

## Highlight News / December 13, 2023



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## Cambodia's exports touch \$20.5 billion in Jan-Nov



*Cambodia News | 12 December 2023*

Cambodia's exports topped \$20.49 billion in the January-November period of this year, inched up by 1.2 percent compared to the same period last year, a General Department of Customs and Excise report said on Monday. The top five export destinations for Cambodia during the period were the United States, Vietnam, China and Thailand. The US remained Cambodia's biggest market during the first eleven months of this year with exports worth \$8.14 billion, a 0.9 percent decrease recorded in the same period a year ago. Exports to Vietnam rose 37.8 percent to \$2.61 billion, from \$1.89 billion while exports to China also increased 18.5 percent to \$1.31 billion, the report added. The country's main exports were apparel, footwear, travel goods, bicycles, and agricultural products such as rice, rubber, cassava, bananas, and mangoes. The garment, footwear and travel goods industry is the largest foreign exchange earner for Cambodia. The sector consists of roughly 1,133 factories and branches, employing approximately 840,000 workers, mostly female. The Regional Comprehensive Economic Partnership (RCEP) agreement and the free trade agreements with China and Korea that came into force in 2022 have played important roles in promoting

Cambodia-made products and contributed to attracting new foreign investment, said Penn Sovicheat, spokesman at the Ministry of Commerce. "These trade pacts have contributed to the export growth and also attraction of the foreign investment that enters Cambodia to produce for export," Sovicheat told Khmer Times. RCEP, which came into effect in 2022, comprises 15 Asia-Pacific countries including the 10-member Association of Southeast Asian Nations (ASEAN) and their five trading partners, namely China, Japan, South Korea, Australia and New Zealand. Prime Minister Hun Manet has called for cooperation between the government and the private sector to boost the export of made-in-Cambodia products. "Our strategy is to have the government and the private sector work together to set goals to boost exports of Cambodian products to foreign markets," the Prime Minister said at a get-together with garment workers held recently. Cambodia's total imports came down by 5.4 percent to \$22 billion, read the report. In bilateral trade, the Kingdom's China trade topped the list with a total amount of \$11.07 billion or 26 percent of the country's total international trade at \$42 billion. The country primarily imports raw and construction materials, automobiles, pharmaceuticals, electronic equipment, fertilizers and pesticides.

Source: <https://www.khmertimeskh.com/501405278/cambodias-exports-touch-20-5-billion-in-jan-nov/>

## Agro-industries to be engine of future GDP growth



*Cambodia News | 12 December 2023*

The post-pandemic period has proven challenging for traditionally-strong areas of Cambodia's economy, manufacturing, construction and tourism, all of which continue to face reduced growth compared to 2019 levels. However, "the agriculture sector has continued to show growth throughout the post-pandemic period," said Lawrence Lennon, managing director of global advisory CBRE Cambodia, "which is an area which still has a lot of room for production growth in Cambodia." "Given agriculture practices remain underdeveloped, the economy has the ability to force diversification towards agroindustry," said Lennon, "and increase the overall value of the sector, plus reduce the trade deficit at the same time." Lennon sees the agro-industry as one of the most exciting areas for foreign and local investors, given the growth potential. "We are already witnessing early-stage agroindustry development in 2023 despite global headwinds, and we should expect to see agriculture be the primary catalyst for economic growth moving forward," said Lennon. Lennon mentioned that while traditional vehicles of growth for the Cambodian economy have suffered this year, such as manufacturing, construction and tourism, agriculture has shown considerable forward momentum. The Asian Development Bank's (ADB) Asian Development Outlook (ADO), released in September 2023, pointed

out that Cambodia's exports of garments, footwear and travel goods have fallen by 18.6 percent in the first half of the year. Meanwhile, imports of construction materials dropped by 6.3 percent over the same period. ADB added that the service sector is expected to ease to 6.5 percent in 2024, based on increased tourism arrivals. Lennon said, however, "While tourism has bounced back considerably this year, it appears the income from the segment may be considerably less than years like 2018 and 2019." "It is great news that the country has already seen 4.5 million guests already this year," he said, "yet it's important to notice the demographic shift that has occurred." "We are now seeing 55 percent of tourists coming from Vietnam, Thailand and Laos, and only 10 percent from China. That's compared to over 50 percent from China in the years prior to the pandemic," said Lennon. "So while tourism is on the rise again, it may not be generating as higher revenue for tourism businesses than before, given regional travellers generally spend less than the Chinese," he said. The ADB's ADO report said that the agriculture sector has still experienced some growth this year, despite poor weather conditions and increased costs of production. Overall agricultural growth in 2023 and 2024 was reduced to 0.9 percent from 1.1 percent, and 1.1 percent from 1.2 percent, respectively. Meanwhile, agriculture industries undergoing trade and quality improvements are turning bumper profits in the first 10 months of this year, according to recent reports from the Cashew Nut Association of Cambodia and the General directorate of rubber,

suggesting a \$1.2 billion season between the two. Cashews generated \$831 million in revenue from exports, rubber accounting for \$376.6 million, according to the respective associations this month. "With ongoing innovation and development of agroindustry practices in Cambodia, we might soon see these areas multiplying in production value," said Lennon. "There is no shortage of arable land, and there is a large human resource available to fuel further GDP growth in agriculture in the coming years," he said. Agro Investment, for these reasons, is being highly pursued by the Government through investment policy and action this year. For instance, Minister of Agriculture, Forestry and Fisheries, Dith Tina, hosting a delegation of the Standing Committee of the People's Congress of Guangxi Zhuang Autonomous Region in a December 5 meeting, and said that the recently designated Fish and Rice Corridor in the provinces of Pursat, Battambang, Banteay Meanchey and Pailin has huge agricultural potential for serious agroindustry investors, including crops, rice and fisheries. "We are open and always ready to welcome Chinese investors interested in processing high-quality agricultural products for export. This will benefit farmers, investors and the economic growth of both countries," Tina said. The two parties agreed to pursue an MOU to forward the investment in agroindustries between Cambodia and Guangxi after the meetings of the delegation this month.

Source: <https://www.khmertimeskh.com/501405272/agro-industries-to-be-engine-of-future-gdp-growth/>

## Fiscal reforms needed to help maintain Laos' economic stability: WB report



*Laos News | 11 December 2023*

VIENTIANE, Dec. 12 (Xinhua) -- The fiscal reforms could provide some immediate relief and help build a more equitable and sustainable system as Laos tackles high levels of debt, insufficient revenue collection, and depreciation of the Lao currency kip, according to the latest report published by the World Bank on Monday. "Insufficient investment in education, training, and healthcare undermines long-term inclusive development and denies people the skills and good health that they need to escape poverty," said the World Bank report. "Changes in fiscal policy could help address economic instability, protect affected populations, stimulate growth, and reduce poverty and inequality," said the World Bank country director for Myanmar, Cambodia and Laos Mariam Sherman. The World Bank's report concluded that there is considerable scope for improving revenue collection and the effectiveness and equity of public spending. It detailed measures for enhancing tax collection, reforming the management of state-owned enterprises and public-private partnerships, and targeting public spending more efficiently.

Source: [https://english.news.cn/20231212/35c48](https://english.news.cn/20231212/35c48e9f07274111be9d458c8524ed8b/c.html)

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## Myanmar pulses export on track to meet annual target, with 1 mln tonne already shipped



Myanmar News | 12 December 2023

With current pulse export exceeding 1 million tonnes, mostly by sea, in this fiscal year, Myanmar Pulses, Beans, Maize and Sesame Seeds Merchants Association forecast it will meet a normal yearly target, said advisor U Soe Win Maung. “The normal export volume of pulses is around 1.5 to 2 million tonnes per year. With more months left in this fiscal year, the current export tonnage will increase,” he explained. Sea trade is the main channel for pulse exports, while border route is mostly used for China amid some road and transport difficulties, he said. “Among the destination countries, India stands the first. Exports to India are mainly through sea route as the border trade is difficult to transport,” U Soe Win Maung said. In the period from 1 April to 17 November this fiscal year, Myanmar earned more than US\$ 850 million from the export of over 1 million tonne of pulses, including black beans and pigeon beans, according to data from the Ministry of Commerce. Pulses and beans are the main crops grown to export, while fruits, vegetables, sesame and other

agricultural produce are also included on the export list.

Source: <https://www.gnlm.com.mm/myanmar-pulses-export-on-track-to-meet-annual-target-with-1-mln-tonne-already-shipped/>

## Central Committee on Ensuring Smooth Flow of Trade and Goods discusses fuel distribution, measures to increase export of farm produce



Myanmar News | 12 December 2023

The people are panic buying the fuel at present with the fear of scarcity even though the fuel is distributed to the stations in Nay Pyi Taw, Yangon and Mandalay regions and other regions and states. State Administration Council Member Union Minister General Mya Tun Oo, also Chairman of the Central Committee on Ensuring Smooth Flow of Trade and Goods, delivered an address at the 2/2023 committee meeting in Nay Pyi Taw yesterday. The Union minister noted that systematic arrangements are being made to ensure adequate fuel at the fuel stations and supply fuel stocks. On the other hand, it also supervises to combat illegal fuel trade. Moreover, the committee focused on practical measures for fuel import, storage, and distribution

sectors and scrutinized whether the imported fuel met the quality standards. Similarly, adequate cooking oil was distributed to the regions and states, including Nay Pyi Taw, to ensure a stable market and prices. The plans are underway to receive the export earnings from the remaining companies fully. He continued that effective measures were being taken in those days to promote the export volumes of farm products such as rice, beans, maize, sesame, and rubber. It also needs to supervise the repatriation of export earnings in line with fixed procedures, and it will prioritize the import of raw materials for the industrial zones that produce export products. He then highlighted the cooperation work with the UMFCCI, its brother associations, and relevant organizations.

Source: <https://www.gnlm.com.mm/central-committee-on-ensuring-smooth-flow-of-trade-and-goods-discusses-fuel-distribution-measures-to-increase-export-of-farm-produce/#article-title>

## China's Xi visits Vietnam after Biden, seeks to boost ties



*Vietnam News | 12 December 2023*

HANOI - China's President Xi Jinping starts a two-day visit to Vietnam on Dec 12, three months after US President Joe Biden travelled to Hanoi as the two great powers vie for influence in the South-east Asian

nation. The trip, Mr Xi's first in six years, has been months in planning and was even briefly considered to take place days before Mr Biden's visit, according to officials. It is aimed at boosting relations between the two Communist-ruled countries which have very close economic ties but are at odds over boundaries in the South China Sea and have a millennia-long history of frequent conflict. The visit has been delayed also because of prolonged discussions over how to phrase the countries' enhanced bilateral relations, which Beijing wants to be framed as "common destiny," a reference that Hanoi has resisted but is expected to have eventually accepted, according to officials and diplomats. Beyond the symbolism of elevating ties to a notch that Beijing may see as being above the US-Vietnam relationship, the upgraded status comes with the signature of "dozens of cooperation documents," according to China's ambassador to Vietnam Xiong Bo, as reported by Vietnamese state newspaper Tuoi Tre before the visit. Among the expected deals are Chinese investments to upgrade rail links between the two neighbours, which would include grants, although the volume of aid is not clear and neither is the amount and terms of possible loans. Both countries have expressed interest in boosting transport connections. Vietnam is willing to export more to China, especially farm products, and Beijing wants to integrate northern Vietnam further into its

southern supply chain networks. Many Chinese companies have moved part of their operations to Vietnam at a faster pace this year than before the pandemic to be closer to Western clients in Vietnam, lower risks from US-China trade tensions and reduce exposure to China's weakened economy. Strengthened rail connections would facilitate import of components from China for assembling in Vietnam, effectively expanding China's new Silk Road, which Beijing calls the Belt and Road Initiative (BRI). China has also pushed to include Vietnam in its Digital Silk Road, which may entail investments for new undersea optical fibre cables, the 5G network and other telecoms infrastructure. The only project so far that has received BRI loans in Vietnam is the Hanoi metro, although Vietnam prefers not to openly label it as a BRI project, in a sign of how sensitive it is to show too close ties with Beijing. Easier trade and stronger cooperation in several sectors including renewable energy, rare earths and tourism are also among the possible agreements. REUTERS

Source: <https://www.straitstimes.com/asia/chinas-xi-visits-vietnam-after-biden-seeks-to-boost-ties>

## Vietnam mulls importing more electricity from Laos

 Vietnam News | 12 December 2023

HCMC – The Ministry of Industry and Trade has urged the Vietnam Electricity Group (EVN) to

consider constructing new transmission lines to import more electricity from Laos. This plan is aimed at augmenting power imports from the neighboring country to supply the northern region, particularly during the dry season as no new electricity projects are slated for commissioning until 2025. Currently, electricity is imported from Laos to Vietnam through a 220-kV transmission line. Earlier, EVN invested over VND1,100 billion in the construction of the 500 kV Monsoon – Thanh My transmission project for the purpose of importing electricity from Laos. Under the national power development plan and a collaborative agreement inked between Vietnam and Laos in 2019, Vietnam is committed to purchasing 3,000MW of electricity from Laos by 2025 and ramping it up to 5,000MW by 2030. To date, the prime minister has approved investment policy to purchase electricity from Laos. The Government prioritizes buying electricity from Laos due to its favorable pricing compared to other regional sources. In the 11-month period, Vietnam imported nearly four billion kWh from both Laos and China, constituting 1.5% of the entire system's total power consumption.

Source: <https://english.thesaigontimes.vn/vietnam-mulls-importing-more-electricity-from-laos/>