Fashion. In an assessment of Vietnam's economic situation in the first half of this year, both said a gradual easing of monetary policies, reducing taxes, and expanding public spending have helped mitigate the impact of headwinds. The IMF noted that Vietnam's economic growth would recover in H2 while inflation is likely to be under control below the State Bank of Vietnam's 4.5% target. Meanwhile, Standards Chartered expected the economy to grow 7% in H2. The country's economic stability and openness are key drivers for its promising mid-term outlook, a continued recovery of tourist arrivals will help strengthen the services balance, while maintaining investment inflows might need an enhanced global environment and concerted efforts from the Vietnamese Government, the bank said. Sputnik News of Russia cited DBS Bank as saying that with the FDI registered in H1 increasing about 30% year on year, despite many challenges, Vietnam is still an attractive FDI destination thanks to the shift in supply chains, many free trade agreements, a medium-term growth outlook of 6 - 7%, and a developing electronics ecosystem. It noted the surge in FDI inflows into the

manufacturing sector this year reflects foreign investors' sustained confidence in Vietnam's long-term potential. According to Asia Business Outlook of India, Vietnam is one of the fastest-growing digital economies in Southeast Asia. Against this backdrop, strong governmental support such as competitive tax incentives coupled with Vietnam's skilled labour market have played a strong role in enabling the country to serve as an offshore manufacturing hub as businesses look to diversify and strengthen their supply chains. Vietnam is a country on the rise, with a growing economy, stable political environment, and a relatively young workforce, making it an attractive destination for businesses looking to expand their operations in Asia. "As Vietnam continues to develop and grow, we can expect to see an increase in foreign investment and opportunities for businesses looking to tap into this dynamic and exciting market," an article on Asia Business Outlook wrote. Technode Global cited Tracxn Technologies Ltd. as saying in a recent statement that the Vietnamese tech startup ecosystem has emerged as the third-highest funded startup ecosystem in Southeast Asia. The startup ecosystem of Vietnam holds significant potential for growth, thanks to the country's government support measures such as tax exemptions for information technology (IT) companies and land rent concessions. The government's commitment to establishing a cashless economy will contribute to the

development of the FinTech ecosystem in the region, Tracxn added./.

Source: <https://www.reuters.com/markets/commodities/vietnam-aims-raise-annual-raw-rare-earths-output-2-mln-tyr-by-2030-2023-07-25/>

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## Chinese firm to build US\$165-million aluminum factory in Nghe An



*Vietnam News | 03 August, 2023*

HCMC – Chinese-invested Innovation Precision Vietnam has secured approval to build a US\$165 million aluminum factory in the north-central province of Nghe An. The aluminum factory will cover 17,800 square meters of land in the VSIP Nghe An Industrial Park, and have an annual production capacity of 100,000 tons of aluminum, according to the Nghe An People's Committee. The project will supply aluminum alloys and semi-finished casting products to the electronics industry and metal forging, while also providing high-quality processed aluminum components. The factory is scheduled to commence operations in October next year, generating employment for 1,500 workers. Thoi Quoc Xuong, general director of Innovation Precision Vietnam, said this venture marks the first plant developed outside of China by Shandong Innovation Metal Technology, the parent company of Innovation Precision Vietnam.

This foreign direct investment (FDI) project obtained an investment certificate within a week of its proposal submission. Nghe An Province has attracted over US\$890 million in FDI this year, positioning it among the top eight localities with the highest FDI attraction nationwide.

Source: <https://english.thesaigontimes.vn/chinese-firm-to-build-us165-million-aluminum-factory-in-nghe-an/>

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