

*Highlight News / May 24/2024*



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## Cambodia sees surge in e-wallets



*Cambodia News | 23 May, 2024*

Cambodia witnessed a significant surge in electronic payments in 2023, driven by a growing appetite for digital financial services and a tech-savvy population. According to the National Bank of Cambodia's (NBC) Financial Stability Review (FSR) report, the number of registered e-wallet accounts skyrocketed to 19.7 million as of 2023, representing a substantial leap compared to the previous year's figures. Of this, 10.2 million were registered with banks and financial institutions and another 9.5 million at payment service institutions, read the report. The total value of e-wallet payments increased by 76.4 percent to \$111.7 billion and the number of transactions also jumped 73.5 percent to 811 million transactions, stated the report. Banks and financial institutions have been instrumental in introducing innovative solutions, catering to the evolving needs of customers. User-friendly apps and mobile banking platforms have made financial transactions effortless, from bill payments and fund transfers to loan repayments and phone top-ups, read the review. The widespread adoption of mobile phone technology has also played a critical role in propelling Cambodia's digital payment revolution. The growing mobile phone and internet penetration rates coupled with the availability of user-friendly digital financial services have enabled more customers to conduct a wide range of digital banking operations, including loan payments, fund

transfers, bill payments, phone top-ups, payrolls, balance enquiries, etc, according to FSR. This growth indicates a significant shift away from cash-based transactions and towards a more digital financial landscape. This also aligns with the Cambodian government's ambitions to foster a digital economy and society. The surge in e-wallet adoption and mobile transactions is a positive sign for Cambodia's digital transformation, in line with the government's digital policy, said Cambodia Digital Tech Association President Chhin Ken. "I am confident that this trend will continue, driven by continued innovation and collaboration between financial institutions, technology companies, and the government," Ken told Khmer Times. The NBC, meanwhile, asked for vigilance amidst this rapid digitalization. NBC has continuously paid attention in enhancing cyber security, managing operational risk, and promoting customer protection to maintain public confidence and safeguard financial stability, its Governor Chea Serey said.

Source : <https://www.khmertimeskh.com/501493197/cambodia-sees-surge-in-e-wallets/>

## Kingdom's food delivery business to net \$170M



*Cambodia News | 23 May, 2024*

The food delivery business in Cambodia that got its momentum during the Covid-19 lockdowns is expected to make further strides and net a revenue of \$170.2 million by the end of the current year. The industry will have a compound annual growth rate

(CAGR 2024-2029) of 17.28 percent and a revenue of \$377.6 million by 2029, according to market research website Statista.com. Just last month, Cambodia's food delivery sector got an unexpected boost when the Kingdom's pioneer in food delivery apps NHAM24 soared past the coveted million mark in registered users on March 18. Starting life as a mere food delivery app in 2016, it has now evolved to become a comprehensive digital lifestyle platform. Borima Chann, CEO and Co-Founder of Nham 24, divulged some of the secrets behind the roaring success of the delivery service business to Khmer Times recently. "Our success lies in maintaining a growth mindset and a clear focus on our goals. We have differentiated our offerings by delivering a unique and superior customer experience, which fosters strong customer loyalty. This loyalty is crucial to our sustainability," he said. Food delivery companies are on the rise in developing countries, fuelled by factors like growing cities, more money to spend, and better internet access, said Priyanka Chetry, Founder of Grocerdel in Cambodia. Food companies provide a convenient and affordable way for people to get restaurant meals delivered, while also giving restaurants, especially smaller ones, a chance to reach more customers. Despite the surge in popularity, food delivery companies in developing countries face a number of challenges. These include underdeveloped infrastructure, leading to logistical difficulties in last-mile delivery and navigating narrow streets and traffic congestion in dense cities for drivers. Intense competition and the

need to offer discounts to attract customers are putting pressure on profit margins of the companies. The primary challenge facing NHAM24, is the intense competition, which is more aggressive than ever. "We are continually adapting our strategies to stay ahead in this dynamic market," said Borima. The government has been very supportive of businesses in this sector. Additional incentives or tax breaks for startups would be highly beneficial, he said, adding that NHAM24 fully supports the government's efforts to advance the digital ecosystem in Cambodia. The market's early stage presents an exciting opportunity for new players and innovative solutions. Regional giants like Foodpanda and Grab entered the fray, reflecting confidence in the market's potential. Competition will also intensify as the market matures, requiring businesses to differentiate themselves and offer competitive pricing. Despite these challenges, the future of Cambodian food and grocery delivery market looks bright. Continued economic growth, infrastructure development, and a tech-savvy population position the industry for significant expansion. Borima outlined his company's immediate plans to focus on retention and growth. They are accelerating the development of new verticals while reinforcing their core business. Additionally, they have exciting plans for cross-border expansion, with intentions to extend their reach beyond Cambodia in the near future. Cambodia's food delivery scene is ripe for growth. A booming foodservice industry, fuelled by a rising

middle class and mobile phone use, creates a strong demand for convenient food delivery options.

Source : <https://www.khmertimeskh.com/501493191/kingdoms-food-delivery-business-to-net-170m/>

## Inflation in Laos to Remain High All Year Long, Bank of Laos Says



*Laos News | 23 May, 2024*

Inflation will remain high through the end of 2024, making it impossible to reduce the inflation rate to a single-digit figure within this year, according to Bounleua Sinxayvoravong, the governor of the Bank of Laos (BOL). The governor spoke at a BOL brainstorming session on 22 May in Vientiane Capital, on strategies to address the country's persistent high inflation. The focus of the discussion was to identify the root causes of inflation in both global and domestic markets and to explore potential solutions to mitigate its impact. The country's inflation rate peaked at 41.26 percent in February 2023. Although there has been a declining trend since then, the inflation rate remains in double digits, standing at 24.92 percent in April this year. Various factors contribute to this inflationary pressure, including unstable prices of fuel, gas, and imported goods. The depreciation of the national currency, the Lao kip, against the Thai baht and the US dollar, further complicates the situation by making it difficult to maintain low prices for imported goods. To tackle the issue, Bounleua emphasized the importance of raising public awareness about the causes of inflation and the measures being taken

by the government to address it. He urged participants to ensure that the public has a broader understanding of the situation and the strategies being implemented to mitigate the effects of inflation. Back in 2023, BOL once set a goal of reducing the inflation rate to nine percent. Efforts included bolstering the enforcement of monetary policy, channeling export income into the banking system, and harmonizing currency exchange rates with market mechanisms. However, despite all the plans set in stone, the goal of going under 10 percent has never come to fruition. Despite promises, including Lao President Thongloun Sisoulith's pledge to guide the economy towards greater independence and local ownership to enhance resilience, Laos' economy still shows no sign of significant development. The country's heavy reliance on imports for domestic consumption adds to the challenges. The World Bank, in its latest report launched last month, noted that increased food production and switching to cheaper food options are common strategies for coping with food inflation. However, after a prolonged period of high inflation, more households are resorting to additional work or borrowing from financial institutions to make ends meet. As Laos continues to grapple with high inflation, the collaborative efforts of the BOL, commercial banks, international organizations, and relevant offices will be crucial in devising effective solutions to stabilize the economy and alleviate the financial burden on the population.

Source : <https://laotiantimes.com/2024/05/23/inflation-in-laos-to-remain-high-all-year-long-bank-of-laos-says/>

## 20 domestic enterprises, 11 foreign projects greenlit in Mon State in April

 Myanmar News | 23 May, 2024

The Mon State Investment Committee (MSIC) gave the green light to 20 domestic enterprises and 11 foreign enterprises to invest in the region in April, creating 4,487 jobs for locals, according to the MSIC's meeting held on 20 May. The foreign enterprises will invest US\$15.456 million in the region, while domestic investments made by Myanmar citizens amounted to K70.388 billion. Additionally, the existing enterprises were found to expand capital in April. The committee is exerting continuous efforts to create job opportunities for the locals by endorsing domestic and foreign enterprises in accordance with the existing laws and rules. As Mon State is strategically located, the committee is prioritizing spurring the investments, supporting existing businesses, attracting new investors, increasing job opportunities in the region and enhancing the socioeconomy of the local community. — ASH/EM

Source : <https://www.gnlm.com.mm/20-domestic-enterprises-11-foreign-projects-greenlit-in-mon-state-in-april/#article-title>

## 1,550+ food companies, factories apply for GACC in 2.5 years

 Myanmar News | 23 May, 2024

A total of 1,550 Myanmar food processing companies and factories submitted over 3,000 applications to the General Administration of Customs of the People's Republic of China (GACC) over the past two and half years, according to the Ministry of Commerce. According to GACC Decree 248 and 249, GACC registration is mandatory for food exporters starting from 1 January 2022. Those individuals executing edible oil, oilseeds, stuffed pastry products, edible bird's nest and related products, edible grains, grains milling industrial products and malt, fresh and dehydrated vegetables, dried beans, plant species, nuts and seeds, dried fruits, unroasted coffee and cocoa bean, special dietary food excluding milk-based formula, functional foods, bee products, aquatic products including farm products, animal products and animal feed and livestock animal businesses need to apply for GACC license in order to place their goods in China's market. The relevant authorities for the registration with GACC are the Agriculture Department, the Livestock Breeding and Veterinary Department, the Fisheries Department and the Food and Drug Administration. Between 1 December 2021 and 5 May 2024, 3,092 applications by 1,550 factories have been forwarded to the GACC through the Agriculture Department (2,935 applications), the Fisheries Department (134), the Livestock Breeding and Veterinary Department (14) and the Food and Drug Administration Department (nine). Exporters can directly access China International Trade Single Window through

<https://cifer.singlewindow.cn> by creating accounts for those food groups that are not listed in the 18 groups mentioned above. As of 3 May 2024, a total of 1,029 applications have been successful in registering with the GACC with the approval of the competent authority. Regarding the registration of the importing companies, the Department of Animal and Plant Quarantine under the GACC will check quarantine access for the imported grains (raw coffee beans, cocoa beans, vegetables, spices, edible grains, pulses, oil crops and herbal animal products and plant for their origins. Companies cannot directly proceed with registration, and they need to carry out this step through competent authorities and departments concerned by sending an email to [dapq@customs.gov.cn](mailto:dapq@customs.gov.cn) or submitting a letter to the Chinese Embassy in Myanmar or the Myanmar Embassy in China. — NN/EM

Source : <https://www.gnlm.com.mm/1550-food-companies-factories-apply-for-gacc-in-2-5-years/#article-title>

## VN too heavily dependent on FDI, must improve industrial ecosystem

 Vietnam News | 23 May, 2024

HÀ NỘI Việt Nam has been overly reliant on FDI businesses and the country should start developing a comprehensive industrial ecosystem to support the development of domestic industries, said industry leaders and policymakers. According to a report by the Ministry of Industry and Trade (MoIT), the industrial sector currently accounts for over 90 per

cent of Việt Nam's total exports, 25.8 per cent of the country's jobs with an additional 300,000 jobs being created annually. In recent years, the Southeast Asian country's industrial sector has gradually shifted away from resource-intensive, low-tech towards high-tech, high-value industries. Investment in industrial development has continued expanding, accounting for nearly 40 per cent of the country's total investment. There has also been a shift from state investment to non-state (mainly FDI) investment, with the manufacturing and processing sectors attracting most of the FDI flowing into the country. FDI businesses remained a major economic driver as domestic firms struggled to improve production and management capacities. In key export sectors like electronics, textiles and footwear, FDI enterprises, though only about 20 per cent of the total number of firms contribute over 80 per cent of exports. Phạm Tuấn Anh, deputy director of MoIT's Department of Industries said domestic firms have faced difficulties in mastering core production technologies and an acute lack of high-tech, high-value Vietnamese products. Anh said Vietnamese firms often find integrating further into the global supply chain a challenging, leaving most of the heavy lifting to their FDI partners. Being heavily dependent on imported materials was another major weakness for Vietnamese companies. "The main driver of structural changes and value in Vietnamese industry has been FDI firms. They have always been leaders in delivering gains in export and growth," he said. "However, the linkage between FDI and

domestic firms has been poor, failing to create a ripple effect to lift domestic industries.” Anh blamed domestic firms’ poor performance on their inability to exploit local competitive advantages to form value chains and a lack of long-term strategies for industrial development, as well as attracting investments. The ministry advised Vietnamese firms to focus on acquiring and mastering modern production technologies. “Along with developing production industries, it’s important to establish and improve industries in input material, mechanical engineering and chemicals,” Anh said. According to the ministry, it has been working alongside other governmental ministries and agencies to create a more favourable investment and business environment for industrial development, with a focus on improving macroeconomic stability, financial policies, monetary policies and taxation. Resources have been earmarked, from the central to the district level, to help local government pick industries that are complementary to the country’s competitive advantages such as textiles, footwear and electronics. Developing an industrial enterprise system, especially one that works for the private sector, has become a key objective in Việt Nam’s economic strategy, as well as building a skilled labour force for the next stage of development. The ministry had proposed the government build additional large-scale industrial clusters to strengthen production chains and to attract investment. In addition, it has voiced its support for more assistance for small and medium-sized

businesses (SMEs) to address any current shortcomings. Economist Nguyễn Minh Phong said Vietnamese SMEs often find tech transfer a difficult task along with increasing their presence in any global supply chains. He advised them to rely more on domestic suppliers and supporting industries to reduce their reliance on imports and increase revenue. VNS

Source : <https://vietnamnews.vn/economy/1656090/vn-too-heavily-dependent-on-fdi-must-improve-industrial-ecosystem.html>

## PM orders building socio-economic development plans, budget estimates for 2025



*Vietnam News | 23 May, 2024*

Hanoi (VNA) – Prime Minister Pham Minh Chinh on May 22 signed a directive on the building of the socio-economic development plans and state budget estimates for 2025. The directive noted that the socio-economic development plans for next year are drafted amid fast and unpredictable changes in the world situation. Meanwhile, 2025 is a particularly important year when all-level Party congresses will be held on the threshold of the 14th National Party Congress. Vietnam’s stature and strength after nearly 40 years of “Doi moi” (Renewal) has become stronger. The political, social, and macro-economic situations remain stable, major balances guaranteed, many nationally key projects put into use, the business and investment climate improved, and the country’s prestige further promoted.

However, difficulties and challenges are still considerable, especially to the fulfillment of the targets of the five-year socio-economic development plan for 2021 - 2025. In that context, PM Chinh demanded ministries, central agencies, and localities identify basic issues of the 2025 development plans. They need to ensure the targets, orientations, and solutions set for next year must adhere to the viewpoints, targets, three strategic breakthroughs, six focal tasks, and 12 groups of main tasks and solutions detailed in the resolution of the 13th National Party Congress, and be feasible. The plans need to effectively mobilise and use resources while promoting agencies and units' self-reliance. They also have to closely connect the socio-economic development plans with the public investment ones. Tasks and solutions must be detailed in terms of content, deadlines, and progress, he added. The building of the state budget plan for 2025, including budget spending and collection estimates, must be feasible to minimise the cancellation of estimates or the transfer of allocated capital to the following year. The drafting of local budget collection and spending plans for 2025 also has to comply with national and local socio-economic development targets and tasks for next year as well as the 2023 - 2025 period, the five-year national and local financial plans, and the medium-term public investment plan for 2021 - 2025, according to the directive./.

Source : <https://en.vietnamplus.vn/pm-orders-building-socio-economic-development-plans-budget-estimates-for-2025-post287427.vnp>

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