

Highlight News / January 29, 2023



- Cambodia's economy expected to grow 6.4 pct in 2024
- Royal Group Phnom Penh SEZ's Exports crosses \$1.6 billion in 2023
- Laos has enormous economic potential despite its fiscal difficulties.
- Asean tourism ministers discuss sustainable tourism, connectivity.
- Rubber prices on upward trend
- Petrol prices indicate sharp rise on 26 Jan
- Ministry wants another electricity price hike
- Vietnam attracts US\$2.36 billion in new foreign investments in January



Cambodia's economy expected to grow 6.4 pct in 2024



Cambodia News | 27 January 2024

The Cambodian economy is projected to grow by 6.4 percent in 2024, up from 5.5 percent in 2023, mainly driven by tourism and manufacturing sector, National Bank of Cambodia (NBC)'s Governor Chea Serey said on Friday. The Southeast Asian country's economy is forecast to face both external and internal risks this year, she said in a speech during the closing ceremony of the NBC's two-day annual meeting. Possible external risks include a decline in flows of international trade, investment as well as international financial market uncertainty, while internal risks can be a sluggish recovery in construction and real estate due to a low inflow of foreign investment, and climate change, according to the central banker. Mey Kalyan, advisor to the Cambodian government and chairman of the Cambodia Development Resource Institute, said the government is proactively taking drastic measures to improve the business environment, upgrade infrastructure and logistics, and develop human resources in particular practical skills. "These measures will accelerate economic growth, while at the same time ensuring economic resilience, sustainability, inclusivity and competitiveness," he told Xinhua. Kalyan said these measures will also help Cambodia take benefits from the Regional

Comprehensive Economic Partnership and the Cambodia-China Free Trade Agreement, which will in turn help boost economic growth.

Source: <https://www.khmertimeskh.com/501430154/cambodias-economy-expected-to-grow-6-4-pct-in-2024/>

Royal Group Phnom Penh SEZ's Exports crosses \$1.6 billion in 2023



Cambodia News | 27 January 2024

The export value of the Royal Group Phnom Penh Special Economic Zone (RGPPSEZ) of Neak Oknha Kith Meng has increased significantly in the last eight years. "It took five years for the export value to double from \$316 million in 2016 to \$683 million in 2021. The number then doubled again in just one year to \$1.346 billion in 2022," according to the press release issued in January 26, 2024. "In 2023, we witnessed the highest export value in the zone's history with \$1,621 million. We are more than proud to contribute about 7 percent to the total export value of the country, which is \$23,470 million, according to the report in the website of General Department of Customs and Excise," the press release continued. The dramatic increase occurred despite the horrific COVID19 situation; thanks to the expansion and steady growth of productions of all the investors especially in the electrical and electronics sector, and automobile parts sector. The export value from the electrical and electronics sector increased 71%

from \$234 million in 2019 to \$399 million in 2023. And the value from the automobile parts sector had even a much bigger rise of 156% from \$113 million in 2019 to \$289 million in 2023. "As the zone developer, this number gives us even more energy to provide the best special economic zone for both Cambodian and international investors for the betterment of investor's businesses, the country's economy and the contribution to the country's industrialization," the press release added. The RGPPSEZ was established in 2006 with the aim to create a premiere location for manufacturers from a variety of industries and to create many job opportunities for Cambodian people. Nearly 18 years has passed, and we are now proud to witness the zone as it is today, with 86 manufacturing companies from 14 nations, employing 43,800 Cambodian people and 720 foreign expats in the nation's high value-added industries. This significant development and growth are also evidenced in the export value of the zone.

Source: <https://www.khmertimeskh.com/501429922/royal-group-phnom-penh-sezs-exports-crosses-1-6-billion-in-2023/>

Laos has enormous economic potential despite its fiscal difficulties.



Laos News | 28 January 2024

A The World Bank has estimated that tourism can grow sufficiently to contribute about 10 percent of the country's gross domestic product (GDP) with

VIENTIANE, Laos – Laos has enormous economic potential despite its fiscal difficulties and will thrive if the right infrastructure and policy frameworks are in place, said Singapore's Foreign Minister Vivian Balakrishnan during his official visit to the country. Speaking to reporters on Jan 27, he said that Singapore can work closely with Laos to maximise its economic potential through education and training, as well as provide assistance to help it plug into the global markets, including in the sale of carbon credits.

Source: https://www.straitstimes.com/asia/se-asia/singapore-can-help-laos-realise-its-potential-says-vivian-as-the-2-nations-mark-50-years-of-diplomatic-ties?utm_campaign=stfb&utm_medium=social&utm_source=facebook&fbclid=IwAR1k3_HFuLL-O-WcipGYQwcsMHWZgvkc2W5oZuLITYxEk0KD7dadmvmfuU4

Asean tourism ministers discuss sustainable tourism, connectivity.




Laos News | 26 January 2024

Tourism ministers from the Association of Southeast Asian Nations (Asean) on Thursday convened their 27th meeting in Vientiane, striving for high quality and responsible tourism as the region continues to promote Asean as a single tourist destination. Chaired by Lao Minister of Information, Culture and

Tourism, Mrs Suanesavanh Vignaket, the meeting discussed recommendations made by Asean National Tourism Organisations (NTOS) to promote regional tourism. A report by the Chair of the NTOS meeting held the previous day underlined the need for greater connectivity to link up more Asean cities and promote common destinations. "Some destinations/cities in Asean are lacking a decent air route to connect each other," read the report presented at the ministerial meeting. "Thus, strategic efforts to restore and enhance air connectivity shall be implemented to facilitate international and intra-Asean travel by establishing direct flights linking major and lesser-known Asean tourism destinations with primary, secondary and tertiary cities in Asean and potential markets."

Source: https://www.vientianetimes.org.la/free-freenews/freecontent_19_Asean_y24.php

Rubber prices on upward trend

 **Myanmar News | 27 January 2024**

Rubber prices continued to rise to over K1,700 per pound in Mon State's rubber market. The prices peaked at K1,745 per pound of Ribbed Smoked Sheet Local 3 and K1,730 for sun-dried rubber on 26 January. The prices hit K1,610 per pound for sun-dried rubber and K1,630 for RSS Local 3 in early January. The figures reflected an increase of K115-

125 per pound over the past three weeks. The prices hit a high of K1,770 per pound of sun-dried rubber and K1,790 for RSS Local 3. Global demand for rubber, rubber production of the Southeast Asian nations and the market supply is positively related to Myanmar's rubber prices. The traders elaborated that the rubber price in Mon State, a significant rubber production state in Myanmar, is closely tied to those factors as well. Myanmar's annual rubber production is estimated at 300,000 tonnes. Seventy per cent of rubber produced in Myanmar goes to China. It is also shipped to Singapore, Indonesia, Malaysia, Viet Nam, the Republic of Korea, India, Japan, and other countries. The association aims to achieve rubber exports of 300,000 tonnes in the 2023-2024 financial year beginning 1 April. Myanmar shipped 114,855 tonnes of rubber with an estimated US\$144.046 million as of 29 December in the current financial year 2023-2024 FY beginning 1 April. The rubber production in the last FY 2022-2023 reached over 360,000 tonnes, and more than 200,000 tonnes of rubber were shipped to foreign trade partners. Rubber is commonly produced in Mon and Kayin states and Taninthayi, Bago, and Yangon regions in Myanmar. As per 2018-2019 rubber season data, there are over 1.628 million acres of rubber plantations in Myanmar, with Mon State accounting for 497,153 acres, followed by Taninthayi Region with 348,344 acres and Kayin State with 270,760

acres. Myanmar generated more than \$449.102 million in revenue in rubber exports in the 2020-2021 FY.

Source: <https://www.gnIm.com.mm/rubber-prices-on-upward-trend/#article-title>

Petrol prices indicate sharp rise on 26 Jan



Myanmar News | 27 January 2024

The petrol prices showed a significant one-day increase of K120 per litre in the domestic fuel market. The prices stood at K2,585 per litre of Octane 92 and K2,720 for Octane 95 on 25 January 2024 and rose to K2,705 per litre of Octane 92 and K2,845 for Octane 95 on 26 January. Similarly, the diesel prices increased slightly to K2,450 for diesel and K2,515 for premium diesel on 26 January, whereas the diesel prices were registered at K2,430 for diesel and K2,495 for premium diesel on 25 January. The price index set by Mean of Platts Singapore (MOPS), the pricing basis for many refined products in southeast Asia, is closely tied to the domestic fuel prices, according to the Supervisory Committee on Oil Import, Storage and Distribution of Fuel Oil. In August 2022, the oil prices hit the highest of K2,605 per litre for Octane 92, K2,670 for Octane 95, K3,330 for premium diesel and K3,245 for diesel. The prevailing prices of Octane hit a fresh peak this year. The committee has been, therefore, steering the fuel

oil storage and distribution sector effectively so as not to have a shortage of oil in the domestic market. It has been issuing daily reference prices to ensure price stability for energy consumers. The committee is inspecting the fuel stations to see whether they are overcharging. The authorities are taking action against those retailers of fuel stations under the Petroleum and Petroleum Products Law 2017 if they are found overcharging rather than the set reference rate. As per the statement, 90 per cent of fuel oil in Myanmar is imported, while the remaining 10 per cent is produced locally. The domestic fuel price is highly correlated with international prices. The State is steering the market to mitigate the loss between the importers, sellers and energy consumers. Consequently, the government is trying to distribute the oil at a reasonable price compared to those of regional countries. Some countries levied higher tax rates and hiked oil prices than Myanmar's. However, Malaysia's oil sector receives government subsidies, and the prices are about 60 per cent cheaper than those of Myanmar. Every country lays down different patterns of policy to fix the oil prices. Myanmar also levies only a lower tax rate on fuel oil and strives for energy consumers to buy the oil at a cheaper rate.

Source: <https://www.gnIm.com.mm/petrol-prices-indicate-sharp-rise-on-26-jan/#article-title>

Ministry wants another electricity price hike



Vietnam News | 27 January 2024

The Ministry of Industry and Trade has proposed a hike in electricity price this year after pushing it up 7.5% last year to narrow down the loss of national utility Vietnam Electricity (EVN). The ministry eyes to increase prices in May this year to cover rising costs and help the state-owned EVN to pay power generators. Vietnam allows an electricity price hike once every six months if costs of production rise 3% or more. The last increase was in November last year, and before that, May. EVN recorded a combined loss of VND37 trillion (\$1.5 billion) in 2022 and 2023. It also has VND14 trillion in debt incurred from previous years due to currency exchange rate changes. Last year prices were raised 7.5% to VND2,092.78 per kilowatt-hour after years of staying flat. Analysts of Vietcombank Securities have recently anticipated an electricity price hike as the El Nino effect causes low water level at northern hydropower plants. Dinh Trong Thinh, an analyst from the Academy of Finance, said that raising prices was necessary to cover increasing costs but EVN needed to be transparent in its financial situation to avoid raising controversy among the public. Analyst Ngo Duc Lam, former head of the Energy Institution under the Ministry of Industry and Trade, said that

Vietnam needed to be "very cautious" in raising electricity prices as it would push up the prices of transport and many essential goods. Phan The Cong, an analyst from Thuongmai University, said that two hikes last year have already had an impact on the economy and inflation, and therefore the timing of another hike needs to be considered carefully. Thinh added that in the long run electricity retail price needs to be regulated under market principles, which means it will rise when costs increase and fall when costs decrease. Changes in retail price therefore will become a normal part of people's lives and will not have a major impact.

Source: <https://e.vnexpress.net/news/business/economy/ministry-wants-another-electricity-price-hike-4705526.html>

Vietnam attracts US\$2.36 billion in new foreign investments in January



Vietnam News | 27 January 2024

HCMC – Foreign investors pledged more than US\$2.36 billion in their projects in Vietnam in the first month of 2024, a 40.2% increase compared to the same period last year. These figures, released by the Foreign Investment Agency under the Ministry of Planning and Investment, encompass newly registered capital, adjusted capital,

and capital contributions and share purchases in projects here in the country as of January 20. Newly registered capital exceeded US\$2 billion, up by 66.9% year-on-year. Simultaneously, 75 projects revised up their investment capital by over US\$235.4 million, which fell by 15.7% and 23.1% against the year-ago period, respectively. During this period, 174 transactions of capital contributions and share purchases were executed, with total capital of US\$116.5 million, down by 33.1% year-on-year. According to the Foreign Investment Agency, there were 39 countries and territories having investment projects in Vietnam in January, with Singapore leading the way with total pledged capital of over US\$1.4 billion, representing 59.5% of the total and rising by 72.8% over the same month in 2023. Japan secured the second position with nearly US\$297 million, accounting for 12.6% of the total and growing by 7-fold over the year-ago period. China had the biggest number of new investment projects, accounting for nearly 19% of the total. South Korea took the lead in capital adjustments at 26.7% and capital contributions and share purchases at 25.3%. Hanoi led the country with total registered foreign capital reaching US\$867 million, constituting 36.7% of the total. HCMC stood out with the highest number of new projects at 42.1% and transactions involving capital contributions and share purchases at 78.2%.

Source: <https://english.thesaigontimes.vn/vietnam-attracts-us2-36-billion-in-new-foreign-investments-in-january/>
