

Highlight News / August 11, 2023



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Economy to stay healthy this year, says MEF



Cambodia News | 10 August, 2023

The Ministry of Economy and Finance's review report on budget implementation in the first half of 2023 projected Cambodian economic growth at 5.6 percent this year amidst external factors that affected global growth. The strong growth in service sector, and non-garment manufacturing product exports are expected to support this year's robust growth, the report, released this week, said. "Cambodia's economy in 2023 is projected to grow at 5.6 percent as estimated earlier this year, but main sub-sectors driving the growth have changed," it said. The impact of the Russia-Ukraine war, US-China trade and technology war, and strict monetary policy from developed countries have caused global economic uncertainties and pressured Cambodia's exports, particularly non-garment exports, the ministry stated. "Continued increasing growth of non-garment exports, and recovery of hotel and restaurant sub-sector, and other driving sub-sectors such as retails and transport support the country's 2023 economy growth," it said. The country's economy mainly relies on garment exports, tourism, agriculture, real estate and construction. Cambodia attracted around 2.57 million international visitors in the first half of 2023, a sharp increase of 409 percent from 506,762 over the same period last year. Based on the latest forecast, Cambodia will be able to

receive up to 5 million international tourists in 2023, an expected increase of 120 percent from 2.27 million in 2022, the Ministry of Tourism said. The General Department of Customs and Excise report showed that Cambodia exported garment, footwear, and travel goods products worth \$5.26 billion in the first half of this year, down 18.7 percent from \$6.47 billion in the same period last year. The garment, footwear, and travel goods industry is the largest foreign exchange earner for Cambodia. The sector consists of approximately 1,300 factories and branches, employing about 840,000 workers – most of them female – across the country. Cambodia's economy recovered well from the impact of Covid-19 in 2022, thanks to rising global demand, foreign investors' confidence, full reopening of borders, and the return to normal of the domestic economy. "It's essential for all of us to protect the peace, which is the most important prerequisite for national development," Prime Minister Hun Sen said in a speech during a get-together with nearly 20,000 garment factory workers in June. The premier also said that the service sector is expected to be Cambodia's largest by gross domestic product (GDP) composition, replacing industry and agriculture. "With the arrival of foreign tourists, the service sector will expectedly increase and share the largest composition of Cambodia's GDP," he added.

Source: <https://www.khmertimeskh.com/501340003/economy-to-stay-healthy-this-year-says-mef/>

Social media platforms taking over e-Commerce segment



Cambodia News | 10 August, 2023

Social media is rapidly taking over the e-Commerce sector in the Kingdom with almost all local businesses promoting their services using social media platforms, a latest market report has revealed. Digitalisation experts now opine that e-Commerce ventures and businesses must leverage social media platforms and use them to their full potential in order to be successful in the Kingdom's markets. The Consumer Report 2023 published by Standard Insights in collaboration with Confluences highlighted the significance of social media in the economy under a special segment titled 'e-Commerce – Online Shopping Penetration'. According to various estimates, there are 10.95 million social media users in the Kingdom, which is almost 65 percent of the total population. Facebook and other Meta platforms continue to lead in user numbers and popularity among social media platforms. With 10.45 million users, Facebook leads all other social media platforms in the Kingdom; it is followed by Facebook Messenger (7.20 million users), TikTok (7.06 million users), Instagram (1.75 million users), LinkedIn (530,000 users), and Twitter (393,200 users). "Like in most Southeast Asian countries, online shopping has become increasingly popular in the Kingdom with more and more people

turning to Internet for their shopping needs," the report said. "More than a quarter of Cambodians (29.97 percent) have reported engaging in online shopping multiple times per month, with a significant portion residing in Phnom Penh. However, it is still way more frequent than neighbours Thailand (46.57 percent) or Vietnam (51.47 percent)," it added. The report also stressed that social media also remains a popular source of information that enables users to discover newer and more innovative products. It found that 61.90 percent of the customers admitted to being influenced by social media platforms such as Facebook, Instagram or Twitter when it comes to shopping. Highlighting the challenges in the e-Commerce sector, the report said the delivery of services is heavily dependent on private delivery services such as DHL, UPS, Grab, Kerry Express and J & T. "The e-Commerce environment in the Kingdom falls short due to many factors like defective infrastructure, payment trust issues and the lack of online market giants. "A major concern for many is the lack of buyer protection as this makes it harder for local businesses to offer a refund or product return." The report also quotes Clement Barbier, Business Development Manager of cybersecurity firm Omniscia, as saying that the e-Commerce sector in the Kingdom is definitely on an upward trend. "The e-Commerce landscape will become more competitive over time. However, I think this will only last as long as providers remain customer-centric.

We can expect to see a big pump in platforms entering the market followed by a dump as the market experiences a skimming effect.” Speaking to Khmer Times, on the sidelines of a meeting held at Huawei Cambodia office at Exchange Square, Cellcard Chief Commercial Officer Johnny Wong said the share of social media users accessing social media platforms via mobile devices is as high as 99.1 percent. Presenting an overview of social media use in the Kingdom, he said 55 percent of social media users were men while women constituted the remaining 45 percent. Khmer Times earlier published that the social media platform TikTok, owned by Chinese internet technology company ByteDance, has substantially expanded its reach vis-à-vis Meta platforms in the Kingdom’s digital marketing space during the first quarter of 2023, interpreting information provided by tech data analysis portal datareportal.com. Data published in ByteDance’s own ad planning tools show that TikTok’s potential ad reach in Cambodia increased by 381,000 (an increase of 5.7 percent) between the start of 2022 and early 2023 while Meta platforms showed a decline during the same period, setting a clear platform for TikTok to overtake Meta platforms in the coming years. However, Facebook and other Meta platforms continue to lead in user numbers and popularity among social media platforms. With 10.45 million users Facebook leads all other social media platforms in the Kingdom; it is followed by Facebook Messenger (7.20 million), TikTok (7.06 million),

Instagram (1.75 million), LinkedIn (530,000), and Twitter (393,200).

Source: <https://www.khmertimeskh.com/501340001/social-media-platforms-taking-over-e-commerce-segment/>

Mekong set to rise close to danger level



Laos News | 10 August, 2023

The Mekong river will continue to rise to close to the danger level after several days of heavy and light rain, with people living along its banks being warned to stay alert and to prepare to move if necessary. According to the Meteorology and Hydrology Department, the level of the Mekong river at the Km 4 point in Vientiane was recorded at 8.85 metres on August 8. The level is forecast to rise from 9.86 metres on August 9 to 10.5 metres on August 10, and continue to 11.92 metres on August 11. A level of 11.92 metres will be above the warning level of 11.50 metres, and close to the danger level of 12.50 metres. On August 9, the river overflowed its banks and slowly flooded some low-lying areas in Sithantay village of Hadxaifong district in Vientiane. Local residents said some households have been moving their property to higher ground and safer places. The authorities are keeping a close eye on the Mekong river and its tributaries since the water levels are expected to rise over the next few days. Heavy and light rain has been forecast across the country, and

this is expected to result in a rise in the level of the Mekong and its main tributaries. The level of the Mekong river in Pakxan district of Borikhamxay province was recorded at 10.46 metres on August 9, with the warning level here set at 13.50 metres, and the danger level of 14.50. In Luang Prabang city, the level of the Mekong river is expected to rise from 14.33 metres on August 10 to 14.43 on August 11, and there could be light rain in this area. The level of the Mekong river in Luang Prabang city is still under the warning level of 17.50 metres and the danger level of 18 metres. The Mekong river had risen to 10.75 metres in Thakhek district of Khammuan province, with the warning level there set at 13 metres and the danger level at 14 metres. The Meteorology and Hydrology Department said rain is forecast for the northern, southern and central areas of Laos during August 9-15, and this is expected to result in rising levels of the Mekong and its main tributaries. The department advised its officials to pay close attention to their work and issue flood warnings when necessary, so that people in at-risk areas can be prepared and the effects of flooding mitigated. There are plans to increase the number of meteorology and hydrology stations in all districts of the country so that warning systems and weather forecasts are more efficient. More monitoring stations will enable better coordination with local

officials when floods occur or are likely, the department said.

Source: <https://www.vientianetimes.org.la/free>

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Surge in prices detected in domestic rice market



Myanmar News | 10 August, 2023

The price of high-grade Pawsan rice from the Shwebo area surged to K135,000 per sack, according to Myanmar Rice Wholesale Centre (Wahdan). The panic buying of some consumers sparked by the Central Bank of Myanmar's issuance of the new K20,000 note on 31 July drove up the rice prices. The price of Shwebo Pawsan rice stood at K115,000 per sack on 24 July and then jumped to K135,000 per sack on 9 August. The figures showed a sharp rise of K20,000 per sack over the past two weeks. Similarly, the Yangon market sees a persistent rise in the prices of other rice varieties. The prices of old Pawsan rice touched a high of K98,000-100,000 per bag depending on producing areas (Myaungmya, Pyapon and Dedaye), while rice prices stood at K87,000 per bag of Kunni, K67,000 for Ngasein, K88,000 for Pawkywe, K67,000 for rice grown under intercropping system and K105,000 for Kyapyan rice variety, as per the price data released by Myanmar Rice Wholesale Centre (Wahdan).

To stabilize the rice price, Myanmar Rice Federation started to sell off the rice reserved under the cooperation of the exporting companies and other schemes from 7 August at the Wahdan and Bayintnaung rice wholesale depots. The rice prices are set at K110,000-120,000 per sack of Pawsan from the Shwebo area, K94,000-97,000 for Pawsan from Ayeyawady, K65,000 for Aemahta (10 per cent broken) and K60,000 for Aemahta (25 per cent broken) respectively. The consumers are entitled to buy a rice sack of Pawsan rice and a rice sack of Aemahta rice per month, presenting the citizenship scrutiny card. Moreover, the staff from government departments, factories and companies can buy the rice with official letter by sending a purchase letter to admin@mrf.com.mm. For further detail, consumers can contact the MRF through Ph: 09 400062760, 09 400067270 and Wahdan Depot via Ph: 01 8221448, 01 8220131, 01 8210287 and Bayintnaung depot via Ph: 09 769029428. Initially, 50,000 rice bags (25 per cent broken – single polished and stored) are to be sold. The federation will increase the sales quota if necessary. Under the guidance of the Ministry of Commerce, MRF has been making efforts and participating in the development of the rice market, systematic registration for rice storage, fair market and price stability as the role of the private sector. Myanmar has achieved self-sufficiency in rice and only the excess rice is exported systematically.

At present, rice crops are being harvested in the northern Bago region and central Myanmar region. With the electricity supply improving, rice mills could run operations fully. Therefore, the production meets the consumption for sure. Nevertheless, those unscrupulous are spreading malicious rumours and fake news to trigger consumers' concerns and spark panic buying. The federation hereby requested the consumers to stop panic buying and buy rice when they need it. Myanmar Rice Federation will endeavour to stabilize the rice price and steer the market for the right price and the right product. The MRF will join hands with the rice millers, rice traders and companies. The federation called on them to balance the short-term and long-term benefits in trading, as per the MRF's notification dated 24 April. Individuals and family entities can contact the rice wholesale centres for fair prices and the right product. For any difficulties, please contact the office of the MRF, as per the statement. Myanmar Rice Federation notified on 24 April that tips-off about those manipulators who spread malicious rumours on digital platforms to spark concerns of the consumers and raise the rice prices can be done for the sake of the long-term benefit of the rice industry. The federation will forward the reports of those manipulators to the relevant authorities if they refuse to be persuaded. Those stakeholders in the supply

chain need to exert concerted efforts in this as well.

— NN/EM

Source: <https://www.gnlm.com.mm/surge-in-prices-detected-in-domestic-rice-market/#article-title>

Most of surveyed German firms plan expansion in Vietnam



Vietnam News | 10 August, 2023

Hanoi (VNA) - About 91% of German companies are planning to expand their investment in Vietnam, according to a survey conducted by the Delegation of German Industry and Commerce (AHK) in Vietnam. The AHK World Business Outlook Spring 2023 – Vietnam Focus shows that 40% of the surveyed firms also have plans to increase their workforce in the next 12 months. Despite challenges such as inflation, uncertainties of the world economy, and the increasing political influence on supply chains, Vietnam is expected to experience a resurgence in its economic growth in the medium-term. The growth will be fueled by various factors, including Free Trade Agreements (FTAs), the China Plus One strategy, the global trend of shifting and diversifying manufacturing supply chains towards competitive hubs in Southeast Asia, and the inflow of green investments, the report said. About 500 German companies have invested some 2.9 billion USD in the Southeast Asian nation so far, mainly in its southern and northern regions that make up 60%

and 22% of the total capital, respectively. They have generated about 50,000 jobs, thus significantly contributing to the bilateral ties. As of July 20, newly-registered capital, additional investment, capital contribution and share purchase by German investors in Vietnam amounted to nearly 197 million USD, with 21 new projects, mainly in the construction and building material sector. To lure more foreign investors, the AHK suggested the Vietnamese Government further streamline administrative procedures and invest more in infrastructure development, particularly in transport and logistics. Furthermore, enhancing the competitiveness of domestic enterprises, spurring the development of industrial clusters, providing intensive personnel training, observing international standards, and ensuring stable electricity supply for sustainable development are crucial solutions to raise Vietnam's attractiveness, it said./.

Source: <https://en.vietnamplus.vn/most-of-surveyed-german-firms-plan-expansion-in-vietnam/265966.vnp>

Indonesian firms export first batch of Oolong tea to Vietnam



Vietnam News | 10 August, 2023

Indonesia's PT Perkebunan Nusantara (PTPN) Group and PT Suntory Garuda Beverage have kicked off their maiden export of Oolong tea to

Vietnam. This milestone marks the beginning of a strategic collaboration between the two corporations to supply high-quality raw materials for ready-to-drink (RTD) beverages across Asia. The joint work for the export began in 2021 and underwent various preparation stages, including trials, assessments, and audits. The Oolong tea produced by PTPN Group has met the Indonesian National Standard (SNI) and passed pesticide content assessment with 268 required active ingredients. In Vietnam, the tea will be utilised by Suntory Pepsico Vietnam Beverage to create ready-to-drink products. Suntory, a Japanese consumer packaged goods company established in 1923, is renowned for its leading packaged beverage brands such as TEA, Ribena, and Okky Jelly Drink. PTPN Group manages over 23,000 hectares of tea plantations in Indonesia, with an annual production capacity of 50,000 tonnes or accounting for 40% of the national production.

Source: <https://english.vov.vn/en/economy/indonesian-firms-export-first-batch-of-oolong-tea-to-vietnam-post1038334.vov>
