

Highlight News / January 19, 2021



- Ministry revamps self-assessment tax regime classifications
- Japan to assist in Cambodian customs clearance automation
- Engineering marvel: Laos-China Railway sees 242km of track complete
- Gov't's new development plan targets improvements in education
- Myanmar Trade Centre to open in Singapore
- IMF projects muted growth for 2021 economy
- Exports set to remain growth driver for Vietnam in 2021
- Vietnam rice exports to the Philippines reached over US\$1 billion



ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

## Ministry revamps self-assessment tax regime classifications



*Cambodia News | 18 January, 2021*

The Ministry of Economy and Finance has issued a prakas (directive) for the classification of taxpayers doing business in the Kingdom currently under the existing self-assessment regime. The directive was signed by Minister of Economy and Finance Aun Pornmonirath. It is intended to provide consistency in the management and collection of all types of tax revenues effectively, transparently and equitably in line with the economic growth of the Kingdom of Cambodia. Being eligible for the self-assessment regime is based on annual revenue in the main sectors of agriculture, industry, services and commerce. The directive will classify self-assessing taxpayers into three distinct categories; small, medium and large. A small taxpayer is any sole proprietorship enterprise or partnership enterprise that has an annual turnover between 250 million and 1 billion riels in agriculture, services and commerce. Small taxpayers in the industrial sector are defined by annual revenues between 250 million and 1.6 billion riels or by generating a total revenue for any three consecutive calendar months in excess of 60 million riels. This extends to businesses that anticipate reaching that threshold as well. The medium taxpayer classification is defined as having annual gross revenue between 1 billion and 4 billion riels in the agriculture sector, between 1 billion and 6 billion riels in services and commerce and between

6 billion and 8 billion riels in the industrial sector. Medium taxpayers include enterprises that are registered as legal entities, representative offices or national and sub-national state institutions as well as all types of organisations or associations including nongovernmental organisations, diplomatic missions and foreign consuls, international organisations and technical cooperated agencies of various governments. The large taxpayer classification comprises any enterprise that has annual gross revenue of more than 4 billion riels in the agricultural sector, above 6 billion riels in the services and commerce sector and in excess of 8 billion riels in industry. This category includes subsidiaries of multi-national companies, foreign company branches or any enterprise registered as a qualified investment project.

Source: <https://www.khmertimeskh.com/50804495/ministry-revamps-self-assessment-tax-regime-classifications/>

## Japan to assist in Cambodian customs clearance automation



*Cambodia News | 18 January, 2021*

The Japanese government will assist the Cambodian General Department of Customs and Excise of Cambodia (GDCE) in setting up an automated customs clearance system that will speed up cargo clearance time, alleviating congestion problems that slow the process. The GDCE held a meeting with representatives of the Japanese business community investing in Cambodia on Jan 13 to

discuss and seek solutions to problems related to the import and export of goods and customs clearance procedures. Representatives from both parties attending the meeting, included the director of Customs, Kun Nhem, the chairman of the Japanese Business Association of Cambodia (JBAC), the Japanese embassy in Cambodia and the Japan International Cooperation Agency (JICA). Kamei Haruko, director of JICA in Cambodia, disclosed that the Japanese side is currently studying how to alleviate the congestion problem at border crossings between Cambodia and Vietnam. She said Japan will test the new automated customs clearance system at Cambodia's main ports and customs. This will include the installation of customs inspection camera systems to speed up customs clearance time. She added Japan will assist in translating customs regulations into English and uploading them to the General Administration of Customs of Cambodia's website so importers and exporters can better understand customs clearance procedures. At the meeting, Customs Director Nhem reported on recent measures implemented in Cambodia to simplify and improve import and export procedures. This included the establishment of a "National Single Window" system that would allow for application online for raw materials and finished products import/export official documents. He stated the "National Single Window" system will connect six government departments, namely the GDCE, the Cambodian Development Council, the Ministry of Commerce, the Ministry of Industry, Science

Technology and Innovation, the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Health. The director stated that the GDCE is committed to improving administrative efficiency with the assistance of multiple development partners. For example, it cooperated with the United Nations Conference on Trade and Development in establishing an Automated Customs Data System, which is now in its final stage of development. "With the assistance of the International Monetary Fund, we are also implementing a business process re-engineering plan, while reviewing and revising customs regulations," Nhem said.

Source:<https://www.khmertimeskh.com/50804464/japan-to-assist-in-cambodian-customs-clearance-automation/>

## Engineering marvel: Laos-China Railway sees 242km of track complete



*Laos News | 18 January, 2021*

The Laos-China Railway project has completed 242 kilometres of track and is expected to successfully complete the full track in May this year, reports Laotian Times. According to a report by Lao Security News, the Lao-China Railway project has now completed almost 60% of track laying. Chairman of China Railway International Co, Ltd, Ju Guojiang, meanwhile, says the railway tunnels, bridges, and the subgrades have been completed at 95 per cent.

“The railway tracks have now been laid over 242 kilometres, and we expect to complete this successfully in mid-May this year,” said Ju. The Laos-China railway tracks are now in place from Vientiane Capital to Luang Prabang Province, while the largest passenger railway station, located in Vientiane Capital, is now coming to completion. The Laos-China Railway Construction Project commenced in December 2016 and is scheduled to be completed and operational in December 2021. However, the project has reported that it has experienced some delays due to issues including mediation with villagers residing in areas allocated to the project. Mediation remains ongoing across villages that fall under the project area between Vientiane Station and South Vientiane Station, where villagers have not yet fully agreed to compensation. The Laos-China Railway will run some 414 kilometers, including 198km of tunnels, and will traverse 62km of bridges. It will run from the Boten border gate, connecting Northern Laos to China, down to Vientiane Capital, with an operating speed of 160km per hour. The Laos-China Railway project has completed 242 kilometres of track and is expected to successfully complete the full track in May this year, reports Laotian Times. According to a report by Lao Security News, the Lao-China Railway project has now completed almost 60% of track laying. Chairman of China Railway International Co,

Ltd, Ju Guojiang, meanwhile, says the railway tunnels, bridges, and the subgrades have been completed at 95 per cent. “The railway tracks have now been laid over 242 kilometres, and we expect to complete this successfully in mid-May this year,” said Ju. The Laos-China railway tracks are now in place from Vientiane Capital to Luang Prabang Province, while the largest passenger railway station, located in Vientiane Capital, is now coming to completion. The Laos-China Railway Construction Project commenced in December 2016 and is scheduled to be completed and operational in December 2021. However, the project has reported that it has experienced some delays due to issues including mediation with villagers residing in areas allocated to the project. Mediation remains ongoing across villages that fall under the project area between Vientiane Station and South Vientiane Station, where villagers have not yet fully agreed to compensation. The Laos-China Railway will run some 414 kilometers, including 198km of tunnels, and will traverse 62km of bridges. It will run from the Boten border gate, connecting Northern Laos to China, down to Vientiane Capital, with an operating speed of 160km per hour.

Source:<https://www.thestar.com.my/aseanplus/aseanplus-news/2021/01/18/engineering-marvel-laos-china-railway-sees-242km-of-track-complete>

---

## Gov't's new development plan targets improvements in education



*Laos News | 19 January, 2021*

The government has announced at least 20 major and priority education projects under the new draft of the five-year National Socio-Economic Development Plan from 2021-2025. Four of the projects will be financed by the government and include the construction of dormitories for secondary school students, construction of laboratories, the renovation and construction of schools, and improved standards of hygiene in schools. Twelve other projects will be financed through Official Development Assistance (ODA), while seven ongoing ODA-financed projects will continue. Prime Minister Thongloun Sisoulith presented the draft plan at the 11th Congress of the Lao People's Revolutionary Party last week. The draft was approved by the congress. Through ODA support for the five-year plan, the government has offered to improve facilities and laboratory equipment at the National University of Laos and to strengthen training in the fields of engineering and technology for the development of industry. Another project will improve the teaching of mathematics by primary school teachers. Also planned is training for staff at the Laos-Japan Institute, McGovern-Dole international food for education and child nutrition programme, and Phase 3 of the Global Partnership

for Education project. The government and development partners will continue to implement the Vocational Education Financing Facility project, which is taking place from 2018-2023, the Vocational Training and Employment Support Services project from 2019-2022, and the Vocational Education in Laos project from 2019-2022. The Ministry of Education and Sports has drawn up an Education and Sports Sector Development Plan for 2021-2025 to support socio-economic development. Under the plan, the ministry will encourage its departments to strengthen non-formal education, early childhood education, vocational education and other areas.

During the 11th Party Congress, Prime Minister Thongloun Sisoulith outlined six main targets under the Socio-economic Development Plan for 2021-2025, including human resource development in the education sector. The first goal is for Laos to maintain steady stable and sustainable economic growth. Secondly, training will be stepped up to ensure people are better qualified to meet the demands of development, are able to conduct research, and know how to use science and technology to add value to goods and services. Third, it is essential to improve people's living conditions. Balancing environmental needs with a reduced risk of natural disasters is the fourth goal. Fifth, the government will work to strengthen infrastructure and effectively utilise the country's

potential, opportunities and strategic locations, and participate in regional and international cooperation and integration. The sixth goal is to enhance the efficiency of state management and administration so that equality, justice and order prevail in society and people receive protection through the enforcement of laws.

Source: [https://www.vientianetimes.org.la/freeContent/FreeContent\\_Govt\\_new\\_12.php](https://www.vientianetimes.org.la/freeContent/FreeContent_Govt_new_12.php)

## Myanmar Trade Centre to open in Singapore



*Myanmar News | 18 January, 2021*

Myantrade has plans to open a Myanmar Trade Centre in Singapore in the near future to provide support for the country's agricultural exports. Secretary of the Myanmar Fruit, Flower and Vegetable Producer and Exporter Association said the trade centre – which will be monitored closely by the Myanmar Embassy to Singapore - can help Myanmar expand its farming exports to the city-state. "Singapore is one of Myanmar's trading partners. Singapore imports fruits such as Sein Ta Lone (mangoes) and muskmelons from Myanmar. Delivery time from Myanmar to Singapore is just a week. Singapore's population is small so we cannot sell a lot (to them) but their consumption and spending power is high. This creates a market for us," said U Kyaw Thu, adding that exporting agricultural products to Singapore is a relatively easy process. "Exporting to Singapore only requires a

quality control certificate and there are not many import restrictions," he said. "We can export any fruit. It is good if our products can penetrate the market," said the secretary, adding that Singapore is located close to Myanmar, allowing them to export products that have a short shelf life. "Singapore is near to Myanmar. Grapes from Yamethin can be exported to Singapore's market," he said. Trade between Myanmar and Singapore was valued at more than US\$3,900 million in the 2019-2020 fiscal year, with Myanmar exports exceeding \$700 million. Singapore, meanwhile, is one of Myanmar's largest investors, accounting for 45.85 percent of the country's total foreign investments. The city-state has invested in the urban development, real estate, and energy and production sectors of Myanmar. – Translated

Source: <https://www.mmtimes.com/news/myanmar-trade-centre-open-singapore.html>

## IMF projects muted growth for 2021 economy



*Myanmar News | 18 January, 2021*

Myanmar's economy is expected to post muted growth this year due to the impact of COVID-19, but should rebound next year, the IMF said. In a statement, IMF projected this year's growth to slow down to 0.5 percent, from a projected 3.2pc last year. "The economic fallout will be felt by lower income groups, SMEs and those in conflict regions," it said. The economy is expected to recover next year, when it is projected to grow 7.9pc on strong



base effects, IMF added, though it also said it expects poverty to go up. “At the same time, permanent losses in medium-term output are expected, raising concerns of increased poverty,” they said. The IMF’S growth forecast is more pessimistic than that of the Asian Development Bank, which earlier this year projected Myanmar’s growth to have slowed to 1.8 pct in the fiscal year ending September 2020. ADB expects the economy to bounce back to 6 pct this year. The IMF, in the statement, also announced that its executive board has approved the release of financial assistance amounting to SDR 258.4 million (US\$372 million) to help Myanmar minimise the economic and social impacts of the pandemic. The IMF assistance will aid Myanmar’s COVID-19 policy measures aimed at minimising the pandemic’s economic and social impact while supporting the vulnerable.

Source: <https://www.mmtimes.com/news/imf-projects-muted-growth-2021-economy.html>

## Exports set to remain growth driver for Vietnam in 2021



*Vietnam News | 18 January, 2021*

The Hanoitimes - Trading activities were among the highlights of the economy in 2020 with an all-time high trade surplus of US\$19.1 billion and contributed to a positive economic growth of 2.91%. Following a positive growth of 6.5% year-on-year in 2020, exports are expected to remain the economy’s main growth driver for this year. “A diversified network of export markets helps Vietnam offset losses from

decline in export volume to traditional markets such as the EU or ASEAN,” said economist Nguyen Xuan Thanh, a member of the Prime Minister’s Economic Advisory Group. “However, Vietnam’s exports to the US would face more difficulties in 2021, given the country’s trade surplus of US\$62.7 billion last year,” noted Mr. Thanh, but saying new trade deals such as the EU-Vietnam Free Trade Agreement (EVFTA) and the Regional Comprehensive Economic Partnership (RCEP) would be a boost for the country’s trading outlook. Chairman of the Vietnam Chamber of Commerce and Industry (VCCI) Vu Tien Loc said that the Ministry of Industry and Trade (MoIT) should play a more active role during the enforcement of free trade agreements that Vietnam is a member of. This includes trade promotion activities in potential markets; enhancing state management to combat trade and origin frauds; improving efficiency in dealing with trade disputes and protecting domestic production as well as applying IT in trade and promoting e-commerce. In 2020, Vietnam reported an all-time high trade surplus of US\$19.1 billion, far exceeding the record figure of \$10.9 billion in the previous year. Overall, Vietnam’s trade turnover is likely to have increased by 5.1% year-on-year to reach \$543.9 billion in 2020, of which its export value is estimated at \$281.5 billion, up 6.5% year-on-year, and imports at \$262.4 billion, up 3.6%. While many voiced concerns that the government’s GDP target of 6.5% in 2021 remains ambitious, experts suggested this is entirely feasible thanks to three main contributors comprising

resilience of the business community, the active role of the government in administrative reform and improving the business environment, and the comprehensive development of human resources with the support of sciences, technology and innovation. "The year of 2021 is the first of a new decade and the first of a 10-year economic cycle, which is opening many opportunities for the Vietnam's economy and the business sector," said VinaCapital's Managing Director Andy Ho.

Source: <http://hanoitimes.vn/exports-set-to-remain-growth-driver-for-vietnam-in-2021-315931.html>

## Vietnam rice exports to the

## Philippines reached over US\$1 billion



*Vietnam News | 18 January, 2021*

VOV.VN - Vietnamese rice exports to the Philippines last year exceeded the US\$1 billion mark for the first time, according to statistics compiled by the General Department of Vietnam Customs. The department noted that the Philippines represented the largest consumer of Vietnamese rice last year, importing 2.22 million tonnes worth a total of US\$1.06 billion, marking an increase of 4% in volume and 19.3% in revenue compared to figures from 2019. Along with the large export volume to the Philippines, the export price of local rice to the Filipino market also witnessed a sharp increase over the past year with an average of US\$476 per tonne, representing a rise of 14.7% in comparison to the previous year. Throughout the year, Vietnam exported approximately 6.25 million tonnes of rice, grossing a

turnover of US\$3.12 billion, a decline of 1.9% in volume but an increase of 11.2% in turnover from 2019. Furthermore, the Philippines continued to represent the largest consumer of Vietnamese rice, making up 35.5% of the total export volume and 33.9% of the nation's total export turnover.

Source: <https://english.vov.vn/en/economy/vietnam-rice-exports-to-the-philippines-reached-over-us1-billion-831365.vov>