

Highlight News / August 05/2021



- GDT and Japanese embassy hosts virtual discussion with investors
- New garment sector investments exceeding \$8mn approved by CDC
- Laos, Switzerland sign agreement to cement development cooperation
- Suspension of all international flights extended until 31 Aug
- More than 30 per cent of textile, garment operations on hold due to COVID-19
- Ministry proposes 30 percent decrease in 2021 corporate income tax



GDT and Japanese embassy hosts virtual discussion with investors



Cambodia News | 04 August, 2021

The General Department of Taxation at the Ministry of Economy and Finance and Japanese Embassy to Cambodia held a virtual discussion Monday in conjunction with the Japanese embassy on tax considerations for Japanese investors. The meeting was chaired by the GDT Director-General, Kong Vibol and Mikami Masahiro, Japan's Ambassador to Cambodia. The two parties discussed cooperation between the nations in order to promote investment and ease of doing business. Eng Ratana, director of the Large Taxpayer Department said in a meeting with the Japanese Business Association of Cambodia on July 27 that the GDT would collect input and requests from the association to consider reforms replying to areas of concern among investors and the private sector. As of the end of January 2021, Cambodia received \$3 billion in direct investment from Japan encompassing 144 projects. The meeting was held just a day ahead of yesterday's meeting of the Working Group on Law, Taxation and Governance of the Government-Private Sector Forum. That group also discussed tax related concerns with a goal of enhancing the business environment in Cambodia

Source : <https://www.khmertimeskh.com/50908193/gdt-and-japanese-embassy-hosts-virtual-discussion-with-investors/>

New garment sector investments exceeding \$8mn approved by CDC



Cambodia News | 04 August, 2021

The Garment Manufacturers Association in Cambodia (GMAC) is welcoming new investments in one of the Kingdom's pillar industries as new variants and outbreaks lead to a string of downgrades in economic projections. The Council for Development of Cambodia (CDC) announced yesterday that it had approved two new projects worth a combined \$8.5 million that will ultimately generate 1,500 new jobs, according to its announcement. The CDC recently approved eight new investment projects valued at a total of \$71.4 million. Those projects are slated to create nearly 10,000 new jobs. Six of the projects were dedicated to the garment, travel bag and shoe industries. "The approval of the new projects is heartening, particularly during this difficult period for workers who have faced great difficulty during the pandemic. GMAC welcomes the new investments and is extremely grateful to the CDC for their continued support of the industry and driving FDI [foreign direct investment] into the country," Ken Loo, secretary-general for GMAC told Khmer Times. Among the projects approved is a factory by Gianni Vince Bags (Cambodia) Co Ltd in Kandal province. Its parent company, based in Guangzhou, China, will commit \$4.4 million to constructing the facility and employ 1,171 people, according to the CDC. The second project approved is Sen Wang Ying New Material Co Ltd's shoe factory in Kampong Speu

province. It is valued at \$4.1 million and will create 403 jobs.

Source : <https://www.khmertimeskh.com/50908192/new-garment-sector-investments-exceeding-8mn-approved-by-cdc/>

Laos, Switzerland sign agreement to cement development cooperation



Laos News | 04 August, 2021

Laos and Switzerland have signed an agreement to enhance their bilateral longstanding ties and cooperation, during an official two-day visit to Laos by the Swiss Vice President Mr Ignazio Cassis. The Framework Agreement on Technical, Cultural, Financial and Economic Cooperation and Humanitarian Assistance was signed on Wednesday by Mr Cassis and Laos' Deputy Prime Minister and Minister of Planning and Investment, Dr Sonexay Siphandone. The agreement aims to deepen cooperation in the areas of employment and vocational training, agriculture and food security, climate change, governance and citizen participation, and humanitarian aid. It establishes a legal framework for the implementation of cooperation measures. Under the agreement, the two partners commit to respect democratic principles and fundamental rights, the sustainable development goals of the Agenda 2030, and the Paris Agreement on climate change. Mr Cassis said "I am convinced that Switzerland can contribute to balanced economic and social progress in Laos." Dr Sonexay expressed his appreciation of the support

extended to Laos by Switzerland. "We would like to kindly request that the Government of Switzerland continues to provide technical and financial support to Laos in the implementation of the 9th National Socio-Economic Development Plan," he said. Switzerland has maintained diplomatic relations with Laos since 1963 and has been involved in development cooperation since 1995. Switzerland is the eighth largest bilateral donor to Laos. In 2006, Switzerland opened a cooperation office in Vientiane, since when over 100 million Swiss Francs have flowed into development projects in Laos. The Swiss Agency for Development and Cooperation (SDC)'s new four-year cooperation programme, worth more than 60 million Swiss Francs, is based on Switzerland's International Cooperation Strategy for 2021-2024. During his visit, Mr Cassis also called on Lao President Mr Thongloun Sisoulith and met the Minister of Foreign Affairs Mr Saleumxay Kommasith.

Source : https://www.vientianetimes.org.la/freeContent/FreeConten_Laos151.php

Suspension of all international flights extended until 31 Aug



Myanmar News | 04 August, 2021

According to the notice from the Ministry of Transport and Communications, earlier restriction for all international airlines operating air services to and from the Yangon International Airport has further been extended up to 31 August 2021. During the suspension of all international commercial

passenger flights because of the COVID-19 period, Yangon International Airport (YIA) gave its services to other cargo planes or flights and relief flights. International passenger flights were suspended in YIA from 30 March last year due to the COVID-19 pandemic, according to the announcement of the Ministry of Health and Sports and the Department of Civil Aviation. Myanmar has extended the restriction on entry of travellers until 31 August to prevent the spread of COVID-19. All of these restrictions were extended till 31 July 2021 earlier, but the restriction has now been extended until 31 August. However, those who will come to Myanmar by relief flights over emergency government duties or emergencies, foreigners including diplomats and the officers and staff from UN agencies need to contact Myanmar embassies in foreign countries or consulates in Myanmar to lift the visa restrictions. Myanmar has so far reported 306,354 COVID-19 cases and 10,061 deaths in the country. — Aye Maung/GNLM

Source : <https://gnlm.com.mm/suspension-of-all-international-flights-extended-until-31-aug/#article-title>

More than 30 per cent of textile, garment operations on hold due to COVID-19



Vietnam News | 04 August, 2021

HÀ NỘI — The proportion of textile and garment factories that have closed due to the COVID-19

pandemic has reached 30-35 per cent according to the Việt Nam Textile and Apparel Association (Vitas). "I think that a number of these factories will even have to close for a long time, especially small and medium enterprises," said Vũ Đức Giang, chairman of Vitas at an online meeting on Monday. Businesses, he said, do not have enough funds to pay for three-on-site working arrangements to support employees to return to work. This is a huge challenge to stabilising Vietnamese textile and garment enterprises. In addition, the vaccination rate of Việt Nam's textile and garment industry was still very low, he went on. The vaccination rate was particularly low in key production areas in the southwestern and southeastern provinces. Vitas was one of four associations that sent an official dispatch to the Prime Minister, proposing speeding up vaccinations or supporting businesses to buy vaccines to give to workers of export industries. The total export turnover of the provinces in the central region accounted for 62 per cent of the total export turnover of the industry. Giang notes that this month would be a particularly difficult period, especially for southern businesses due to social distancing requirements. Up to 90 per cent of supply chains in the sector are currently broken. Vitas data showed that the export value of the textile and garment industry reached US\$18.7 billion in the first six months of the year, while the target for the whole year

is \$39 billion. "In the last five months of the year, businesses could only start exporting again if the pandemic situation is completely under control. In the most optimistic scenario, we can only achieve about \$32-33 billion," he said. Due to the inability to ensure the production situation as planned, the disruption of the supply chain had also put huge pressure on many textile and garment enterprises. With the pressure of a seasonal manufacturing industry in which timeliness is imperative, failing to deliver on time would cause customers to cancel orders which would impact the industry in the medium term. One concern is the number of workers leaving HCM City in a hurry to return to their hometowns. The Vitas representative said that their ability to return when the localities open again is also a huge challenge. This could foreshadow a very serious labour shortage in the immediate future. —

VNS

Source : <https://vietnamnews.vn/economy/1003124/more-than-30-per-cent-of-textile-garment-operations-on-hold-due-to-covid-19.html>

Ministry proposes 30 percent decrease in 2021 corporate income tax



Vietnam News | 04 August, 2021

Hanoi (VNA) – The Ministry of Finance (MoF) is proposing a 30 percent reduction in the corporate income tax which enterprises must pay in 2021 in a

draft resolution on budget collection solutions which is to be submitted to the National Assembly's Standing Committee for approval. A 50 percent reduction in tax which household businesses and individuals operating in all sectors must pay in the third and the fourth quarter of 2021 is proposed, together with a 30 percent reduction in the value added tax for several sectors. The ministry also proposed exemption of the fee for late payments arising in 2020 and 2021 for enterprises and organisations which incurred losses for the three consecutive years of 2018, 2019 and 2020. The tax and fee reduction and exemption package is estimated to be worth around 20 trillion VND (897 million USD) to support citizens and enterprises affected by the COVID-19 pandemic. The MoF is also studying proposals to reduce land use fees in 2021. It has been estimated that the Government's support in tax and fee reductions and exemptions will total 138 trillion VND this year, of which support worth 118 trillion VND has already been issued. The tax and fee reductions and exemptions totalled 129 trillion VND last year. The Government has asked the MoF to complete the draft resolution and submit it to the Prime Minister before August 10./.

Source : <https://en.vietnamplus.vn/ministry-proposes-30-percent-decrease-in-2021-corporate-income-tax/205772.vnp>
