

Highlight News / November 01, 2021



- Cambodia earns more than \$4 billion from agricultural exports in first 10 months this year
- Malaysia ambassador: Tax deal 'will bolster investment'
- Govt orders preparations for railway opening, approves reports for NA debate
- Irrigated black beans enter Mandalay market
- CPI in first ten months is lowest in last five years
- Foreign investment up 1.1 pct



ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

## Cambodia earns more than \$4 billion from agricultural exports in first 10 months this year



*Cambodia News | 31 October, 2021*

Estimated value of Cambodia's agricultural exports (excluding fishery products, animal and forest products and rubber wood) to an estimated 68 countries in the first 10 months of 2021 was valued at more than \$4 billion. According to a report from Veng Sakhon, Minister of Agriculture, Forestry and Fisheries, the export of rice was at more than \$392 millions, the export of rice paddy was at more than \$465 while the export of non-rice agricultural products was more than \$2.83 billion. Natural rubber exports amounted to \$379 in the first nine months of 2021. According to the National Phytosanitary Database obtained from the General Department of Agriculture, in the first 10 months of 2021, agricultural exports totaled 6,364,607.24 tons, targeting 68 countries. This is an increase of 2,970 691.60 tons, equivalent to 87.53% compared to the same period in 2020, which was recorded at only 3,393,915.64 tons. Overall, the total export of agricultural products in the first 10 months of 2021 increased by 87.53%, of which agricultural products other than rice increased by 106.62% and rice exports decreased by 14.20%. Due to the cost of transportation to the targeted destinations having doubled, together with the global shortage of 20-foot containers for exporting rice. The export of rice in 40 foot containers is not permitted due to the legal

standards of transportation, attributed to the load factor will exceed the weight limit.

Source: <https://www.khmertimeskh.com/50962028/cambodia-earns-more-than-4-billion-from-agricultural-exports-in-first-10-months-this-year//>

## Malaysia ambassador: Tax deal 'will bolster investment'



*Cambodia News | 31 October, 2021*

This year's double-taxation agreement (DTA) between Malaysia and Cambodia will result in more investment into the Kingdom and more Cambodians sourcing goods and services in Malaysia, according to the country's ambassador to Cambodia. "This will help to make Cambodia more attractive to Malaysian businessmen and thus promote more FDI [foreign direct investment] from Malaysia to Cambodia," said Ambassador Eldeen Husaini Mohd Hashim. "The DTA will definitely eliminate double taxation and provide greater tax incentives for all businessmen. It will make clear the tax environment of Malaysia and Cambodia on all forms of income arising from all economic activities between the two countries. Malaysian businessmen and investors looking for investment opportunities in Cambodia will benefit from the agreement. Similarly, Cambodian businessmen using Malaysia as a source for products and technology will also benefit from this agreement. I am totally confident this agreement will promote greater flow of trade, investment and expertise between the two countries," he said. Bilateral trade fell by 40 percent in value year-on-

year in 2020, with Malaysia's exports to Cambodia down 42 percent and its imports from the Kingdom falling 31 percent. So far this year total trade has risen by more than 15 percent, the ambassador said. Last year Malaysia was the third-largest investor in Cambodia, behind China and South Korea, at \$3.53 billion with more than 140 registered projects. The ambassador said if the Council for the Development of Cambodia registers the Naga 3 project, investment this year will be even higher, making Malaysia the second biggest investor in the Kingdom. The project would be an addition to NagaCorp's casino ventures in Phnom Penh. Ambassador Eldeen Husaini Mohd Hashim's comments came during a tax seminar organised by the Malaysian Business Chamber of Cambodia (MBCC), which counts more than 100 companies among its members. MBCC President KM Tan said members are committed to improving the business environment in the Kingdom. "Malaysian businesses in Cambodia are well diversified," Tan said. "Banking – and I'm proud to say we have seven commercial banks owned by Malaysians – telecommunications, energy, insurance, hospitality, real estate, construction, manufacturing, professional services, media et cetera. Besides the monetary investment Malaysian companies have been contributing in human resources and capacity-building, which have trained thousands of local employees," he said. The meeting also heard from Kong Vibol, who is director-general of the General Department of Taxation. He said Cambodia was slow to ink DTAs, being the last

of the 10 ASEAN members to sign one. He said now the GDT has moved all its services online it is easier for the government to collect taxes from foreign businesses and easier for the companies to pay tax. Cambodia signed its first DTA with Singapore and now has 10. "I hear the voice from investors that they want to see the DTA because they see the benefits: You pay only one tax. Besides, I want investors in Cambodia to pay tax in Cambodia to contribute to develop our country," Vibol said. "Since we signed with 10 countries revenue keeps rising. It's okay to lose some but we gain a lot of jobs, opportunities and the benefit of investors." Vibol said the government wants to receive 25 percent more tax revenue in 2022 than this year and he believes it will be possible. He said the digitalisation of tax records and the online payment system will prevent leakages and give no one the excuse that they cannot submit documents to the tax office or pay from fear of catching the Coronavirus. Cambodia and Malaysia entered into the DTA on Jan 1. Prior to the signing, dividends, interest, royalties and technical fees paid by a Cambodian company to a Malaysian company were subject to Cambodian withholding taxes at the rate of 14 percent of the gross payment. The DTA cuts withholding taxes to 10 percent. That gives Malaysian businesses a potential tax saving of 29 percent. Dividends are not taxable in Malaysia. Neither is interest income if the interest was paid on a loan used in Cambodia. Royalties are sometimes tax-free in Malaysia. Technical fees are taxable if the fees are sourced from Malaysia.

Source:<https://www.khmertimeskh.com/50961054/malaysia-ambassador-tax-deal-will-bolster-investment/>

## Govt orders preparations for railway opening, approves reports for NA debate



*Laos News | 1 November, 2021*

The government has ordered full-scale preparations for the opening of the Laos-China railway, as Laos and China count down to December 2 – the planned date of its inauguration. The cabinet gave the order at its monthly meeting for October, which ended on Friday. Chaired by Prime Minister Phankham Viphavanh, the cabinet meeting told authorities in charge to accelerate action to fulfil plans to attract investment in facilities alongside the railway. The meeting called on the relevant departments to prepare for the construction of expressways as well as repair damaged roads. Authorities were also told to look into the recruitment of workers during the pandemic and post-pandemic amid rising unemployment as a result of the Covid-19 outbreak. Authorities were told to take stronger action to improve the business environment by streamlining bureaucratic procedures and removing barriers to business operation. The meeting told the departments in charge to pursue the set revenue target, including seeking various leasing, concession and royalty fees owed to the state by the

operators of mining and hydropower projects. The meeting discussed the steps taken to contain the Covid-19 outbreak as well as measures to further tackle the epidemic. The cabinet approved in principle five documents to be presented to the 2nd Ordinary Session of the National Assembly's 9th legislature, scheduled to open today (November 1). The documents include a report on the implementation of the national socio-economic development plan and budget plan for 2021 and plans for 2022. The hydropower development plan for 2021-2030 and mining development plan for 2021-2025 are also tabled for discussion. The government will also present its 20-year vision for 2021-2040, 10-year strategy for 2021-2030, and the national five-year digital economy development plan for 2021-2025. The cabinet told ministries and other government bodies to be prepared for the upcoming NA session and to respond to questions put by Assembly members. During the meeting, authorities were also told to take action to control the price of goods on sale in markets amid the spiralling cost of living. The cabinet called for improvements to education and the quality of learning and teaching during the current lockdown, which has forced teachers to deliver classes online.

Source:[https://www.vientianetimes.org.la/freeContent/FreeContent\\_Govt\\_213\\_21.php](https://www.vientianetimes.org.la/freeContent/FreeContent_Govt_213_21.php)

## Irrigated black beans enter Mandalay market



*Myanmar News | 31 October, 2021*

This irrigated black beans from Madaya, Singu, Myaung, Monywa and Yesagyo regions are flooding the Mandalay market this season. And, the prevailing price of black beans is much higher than last year, according to Mandalay pulses traders. The black beans are typically developed in June and July using Ayeyawady and Chindwin rivers water while some growers cultivate them using underground water. The beans are started harvesting at the end of September and entered the market abundantly in October. Last year, a three-basket bag of black beans fetched only K85,000. But this year, a bag of black beans is worth K130,000, indicating K45,000 higher than last year's rate. "The black bean grown using of river water are entering Mandalay market these days. Those beans are grown in Yangon, Bago and Ayeyawady regions only once a year. But it has been cultivated as a sequential crop for a decade in the region. As a successful result of cultivation, the plantation has been expended and the yields of the corps also double year by year. There is a good yield of black bean cultivation this year and the prices are also somewhat higher than last year at a corresponding time. The trader predicts that the bean stocks are expected to be low this year due to strong demand from India. But there is no need to worry about cultivating because of new harvest black bean," said U Soe Win Myint, the owner of Soe

Win Myint depot. Among the export pulses in Myanmar, the black bean is the most lucrative export crop. It should be expanded its cultivation as a sequential crop in the region where river water is available easily, he suggested.—Min Htet Aung (Mandalay Sub-Printing House)/GNLM

Source: <https://www.gnln.com.mm/irrigated-black-beans-enter-mandalay-market/#article-title>

## CPI in first ten months is lowest in last five years



*Vietnam News | 30 October, 2021*

HÀ NỘI — The Consumer Price Index (CPI) in October was down by 0.2 per cent from September, meaning the CPI in the first ten months of this year grew 1.81 per cent over the same period last year, the lowest growth rate since 2016. According to the General Statistics Office (GSO)'s meeting yesterday in Hà Nội, the CPI in the two remaining months of the year could increase as the driving factors change after social distancing measures are eased. The GSO said in October, prices of food and catering services decreased by 1.28 per cent from September due to the drop of 0.25 per cent and 9.38 per cent in the prices of rice and pork, respectively, thanks to abundant supplies after social distancing. It also said prices of housing and construction materials in October fell by 0.26 per cent due to a cut in housing rental rates to support people amid the pandemic, while electricity prices were also reduced because cooler temperatures affected demand for power and water compared to the previous month. Prices of

post and telecommunications inched down 0.04 per cent. Among eight groups of commodities and services experiencing rising prices last month, transport witnessed the highest month-on-month increase of 2.51 per cent, which was attributed to the fuel price hike. Also rising, education prices inched up 0.25 per cent against September. GSO said core inflation in October experienced a month-on-month decline of 0.17 per cent but a year-on-year rise of 0.5 per cent. In the first 10 months, the figure increased 0.84 per cent compared to the same period of 2020, reflecting price movements driven by the hikes of food, petrol and oil and gas prices. GSO said core inflation in October and the first 10 months of 2021 compared to the previous year stood at the lowest level since 2011. It also said as November-December will be a time to focus on production, travel and procurement for major holidays, while CPI in tourism services and entertainment is projected to see growth.

Source: <https://vietnamnews.vn/economy/1068688/cpi-in-first-ten-months-is-lowest-in-last-five-years.html>

## Foreign investment up 1.1 pct



*Vietnam News | 30 October, 2021*

Vietnam has attracted \$23.74 billion worth of FDI so far this year, a year-on-year increase of 1.1 percent, according to the Ministry of Planning and Investment. Of this over \$13 billion went into new projects, up 11.6 percent, and \$7.09 billion into existing ones, a 24.2 percent increase. But there was

a 40.6 percent decline to \$3.63 billion in spending on mergers and acquisitions. Some \$12.74 billion, or 53.7 percent, went into the processing and manufacturing sector, \$5.54 billion into power generation and distribution and the remainder mainly into real estate, wholesale and retail. Singapore was the largest source of foreign investment with \$6.77 billion, followed by South Korea with \$4.15 billion and Japan with \$3.4 billion. The southern province of Long An received the biggest share of investment (\$3.68 billion), followed by HCMC (\$2.73 billion) and the northern city of Hai Phong (\$2.72 billion). Last year, FDI had fallen by 25 percent to \$28.5 billion as the Covid-19 pandemic prevented air travel and dampened investor sentiment.

Source: <https://e.vnexpress.net/news/business/economy/foreign-investment-up-1-1-pct-4379087.html>