

Highlight News / November 27, 2023



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PM Hun Manet reaffirms Cambodia's growth for this year is at 5.6 percent



Cambodia News | 24 November 2023

Cambodia maintained its economic growth prediction at 5.6 percent in 2023 and raised it to 6.6 percent in 2024, the country's Prime Minister Hun Manet said here on Thursday. The Southeast Asian nation's economy is mainly driven by garment, footwear and travel goods exports, tourism, agriculture and real estate and construction. "With its high growth and economic diversification, Cambodia has set the ambitious goals of becoming an upper middle-income country by 2030, and an advanced economy by 2050," he said in his opening speech at the 2023 Cambodia Outlook Conference. Hun Manet said the kingdom is projected to graduate from a least developed country status by 2027. Meanwhile, he said Cambodia has been expanding its export markets to different countries in the region, particularly to the ASEAN+3 (China, Japan and South Korea) countries, gradually reducing its almost total reliance on the markets of the United States and Europe. The World Bank said in its semi-annual outlook for Cambodia on Wednesday that the country's growth remained robust despite external and domestic headwinds. The lender said the kingdom's real GDP growth is expected to achieve 5.4 percent in 2023 and pick up to 5.8 percent in 2024, on anticipated increases in

infrastructure investment and benefits from regional free trade agreements. Cambodia is currently a member of the China-ASEAN Free Trade Area agreement and the Regional Comprehensive Economic Partnership (RCEP) agreement. Besides, the kingdom also has bilateral free trade agreements with China, South Korea and the United Arab Emirates. "Looking ahead, economic growth could further be affected by weakening global demand or renewed oil and food price shocks," the World Bank said. "Domestically, rising household debt and domestic credit in the real estate sector remain risks." Xinhua

Source: <https://www.khmertimeskh.com/501397374/pm-hun-manet-reaffirms-cambodias-growth-for-this-year-is-at-5-6-percent/>

ADB approves \$50 mln loan to improve Cambodia's financial management



Cambodia News | 25 November 2023

The Asian Development Bank (ADB) on Friday said it has approved a \$50-million policy-based loan to support Cambodia in improving its public financial management (PFM) systems. The Manila-based regional development bank said it has a long-standing partnership in supporting Cambodia's PFM reforms at the national and subnational levels since 2008. Greater efforts to boost the digitalization of PFM systems and strengthen internal and external audits were among the reform measures to improve

operational efficiency, foster financial accountability, and enhance oversight of public expenditure, the bank said. “The reforms under ADB’s financing respond to the development constraints identified by the government in Cambodia’s expenditure and revenue management processes. They will enhance the implementation capacity of line ministries and strengthen external audit functions,” said ADB Country Director for Cambodia JyotsanaVarma. Xinhua

Source: <https://www.khmertimeskh.com/501397705/adb-approves-50-mln-loan-to-improve-cambodias-financial-management/>

Visit Laos Year 2024 opens with great fanfare.



Laos News | 24 November 2023

Visit Laos Year 2024 kicked off at the That Luang esplanade in Vientiane on Thursday with an official ceremony attended by a large number of dignitaries. More than hundred people together with Prime Minister Sonexay Siphandone; President of the Lao Front for National Development, Dr Sinlavong Khoutphaythoune; Deputy Prime Minister prof. Dr Kikeo Khaykhamphithoune; the Mayor of Vientiane Dr Atsaphangthong Siphandone; ministers and provincial governors attended the event. Also present were foreign ambassadors, other representatives of foreign embassies to Laos, and members of international organisations. Dr Sonexay

Siphandone said “This is the Visit Laos Year since 1999 that Laos has named a year “Visit Laos Year”. This year’s programme takes the theme “A Paradise of Culture, Nature and History” with the logo of an elephant holding a khaen as a symbol of good luck and prosperity.” “The government views Visit Laos Year as a crucial and meaningful event, especially after the tourism industry was severely impacted by the COVID-19 pandemic,” the Prime Minister added. “I would like to urge the entire Party and state, armed forces, business operators, and people of all ethnic groups in Laos to join hands in hosting Visit Laos Year by assisting and providing services to visitors from around the world with warm smiles and open hearts.” “This is an opportunity to showcase Laos’ rich culture and traditions to the world, to create a memorable experience for visitors, and encourage them to revisit Laos in the future,” he added.

Source: https://www.vientianetimes.org.la/freefreeneews/freecontent_230VisitLaos_23.php

Second Lao Human Capital Summit to focus on nutrition.



Laos News | 24 November 2023

The Lao government and its partners have agreed to hold the second Human Capital Summit next year, focusing on the crucial issue of nutrition. The decision was made at a meeting in Vientiane on Thursday chaired by the Deputy Minister of Planning

and Investment, Mrs Phonevanh Outhavong, where the participants were presented a report from the Ministry of Health showing that the nutritional status of Lao children has been declining, particularly in rural areas. Human capital - the knowledge, skills and health needed to boost productivity - is the most important form of capital for the growth of society, and Laos is currently not sufficiently developing its human capital to keep pace with other countries. Nutrition is an area of particular weakness, with about 33 percent of children under five years below the normal height levels for their age, while 21 percent are underweight, and 9 percent are wasted. These are all signs of under-nutrition, which mostly affects the poor and ethnic groups, mainly in rural and upland areas, according to the World Bank. The summit helped bring educational deficiencies to public attention, and the recently concluded National Assembly session featured a detailed discussion of education policies and funding. It is hoped the second summit can have a similar effect in focusing attention on nutrition. While Laos has made progress in combating poverty and nutrition problems in recent years

Source: https://www.vientianetimes.org.la/freenews/freecontent_230SecondLao_23.php

Kyat weakens to K3,400 against greenback in grey market



Myanmar News | 24 November 2023

Kyat depreciated to K3,400 against the US dollar in shady dealings on 23 November. The exchange rate moved up to K3,425 on 23 November from K3,230 on 1 November. Nonetheless, the Central Bank of Myanmar (CBM) set the reference exchange rate at K2,100 against the US dollar. The CBM has set the currency trading band at 0.3 per cent for the kyat to fluctuate between these two specified upper and lower exchange rates for transactions, selling or buying, starting from 10 August 2022. Financial institutions including banks and informal money exchanges have been instructed to set a dollar value at K2,094 for buying and K2,106 for selling. However, the over-the-counter kyat-dollar exchange rate was K3,375 for buying and K3,425 for selling on 23 November in the grey market. Despite a large price gap between the reference rate of the CBM and the unofficial market rate, there is no way for the CBM to set the new price, as per the notification released in May 2023. The dollar gained to around K4,000 on 19 August 2023. Under Section 9 of the Foreign Exchange Management Law, only those entities holding foreign exchange dealer licences are allowed to deal in foreign currency and traveller's

cheques. Those holding foreign currencies without valid licences and permits will face legal actions under the law, according to the CBM's notification released on 21 August 2023. According to Notification 7/2014 dated 30 September 2014 issued by the Central Bank of Myanmar, stating that under Clause 15 of the Foreign Exchange Management Law, domestic residents are allowed to keep US\$10,000 in maximum or equivalent amounts of foreign currencies for six months. If those foreign currencies that have been unused for over six months have to be exchanged in local currency at the market price through authorized dealers or deposited into bank accounts. Those illegally holding foreign currencies are to face legal actions under the Foreign Exchange Management Law, the CBM warned again.

Source: <https://www.gnfm.com.mm/kyat-weakens-to-k3400-against-greenback-in-grey-market/>

Projects launched with 6th Lancang-Mekong Cooperation Fund



Myanmar News | 24 November 2023

The launching ceremony of the projects to be implemented with the sixth special fund of the Lancang-Mekong Cooperation was held at the Ministry of Agriculture, Livestock and Irrigation in Nay Pyi Taw yesterday morning. Union Minister for

Agriculture, Livestock and Irrigation U Min Naung said that poverty alleviation and development of the socio-economic lives of the rural people in the Lancang-Mekong region are important and that with the support of special funds, the projects to be carried out by the ministry will be implemented in the respective fields and will be successfully implemented. Deputy Secretary of the Chinese Embassy to Myanmar Mr Zhang Zhonghua and U Aung Kyaw Moe, Deputy Director-General of the International Organizations and Economic Department of the Ministry of Foreign Affairs, gave speeches. Relevant officials explained the progress of the businesses that were allowed to implement the special funds (2021) and (2022). After the ceremony, the Union Minister and Deputy Ministers, the Deputy Secretary of the Embassy of the People's Republic of China and guests visited the exhibits related to the projects implemented with the Lancang-Mekong Cooperation Special Fund. The Ministry of Agriculture, Livestock and Irrigation was granted permission to implement 35 projects with a total funding of more than US\$12.18 million from the Mekong-Lancang Cooperation Special Fund. Five projects with the 2017 Lancang-Mekong Cooperation Fund, nine with the 2018 version, six with the 2020 version, four with the 2021 version and seven with the 2022 version of the Lancang-Mekong Cooperation Fund were implemented. The projects

to be implemented with the 2023 fund include the agricultural sector and health sector, hoping to reduce the poverty of rural people.

Source: <https://www.gnlm.com.mm/projects-launched-with-6th-lancang-mekong-cooperation-fund/>

Data centre, cloud computing potential as Việt Nam moving digital



Vietnam News | 25 November 2023

HÀ NỘI — The data centre and cloud computing services market in Việt Nam has large potential as the country is promoting digital economy development, according to the Việt Nam Cloud Computing and Data Centre Club (VNCCDC), a member of the Việt Nam Internet Association (VIA). According to VNCCDC Việt Nam is considered one of the fastest growing markets in ASEAN in terms of cloud computing and data centre market, and has seen the participation of more than 50 providers, both domestic and foreign. Cloud computing and data centres play an important role in shaping digital infrastructure in Việt Nam together with broadband telecommunications infrastructure and Internet of Things (IoT) infrastructure. The Prime Minister has approved the National Digital Transformation Programme until 2025 with a vision to 2030 with three

pillars: digital government, digital economy and digital society, in which the strategy of “moving to the cloud” is considered important to help enterprises develop in a digital economy. This provides great opportunities for Việt Nam’s data centre and cloud computing to accelerate and create a breakthrough, VNCCDC said. “Vietnamese cloud computing and data centre companies have mastered technology, have good growth rates and are capable of competing with foreign rivals in meeting enterprises’ demand to “move to the cloud”, making Việt Nam an important digital centre of ASEAN,” VNCCDC’s Deputy Head **Đặng Tùng Sơn** said. A report by VNCCDC published within the framework of Internet Day 2023 held by VIA on Wednesday in Hà Nội shows that the demand for cloud computing in Việt Nam doubled in 2022 to reach VNĐ9.7 trillion. This dramatic growth was driven by the COVID-19 pandemic which urged enterprises to speed up digital transformation. However, the growth is slowing down in 2023 largely due to the impact of economic recession forcing firms to cut costs. Still, the cloud computing market expanded at 24.2 per cent this year. The cloud computing market draws the participation of big domestic tech companies such as Viettel, VNPT, CMC and FPT which saw revenue increase from VNĐ900 billion in 2021 to VNĐ2.3 trillion in 2022 with an average growth rate of 37.4 per cent. However, domestic providers hold

a modest market share of 20 per cent while the rest is in the hands of foreign rivals. The report predicts that the cloud computing market will grow at a compound rate of 20-23 per cent in 2023-25 period to reach \$768 million in 2025. Regarding data centres, a report by Research and Markets shows that the data centre market will grow at a compounded annual growth rate of 10.68 per cent in the 2022-28 period to increase from \$561 million in 2022 to \$1.037 billion in 2028. This market is attracting huge investment from both foreign and domestic providers. Domestic names include big tech companies like VNPT, Viettel, CMC and FPT which are focusing on developing modern data centres of international standard. Still, domestic players accounted for a modest market share of 17 per cent. The Government's Decree 53/2022/NĐ-CP detailing the implementation of the Law on Cybersecurity has tightened data management, which would push up demand for data centre services. Domestic data centre services providers said that the data centre market would develop rapidly in the next two years, thus, they all have plans for expanding the infrastructure system. In the digital infrastructure strategy to 2025 with a vision to 2030, the Ministry of Information and Communications set the target to expand the cloud computing market shares of domestic services providers to 70 per cent by 2025, which is challenging, VNCDC said. At the

same time, Việt Nam set the goal that the digital economy would account for 20 per cent of GDP by 2025 and 30 per cent by 2030. Accordingly, the ICT industry must contribute 6-6.5 per cent, in which cloud computing enterprises would contribute 1 per cent of GDP. VNCDC's survey revealed that more than half of service providers found existing legal frameworks were supporting their development at "normal" level. "It's necessary to improve the legal framework for data centres and cloud computing in Việt Nam to be able to compete with foreign big tech companies and create breakthroughs," VNCDC said. — VNS

Source: <https://vietnamnews.vn/economy/1637065/data-centre-cloud-computing-potential-as-viet-nam-moving-digital.html>

German firms consider Việt Nam potential destination: survey



Vietnam News | 25 November, 2023

HCM CITY — The German Chamber of Commerce Abroad (AHK) in Việt Nam has released its AHK World Business Outlook – Fall 2023, which highlights Việt Nam as a promising investment destination for German businesses. In October, German companies made a big step in increasing their presence in the Vietnamese market with the

implementation of 26 projects worth nearly US\$221.5 million. This reflected the firms' strong confidence in the Vietnamese market, and at the same time showed the attractiveness of Việt Nam to German businesses who wish to expand their operations in Asia, according to the survey. German enterprises are paying great attention to green investment projects. Meanwhile, the Vietnamese market is ready to welcome and support business projects, providing a foundation for growth and sustainable business diversification. Specifically, for investment plans, the survey revealed that 42 per cent of German companies in Việt Nam prioritised diversifying production and manufacturing activities, as well as focusing on product diversification strategies. The sector was followed by sales and marketing at 41 per cent, services (35 per cent), and logistics (31 per cent). Regarding factors affecting the investment decision, 50 per cent of surveyed businesses held that the growth potential of the Vietnamese market was a key factor, along with skilled workforce. Regarding risks and challenges, the survey pointed out that German businesses assessed that the decline in global demand was a main barrier, and they were concerned about the risk of supply chain disruption. In addition, those operating in the Vietnamese market also encountered some difficulties such as energy costs and financial resources. At the same time, it said that

German businesses tended to invest more in their network of business establishments abroad than in the German market. In response to the development of the global economy, many German enterprises and businesses with close connections to Germany were continuing to expand their business scale in the global market, including Việt Nam, it added. The AHK World Business Outlook is based on a regular German Chamber of Commerce and Industry (DIHK) survey of member companies of the German Chambers of Commerce Abroad, Delegations, and Representative Offices (AHKs). In fall 2023, it collected feedback from more than 3,600 German companies, branches, and subsidiaries worldwide as well as companies with close ties to Germany. The survey was conducted from September 25 to October 20. — VNS

Source: <https://vietnamnews.vn/economy/1637075/german-firms-consider-viet-nam-potential-destination-survey.html>
