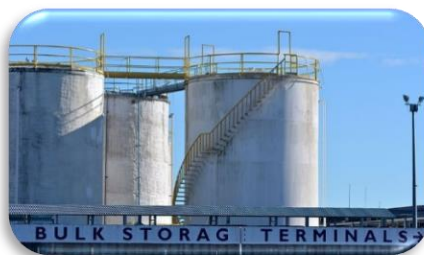


Highlight News / September 20/2023



- AMRO revises down Cambodia's GDP growth to 5.3% for 2023
- Cambodia imports oil, and gas products worth \$2.28 billion in the first eight months of the year
- Food prices affect families in Lao PDR despite easing inflation
- Myanmar's exports to regional countries cross US\$1.77 bln in 4 months: MoC reports
- Vietnamese FDI performance remains steady amid global uncertainties: WB
- Ministry projects three economic growth scenarios for 2024, highest at 6.5 per cent



AMRO revises down Cambodia's GDP growth to 5.3% for 2023



Cambodia News | 19 September, 2023

The international economic and financial research organisation ASEAN+3 Macroeconomic Research Office (AMRO) has revised down the Gross Domestic Product (GDP) growth for Cambodia to 5.3 percent in its third-time projection for 2023 with support from recovered tourism, non-garment manufacturing and domestic economic activities, said a press release. The revised annual economic growth figure was revealed during the meeting between the Deputy Prime Minister and Minister of Economy and Finance (MEF) Aun Pornmoniroth and AMRO's annual mission delegation led by AMRO's Director Kouqing Li at the headquarters of MEF to discuss Cambodia's economic, financial situation and key recommendations. "[It] is a high growth in the region even though it is lower than the rate projected early this year ... slower garment and stagnant construction and real estate," the release pointed out. Cambodia's GDP growth has revised to 5.3 percent from 5.7 percent in July and 5.9 percent in April this year in AMRO's economic growth updates report or called AREO. According to the release, Kouqing said Cambodia should start the preparation of a budget cushion to enhance the resilience of public finance, strengthen the resilience of the financial sector and increase Cambodia's competitiveness, while Pornmoniroth said the new government has focused on the resilience of five

areas that include public institutions, economy, society, financial system and environment.

Source : <https://www.khmertimeskh.com/501362523/amro-revises-down-cambodias-gdp-growth-to-5-3-for-2023/>

Cambodia imports oil, and gas products worth \$2.28 billion in the first eight months of the year



Cambodia News | 19 September, 2023

Cambodia's imports of oil and gas products totaled \$2.28 billion during the January-August period this year, down 9.5 percent from last year, according to a report from the General Department of Customs and Excise on Monday. As the country's oil and gas heavily rely on imports, the Ministry of Mines and Energy predicts that the demand for oil and gas products will rise to 4.8 million tons in 2030, up from 2.8 million tons in 2020. Cambodia currently imports 100% of its petroleum products. The import sources are mainly Thailand, Viet Nam, and Singapore. OPEC, the US Energy Information Administration, and the International Energy Agency all predicted larger market deficits in the next quarter as major producers kept global supplies tight, with global oil demand growth also expected to rise in the same period. Fresh stimulus measures from Beijing and increased output from Chinese refiners driven by strong export margins also supported the demand outlook in the world's top crude importer. Meanwhile, investors remain cautious ahead of the US Federal Reserve's policy decision this week, where it is

expected to hold interest rates steady but is likely to stay hawkish. At gas stations in Cambodia on Monday, regular petrol costs 4,646 riels (\$1.12) per liter, while diesel costs 4,786 riels (1.15 dollars) per liter. Xinhua/Khmer Times

Source : <https://www.khmertimeskh.com/501362703/cambodia-imports-oil-and-gas-products-worth-2-28-billion-in-the-first-eight-months-of-the-year/>

Food prices affect families in Lao PDR despite easing inflation



Laos News | 19 September, 2023

Most household incomes are failing to keep pace with inflation in the Lao PDR, causing families to cut spending on food, health, and education, according to a new World Bank survey showing that high food prices due to economic instability are threatening livelihoods and food security. In Round 7 of the World Bank's Rapid Monitoring Phone Surveys, conducted from June to July 2023, 87% of households say they are somewhat or significantly affected by inflation. To cope, most report growing or gathering more food, switching to cheaper food, or reducing the amount they eat. Poor families say they are also taking on more work, selling assets, or borrowing. Just over half the households affected by inflation report reducing their spending on education, and more than 14% of school-aged children from the low-income households interviewed are not enrolled in school. "The effects of the economic situation on the most vulnerable, and on human capital, are worrying", says Alex

Kremer, Country Manager for the World Bank in Laos. "If families are forced to cut back on nutrition, education, and health spending, the effects of a few economically hard years could affect national development for a much longer period." While inflation has eased since early 2023, Laos still has one of the highest inflation rates in the world. The national currency continues to lose value against foreign currencies, driving up the cost of many imported products that Lao consumers depend on. Average household incomes rose by 11.5% between May 2022 and May 2023, but year-on-year inflation stood at around 36% over the same period, while 54% of families reported unchanged or declining incomes. In response, many wage earners and businesses are switching to or increasing farming activities, looking to increase local production and take advantage of a favorable export market. Workers are also increasingly migrating, both within and outside the country, in search of higher wages and better jobs. In the latest survey, 11% and 5.3% of interviewed households reported having at least one member migrate to another province or country over the past year. Food security concerns have become particularly prevalent in urban areas, while families and businesses led by women report the greatest impact from inflation. To stabilize the economy, the World Bank has recommended moving away from tax cuts and exemptions, returning VAT to 10%, improving the quality of public investment and concessions, strengthening bank supervision, bringing debt negotiations to a

successful conclusion, and making the rules for private investment simpler.

Source : <https://www.worldbank.org/en/news/press-release/2023/09/19/food-prices-affect-families-in-lao-pdr-despite-easing-inflation>

Myanmar's exports to regional countries cross US\$1.77 bln in 4 months: MoC reports



Myanmar News | 19 September, 2023

Myanmar's exports to regional countries topped over K1.77 billion as of July in the current financial year 2023-2024 beginning 1 April, the Ministry of Commerce's statistics indicated. The value of Myanmar's regional trade with ASEAN through the sea route and land border crossed over \$4.9 billion in the first four months of this FY. The ministry reported that imports surpassed exports in regional trade, with exports reaching over \$1,77 billion and imports valued at over \$3.13 billion. Thailand has been Myanmar's largest trade partner among regional countries, with trade valued at over \$2.38 billion, followed by Singapore (\$1.35 billion), Malaysia (over \$495.889 million) and Indonesia (\$457.866 million). Viet Nam has emerged as the nation's fifth largest trade partner, with bilateral trade estimated at \$175 million. Meanwhile, Myanmar's bilateral trade with the Philippines was \$29.897 million, with Cambodia \$10.083 million, while trade with Laos stood at \$1.38 million, and Brunei, at \$5.98 million. Myanmar's main export items included agricultural and fishery products, as well as

minerals, while imports included food and beverages, electronic tools, motor vehicles, and consumer goods. Apart from its main trade partner China, Myanmar's foreign trade was mostly conducted with the regional trade partners. — KK

Source : <https://www.gnlm.com.mm/myanmars-exports-to-regional-countries-cross-us1-77-bln-in-4-months-moc-reports/>

Vietnamese FDI performance remains steady amid global uncertainties: WB



Vietnam News | 19 September, 2023

VOV.VN - Steady FDI commitment and disbursement reflects the continued interest of foreign investors' in business opportunities in the Vietnamese market despite global uncertainties, according to the World Bank (WB) in its Vietnam Macro Monitoring edition for August. The report outlines that the industrial production index increased marginally by 2.6% on-year in August, due to the continued expansion of industrial production for domestic consumption and a slight pickup in monthly export performances during the May to August period. Retail sales grew by 7.6% annually in August, compared to 5.1% on-year in July, but still lower than pre-COVID levels of between 11% to 12 %. While sales of goods increased marginally, sales of services continued to register robust growth, largely due to the expansion of tourism and hospitality services. Exports and imports of goods continued to contract by 7.3% on-year and 8.1% on-year respectively in August.

However, monthly performances of exports and imports have been improving sequentially since May, therefore suggesting that the slump in exports may have bottomed out. The report highlights that FDI performance remained steady amid global uncertainties. Indeed, FDI commitment reached US\$1.9 billion in August, marking a decrease of 32% compared with July. However, cumulative FDI commitment for the first eight months of the year amounted to US\$18.1 billion, 8.2% higher than the same period seen in 2022. FDI disbursement remained steady, reaching US\$1.5 billion in August, representing an increase of 23.6% compared with a year earlier. Cumulative FDI disbursement to August reached US\$13.1 billion, comparable to the same period of 2022. The CPI inflation ticked up from 2.1% on-year in July to reach 3.0% on-year in August, thereby reversing the preceding six months downtrend, with food and housing continuing to be the two major contributors. Credit growth rose slightly to 9.4% on-year in August from 9.0% on-year in July, still far below the levels seen over recent years which reflects continued weak investor confidence and private sector investment. The monthly budget balance registered a deficit of US \$2.1 billion in August, while the cumulative budget deficit to August was estimated to be US\$2.3 billion. As of the end of August, revenue collection decreased by 9.1% on-year due to slowing economic activities and public expenditure increased by 15.2% on-year, with this largely being due to an annual increase of 40.3% in public

investment disbursement. While the export slump may have bottomed out and domestic consumption remained resilient, credit growth continued to be slow, a factor reflecting weak private domestic investment and investors' confidence. According to WB economists, recent upward movements in terms of global energy prices warrants close monitoring of CPI inflation. This may also prevent the SBV from loosening monetary policy further as the continuation of tight global financial conditions should see flexible FX management to accommodate external conditions. Moreover, further acceleration of public investment disbursement could support aggregate demand and economic growth in the short run, while focusing on priority green and resilient infrastructure and human capital investments which will help bolster long term economic development.

Source : <https://english.vov.vn/en/economy/vietnamese-fdi-performance-remains-steady-amid-global-uncertainties-wb-post1046850.vov>

Ministry projects three economic growth scenarios for 2024, highest at 6.5 per cent



Vietnam News | 19 September, 2023

HA NOI — The Ministry of Planning and Investment has outlined three potential economic growth trajectories for 2024, with the peak GDP growth rate forecast at 6.5 per cent. These projections stem from the Government's socio-economic development strategy for the 2021-25 period, combined with endeavours to meet the 2023 growth goal of 6.5 per

cent. Given the challenges faced by the Vietnamese economy between 2021-23, 2024 is anticipated to be a pivotal year for Việt Nam to accomplish the objectives of its five-year plan. In the first scenario, Việt Nam's GDP is predicted to rise by 6 per cent. This estimate presumes that global growth will be moderate in 2023 and the resurgence of global trade and investment will continue to face hurdles. Although the domestic market and services sector might exhibit robust growth, the import, export, and industrial production sectors may not experience a marked recovery due to their reliance on global market demand. The Ministry of Planning and Investment believes a GDP growth target of 6 per cent would be fitting, given the expected continued risks the global and domestic economies may encounter during the recovery phase. Under the second scenario, the ministry envisages a GDP growth of 6.5 per cent, assuming that both the global and regional economies rebound quicker than international organisations' predictions. This scenario also considers a surge in demand, trade, and investment. Concurrently, the domestic market would likely experience revivals in demand, production, business activities, exports, investment, and FDI influx. For the third scenario, the GDP growth is projected to range between 6 - 6.5 per cent, reflecting predictions of swift changes in both global and domestic contexts. The Ministry of Planning and Investment favours this third scenario. While optimism regarding economic recovery is on the rise, various organisations and specialists remain

wary about the prospects for Việt Nam's economy. In mid-July, the Asian Development Bank adjusted its 2023 forecast for the Vietnamese economy downwards from 6.5 per cent to 5.8 per cent and its 2024 projection from 6.8 per cent to 6.2 per cent. Similarly, in early April, the World Bank anticipated a moderate 4.7 per cent growth for Việt Nam in 2023, progressively increasing to 5.5 per cent in 2024 and reaching 6 per cent by 2025. The World Bank's report pointed out that a proactive fiscal policy supporting short-term demand, removing barriers to the implementation of public investment and addressing infrastructure constrains could help the economy achieve these targets and prolong long-term growth. Expert **Cấn Văn Lực** forecasts Việt Nam's GDP growth rate at 6 per cent in 2024 and 6.5 per cent in 2025. The growth rates could be higher if Việt Nam managed to consolidate existing growth drivers and exploit new drivers which would come from promoting digital economy, improving labour productivity, the private sector, the institutional improvements and the development of green economy. According to Chairman of the National Assembly's Economic Committee **Vũ Hồng Thanh**, Vietnamese economy's recovery depended significantly on the global trend and solutions to tackle internal problems. The pressure on macro-economic management, inflation control and growth promotion would increase in the remaining months of this year, requiring hastened effort to achieve the target set at 6.5 per cent and implement the plan for

2021-25 period, Thanh said. Thanh added that the focus in the remaining months of this year would be to speed up public investment disbursement, increase domestic demand and accelerate production and business, especially in major cities such as Hà Nội, HCM City, Bắc Ninh, Bình Dương and Đồng Nai. It was also important to remove bottlenecks in policies and mechanism to improve the investment climate, he stressed. — VNS

Source : <https://vietnamnews.vn/economy/1593945/ministry-projects-three-economic-growth-scenarios-for-2024-highest-at-6-5-per-cent.html>
