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ACFTA boosts Cambodia-China bilateral trade to \$11.69 billion



Cambodia News | 24 October, 2023

The ASEAN-China Free Trade Agreement (ACFTA) has boosted the bilateral trade between Cambodia and China ten times since 2010, as China is helping Cambodia to benefit from the agreement, while ASEAN and China are actively pushing forward the Version 3.0 FTA negotiations. “Within 13 years of ACFTA implementation, bilateral trade between Cambodia and China has achieved more than 10 times since 2010, from \$1.25 billion to \$11.69 billion in 2022, with average annual growth rate of 21.37 percent,” said Tat Puthsodary, Secretary of State of the Ministry of Commerce in a training workshop held in Phnom Penh yesterday. Cambodia and China also announced official implementation of the free trade agreements in January 2022. The Academy for International Business Officials (AIBO) of the Ministry of Commerce of the People’s Republic of China and collaboration with the Ministry of Commerce and Chinese Embassy in Cambodia held four-day training workshop aimed to build capacity to Cambodian officials on the Rule of Origins of the ASEAN-China Free Trade Area (ACFTA) Agreement, to carry out foreign trade for the benefit of Cambodia. Experts from the General Administration of Customs of China and the Shanghai University of International Business and Economics are invited to share and give lectures at the workshops, which are attended by some 50 commercial officials. The capacity

building is to explore the Rule of Origin potential that lies within the Ministry of Commerce which has recently issued a new law called “Law of the Rules of Origin” in July 2023, he said. “The training workshop will provide a platform to discuss possible recommendations on the possible modalities of the Rule of Origins not only ACFTA, but also other agreements This is the moment to press ahead to implement the Rules of Origin of the Upgraded ASEAN-China Free Trade Area Agreement. The potential benefits are enormous,” he said. Currently, both ASEAN and China are actively pushing forward the version 3.0 FTA negotiations, providing new opportunities for trade and investment cooperation between ASEAN and China. The 4th Round of ACFTA 3.0 Upgrade Negotiations is scheduled to be held on 25-29 October 2023 in Bandung, Indonesia. AIBO is willing to strengthen the cooperation on human resource development with Cambodia, said AIBO Vice President Zhong Le. The trade between the two parties amounts to nearly \$980 billion in 2022, which is 1.2 times larger than that of 2013, which amounted to approximately \$440 billion, he said.

Source :

<https://www.khmertimeskh.com/501380743/acfta-boosts-cambodia-china-bilateral-trade-to-11-69-billion/>

Cambodian firm signs MoU with Indonesian food products major



Cambodia News | 24 October, 2023

Cambodian firm V-Consolidated Co Ltd has signed a memorandum of understanding (MoU) with Indonesian food products major PT. Nirmamas Utama to import food products under the renowned brand 'Inaco'. The MoU was signed on the sidelines of the 38th Trade Expo Indonesia (TEI) 2023, which was held hybrid at the ICE BSD City, Tangerang, from October 18 to October 22, and online between October 18 and December 18, 2023, through the official website www.tradexpoindonesia.com. Speaking to Khmer Times, Sovann Heng, Managing Director of V-Consolidated and a member of the Cambodian delegation, which visited the expo, said his company initially plans to import jelly products through the MoU with Inaco and aims to widen the product portfolio in the days to come. "This is the first time we are engaging in a three-party agreement, which also involves the Indonesian Embassy in Cambodia. Indonesian companies are well-known for their trust and credibility and it's our privilege to be able to forge an alliance with a premier food products brand. "As an importer of food products, I am always concerned about the risk factor involved and I can say that this risk factor is zero when we do business with Indonesian brands. Initially, we plan to import jelly products from Inaco and we also soon aim to introduce many Inaco snack products in Cambodian market." Sovann Heng said the MoU is

not just about an agreement for import and distribution but also a larger business partnership contributing towards enriching the bilateral ties between Cambodia and Indonesia. Erijanto D, Director of PT. Nirmamas Utama, said the partnership is of great importance to his company as it will serve a platform to promote Inaco products in Cambodia. "Cambodia's food and beverage sector is all set to grow in the coming years and it will create great opportunities before us as we understand the taste choices are more or less same across the Asean region." Erijanto D said he expects V-Consolidated to import more Inaco products in the coming days as the MoU "is the beginning of a long journey of friendship and mutual trust". Yulius Rianghepat, Sales Manager, International Business Development at PT. Nirmamas Utama, said the partnership is a great milestone for his company. "Indonesia and Cambodia are two nations with great history of friendship and brotherly relations and this partnership is also further contributing towards strengthening the bilateral trade ties. "I thank the Indonesian Embassy in Phnom Penh for facilitating this MoU. The embassy team have been always supporting us with regard to entering the Cambodian market, which is highly appreciated." A twenty-plus delegation comprising businessmen and businesswomen representing various sectors attended the TEI 2023, headed by Lauti Nia Astri, Minister Counselor at the Indonesian Embassy in Phnom Penh. The delegation members held consistent talks with their Indonesian potential

partners as well as visited many industrial facilities to forge successful partnerships. In her closing remarks as the delegation concluded its visit, Lauti Nia Astri said Indonesia and Cambodia will bolster its relations when it comes to trade and people-to-people contact in the coming days. She thanked the members of the delegation for choosing Indonesia as a trade destination while contributing to further strengthening the bilateral partnerships.

Source :

<https://www.khmertimeskh.com/501380749/cambodian-firm-signs-mou-with-indonesian-food-products-major/>

Laos to step up financial support for SMEs.



Laos News | 25 October, 2023

VIENTIANE, Oct. 24 (Xinhua) -- The Lao government's Small and Medium Enterprises (SMEs) Promotion Fund has injected 152 billion kip (some 7.3 million U.S. dollars) in financing for SMEs through commercial banks to mitigate the impact of the COVID-19 pandemic. Agreements on the provision of financing in the form of long-term low-interest loans were signed on Friday between the SMEs Promotion Fund and six commercial banks. Witnessing the signing were Lao Minister of Industry and Commerce Malaythong Kommasith and over 130 representatives of relevant departments and organizations, according to Lao Economic Daily report on Tuesday. In addition, the Lao government has instructed relevant authorities to take urgent measures to address the continuing economic and

financial difficulties with respect to inflation, unfavorable currency exchange rates, spiraling prices and foreign debt.

Source :

<https://english.news.cn/20231024/2184a85d8c0a4758b88b6aff83ac8e9e/c.html>

Feature: Food prices continue to affect Lao households despite easing inflation.



Laos News | 25 October, 2023

VIENTIANE, Oct. 24 (Xinhua) -- High inflation in Laos has forced many families to cut spending on food, health and education to ensure their income keeps pace with the rising cost of living in the country. Laos recorded an inflation rate of 25.69 percent in September, a slight decrease from 25.88 percent in August, according to the Lao Statistics Bureau. While inflation has eased since early 2023 in the Southeast Asian country, Laos still has one of the highest inflation rates in the region, causing real household incomes to fall for many people, weakening consumption and investment. The Lao government has introduced a number of policies and measures to stabilize exchange rates and handle inflation. These include boosting domestic production, attracting more tourists to Laos, restricting imports of products the country can produce, and ensuring all foreign currency earned from exports and foreign investments enter the country through the banking system.

Source :
<https://english.news.cn/20231024/8d14428a3ae34f90b9c8d197be24cb0a/c.html>

DPM MoFA Union Minister receives Chinese Ambassador



Myanmar News | 24 October, 2023

U Than Swe, Deputy Prime Minister and Union Minister for Foreign Affairs of the Republic of the Union of Myanmar, received Mr Chen Hai, Ambassador of the People's Republic of China to Myanmar, yesterday in Nay Pyi Taw. They cordially discussed matters pertaining to the advancement of "Comprehensive Strategic Cooperative Partnership Relations" based on the existing "Pauk-Phaw" friendship, acceleration of the ongoing Myanmar-China bilateral projects under the framework of Belt and Road Initiative on the basis of mutual benefit, the maintenance of peace, stability and rule of law along the border areas between Myanmar and China, repatriation of verified displaced persons from Rakhine State and China's continuous constructive support towards Myanmar development endeavour as well as collaboration at regional and international arenas particularly ASEAN and the United Nations.

Source : <https://www.gnlm.com.mm/dpm-mofa-union-minister-receives-chinese-ambassador-2/>

YGN palm oil wholesale reference price slightly rises for week ending 30 October



Myanmar News | 24 October, 2023

The wholesale reference rate of palm oil for the Yangon market increased a bit for the week ending 30 October, according to the Supervisory Committee on edible oil import and distribution. The wholesale price was set lower at K4,275 per viss for a week from 16 to 22 October and this week's rate was set higher to K4,395 per viss for a week ending 30 October, showing an increase of K120 per viss. The Supervisory Committee on Edible Oil Import and Distribution under the Ministry of Commerce has been closely observing the FOB prices in Malaysia and Indonesia including transport costs, tariffs and banking services to issue the wholesale market reference rate for edible oil weekly. Nonetheless, the market price was higher than the reference price. To tackle the overcharging, the Consumer Affairs Department under the Ministry of Commerce apprised the consumers of lodging complaints for overcharging through the call centre's hotline in late August. The department urged consumers not to buy the palm oil at high price. The Department is making concerted efforts to steer the high volatility in palm oil prices in the retail market and offer fairer prices to the consumers, in coordination with the Myanmar Edible Oil Dealers Association and oil importing companies. The complaints for overcharging can be lodged over hotline 1535 of the call centre of the Consumers Affairs Department or sent to the Facebook page of the Department and the region and state departments concerned. Myanmar Edible Oil Dealers Association formed a task force on edible oil price stability and started informing the lists of

wholesale/retail shops of each company on 28 August, including the address of the shops in the respective townships and the number of available barrels. The task force will govern the market to meet the satisfaction of the end-users in the supply chain and get easy access to the consumers. It will also supervise the market to ensure the palm oil sales at wholesale prices are not higher than two per cent of the net profit margin and retail prices are not higher than 10 per cent margin. The domestic consumption of palm oil is estimated at one million tonnes per year. The local palm oil production is just about 400,000 tonnes. To meet the domestic demands, about 700,000 tonnes of palm oil are yearly imported through Malaysia and Indonesia.

Source : <https://www.gnlm.com.mm/ygn-palm-oil-wholesale-reference-price-slightly-rises-for-week-ending-30-october/>

Bad debt ratio of banking system surges to 3.56 percent

 *Vietnam News | 24 October, 2023*

HÀ NỘI — The bad debt ratio of the banking system skyrocketed from 2 per cent at the beginning of this year to 3.56 per cent, or more than VNĐ440 trillion, at the end of July 2023, according to the latest data from the State Bank of Vietnam (SBV). Including bad debts that commercial banks sold to the Vietnam Asset Management Company (VAMC) and have not yet been recovered, the bad debt ratio rose to 6.16 per cent. This bad debt ratio includes the debts of five banks: SCB, Dong A Bank, CBBank,

OceanBank, and GPBank, which are under the SBV's special control. Excluding these five banks, the bad debt ratio stood at 1.92 per cent. SBV's Governor Nguyễn Thị Hồng stated that as of September 21, 2023, the outstanding loans of the banking system totalled more than VNĐ12.62 quadrillion, an increase of 5.91 per cent compared to the end of 2022. Notably, the bad debt ratio in the real estate sector rose from 1.8 per cent in July 2022 to 2.58 per cent in July 2023. The credit quality of many banks has shown signs of deterioration. Some banks listed on the stock exchange, such as NCB, ABBank, BVBank, VPBank, VietBank, OCB, and PGBank, had bad debt ratios exceeding 3 per cent by the end of June 2023. Experts predict that the credit quality of the banking system may continue to face pressure. Some bank leaders believe the bad debt ratio will peak in the third quarter of this year and start to gradually decrease from the beginning of the next year. The SBV has highlighted that the domestic and international economic situations are highly volatile due to the escalating Russia-Ukraine conflict, which disrupts the global supply chain. This leads to a rising risk of inflation and impacts the consumer spending of many economies. Việt Nam's major trading partners also face potential recession risks, especially following incidents involving several US banks. At present, banks' management of bad debts encounters numerous challenges, especially with the rise in overdue debts and a sluggish real estate market, making the handling of real estate

collateral even more challenging. Furthermore, the SBV has noted that the debt trading market still presents many limitations. The legal framework related to restructuring credit institutions and managing bad debts remains incomplete, and there is a lack of favourable policies to encourage both domestic and foreign investors to participate in handling collateral and trading bad debt. Specifically, the infrastructure of underperforming banks still lacks the resources and specific mechanisms for thorough management. Some State-owned groups and corporations do not have the resources required to manage losses and restructure non-bank credit institutions where they hold ownership or significant shares.

Source :

<https://vietnamnews.vn/economy/1605583/bad-debt-ratio-of-banking-system-surges-to-3-56-per-cent.html>

Thai Deputy Prime Minister and Foreign Minister to visit Vietnam this week

 *Vietnam News | 24 October, 2023*

Thai Deputy Prime Minister and Foreign Minister Parnpree Bahiddha-Nukara will pay an official visit to Viet Nam from October 25-26 at the invitation of Vietnamese Foreign Minister Bui Thanh Son. This is Parnpree Bahiddha-Nukara's first visit to Viet Nam since he was appointed by Thai King Maha Vajiralongkorn as Deputy Prime Minister and Foreign Minister of Thailand in September this year. Viet Nam and Thailand established diplomatic relations on

August 6, 1976, which was elevated to strategic partnership on the occasion of General Secretary of the Communist Party of Viet Nam Nguyen Phu Trong's visit to Thailand in 2013, and to a higher level of advanced strategic partnership in 2019. As members of the Association of the Southeast Asian Nations (ASEAN), both sides have exerted tireless efforts to cultivate friendly, trusted, mutually respectful, and mutually beneficial relations. Both sides have regularly maintained exchanges and contacts between high-level leaders, coordinated closely and support each other at regional and international forums, especially ASEAN and Mekong sub-region mechanisms, thus contributing to consolidating peace, stability and prosperity in ASEAN. Last September, Vietnamese Prime Minister Pham Minh Chinh reaffirmed that Thailand is an important and trusted partner of Viet Nam in the region, during his meeting with Thai counterpart Srettha Thavisin in New York, the U.S. Prime Minister Pham suggested the two sides should work closely together to implement their action program for the 2022-2027 period; further enhance markets and create more favorable conditions for their businesses in order to raise the two-way trade to US\$25 billion in a balanced and mutually beneficial fashion; strengthen education, tourism and people-to-people exchanges; and continue close cooperation at multilateral mechanisms, especially ASEAN.

Source : <https://vietnamnet.vn/en/thai-deputy-prime-minister-and-foreign-minister-to-visit-viet-nam-this-week-2206126.html>