

Highlight News November 20/2019



- Fiscal revenue to surpass 2019 target by \$1 billion: Prime Minister
- Local startup earns spot in fintech ranking
- Lao National Chamber of Commerce and Industry collaborates with AOTS and TPA for professional employee development
- Crop fair aims to reap rewards for farmers
- Indonesia, Myanmar keen to keep bilateral trade growing
- Foreign investment reaches over US\$81 B
- Vietnamese longan to go to Australia



ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)



Fiscal revenue to surpass 2019 target by \$1 billion: Prime Minister



Cambodia News | 19 November, 2019

Cambodia will surpass its fiscal revenue target for 2019 by \$1 billion, Prime Minister Hun Sen said yesterday. The prime minister, speaking at a graduation ceremony at the National Institute of Education, said income from customs and excise will surpass the target set for 2019 by \$700 to \$800 million. Tax revenue will surpass the original target by \$400 to \$500 million, he said. Mr Hun Sen touted the increase in tax collection and said it gives the government more money to spend on public infrastructure. The customs and excise revenue target for 2019 was already achieved in September while the tax collection target was reached last month, Mr Hun Sen noted. “This year, income from customs and excise and tax will exceed our expectations. In total, we will exceed our fiscal revenue target by \$1 billion,” Mr Hun Sen said. The premier said the government has already committed \$1 billion from national savings to public investment projects in Preah Sihanouk province and to the construction of power plants in Kandal province. Mr Hun Sen noted that more than half of all revenue from customs and excise comes from the import of vehicles. “In the past, car and motorcycles accounted for only 33 percent of total income from customs and excise but this year that figure has risen to 52 percent. This is because more and more Cambodians can now afford to buy a car,” Mr Hun

Sen said. He said the government is earning about \$500 million per month from tax and non-tax income, noting that the country is able to save \$100 to \$200 million per month. General Department of Taxation Director General Kong Vibol said in a press release last month that the rapid increase in tax collection was the result of reforms to the taxation system. Anthony Galliano, CEO of Cambodia Investment Management, told Khmer Times last month that efforts to crackdown on smuggling, stricter law enforcement, and rising imports are all contributing to robust tax collection. “The greatest benefit of the success of increased tax collection is that Cambodia is gaining financial independence, escaping from a donor-dependent economy,” Mr Galliano said. “The stability and reliability of tax collection, leading to a national treasury base, will avail a foundation for social and infrastructure spending, and an increased standard of living.” From January to September, GDT earned \$2.1 billion, a \$492-million increase over the same period last year. Income from the General Department of Customs and Excise rose by 35 percent to \$2.3 billion.

Source: <https://www.khmertimeskh.com/50661039/fiscal-revenue-to-surpass-2019-target-by-1-billion-prime-minister/>

Local startup earns spot in fintech ranking



Cambodia News | 19 November, 2019

Cambodia was this month recognised for the first time in the 2019 Fintech100 – a collaborative effort

between H2 Ventures and KPMG that analyses the fintech space globally. The Fintech100 features both a “Top 50” and an “Emerging 50” with a view to highlighting companies from around the world that are driving disruption within the financial services industry. Representing Cambodia was Clik – a digital payments service aggregator based in Phnom Penh. Clik was featured in the “Emerging 50” section of this year’s Fintech100. This isn’t the first time Clik has been recognised for their innovative approach to digital payment services. Just last month the startup was named “Best AI and Machine Learning Startup” at the Asean Rice Bowl Startup Awards. Clik is still awaiting its licence from the National Bank of Cambodia. Despite not yet being a fully-functional company, their reputation precedes them. “Making the 2019 FinTech100 and the Emerging 50 was unexpected,” notes Clik CEO and co-founder Matthew Tippetts. “This international recognition for what we are building, which is state of the art, in partnership with global leaders in payment technology like OpenWay, is entirely to the credit of our amazing team and partners. “We are hugely proud to have been able to put Cambodia on this ranking for the first time, and we hope that other Cambodian fintech startups make the list in the future,” he said. Mr Tippetts has consistently championed Cambodia’s potential for technological innovation given the country’s relatively young population, many of whom are digital natives. “We are lucky to have in Cambodia a very dynamic fintech scene, supported by Chea Serey at the

National Bank of Cambodia. “When we launch next year, we hope to transform payment, contribute positively to the digitalisation of the Cambodian economy, delivering secure, seamless and smart payments at every touch point and transaction,” said Mr Tippetts, who hopes to be at the forefront of Cambodia’s digital revolution. The regional fintech market is thought to be one of the most rapidly expanding in the world. It is estimated that it will be worth \$72 billion by 2020, according to Frost & Sullivan’s annual Fintech Outlook. Ride-hailing, money remittance and digital payments look set to propel Southeast Asia to become a global hub for fintech, but critics fear that in Cambodia the development of the skills demanded by the market is happening too slowly.

Source : <https://www.khmertimeskh.com/50661022/local-startup-earns-spot-in-fintech-ranking/>

Lao National Chamber of Commerce and Industry collaborates with AOTS and TPA for professional employee development



Laos News | 19 November, 2019

VIENTIANE (Vientiane Times/ANN) - Representatives from the business sector of Oudomxay province are participating in a training programme to develop professional qualities needed for their operations. The training programme, which will run from November 18 to 22, has been co-organised by the Lao National Chamber of Commerce and Industry and the Oudomxay

provincial Chamber of Commerce and Industry in cooperation with the Association for Overseas Technical Cooperation and Sustainable Partnerships (AOTS) of Japan. It is being implemented by the Technology Promotions Association (Thailand-Japan) (TPA). The LNCCI, on behalf of Lao business organisations, and the Oudomxay provincial Chamber of Commerce and Industry have organised the training to develop professional personnel with the objective of improving the skills of employees. This will ensure that businesses in Oudomxay become stronger and achieve their objectives. The LNCCI Secretariat, Mr Phouxay Thepphavong, said in his opening remarks. "This is the third year that LNCCI has received financial support from the AOTS and for the first time, we organised training on this topic for the business sector in Oudomxay province," he added. Mr Phouxay said the purpose of the training is to develop the capacity of the business sector alongside the development of employees in order to increase their ability to work effectively and systematically to meet the needs of constant development. "It will increase the capacity for production and the ability of personnel to work professionally, including company employees, managers and administrators. It will help them to have a deeper understanding of the work system (5S organisation) and work quality and production inspection (Kaizen productivity). These lessons are significant and necessary for Lao businesses to compete at the regional and international levels," he added. "I believe this seminar will be a great

opportunity for participants to discuss and exchange lessons with lecturers who have much knowledge and experience, and I hope that participants will actively contribute," said Mr Phouxay.

Source : <http://annx.asianews.network/content/lao-national-chamber-commerce-and-industry-collaborates-aots-and-tpa-professional-employee>

Crop fair aims to reap rewards for farmers



Laos News | 20 November, 2019

The Department of Commerce Promotion under the Ministry of Industry and Commerce is partnering with Vientiane farmers to increase sales of home-grown produce to local consumers through a crop fair. The department is hosting the Vientiane Crop Trade Fair at Lao-ITECC on Saturday, to help farmers expand their customer base and inspire more people to buy locally grown farm produce. The fair will feature produce grown in Vientiane's nine districts. Organisers say the fair aims to build awareness among Vientiane residents about the quality of home-grown produce and encourage the cultivation of organically farmed crops in the capital. The event will serve as a platform to inspire Lao people to buy and consume local produce so the country can cut back on the import of non-essential foreign goods. The fair will place special emphasis on the One District, One Product scheme, which promotes goods produced by model families as well as crops grown by organic farmers' groups. Organisers see the fair as an opportunity for

producers, distributors and consumers to boost trade, identify direct wholesale markets, and improve the conditions for vegetable cultivation and fruit supply. These combined efforts will result in a brighter future for Lao farmers and boost the sale of their produce in local markets. This will benefit the economy and stimulate the formation of working groups to roll out policies that promote domestic goods in the interest of consumers. Experts on agricultural production say there is increasing demand for quality agricultural produce from international markets, so there are export opportunities for Laos' agricultural products. But this will only happen if more is done to develop farming and farm produce to meet overseas market requirements. In 2018, bananas were the most exported crop with a value of US\$209 million, accounting for 30 percent of all agricultural exports. This was followed by US\$70 million worth of coffee exports and US\$24 million worth of dried cassava, according to the Ministry of Industry and Commerce. Laos' main export markets are China, Thailand, Vietnam, and the European Union. The government has predicted that the agriculture sector will grow by 2.8 percent this year so long as there are no more extreme weather events.

Source : http://www.vientianetimes.org.la/freeContent/FreeConten_Crop.php

Indonesia, Myanmar keen to keep bilateral trade growing

More than 30 Myanmar business people attended the Indonesia-Myanmar Business Gathering at a hotel in Yangon last week. The gathering organised by the Indonesian Embassy in cooperation with the International Business Promotion Centre held business-to-business meetings for 10 Indonesian representatives from six companies and their Myanmar counterparts. Among the dignitaries at the event were U AikHtun, chair of the International Business Promotion Centre and ShweThaung Group, Daw Hla Hla Yee, member of the Union of Myanmar Federation of Chambers of Commerce and Industry and secretary of the Myanmar International Freight Forwarders' Association, and Dewi Lestari, deputy director of South East Asia Affairs of the Indonesian Ministry of Foreign Affairs. During his welcoming remarks, Indonesian Ambassador Prof. Dr Iza Fadri said that Indonesia and Myanmar will continue to raise their efforts to keep improving trade volumes that reached US\$1 billion last year. Daw Hla Hla Yee and Dewi Lestari encouraged Indonesian businesses to explore the many investment opportunities in Myanmar. The organisations represented at the event ranged from oil and gas, railways, trading, water and sanitation, manufacturing, pharmaceuticals, logistics, poultry farming, medicine, agribusiness, construction, and wastewater treatment.



Source: <https://www.mmtimes.com/news/indonesia-myanmar-keen-keep-bilateral-trade-growing.html>

Foreign investment reaches over US\$81 B



Myanmar News | 19 November, 2019

A total of 50 countries made investments worth over US\$81 billion from 1988-89 FY to 2018-19 FY and most of the foreign investments are in oil and natural gas sector and electricity sector, according to Myanmar Investment Commission (MIC). The foreign investments in sectors are as per following: US\$22.420 billion in oil and natural gas sector (about 27.38 per cent), US\$21.178 billion in electricity sector (about 25.87 per cent), US\$11.528 billion in production sector (about 14.08 per cent), US\$10.908 billion in transportation and communications sector (about 13.30 per cent), US\$5.467 billion in real estate sector (about 6.68 per cent), US\$3.118 billion in hotel and tourism sector (about 3.81 per cent), US\$2.904 billion in mining sector (about 3.55 per cent), US\$766.327 million in livestock and fisheries sector (about 0.94 per cent), US\$414.12 million in farming sector (about 0.51 per cent), US\$320 million in industrial estate sector (about 0.39 per cent), US\$37.767 million in construction sector (about 0.05 per cent) and US\$2.808 billion in other sector (about 3.43 per cent). The MIC held 18/2019 meeting on November 16 and allowed eight new businesses in production, livestock and fisheries, other services

and housing sectors. The total investments of new businesses are about US\$165.853 million and Ks99.543 billion and can create 1,739 job opportunities for locals. The MIC will implement to have US\$220 billion of foreign investment within 20-year time and to have investments which took responsibilities. Myanmar will implement the investment promotion plan with a short term period from 2016-17 FY to 2020-21 FY, a middle term period from 2021-22 FY to 2025-26 FY and a long term period from 2026-27 FY to 2035-36 FY. Myanmar is expecting to have about US\$5.8 billion of foreign investment in 2019-20 FY.

Source: <https://elevenmyanmar.com/news/foreign-investment-reaches-over-us81-b>

Vietnamese longan to go to Australia



Vietnam News | 19 November, 2019

SYDNEY — Longan has become the fourth kind of Vietnamese fruit to be exported to Australia after litchi, mango and dragon fruit. However, experts say there is still a lot of work needed for Viet Nam to secure a firm foothold in the market. Truong Ai Quoc, founder of Aus Asia Produce, a fruit distributor in Victoria State, said that at the Vietnamese longan festival in Australia, 500kg of longan was sold in just an hour. Hoàng Luat, the owner of an Asian food supermarket in Western Australia, said that his chain sells about 1-1.5 tonnes of fresh Vietnamese fruit each week. According to Australian Minister of Agriculture and Water Resources David Littleproud,

the Vietnamese agricultural sector has the potential to earn billions of dollars from exports. The strategic partnership agreement between Viet Nam and Australia has opened up new investment and trade partnership opportunities for both sides, he added. Australia is one of the 20 most developed economies in the world. Customers in the 25 million-strong market love fresh fruit. A community of about 300,000 Vietnamese people living in the country also provides a good source of customers for Viet Nam. Thanks to the ASEAN-Australia-New Zealand Free Trade Agreement and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, the majority of Vietnamese goods exported to Australia enjoy zero tariffs and many other advantages. However, Viet Nam's fruit export revenue to Australia has remained modest. Statistics from the General Department of Vietnam Customs showed that trade between the two countries in the first nine months of 2019 reached over US\$5.9 billion, up 9 per cent year on year. Crude oil alone accounted for over \$2.5 billion. Although Viet Nam's export revenue from fruit and vegetables hit more than \$31 million, a rise of 15 per cent over the same period last year, the figure accounted for only a small part of Australia's total spending on these products. One of the major obstacles for Vietnamese farm produce is strict quarantine regulations. Hoang Vy Cao, head of a fruit importer in Sydney, said that Vietnamese businesses in Australia always prioritise Vietnamese products, but not many Vietnamese exporters manage to meet Australian standards.

Meanwhile, Hoàng Luat said that production and transport costs also affect the competitiveness of Vietnamese farm produce. Anna Le, director of Green Path Australia, the first importer of Vietnamese longan in the market, said that shipping by air has pushed the price of the fruit up dramatically, though the quality is ensured. Trinh Duc Hai, Vietnamese Consul General in New South Wales, said that the Consulate General of Vietnam is ready to support Vietnamese firms and connect them with Australian partners by providing them with information about market demands and developments. Minister Littleproud suggested that Vietnamese and Australian agencies coordinate more closely to deal with requirements on biological safety for imported farm produce and broaden the scope for agricultural cooperation between the two countries. — VNS

Source : <https://vietnamnews.vn/economy/548635/vietnamese-longan-to-go-to-australia.html#jB4xDBbQrr6CzmQB.97>

More airlines join market, create infrastructure bottlenecks



Vietnam News | 19 November, 2019

Runways, infrastructure and air traffic control activities cannot keep up with the pace of aviation market development. According to the Civil Aviation Authority of Vietnam (CAAV), airlines are aggressively planning to expand their fleet to serve development needs. Vietjet Air, for example, reported that from now to 2023, it will receive 100

new aircraft from Boeing and Airbus, A320 and B737 Max. The business license granted to Bamboo Airways shows that the air carrier can use 10 aircraft. It wants a new flight license, however, with registered capital level of VND1.3 trillion and a fleet of 40 aircraft. At this time, there are at least two airlines queuing up for licenses – Vietravel Airlines and Vinpearl Air. Thien Minh Aviation JSC has registered its business in the field of air transport. Kite Air, the airline developed by Thien Minh, has registered capital of VND1 trillion and a base airport of Chu Lai in Quang Nam province. The establishment of new airlines is good news for passengers who have more choices for flights at reasonable costs. However, the rapid expansion in the context of airport overloading is a headache for management agencies. Analysts say that aviation infrastructure conditions remain poor, while the number of slots is limited. State management agencies find it difficult to allocate slots to airlines. At the Ministry of Transport (MOT) Q3 press conference, the ministry leaders said they supported the establishment of new airlines, but admitted the problems in infrastructure. MOT Deputy Minister Nguyen Ngoc Dong said Vietnam's aviation infrastructure is "too limited" for a very high aviation growth rate (15-17 percent). In the case of Vietravel Airlines, according to the Airports Corporation of Vietnam (ACV), since the airline provides charter flights, it is even more difficult to allocate airport

slots, because of the lower priority orders for charter flights. Meanwhile, CAAV leaders remain optimistic about infrastructure for new airlines. The Civil Aviation Authority of Vietnam (CAAV) said it was feasible for Vinpearl Air to choose Noi Bai as its base airport. However, it warned that the slots in good hours at Tan Son Nhat in HCMC and Noi Bai airport in Hanoi are no longer available. Boeing has released a report about airlines in Southeast Asia, predicting that airlines in the region will need 4,500 new aircraft in the next 20 years, worth \$710 billion. The aircraft manufacturer predicted that Vietnam would play a key role in the growth, thanks to the high GDP growth rate of over 6 percent. It is expected that Vietnam's aircraft fleet will increase by four times by 2038.

Source : <https://english.vov.vn/economy/more-airlines-join-market-create-infrastructure-bottlenecks-406361.vov>