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Cambodia's economy projected to have grown by 5.3% in 2023: IMF



Cambodia News | 5 February, 2024

Cambodia's economy is projected to have grown by 5.3 per cent last year, fuelled by a resurgence in tourism and strong performance in non-garment exports, according to the International Monetary Fund's (IMF) executive board, which recently concluded the Article IV consultation with the country. However, risks are skewed to the downside. Weaker-than-expected growth in the US, accounting for over 40 per cent of Cambodia's exports, and China pose significant risks, IMF noted. Additionally, US monetary tightening and high levels of private debt in Cambodia could affect the country's growth. The country's fiscal deficit is expected to have widened last year due to a combination of factors: extended targeted social supports to households and firms affected by the COVID-19 pandemic and the cost-of-living crisis; increased spending associated with the 2023 South-East Asia Games and the general election; and the finalisation of incomplete infrastructure projects from 2022. Starting from this year, the deficit is projected to narrow in line with the authorities' commitment to scaling back temporary support measures, while retaining targeted fiscal support to the poor through social protection system reform. Public debt to gross domestic product (GDP) is projected to increase moderately during the next decade and the risk of debt distress remains low, although there are

vulnerabilities from shocks to exports and growth, the IMF executive board observed. The near-term threats to growth include continued demand weakness from advanced-economy trade partners, recovery slowdown in China, high level of private debt domestically and tighter global financial conditions. Over the medium term, geopolitical tension and trade fragmentation, structural decline in growth from China, as well as climate change may pose important challenges to growth, the IMF said in a release. To ensure sustained progress in elevating living standards over the medium term, substantial reforms are needed. Governance and anti-corruption reforms are important to attract fresh foreign direct investment and sustain high growth, the IMF added. Fibre2Fashion News Desk (DS)

Source :

<https://www.khmertimeskh.com/501434518/cambodias-economy-projected-to-have-grown-by-5-3-in-2023-imf/>

Consumer loan applications go up by 5% in Q4 last year



Cambodia News | 5 February, 2024

Consumer loan applications in Cambodia have gone up by five percent in the last quarter (Q4) of 2023, compared to the previous quarter (Q3, 2023) and the total consumer loan volume increased by 0.51 percent over the same period to reach \$15.01 billion by the end of last year. Individual credit volumes as of Q4, 2023, indicated an active market in the Kingdom and are on the rise, with loan accounts increasing by 4.49 percent, according to the latest

Consumer Credit Index of the Credit Bureau of Cambodia (CBC). Consumer credit applications represent the intention of consumers to acquire credit in the form of personal finance, credit cards or mortgages. The total number of consumer loan accounts stood at 1.76 million by the end of the last year and of this, 80.27 percent were in the personal finance category, followed by 11.53 percent in the mortgages category and 8.20 percent in the credit card category. The rise in consumer loan accounts (4.49 percent) is also the highest for the last five quarters and significantly higher than the 1.78 percent recorded for Q3, 2023. Consumer Credit Quality as measured by 30+ DPD (more than 30 days overdue) ratio, which indicates the creditworthiness and risk of default, increased by 5.14 percent indicating a marginal drop in credit quality. Credit quality is the worst in the personal finance category at 6.54 percent, followed by 5.38 percent for credit cards and 3.99 percent for mortgages. While personal finance applications went up by seven percent in Q4 2023 over the previous quarter, credit card applications declined by 14 percent and applications for mortgage loans by seven percent. Of the total consumer loans (\$15.01 billion) disbursed in the country till the end of the last year, the mortgage category accounts for 54.42 percent and personal finance 44.44 percent. Credit cards constituted the smallest category of 1.14 percent. Single accounts or relationships (with financial institutions) constituted the bulk of consumer loans with 70.07 percent, the CBC

Consumer Credit Index cited. Multiple accounts or relationships constituted 29.93 percent by the end of 2023. CBC is the leading provider of credit information, analytical solutions and credit reporting services to banks, microfinance institutions, lending companies, credit operators and consumers in Cambodia. CBC was launched in March 2012, with strong support from the National Bank of Cambodia (NBC), the Association of Banks of Cambodia (ABC), the Cambodian Microfinance Association (CMA) and the International Finance Corporation (IFC). CBC promotes greater financial stability by providing accurate, real-time data to consumers and industry that helps them control the financial aspects of their businesses. It allows businesses to manage credit risk, prevent fraud and automate decision-making. CBC also helps individuals to check their credit reports to ensure they have access to loans and finance and also to protect themselves against identity theft. Recently, the Annual Report 2023 and Action Plan 2024 of the National Bank of Cambodia (NBC), showed that the banking system continued to grow in Cambodia in 2023 with assets of financial institutions increasing by 8.6 percent to \$84.3 billion from \$77.5 billion (to KHR 346.7 trillion from KHR 319.2 trillion in 2022.) Total loans increased by 4.8 percent to \$57.6 billion (KHR 237.2 trillion) from \$55 billion in 2022 (KHR 226.3 trillion.) Deposits grew by 13.1 percent to \$47.9 billion from \$42.4 billion in 2022 (KHR 197.2 trillion from KHR 174.4 trillion in 2022.) Non-Performing Loans (NPLs), however, increased to 5.4 percent for banks from 3.1 percent

in 2022 and 6.7 percent for MFIs from 2.5 percent during the same period.

Source :

<https://www.khmertimeskh.com/501434280/consumer-loan-applications-go-up-by-5-in-q4-last-year/>

Laos seeks ways to tackle fuel shortage



Laos News | 1 February, 2024

VIENTIANE, Feb. 1 (Xinhua) -- The Lao government is working to tackle intermittent fuel shortages and is drawing up a decree on a Fuel Fund among other attempts to ensure a constant supply of fuel. Speaking at a press conference held shortly after the Lao government's monthly meeting for January on Tuesday, the government spokesperson Thipphakone Chanthavongsa said all relevant departments are trying to resolve fuel shortage issues, Lao National Radio report on Thursday. Thipphakone said that multiple approaches and measures must be applied to address fuel shortages. She also stressed the importance of creating fuel reserves to deal with the problem in the long term. Diesel has been in short supply across Laos for the past week. Laos' Ministry of Industry and Commerce and the Lao Fuel and Gas Association advise the public to be frugal in their use of fuel and avoid unnecessary travel so that sufficient reserves of petrol are available for farming and other essential activities, according to the report. The meeting also agreed that it was essential to reduce the vulnerability of the macroeconomy by regulating

currency exchange rates and the price of consumer goods, and reining in inflation.

Source :

<https://english.news.cn/20240201/b01174ec9f99468198dfc0013846af09/c.html>

Lunar New Year festive vibe getting stronger in Laos.



Laos News | 4 February, 2024

VIENTIANE, Feb. 4 (Xinhua) -- As the Lunar New Year approaches, the festive vibe in Vientiane, the capital of Laos, is getting stronger as many shops decorate with red lanterns and dragon installations. The Spring Festival falls on Feb. 10 this year to kick off the Year of the Dragon. In December, the United Nations General Assembly officially listed the Lunar New Year, or Spring Festival, as a UN floating holiday in its calendar of conferences and meetings starting in 2024.

Source :

https://www.vientianetimes.org.la/freefreenews/freecontent_24_Laowearns_y24.php

Agricultural exports eam over US\$2.6 bln in 10 months



Myanmar News | 5 February, 2024

As of 26 January 2024, the Ministry of Commerce's statistics showed that agricultural exports generated more than \$2.6 billion during the first 10 months of the financial year 2023-24. However, the figure falls \$321 million short of the earnings from the same period in the previous year. The primary agricultural exports include rice, broken rice, pulses and beans,

and corn. Additionally, fruits, vegetables, sesame, dried tea leaves, sugar, and various other farm products are also exported. Major buyers for Myanmar agricultural produce are China, Singapore, Malaysia, the Philippines, Bangladesh, India, Indonesia, and Sri Lanka. Myanmar exports agricultural produce, animal products, fishery products, minerals, forest products, finished industrial goods on a cut-make-pack (CMP) basis, and other commodities. The main imports comprise capital goods, raw materials, consumer goods, and materials used in CMP businesses..

Source: <https://www.gnlm.com.mm/agricultural-exports-earn-over-us2-6-bl-in-10-months/#article-title>

Myanmar plans to export more parboiled rice, broken rice in 2024-25FY



Myanmar News | 5 February, 2024

According to President U Ye Min Aung of the Myanmar Rice Federation (MRF), MRF intends to export more value-added rice products such as rice powder and rice noodles as well as parboiled rice and broken rice in the 2024-25 financial year. Myanmar's domestic rice consumption is ten million tonnes per year, while the country produces 12-14 million tonnes yearly, limiting the export capacity to only three million tonnes annually. Thus, relevant personnel focus on exporting more value-added rice products to create more income instead of shipping increased tonnes of rice. "We plan to expand the export items. Instead of exporting rice, we will also export rice powder and rice noodles. On the other

hand, rice bran oil is increasingly being produced, and we can also export the oil. Again, the by-product resulting from the rice bran oil production is planned to be sold in both the domestic and the external markets next year. We also plan to export animal foodstuff," U Ye Min Aung said. He also said the MRF will propose to the relevant departments to export more parboiled rice and broken rice in February and March of this financial year, while white rice is scheduled to be exported with limitations to ensure enough rice stock for domestic consumption. In the 2023-24 financial year, income did not decline, although rice exports were reduced by 500,000 tonnes. In previous years, Myanmar earned approximately US\$60 million monthly, although rice was exported in more tonnes. However, due to increasing global rice prices, the country earned up to \$100 million in some months of this financial year.

Source: <https://www.gnlm.com.mm/myanmar-plans-to-export-more-parboiled-rice-broken-rice-in-2024-25fy/#article-title>

Consumer price index rises 3.37% in January.



Vietnam News | 5 February, 2024

Seoul (VNA) – Vietnam remained the Republic of Korea (RoK)'s third-largest trade partner for the second straight year in 2023, data showed.

The RoK's trade with Vietnam came to 79.43 billion USD last year, with exports shrinking 12.3% to 53.49 billion USD, according to the Korea International Trade Association (KITA). Imports from Vietnam also

dropped 2.9% on-year to 25.94 billion USD, and the RoK's trade surplus shrank 19.5% to 27.55 billion USD. Vietnam outstripped Japan for the second consecutive year in 2023 to retain the No. 3 spot, following China and the US with 267.66 billion USD and 186.96 billion USD, respectively. KITA attributed last year's drop in trade with and exports to Vietnam to falling chip exports. The RoK's semiconductor shipments to Vietnam tumbled 21.6% on-year to 12.73 billion USD in 2023. Four other exports -- flat panels and sensors, petroleum products, wireless communications equipment, and synthetic resins -- also went down last year, according to the data. The RoK's trade with Vietnam has been growing exponentially since the two countries established diplomatic relations in 1992, when bilateral trade reached only 500 million USD. Bilateral trade volume gained further momentum as the RoK and Vietnam signed a free trade agreement in 2014. Vietnam was the RoK's eighth-largest trading partner that year, but its ranking surged to fourth place a year later. In 2022, Vietnam outpaced Japan and became the RoK's third-largest trading partner for the first time./.

Source : <https://en.vietnamplus.vn/vietnam-remains-roks-third-trade-partner-in-2023/279236.vnp>

Electricity prices expected to surge in 2024: Ministry



Vietnam News | 5 February, 2024

In an effort to address financial challenges faced by Vietnam Electricity (EVN), the Ministry of Industry and Trade (MoIT) has put forth a proposal to

increase electricity prices in 2024. The suggested price adjustment aims to provide EVN with a sustainable revenue stream for its power plants' operation and more accurately reflect the group's input costs. During a recent meeting of the Price Steering Committee, Deputy Minister of Industry and Trade Phan Thi Thang said a comprehensive review of prices was required to ensure alignment with the dynamic input parameters and secure funding sources for power plant investors. "The MoIT will provide guidance to EVN to operate the electricity pricing plan in compliance with regulations." said a statement released by the ministry. In an earlier developments, Deputy Prime Minister Le Minh Khai called for more proactive preparation and strategic planning among ministries and sectors in line with the market roadmap for adjusting the prices of essential goods, including electricity. He stressed the importance of timely calculations and adjustments in response to market conditions to achieve the goal of controlling inflation. An EVN's executive meeting earlier this year also highlighted the need for adjusting electricity prices. Nguyen Hoang Anh, chairman of the State Capital Management Committee (CMSC), warned that failure to increase electricity prices could exacerbate the group's current loss of 17 trillion VND (690 million USD). Despite two adjustments to the average retail electricity prices last year, EVN continued to report losses from electricity production and business for the second consecutive year. By the end of 2023, the group reported a consolidated pre-tax loss of

approximately 17 trillion VND, 9 trillion VND lower than the figure of the previous year. EVN attributed the significant loss to selling prices remaining lower than the group's costs. Calculations by the group indicated that the total average cost of electricity generation, transmission, and distribution processes was 2,092.78 VND per kWh, while the average selling price was 1,950.32 VND per kWh, resulting in a loss of 142.5 VND for every kWh sold. While adjusting electricity prices is anticipated to have a limited impact on the Government's CPI target of below 4%, concerns were raised by economist Dr. Nguyễn Đức Độ about potential difficulties for electricity-intensive businesses and a segment of the population. He emphasised the need for the State to carefully calculate the quantity and timing of adjustments to balance the interests of businesses, the public, and the State. Prof. Dr. Dinh Trong Thinh from the National Academy of Public Administration stressed the importance of transparency in EVN's pricing and business operation to avoid negatively impacting public sentiment. He called for greater efforts in communication to clarify any concerns among the general public about the consistently upward trajectory of electricity prices in recent years. Thinh said that electricity prices should be subject to market mechanisms, rising and falling in response to changes in the prices of oil, gas, and coal. This approach, according to him, would help normalise expectations among the public and prevent significant disruptions with each adjustment./VNS

Source: <https://vietnamnet.vn/en/electricity-prices-expected-to-surge-in-2024-ministry-2247284.html>
