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## GDP grew 7.5 percent last year:

### Moody's report



*Cambodia News | May, 13 /2019*

Cambodia's (B2 stable) real gross domestic product (GDP) grew 7.5 percent in 2018, Moody's says, thanks to increasing exports, robust tourism and continued strong foreign direct investment inflows that supported construction and job creation. Cambodia's credit profile reflects robust GDP growth prospects, modest and highly affordable government debt, the credit ratings agency said, citing research into financial system balance, geopolitical risks and institutional framework. Moody's expects the country to see continued robust growth, although there are prominent risks, in particular the potential for lost preferential access to the European Union and US, which would weigh on exports and GDP growth. The agency also said the ongoing strong growth in bank lending – at around double the rate of nominal GDP growth – continues to pose risks to economic and financial stability. Moody's conclusions are contained in its just-released credit analysis titled which examines growth in four categories: economic strength, which is assessed as "low"; institutional strength "very low (+)"; fiscal strength "moderate"; and susceptibility to event risk "moderate (+)". In its Cambodia Economic Update released earlier this month, the World Bank also said the Cambodian economy expanded by 7.5 percent last year. The robust growth was driven largely by the rapid

expansion of exports and an ongoing construction boom, the World Bank said.

Source: <https://www.khmertimeskh.com/50603151/gdp-grew-7-5-percent-last-year-moodys-report/>

## Tourist arrivals

### up by 10 percent



*Cambodia News | May, 13/2019*

A Tourism Ministry report published on Friday said that Cambodia saw a 9.7 percent increase of foreign tourist arrivals during the first quarter of this year. According to the report, Chinese tourists top the country's tourism market list with 683,436, a number that increased from quarter to quarter by 35.1 percent. Vietnamese tourists ranked second with 186,863, followed by Laos with 121,489 tourists, Thailand with 97,942 tourists and South Korea with 95,719 tourists. A total of 1.29 million tourists arrived in the Kingdom via three international airports, while 578,371 arrived via land and waterway. The report said Phnom Penh and its surrounding areas are the most attractive destinations for international tourists. The area received a total of 1.08 million tourists during the first three months of this year. Siem Reap province, home to the Angkor temples, received about 787,900 foreign tourists, while coastal provinces such as Preah Sihanouk, Kep, Kampot and Koh Kong received 303,285 tourists. In a recent meeting, Tourism Minister Thong Khon called on relevant parties to increase the quality of tourism services. Mr Khon said poor hospitality in the tourism sector has been reported, particularly in visa

processing which requires tourists to spend informal expenses. Chhay Sivlin, president of the Cambodia Association of Travel Agents, yesterday echoed Mr Khon's statement. She said poor hospitality in the sector can discourage tourists from returning to the Kingdom. "With nine to 10 percent growth, we are not satisfied because there are many issues we need to overcome. Other Asean countries try hard to attract foreign tourists and make them stay longer," Ms Sivlin said. "We have to learn and try our best to get those in the private sector and the government to strengthen tourism services." "In terms of hospitality, we see some progress, but only small points," she added. "When we offer poor services to tourists at border gates, tourists are not satisfied and will end their stay earlier." Ms Sivlin noted that the domestic production of goods to be sold to tourists should be increased, so local producers can benefit from tourists. According to a Tourism Ministry Facebook post, Mr Khon said while most tourists arrived via airports, domestic flights are in need of a boost. "Foreign tourists want to be able to take a plane from Sihanoukville in order to visit Angkor Wat," he said. "It is easy to go on cruise ships, but domestic air services are difficult." Last year, Cambodia received 6.2 million tourists, with the tourism sector earning \$4.3 billion. This year, Cambodia expects to welcome 6.7 million tourists, while it expects to receive seven million by 2020.

Source: <https://www.khmertimeskh.com/50603153/tourist-arrivals-up-by-10-percent/>

## Lao electricity shaping as main forex supplier



Laos News | May, 13/2019

ELECTRICITY generation looks set to take a leading role in supplying Laos with foreign exchange in the coming years, according to data from the Bank of the Lao PDR. The central bank released its latest annual economic report recently, providing readers with data that reflects changes in the contributors of foreign exchange. According to data cited in the bank's 2018 report, electricity generation will likely become the main provider of foreign exchange in the foreseeable future, thanks to the industry's rising export value. In 2014 the sale of electricity to other countries amounted to only \$570 million (Bt17.98 billion). This figure surged to about \$1 billion in 2016, rising further to \$1.2 billion in 2017. Last year, the central bank initially projected the export value of electricity would reach \$1.3 billion. A number of electricity generation projects have begun commercial operation over the past year. More hydropower projects are currently under construction and are expected to export electricity in the near future. The export of mineral products, gold and copper continues to maintain the top position among foreign exchange earners. However, the income earned from the export of these commodities has remained stable in recent years. In 2014, mineral exports were valued at \$1.2 billion, rising to about

1.4 billion in 2017 and last year. Copper exports were worth about \$1 billion in 2014, rising to \$1.1 billion in 2017. The government is aware that the export value of mining products plays a significant role in contributing foreign currency to the economy. But it is recognised that these commodities will in time be depleted when the country's mineral deposits are exhausted. The central bank's 2018 report also indicates that foreign exchange generated by the garment industry and tourism has declined. The export value of garment products was \$391 million in 2014. This figure dropped to \$351 million in 2015, to \$249 million in 2016, and sank further to \$178 million in 2017. The Bank of the Lao PDR forecasted that last year the export value of Lao garment products would improve slightly to \$189 million, but this figure is only a projection. Over the past decade, the garment industry was considered to be one of the top foreign exchange earners. With regard to tourism, the central bank data shows that this industry was also a top foreign exchange earner but over the past few years income from this source has also declined. According to data from the Ministry of Information, Culture and Tourism cited by the bank in its 2018 annual report, the amount of revenue generated by tourism began to decline after 2015. That year, the tourism industry generated about \$724 million, dropping to \$716 million in 2016 and to \$648 million in 2017. The bank made an initial

projection that last year tourism would generate \$780 million.

*Source: <https://www.nationmultimedia.com/detail/ase-an-plus/30369239>*

## Tunnel construction of

### China-Myanmar railway underway



*Myanmar News | May, 10/2019*

The construction of a tunnel along a section of the China-Myanmar international railway is underway in southwest China's Yunnan Province, according to the local railway authorities. The Dalin (Dali-Lincang) railway project department of the Railway No. 10 Engineering Group Co., Ltd said that, so far, more than 3,700 meters of the tunnel has been excavated. The Dali-Lincang Railway, with a length of 202 km and a designed speed of 160 km per hour, is a key section of the China-Myanmar international railway. It is scheduled to be completed and open to traffic in 2021. Construction on the 10.6 km Hongdoushan Tunnel started in May 2016. However, toxic gases were detected in the tunnel in May 2017. The project's construction contractor said it has worked with universities and institutes to solve the problem, and the construction has proceeded steadily.

*Source: [http://www.xinhuanet.com/english/2019-05/10/c\\_138046553.htm](http://www.xinhuanet.com/english/2019-05/10/c_138046553.htm)*

## Domestic airline lowers fares for foreigners



Myanmar News | May, 13/2019

A local airline is offering lower fares for the next three months, which are considered the off season because of the annual monsoon. Air Kanbawza (KBZ) is offering discounted fares of up to 30 percent for foreigners between May and July, according to a senior company executive. “Myanmar people have enjoyed great discounts during the summer, so we are also offering discounts for tourists, which can be found on our official website,” an Air KBZ official said. The discount is available for all domestic destinations, he said. The sale period started on Wednesday and ends next Tuesday for travel until July 31. During the rainy season, some airlines operate flights in partnership with others to draw more passengers, and air ticket prices are sometimes reduced to encourage air travel. Air KBZ announced earlier a plan for flights to India and Thailand later in the year. The airline has bought four new twin-engine ATR 72-600 turboprop airliners from France for direct flights to Imphal city in north-eastern India, and Chiang Mai and Surat Thani in Thailand. Two of the four aircraft arrived on Monday at Yangon International Airport. Air KBZ is a major domestic airline operating flights from Yangon, Mandalay and Nay Pyi Taw to Heho, Nyaung-U, Myitkyina, Loikaw, Dawei, Thandwe and Kawthaung.

Source: <https://www.mmtimes.com/news/domestic-airline-lowers-fares-foreigners.html>

## VN pledges favourable conditions for US investors



Vietnam News | May, 11/2019

HÀ NỘI – Việt Nam pledged to create favourable conditions for US companies to invest in and do business efficiently and successfully in Việt Nam, Deputy Prime Minister Trịnh Đình Dũng said. Dũng was speaking at the 2019 US – Việt Nam Business Summit co-organised by the Việt Nam Chamber of Commerce and Industry (VCCI), American Chamber of Commerce (Amcham) and the US Chamber of Commerce (USCC) on Friday in Hà Nội to celebrate 25 years of trade and investment between the two countries. Dũng said that US investments in Việt Nam were playing increasingly important roles in Việt Nam’s development, helping the country participate in the global value chain, increase incomes and creating prosperity. Việt Nam wanted to receive more investment from the US in sectors such as renewable energy, infrastructure, finance and banking, education, tourism, technology and hi-tech agriculture, Dũng stressed. With a young labour force, political and social stability coupled with the Government’s hastened efforts of reforms and international integration, Việt Nam was becoming an attractive destination for foreign investors, Dũng said. He reaffirmed Việt Nam’s determination in building a constructive Government to create favourable conditions for businesses, especially US investors. “Việt Nam always regards the US as a

leading partner and would like to further co-operation with the US, in which trade and investment are major factors in the two countries' bilateral relationship," Dũng said. At the business summit, Dũng also pointed out that products of the two economies were increasingly supplementary to each other. Việt Nam had strength in exporting products like seafood, cashew, garments and footwear to the US while the US was supplying Việt Nam with hi-tech products like aeroplanes as well as investments in clean energy. According to the US Ambassador to Việt Nam Daniel J. Kritenbrink, the US - Việt Nam bilateral trade relation was enjoying a rising tide. "Now is the right time to broaden and deepen our economic and trade partnership, and to elevate conversations about the comprehensive economic relationship between the US and Việt Nam." Appreciating the openness of Việt Nam, Kritenbrink urged Việt Nam to maintain a predictable investment and tax environment not just for Americans, but for all foreign companies. He stressed that the US was eager to partner with Việt Nam as it pursued its digital economy goals. Natasha Ansell, Chairwoman of AmCham Hanoi, said at that US companies had invested billions of dollars in Việt Nam so far, which helped Việt Nam participate in the global value chain and create jobs. She said that the US companies were showing significant interest and optimism in the success of Việt Nam in the future, adding that AmCham would continue to provide support to Việt Nam in developing the private sector.

At the event, Amcham also announced a framework to increase trade and investment between the two countries. Accordingly, the two countries would need to focus on solving issues such as intellectual property, trade and customs facilitation, quarantine requirements and energy infrastructure. Two-way trade increased more than 130 times, from US\$450 million in 1994 to nearly \$60 billion in 2018. The US now has around 900 investment projects in Việt Nam with total capital of more than \$9 billion. VNS

*Source: <https://vietnamnews.vn/economy/519780/vn-pledges-favourable-conditions-for-us-investors.html#syRGBdTvUqq9LVv8.97>*

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