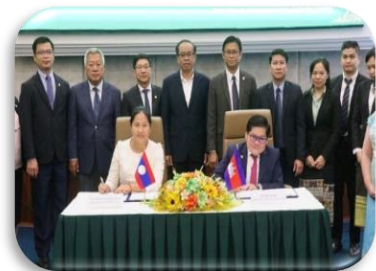
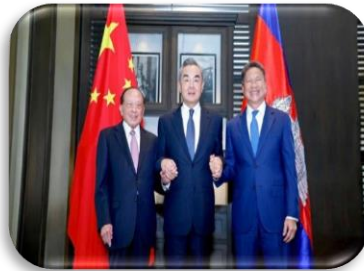


Highlight News / August 16, 2023



- Cambodia GFT exports at \$6.27 billion in 7 months
- Beijing commits 300 million yuan to develop high-speed rail network
- Cambodia, Laos ink MoU for securities market development
- Sino-Myanmar border trade surges by 60% in last 4 months
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Cambodia GFT exports at \$6.27 billion in 7 months



Cambodia News | 15 August, 2023

Cambodia's biggest export-earning segment of garments, footwear and travel (GFT) goods extended its lean patch into the seventh month of the year, as the exports recorded a decline of 20.44 percent in the January to July period of 2023. According to the latest trade data of the General Department of Customs and Excise (GDCE), Cambodia exported \$6.27 billion worth of GFT goods during the first seven months of the year, a sharp decline from the \$7.89 billion exported during the same period last year. The GFT goods exports for July 2023 alone showed a decline of 28.15 percent compared to the same period last year after a brief comeback in June when these exports gained one percent growth relative to June 2022. The July setback of GFT also caused the country's overall exports to fall by 1.8 percent in the January to July period of the year. According to an analysis of the GDCE data, the decline in GFT goods exports for May 2023 was 17.03 percent compared to May 2022. GFT exports for April showed a decline of 30.42 percent, for March they declined by 14.60 percent, in February by 24.54 percent and by 28 percent in January, compared to the respective months last year. Within the sector, knitted apparel articles brought in \$3.06 billion till July, a decline of 22.8 percent, compared to \$3.97 billion earned for

the same period in 2022. Non-knitted apparel articles earned \$1.40 billion, compared to \$1.64 billion for the same period last year, again a decline of 14.7 percent year-on-year. Travel goods netted \$1 billion till July this year, compared to \$1.22 billion for the same period last year, registering a decline of 18.3 percent year-on-year. Footwear exports earned \$808.46 million for the first seven months this year, also showing a decline of 22.7 percent compared to the same period in the previous year when they earned \$1.04 billion. Apart from the prolonged Russia-Ukraine war and subsequent inflationary pressures, the non-renewal of the Generalized System of Preferences (GSP) by the US and the reduction in Everything But Arms (EBA) benefits by the European Union (EU) have also hit the Cambodian GFT exports hard, according to experts. Chheang Vannarith, President of Cambodia-based Asian Vision Institute (AVI), told Khmer Times recently that the Kingdom's GFT sector woes are mainly caused by the global economic situation. According to Vannarith, the protracted war in Ukraine and heightening geopolitical rivalries have adversely affected the global economic outlook. Vannarith also recently pointed out that while Cambodia China Free Trade Agreement (CCFTA) could boost the Kingdom's agricultural exports to China, the GFT sector may not be able to benefit much under the agreement. By quoting the Cambodia Diagnostic Trade Integration Study 2019-2023,

he said in an article in Fulcrum that China cannot replace the EU and the US as markets of destination for Cambodia's garments, bicycles and shoes. He also said that due to concerns over human rights and democracy issues in Cambodia, the EU reduced approximately 20 percent of its EBA preferences for Cambodia in August 2020. The US too suspended its GSP preferences. There are also limitations for Cambodia to expand its export market in the region. "Only a small portion of total exports go to such markets, and the country's businesses are as yet not adequately integrated into regional value chains," he wrote in the article. Ky Sereyvath, Senior Economist and Director General of the Institute of China Studies at the Royal Academy of Cambodia, too attributed the Kingdom's GFT sector struggles to the global economic slowdown. But in his opinion, GSP and EBA issues did not affect Cambodia's GFT exports much. Sereyvath noted that Cambodia's GFT exports had still been going up from 2019 to 2022 even after the GSP non-renewal and EBA cut-down. But, as per the GFT Sector Brief released by the European Chamber of Commerce in Cambodia (EuroCham) last November, of the 64 EBA affected tariff lines for Cambodia, five relate to travel goods, 13 to footwear products and 46 to garment products. Cambodia may still export those affected products to the EU market, but they will be subject to general tariffs applicable to any other member of the WTO. Meanwhile, the Cambodian government started a scheme in partnership with textile and garment factory owners in March this year to provide financial

support to workers who lost jobs following factory closures and retrenchments. Workers who lost jobs get \$70 each a month with factory owners contributing \$30 and the remaining met by the government.

Source: <https://www.khmertimeskh.com/501342930/cambodia-gft-exports-at-6-27-billion-in-7-months/>

Beijing commits 300 million yuan to develop high-speed rail network



Cambodia News | 15 August, 2023

Beijing will provide 300 million yuan, an equivalent of \$41.34 million, to develop high-speed railway infrastructure connecting the Kingdom to Thailand, Laos and China. Chinese Foreign Minister Wang Yi held a meeting with Minister of Public Works and Transport Sun Chanthol in the presence of Deputy Prime Minister Hor Namhong in Phnom Penh on Saturday. The meeting was held under the framework of the Cambodia-China Intergovernmental Committee chaired by Hor Namhong and was attended by many senior government officials. In a statement issued to the media, Chanthol said, "China is our 'steel friend'". The infrastructural developmental projects including Phnom Penh-Sihanoukville Expressway, the Phnom Penh-Bavet Expressway, the Phnom Penh-Siem Reap Expressway, the planned Cambodia Railway Project, and the Funan Techo Canal project are being implemented with support from Chinese

President Xi Jinping. The minister appreciated China for continuing to provide budget support of 300 million yuan to the development of the railway sector in Cambodia as well as to promote the construction of the high-speed railway connecting Phnom Penh to Thailand, Laos, and China. Addressing the meeting, Hor Namhong welcomed the Chinese delegation to pay an official visit to Cambodia. He also thanked Chinese friends who have always provided substantial assistance in the development of road infrastructure, trade networks, and many sectors across the Kingdom. Namhong pointed out that China has helped in the development of Cambodian infrastructure including the road construction of over 3,000 kilometers and ten major bridges to facilitate transportation and improve the livelihood of Cambodians. Speaking to Khmer Times, an official from the Ministry of Rural Development, who does not want to be named, said, “Actually, China has been helping in the development of road infrastructure in the Kingdom for many years now. Besides the expressways, they have also supported the construction of small roads in rural areas across the country.” He stressed that many construction projects in rural areas are funded either by China, World Bank, or Asian Development Bank (ADB). “The roads built by different organisations are based on different international standards, depending on the support organisation and the budget provided to run the project. “The support mechanism generally continues for two years in terms of maintenance after constructing the roads until the Cambodian

government takes over.” The three ministers celebrated the 65th anniversary of the establishment of diplomatic ties between Cambodia and China and committed to further strengthening all-around strategic partnership cooperation by establishing a common future community in promoting trade, investment, and economic activities. In response, Wang Yi appreciated the Deputy Prime Minister’s efforts to strengthen diplomatic relations for many years, especially under the framework of the Cambodia-China Intergovernmental Committee. He also highlighted the development and sustenance of the bilateral relationship, which provided many benefits including the boosting of people-to-people relations in line with the ‘Comprehensive Strategic Partnership’ started in the year 2010.

Source: <https://www.khmertimeskh.com/501342655/beijing-commits-300-million-yuan-to-develop-high-speed-rail-network/>

Cambodia, Laos ink MoU for securities market development



Laos News | 15 August, 2023

The Securities and Exchange Regulator of Cambodia (SERC) signed a Memorandum of Understanding (MoU) with the Lao Securities Commission Office (LSCO) to collaborate in the regulation and development of securities markets in both countries, said an official. SERC’s official said that the MoU enables SERC and LSCO to provide mutual support, exchange information and enhance

their bilateral regulatory collaboration through working with each other on strengthening their officials' capacities and market development by supporting investors in Laos to invest in Cambodia's securities market—stocks and bonds. Sou Socheat, Director General of SERC, told Khmer Times on Sunday that the MoU would also enable the SERC to provide support to investors in Cambodia to invest in the securities market in Laos. Similarly, the two bodies will also assist each other if any firms in Cambodia or Laos want to issue and list shares or bonds in both countries. “We are encouraging our market to seek possibilities and ways of attracting investors from that country and they will follow the same, which means they would encourage the securities market in their country to find ways of attracting investors from our country to invest in their country. Regarding cross-border investment, we need more time for discussion,” said Socheat. Socheat further pointed out that any firm that wants to issue and list shares or bonds in either Cambodia or Laos needs to follow Cambodia's regulations if they want to proceed with the issuance and listing in Cambodia or follow Laos' if they want to proceed the issuance and listing in Laos. “It does means they have to get a license from Laos to operate in Laos even though they already get a license from Cambodia,” said Socheat.

“We want to help each other to encourage firms to consider listing in both countries when they want to issue shares or bonds in stock exchanges. If one firm from Laos wants to list in our country, it still needs to follow our regulations or get a license from our government's relevant bodies even though they already have those documents from Laos,” said Socheat. Fongchinda Sengsourivong, Secretary General and Director General of LSCO, said the MoU that was signed at the headquarters of the Non-Bank Financial Services Authority in Phnom Penh on Thursday will enhance the implementation of the strategic plans of SERCE and LSCO and development of cross-border investment in the bourses in the two countries. According to the joint press release issued by SERC and LSCO after the signing ceremony attended by about 70 officials from the securities sector, senior officials of the two counterparts have discussed an immediate plan that sets the potential action plans to enhance bilateral collaboration and shared experience on regulations for the issuance of green bonds. “The cross-border investment by investors is a point that needs more time for further discussion ... because cross-border investment means if a company gets approval from us, it will be able to cross to another country automatically without requesting for another approval from the authority in that country they cross to.

So, the Mou does not mean this," he said.

Source: <https://www.khmertimeskh.com/501342653/cambodia-laos-ink-mou-for-securities-market-development/>

Sino-Myanmar border trade surges by 60% in last 4 months



Myanmar News | 15 August, 2023

The border trade value between Myanmar and China hit a high of over US\$1.38 billion as of 4 August in the current financial year 2023-2024 beginning 1 April, which is an increase of 59.63 per cent (\$517.059 million) compared to the similar period last FY, the Ministry of Commerce's statistics indicated. The Sino-Myanmar border trade was registered at \$866.99 million in the year-ago period. Myanmar links with the neighbouring country China via Muse, Lweje, Chinshwehaw, Kampaiti and Kengtung for cross-border trade. Muse border saw a majority of the trade worth \$884.997 million over the past four months. Meanwhile, the trade value stood at \$413.7 million via Chinshwehaw, \$54.537 million via Kampaiti, \$27.89 million via Lweje and \$2.9 million via Kengtung respectively. Myanmar conducted border trade worth \$14.195 million through Muse 105th-mile trade zone with China during a week from 29 July to 4 August, which was down by \$3.239 million from the previous week.

Exports of corn, rubber, green gram, butter bean, turmeric, cashew nut, shrimp and fish powder rose that week and exports of rice, broken rice, kidney bean, black-eyed pea, peanut, black sesame, onion, Hydrophilia Phlomoides Nees, castor seed, cotton, eel, crab and various fish fell from the previous week. Vehicles and auto parts, telephone and communication devices, TV, aircon, wire, chemical, paint and polish were increasingly brought into the country that week, while imports of tractors, computers, equipment, construction materials, petroleum products, fertilizer, tyres and tube, motorcycle parts, dry battery, electronic device, light bulb, seasoning powder, raw materials by CMP enterprises and kitchenware dropped. Meanwhile, the cross-border trade value of Myanmar's Chinshwehaw border with the neighbouring country China was estimated at \$123.853 million in July, with imports (\$85.859 million) surpassing exports (\$37.994 million). That was an increase of \$14.243 million recorded in June. Myanmar conveyed broken rice, black-eyed peas, kidney beans, rice beans, peanuts, butter beans and lentils, black sesame, fresh ginger, raw rubber, dried konjac, onion, pepper, ethyl alcohol 96 per cent, charcoal pulp paper manufactured under CMP enterprises to China. Imports in capital goods, intermediate goods and consumer goods groups also grew last month. Sino-Myanmar trade is steadily moving presently,

with approximately 200 trucks flowing in and out of the Muse trade zone. — TWA/KK

Source: <https://www.gnlm.com.mm/sino-myanmar-border-trade-surges-by-60-in-last-4-months/#article-title>

Vietnam's automobile sales slightly grow in July



Vietnam News | 15 August, 2023

Members of the Vietnam Automobile Manufacturers Association (VAMA) sold 24,687 vehicles in July, up 4% month-on-month, VAMA reported on August 14. Meanwhile, the June figure was 23,800, up 15% from the previous month. Of the vehicles sold last month, there were 19,221 passenger cars, up 11%; 5,318 commercial vehicles, down 16%; and 148 special-use vehicles, up 21% month-on-month. In terms of vehicle origin, the sales of domestically-assembled automobiles reached 13,575 units, down 12%, while the number of imported completely built-up (CBU) ones was 11,112, up 34%. In the first seven months of this year, VAMA members sold a total of 162,014 vehicles of all kinds, down 30% annually, with the sales of passenger cars, commercial and special-use vehicles dropping by 34%, 13%, and 63%, respectively. According to experts, besides VAMA member units, the Vietnamese auto market also includes other automakers such as Audi, Jaguar Land Rover, Mercedes-Benz, Nissan, Subaru,

Volkswagen, and Volvo, but they do not disclose business results. Meanwhile, Thanh Cong Group (TC Group) announced its sales of 4,035 units in July, bringing its six-month sales to 14,680 units; while the respective figures for VinFast were 3,042 and 14,680. Based on the sales reports from VAMA, TC Group and VinFast, Hyundai continued to lead the market in July with 4,035 vehicles, despite a month-on-month decrease of 21%. It was followed by Toyota, KIA, Mitsubishi and Ford. The Vietnamese auto market is forecast to continue growing from August until the end of this year, thanks to the policy of reducing registration fee by half. However, purchasing power might not experience the same rapid growth as last year due to the influence of the stock, real estate and consumer lending markets which are yet to fully recover as it did last year.

Source: <https://english.vov.vn/en/economy/vietnams-automobile-sales-slightly-grow-in-july-post1039353.vov>

China remains largest export market for Vietnamese cassava



Vietnam News | 15 August, 2023

VOV.VN - Despite the export of cassava and cassava products in July continuing to endure a decline compared to the same period from last year, China remained the largest export market of

Vietnamese cassava, according to details given by the General Department of Customs. The Import-Export Department under the Ministry of Industry and Trade quoted statistics from the General Department of Customs which state that in July the nation exported 145.23 thousand tonnes of cassava and cassava products. The value of these items was worth US\$71.88 million, up 2.8% in volume and 9.8% in value compared to a month earlier. However, compared to July, 2022, it marked a drop of 24.2% in volume and 17.2% in value. This represents the fifth consecutive month of decline compared to last year's corresponding period. Accumulated in the first seven months of the year, the export of cassava and cassava products reached 1.64 million tonnes, valued at US\$665.57 million, down 14.4% in volume and 20.8% in value compared to same period from last year. July witnessed China continue to be the largest export market of Vietnamese cassava and cassava products, duly accounting for 93.61% of the country's total cassava exports with 135.96 thousand tonnes, worth US\$66.58 million, up 13.3% in volume and 20.2% in value compared to June. However, compared to July, 2022, it endured a decline of 22.9% in volume and by 16.4% in value. The opening seven months of the year saw Vietnam exports to the Chinese market reach 1.47 million tonnes of cassava and cassava products, worth US\$589.27 million, down 15.9% in volume and 23.2% in value on-year.

In general, although the amount of cassava exports decreased during the seven-month period, the export of cassava and cassava products to this market continued to record decent growth in both volume and value compared to the same period from last year. It is worth noting that Malaysia, Taiwan (China), and Japan make up the major markets which witnessed positive growth. However, these markets only account for a small proportion of the nation's total export of cassava and cassava products. Grain prices in China endured a fall and due to low consumption season, demand for cassava and tapioca starch in China also witnessed a downward trend over recent months. Moving forward, it is forecast that Chinese demand for cassava and tapioca starch will increase again once the country enters the mooncake production season. Elsewhere, Cambodia is in the process of accelerating the progress of cassava harvesting at the beginning of the season to sell to the country due to high prices, which may cause a sharp drop in the production of cassava harvested in the middle and late stages of the season.

Source: <https://english.vov.vn/en/economy/china-remains-largest-export-market-for-vietnamese-cassava-post1039390.vov>
