

*Highlight News / September 25/2023*



- CDC approves \$40M steel factory project in Sihanoukville
- Construction projects worth \$3B approved in 7 months
- ADB Lowers Laos' 2023 Economic Growth Forecast to 3.7 Percent
- Panko Corporation to ramp up investment in Myanmar's apparel manufacturing sector
- Vietnam – powerful magnet for foreign direct investment
- Vietnam among largest rubber suppliers to RoK



## CDC approves \$40M steel factory project in Sihanoukville



*Cambodia News | 22 September, 2023*

The Cambodian Special Economic Zone Board (CSEZB) of the Council for the Development of Cambodia (CDC) has approved the issuance of the registration certificates for eight investment projects worth \$64.3 million proposed by investors to build various types of non-garment factories in two different provinces, said a CDC statement. Among the investors, Huale Steel (Cambodia) Co Ltd has proposed the implementation of its investment project worth \$40 million to the CDC's CSEZB to build a factory that will produce all kinds of steel in the Sihanoukville Port Special Economic Zone (SPSEZ) in Sihanoukville of Preah Sihanouk province along with a plan to employ 523 workers. A former official of the stock exchange-listed Sihanoukville Autonomous Port (PAS) told Khmer Times yesterday that it is surprising news as Cambodia has limited iron mine even though some exists in Kampong Thom province, which is a challenge for the company to find raw material for its production to supply domestic or overseas markets. "It is good news, but I think it may be a processing project rather than production as our country does not have much of this material to supply the production, or it is also possible that the company may import the raw materials from other countries for their production. However, I think it would be a difficult and costly option," said the former official of PAS. Similarly,

Cambodian Luheng Food Co Ltd plans to invest \$3 million to build a factory to produce animal feeds and materials for pets in the Je Jiang Special Economic Zone in Preah Sihanouk province, which will be able to create 119 jobs. Ultimate Motion Co Ltd plans to invest \$3 million to build a factory in Sihanoukville either. Ultimate Motion's factory project is proposed in Sihanoukville Special Economic Zone to produce sofas and furniture products with a plan to employ 195 workers to operate its production in many other sub-facilities of the factory, while the rest of the approved and proposed projects will be located in Svay Rieng. Likewise, Wangmao (Cambodia) Homeware Co Ltd has proposed to invest \$6.2 million to build a factory that will produce lights, home appliances and curtain assembly items and plans to recruit 1,369 employees to operate the project that will be located in Hi-Park Special Economic Zone in Svay Rieng province. Jushi (Cambodia) Co Ltd plans to build plastic pills, electric wires and cable with a registered investment capital of \$5 million, which will be able to absorb 549 employees to work at the factory project located in the Svay Rieng GIGA Resource Special Economic Zone, according to the statement released by the highest investment decision body. The investment project worth \$3.6 million of Starblaze (Cambodia) Plastic & Metal Co Ltd to build a factory that will produce plastic products, decorative items and electronic assembly items made from plastics also in the Svay Rieng GIGA Resource Special Economic Zone, which is expected to create 586 jobs,

especially for locals people. Wanan Gas Control (Cambodia) Co Ltd plans to invest \$2 million to build a factory that will employ 369 workers to work in its facilities to be set up to produce gas stove regulators, valves, hoses and other related items in the Svay Rieng GIGA Resource Special Economic Zone. He Dui Optoelectronics Co Ltd plans to invest \$1.5 million and recruit 330 workers to build LED lights.

Source : <https://www.khmertimeskh.com/501364491/cdc-approves-40m-steel-factory-project-in-sihanoukville/>

## Construction projects worth \$3B approved in 7 months



*Cambodia News | 22 September, 2023*

The Ministry of Land Management, Urban Planning, and Construction issued permits for the construction of 2,036 investment projects in the January to July period this year, covering some eight million square metres. The registered construction projects were estimated to have a value of \$2.97 billion during the first seven months of this year, the ministry's report showed. According to it, Cambodia currently has 63,903 construction projects covering an area of 181 million square metres, with an investment of \$72.37 billion. The construction sector in Cambodia is on a recovery path from the COVID-19 pandemic, Lao Tipseiha, Secretary of State at the Ministry of Land Management, Urban Planning and Construction, said recently. "The growth in approved construction projects indicates that the construction and real

estate sector has begun to recover after it was hit hard by the pandemic," Tipseiha said. The report stated that since 2000, approval has been given to 2,609 high-risers, of which 1,718 are in Phnom Penh, 693 in Sihanoukville, 155 in Banteay Meanchey and 43 in other provinces. In the housing construction sector, 18,440 projects with a total floor area of 38.8 million square metres and investment of \$15.44 billion were sanctioned, the report read. The construction and real estate sector is one of the four pillars supporting the Kingdom's economy. The three other pillars are garment export, tourism and agriculture. Cambodia has witnessed its construction sector recovering at a slow pace as it has been supported by the increase in foreign investment, especially in public physical infrastructure construction projects in the first half of this year, according to the National Bank of Cambodia's latest report. The central bank's report pointed out that the construction and real estate sector has recovered as imports of construction materials and equipment have risen 0.4 percent in the first half of this year on a year-on-year basis.

Source : <https://www.khmertimeskh.com/501364597/construction-projects-worth-3b-approved-in-7-months/>

## ADB Lowers Laos' 2023 Economic Growth Forecast to 3.7 Percent



*Laos News | 23 September, 2023*

According to the Asian Development Bank (ADB), economic growth in Laos will be slower than expected due to weaker growth prospects in China,

adverse weather conditions brought about by late monsoons, and macroeconomic pressures arising from unsustainable public debt and a weak Lao kip. The Asian Development Outlook (ADO) September 2023, an update of ADB's flagship publication, lowered the growth forecast for Laos in 2023 to 3.7 percent, from an earlier 4 percent projection. Maintaining a stable outlook for the future, the 2024 growth forecast was kept at 4 percent. Inflation is projected to remain high until year-end, lifting average annual inflation to 28 percent. Price adjustments linked with the depreciating local currency are expected to keep inflation high in 2024 at 10 percent. "Rising food prices have affected households' purchasing power, with many families coping by eating less," said ADB Country Director for the Lao PDR Sonomi Tanaka. "Sound macroeconomic management, including stronger coordination across fiscal and monetary policies, is urgently needed to address the country's economic and financial challenges." Currency depreciation and high inflation tempered household spending in the first half of 2023. After falling by half against the United States (US) dollar and by 44 percent against the Thai baht in 2022, the kip depreciated from January to August 2023 by a further 13.6 percent against the US dollar and 14.8 percent against the baht. Consumer price inflation remains elevated, having peaked at 41.3 percent year-on-year in February before gradually declining to 25.9 percent in August. Food price inflation has been higher, averaging 45.6 percent in the first 8 months of 2023,

on imported food and higher production costs from imported agricultural goods. Public debt, a large portion of which is external, was reported at 97 percent of gross domestic product in 2022, up from 76 percent in 2021. Even with a decline in nominal terms from USD 2.4 billion in 2021 to USD 12 billion in 2022, public debt is unsustainable. Resolving the country's debt challenges will require efforts across the government and from creditors to make public financing practices more transparent and sustainable. Meanwhile, due to reduced exports, the ADB also lowered the 2023 growth outlook for Southeast Asia to 4.6 percent, from an earlier projection of 4.7 percent. Laos' main trading partner, Thailand, saw an increase in economic growth projection from 3.3 percent to 3.5 percent for 2023 and up to 3.7 percent for next year.

Source : <https://laotiantimes.com/2023/09/21/adb-lowers-economic-growth-rating-for-laos/>

## Panko Corporation to ramp up investment in Myanmar's apparel manufacturing sector



*Myanmar News | 24 September, 2023*

Panko Corporation from the Republic of Korea will expand its investment in the manufacturing of cotton, woven garments and fabric printing, beyond apparel manufacturing, according to the Union of Myanmar Federation of Chambers of Commerce and Industry. The businesspersons from Panko Corporation met with UMFCCI's President U Aye Win and officials concerned at the UMFCCI office on 22

September. U Aye Win expressed his appreciation for capital expansion in the meeting. He highlighted that the federation will negotiate with the entrepreneurs to facilitate investment matters. As the State is committed to boosting manufacturing, he was delighted to know about the capital increase in labour-intensive businesses such as garment enterprises. He believe this business will bring about benefits for the country. It will also help strengthen friendship ties between the two nations besides business interests. Panko Corporation set up a garment factory in Bago in 2019, creating jobs for locals. Mr Youngjoo Choi, chairman of Panko Corporation elaborated on investments that they will execute manufacturing of cotton, woven garments and fabric paint businesses in Myanmar. They vow to promote industrial development in the country through those projects. Korean experts who will come to Myanmar have acquired skills in cotton manufacturing. They will collaborate with the UMFCFI to enhance the manufacturing businesses as well. — NN/EM

Source : <https://www.gnlm.com.mm/panko-corporation-to-ramp-up-investment-in-myanmars-apparel-manufacturing-sector/#article-title>

## Vietnam – powerful magnet for foreign direct investment



*Vietnam News | 23 September, 2023*

Vietnam has become one of the leading countries in Southeast Asia in attracting foreign direct investment (FDI), according to an article published on

September 21 on the website gfmag.com of Global Finance Magazine. The writing attributes it to a range of advantages of the country, including its favourable demographics as 40% of Vietnam's population of 100 million are under 25. In addition, it has tariff-free access to the Southeast Asia region with 800 million people thanks to being a member of the Association of Southeast Asian Nations (ASEAN). According to Thierry Mermet, CEO of Source Of Asia (SOA), a consultant to companies looking for business opportunities in Vietnam and ASEAN, the 2023 outlook for the business environment in Vietnam shows promising signs of improvement. He cited foreign direct investment capital reaching about 10 billion USD in the first quarter of 2023, an increase of 0.5% over the same period last year. Mermet predicted that this trend will continue in the near future. The expert said that in the long term, Vietnam is really strengthening its position as one of the top three locations where European business leaders want to invest. According to the Business Confidence Index report conducted by the European Chamber of Commerce in Vietnam (EuroCham), 3% more leaders have picked Vietnam as one of the top three investment choices. The article said that 90 countries and territories invested in Vietnam in the first half of this year; the top five are Asian countries. with the Republic of Korea in first place, accounting for 81 billion USD. It was followed by Singapore and Japan with 72 billion USD and nearly 70 billion USD committed, respectively. Notably, while the US stood in the 7th position in terms of investment capital, it is

Vietnam's first key export partner. Another indicator of Vietnam's attraction is homegrown electric vehicle (EV) manufacturer VinFast, which recently became the world's third-largest automaker by market capitalisation, behind Tesla and Toyota. According to Barry Elliott, Vice President of Tomkins Ventures and a supply chain guru long active in Vietnam, this not only signals a promising future for the EV industry in Southeast Asia in general, but also exemplifies Vietnam's emerging prowess in manufacturing. Meanwhile, S&P Global said that Vietnam's robust economic growth is also a factor that helps attract foreign investors to the country. Although its economic growth slowed to 3.7% in the first half from 8% in 2022, the World Bank predicts a rebound in the second half of this year. The S&P Global forecast an increase in mergers and acquisitions in Vietnam's banking sector over the next two years as lenders seek to bolster their capital. Thailand's Kasikornbank PCL is reportedly in talks to acquire consumer finance provider Home Credit Vietnam in a deal valued at about 1 billion USD. If successful, this would be the second-largest deal in Vietnam in 2023, following Sumitomo Mitsui Banking Corp.'s acquisition of a 15% stake in Vietnam Prosperity Joint Stock Commercial Bank in March. According to Mukuru Kato, managing director and head of frontier markets research at EFG Hermes Research said deals will likely surge between 2023 and 2024, including among state-owned commercial banks (SOCBs), as the State Bank of Vietnam is keen to have a Vietnamese bank rank among the top 100 in

Asia. Ivan Tan, an analyst at S&P Global Ratings, said that acquiring a strategic stake in Vietnamese banks provides an opportunity for foreign investors to participate in the growth and tap the country's favourable demographics via retail lending, particularly via digital channels.

Source : <https://en.nhandan.vn/vietnam-powerful-magnet-for-foreign-direct-investment-post129700.html>

## Vietnam among largest rubber suppliers to RoK



*Vietnam News | 24 September, 2023*

Vietnam is currently the fourth largest rubber supplier to the Republic of Korea (RoK) after Thailand, Indonesia and China, according to the Import-Export Department under the Ministry of Industry and Trade. The Import-Export Department quoted statistics from the General Department of Customs as saying, that Vietnam's rubber exports to the RoK reached 12,470 tonnes worth 18.92 million USD in the first four months of 2023, up 5.6% in volume, but down 15% in value over the same period in 2022. The average export price of rubber to this market was 1,517 USD per tonne, down 19.5% over the same period in 2022. Vietnam's rubber accounted for 5.88% of the RoK's total rubber imports in four months, while the imports from Vietnam in the first four months of 2022 were 8.36%. According to the RoK customs agency, Thailand, Indonesia, China, Vietnam and Japan are currently the five largest rubber suppliers to the RoK. However, the RoK increased imports from Indonesia

and China but reduced imports from Thailand, Vietnam and Japan, compared to the same period in 2022. Vietnam's rubber market share is shrinking in the RoK market compared to the same period in 2022, while the rubber market share of Indonesia, China, the Philippines, Cambodia, and Germany, advanced over the corresponding period last year.

Source : <https://en.nhandan.vn/vietnam-among-largest-rubber-suppliers-to-rok-post125709.html>

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