

Highlight News / September 07, 2023



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Kingdom's exports to Japan top \$1B



Cambodia News | 07 September, 2023

Cambodia exported \$1.09 billion worth of goods to Japan in the first seven months of this year, a year-on-year increase of 4.3 percent, the Japan External Trade Organization (JETRO) report showed recently. From January to July this year, Cambodia also imported goods worth \$296 million from Japan, a decrease of 1.2 percent compared to the same period last year, the report said. Cambodia's main exports to Japan are garments, bags, footwear, furniture, cosmetics, paper and office supplies and leather goods. The main imports are machinery, automobiles, electronics, furniture, fabrics and plastics. Cambodia always considered Japan as a prioritized trade partner and recently launched talks on a bilateral free trade agreement (FTA). Cambodia and Japan have also reached a new stage of comprehensive strategic partnership which is expected to attract more Japanese investments and open a wider market for Cambodian products. Establishing more FTAs with main trading partners will help Cambodian products gain market access, contribute to economic development, and generate income and jobs for local people, said Lim Heng, vice-president of the Cambodia Chamber of Commerce. "Currently, under the framework of RCEP and AJCEP, Cambodia's export to Japan is growing. If we have an FTA with Japan, it will be

better. This will boost exports and contribute to national economic growth," Heng told Khmer Times. According to the Ministry of Commerce, Cambodia has also launched negotiations with India, the Eurasian Economic Union (EAEU), Canada and Latin American countries on FTAs. Last year, the bilateral trade between Cambodia and Japan was valued at \$2.45 billion, according to the JETRO report. Cambodia exported \$1.93 billion worth of products to Japan last year, a year-on-year increase of 10.5 percent. The imports from Japan were valued at \$515 million, a decrease of 11.2 percent compared to a year before.

Source: <https://www.khmertimeskh.com/501355347/kingdoms-exports-to-japan-top-1b/>

NBC to sell \$50M to intervene in foreign exchange today



Cambodia News | 07 September, 2023

To balance the demand and supply of riel in the market, the National Bank of Cambodia (NBC) will start its first intervention with a public announcement in the country's foreign exchange market today by selling out \$50 million in US dollar currency, an announcement issued by NBC on Monday said. The NBC announcement comes nine days after the monetary authority notified the public about its readiness to take actions to maintain the stability of the exchange rate between the riel and the US dollar. NBC plans to place \$50 million in US dollars for

auction to sell this amount to licensed banks, microfinance institutions and money exchangers, starting today—September 6, 2023—to decrease the quantity of riel in circulation, which will raise the exchange rate or value of riel against US dollar in the foreign exchange market. “Banks, microfinance institutions and money exchangers, please be notified and ready to participate in the auctions as per the set schedules,” the announcement pointed out, adding that the monetary authority plans to conduct bidding four times—\$10 million today, \$15 million on Friday, \$10 million on Wednesday next week and \$10 million on Friday next week. Raymond Sia, Chairman of the Association of Banks in Cambodia (ABC), told Khmer Times yesterday that he believes that \$50 million is adequate for NBC to intervene in Cambodia’s foreign exchange market these four times as the officials at NBC are capable enough to monitor and assess the market situation before taking responsive and necessary measures. Raymond went on to add that NBC’s local perspective is certainly to show the stability of riel to the public and the market to build more consumers’ confidence in Cambodia. Earlier, central banks in many countries in ASEAN region such as Malaysia, Singapore and Vietnam have intervened in respective foreign exchanges in this situation. “A strong dollar has a lot of impacts across the regional currencies and riel is a part of the regional currencies.

So, there should be something to do in terms of formal intervention in order to provide adequacy of the currency,” said Raymond, adding that Cambodia would probably not need any more intervention if the Fed does not further raise the federal fund rate. Raymond, who is also CEO of the Canadia Bank Plc, said the Bank Negara Malaysia—the central bank of Malaysia—announced a few months ago that it would intervene in Malaysia’s currency market with an unidentified amount if its national currency ringgit has still been under pressure from US dollar that has been appreciating in the international foreign exchanges. “The demand for riel has been increasing in the market and I think it is more important to actually educate and inform the public that the usage of the riel is so important, but if you look at the regional currencies, riel or the country is not isolated, but is very much part of the region and global economy so it would be affected by the stronger dollar too,” said Raymond. In Channy, President & Group Managing Director of Aceda Bank Plc, also told Khmer Times yesterday that Cambodia’s national currency has been stable for a fairly long period of this year from January before NBC announced its preparation or readiness to intervene in the country’s foreign exchange market on August 29 this year against the appreciating US dollar. He said that the announcement on the readiness or preparation to intervene in Cambodia’s currency market has been the first to be issued by the central bank NBC

as normally the central bank announces the auction plan without such prior announcement on readiness or preparation for intervention that aims at expressing the accountability of the auctions. Channy further pointed out that the exchange rate of the riel versus the US dollar has been well stable for decades, especially since 2000s, but the Federal Reserve—the US's central bank—has increased its federal fund rate to absorb the US dollar back from the world's currency markets into the US's economy, which results in the rise in the demand for US currency. "That's due to the shortage of dollar and so it has appreciated," said Channy, adding that NBC normally intervene in the foreign exchange market in such situation to stabilise the exchange rate of riel against the US dollar and Acleda Bank has participated in the previous auctions such as 20 times in 2021 and bought riel from NBC as the commercial bank's demand for riel. "Whether to participate in the auction or not also depends on whether there is demand for riel or dollar in individual banks, financial institutions and money exchange or not. For example, in that year, we participated in the auction to buy riel because at that time we needed riel to serve our customers and this year we will participate in the auction again," said Channy.

Source: <https://www.khmertimeskh.com/501355329/nbc-to-sell-50m-to-intervene-in-foreign-exchange-today/>

Laos-Vietnam railway set to operate in 2028



Laos News | 07 September, 2023

Before construction, the Petroleum Trading Lao Public Company (PTL), Yooshin Engineering Corporation and Korea National Railway will conduct a detailed design study for the railway. A cooperation agreement on the project was signed in Vientiane last week by President of Petroleum Trading Lao Public (PTL) Company Chanthone Sitthixay, President of Yooshin Engineering Corporation Chon Kyung-soon, and Executive Director of Korea National Railway Park Jin-Hyun. Upon completion, the Laos-Vietnam Railway will make contributions to the development of a modern and standardised transport infrastructure system, while reducing transport costs so as to promote Laos' socio-economic development. The project will strengthen Laos' connectivity as a transport and trade hub within ASEAN and beyond. It is envisaged to support the Lao government's vision and the country's development strategy of transforming Laos from a landlocked country into a land-linked country. The Laos-Vietnam Railway is a part of the Laos Logistics Link Project, which includes a number of sub-projects such as the Thanaleng Dry Port and Vientiane Logistics Park, the Laos-Vietnam Railway, Vung Ang Seaport, and the Boualapha Coal Fired

Power Plant. The high-speed electrified railway project will be built over a distance of some 500 kilometres, including some 312 kilometres linking Vientiane and Khammouane province's Thakhek district, and a 139-kilometre route connecting Thakhek district with the Laos- Vietnam border. Total investment for the project is estimated at 5.5 billion USD./VNA

Source: <https://vietnamnet.vn/en/laos-vietnam-railway-set-to-operate-in-2028-2185982.html>

YSX sees bear market in August



Myanmar News | 07 September, 2023

The continuous and block trading of the eight listed companies on the Yangon Stock Exchange (YSX) showed trading decline with 509,827 shares worth K1.3 billion in August 2023 compared to those of July, according to the monthly report released by the exchange. The equity market showed an upward trajectory with the total trading value of K2.068 billion from 958,368 shares traded in July. At present, shares of eight listed companies — First Myanmar Investment (FMI), Myanmar Thilawa SEZ Holdings (MTSH), Myanmar Citizens Bank (MCB), First Private Bank (FPB), TMH Telecom Public Co Ltd (TMH), the Ever Flow River Group Public Co, Ltd (EFR), Amata Holding Public Co, Ltd. (AMATA) and Myanmar Agro Exchange Public Co, Ltd (MAEX) — were traded in

the security market. The total trading volumes were recorded 20,197 shares of FMI worth K180.78 million, 175,331 shares of MTSH worth K546.82 million, 1,834 shares of MCB worth K13.96 million, 192,843 shares of FPB worth over K309.34 million, 1,001 shares of TMH worth K2.4 million, 34,160 shares of EFR worth K78.67 million, 957 shares of AMATA worth K4.67 million and 83,504 shares of MAEX worth K160.2 billion respectively last month. The share prices per unit stood at K9,500 for FMI, K3,250 for MTSH, K8,100 for MCB, K1,700 for FPB, K2,450 for TMH, K2,300 for EFR and K4,900 for AMATA and K1,900 for MAEX on the last day of August 2023. Furthermore, block trading of YSX can be done with the minimum order quantity (10,000 stocks) or with the stocks of trading value of K30 million starting from 1 September 2022. Next, the Securities and Exchange Commission of Myanmar (SECM) has allowed foreigners to invest in the local equity market since 20 March 2020, in order to entail better capital inflows, long term and sustainable investment, encourage good corporate governance, and support market orientation. "Most of the people like to keep emergency savings and purchase the safe haven asset like gold rather than make investment in the equity market as they do not know clearly how the stocks work," a market observer pointed out. The YSX disseminates rules and regulations regarding the stock exchange and

knowledge of share trading through stock investment webinars, YSX YouTube Channel and other social media platforms, along with offering training courses. — KK

Source: <https://www.gnlm.com.mm/ysx-sees-bear-market-in-august/#article-title>

Laundromat market growing in Viet Nam



Vietnam News | 07 September, 2023

HCM CITY — Viet Nam is a huge potential market for the laundromat business thanks to its fast-growing economy and big population, business experts said. Statistics from the Ministry of Industry and Trade in May 2022 informed that the size of the country's commercial laundry market was estimated at US\$205 million per year with a growth rate of 6 per cent, higher than the Asian average of 3.6 per cent. Statistics of 2022 also showed that there were about 15,316 laundry shops in the country with more than 60 per cent of them launched within the period of 2020-22, of which, more than 96 per cent were small-scale and household businesses. New consumption habits, improved living standards of the Vietnamese middle class and a younger generation in urban cities have led to more adoption of new consumer trends. The preferred business model by Vietnamese business owners has been a combination of traditional kilo-laundry serviced by

support staff and a self-service laundromat. Therefore, laundromats have become a potential investment as the market is growing with high demand and low competition. An owner of a laundry shop in Hai Bà Trưng District of Hà Nội said that many customers coming to her shop are young people who seek laundry service to maintain the quality of their clothes. Furthermore, many customers are visitors who have no time to wash clothes. The laundry market has attracted many investors who are laundry equipment providers or laundry shop developers. Recently, Alliance Laundry Systems (ALS), a global leader in commercial laundry equipment, announced that they were looking for new business partners by welcoming all local entrepreneurs who share a vision for revolutionising the commercial self-service laundry sector in Việt Nam. The company said the Vietnamese market reflected the growing demand for quality laundry services from domestic consumers and international travellers. This, in turn, has resulted in a rise in investment in laundry services, especially in the big cities, and ALS believes now is the right time to accelerate its foothold in Việt Nam. The company is making a strategic move to penetrate and expand its presence in Việt Nam under its five well-known brands, namely Speed Queen, UniMac, Huebsch, Primus, and IPSO. According to the company, as has been proven in

other ASEAN markets where it has had strong foothold, the self-service laundromat is a business model that is more favoured by entrepreneurs thanks to the fact that it can be operated without the need for 24/7 staff, with faster wash and dry cycles, usually within one hour, unlike traditional laundries. This results in a significant reduction in labour cost and higher return on investment for this new generation of stores. Apart from supplying commercial equipment, the company is recognised for successfully growing laundromat franchises around the world, particularly in markets with similar characteristics to Việt Nam. “The feedback on our laundry equipment and solutions we’ve received in Việt Nam through our local partner has been positive. Việt Nam and Thailand markets share great similarities in consumer culture and behaviours and we’re positive that, with our experience in Thailand and other Asian markets, we could facilitate the rapid growth of this relatively new business sector here,” said Sukree Kirai, senior regional sales manager, Alliance Laundry Systems. In August this year, Masan opened a chain of four laundromat shops called Joins Pro in the Bình Thạnh and Gò Vấp districts of HCM City. Masan expects this model to bring a different experience with the ability to wash and dry in 25 minutes. This is also a solution for tight living spaces, with no room for drying, especially with large sized items such as blankets, pillows, etc.

Users will no longer have to worry about the weather, while also saving time when washing and drying at home, according to Masan. Another company, GV Laundry, in May opened a laundry chain in the northern region with many services. In addition to big investors, many small businesses also open laundry shops due to their affordable investment and high demand in the country. — VNS

Source: <https://vietnamnews.vn/economy/1593334/laundromat-market-growing-in-viet-nam.html>

Great opportunity for Vietnam to be a global production base



Vietnam News | 07 September, 2023

VOV.VN - The shifting of production and diversification of supply chains underway in numerous countries has helped Vietnam to become a popular destination for foreign investors. According to Nguyen Thang Vuong of the MoIT's Department of European and American Markets, Apple has completed the process of moving 11 Taiwanese enterprises' factories in its supply chain to Vietnam. Vuong notes that recently the trend of shifting global supply chains has taken place strongly, with several large corporations seeking to expand their networks and develop production facilities in the Vietnamese market. For example, Intel has injected US\$1.5 billion into its Vietnam project,

while Danish toy manufacturer LEGO has poured US\$1 billion into its plant in Binh Duong. Samsung Electronics has so far invested US\$18 billion in Vietnam, and it plans to raise the investment to US\$20 billion in the coming time. Vuong says that other large corporations such as Boeing, Google, and Walmart are also studying the local business investment environment. Economic experts believe that this is a great opportunity ahead for Vietnam to attract further FDI and develop its economy. However, it is also a challenge for Vietnamese enterprises as they seek to join the global supply chain, forcing them to improve their product quality and increase the production of supporting industrial products. Currently, Vietnamese firms have limited participation in the global supply chain and are not deeply involved in the value chain of multinational corporations operating in the country. In addition, many key raw materials for production must still be imported.

Source: <https://english.vov.vn/en/economy/great-opportunity-for-vietnam-to-be-a-global-production-base-post1044055.vov>
