

Highlight News / February 22, 2022



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

Cambodia and Japan hold high-level talks to explore investment opportunities



Cambodia News | 21 February, 2022

In a major thrust to broaden the investment and business environment in Cambodia, a top bilateral level ministerial and business delegation from both Japan and Cambodia held a meeting early this month at the Council for the Development of Cambodia to open new vistas for Japanese investors to invest in the Kingdom. The 23rd Meeting of the Cambodia-Japan Joint Committee was attended by Sok Chenda Sophea, Minister Delegate to the Prime Minister, Secretary-General of the Council Development of Cambodia and Masahiro Mikami, Ambassador Extraordinary and Plenipotentiary of Japan to Cambodia along with leaders and representatives of concerned ministries and institutions, Japan International Cooperation Agency (JICA), Japan External Trade Organization (JETRO), Japan Business Association of Cambodia (JBAC), and representatives of Japanese companies operating in the Kingdom. The meeting, a part of the Investment Conservation Mechanism, has been established since 2009 under the framework of the agreement between Cambodia and Japan on the liberalisation, promotion and protection of investment, signed by Prime Minister Hun Sen and former Japanese Prime Minister Shinzo Abe on June 14, 2007. During the spirited discussion, efforts were made to iron out vexed issues so that it would be

easier for more Japanese investors to invest in the Kingdom. Investment and business environment in Cambodia was at the top of the agenda. The meeting provided an opportunity for Japanese investors to see through the ample opportunities and valid suggestions were made to the Cambodian government to make it more investor-friendly. Among the topics that came up for discussion include payment of seniority benefits, withholding tax on salary and value added tax refund, logistics (speeding up operations at the Thai-Vietnamese border), reducing electricity fee and power outages) and importing cars by unauthorised persons. In his opening remarks, Sophea made it a point to pay his condolences on the passing away of Koji Kanzaki, a Japanese citizen who spent 38 years in strengthening ties between Japan and Cambodia and helped build schools, hospitals and physical infrastructure here, Further, Sophea went on to add that better relations were cemented through the meeting between the leaders of the two countries through several rounds of telephone conversations between the Prime Minister and Prime Minister of Japan on December 1, last year followed by meeting between H.E. Hun Manet and Japanese leaders during a visit to Japan. He thanked the Japanese investors for their continued trust in the government of Cambodia. Sophea also highlighted the new Investment Law in Cambodia that was recently approved and promulgated in October last year, which has become a strong legal basis of Cambodia to attract investment and promote economic

recovery after the Covid-19 crisis. On his part, Ambassador Mikami expressed his gratitude to all ministries and institutions for their efforts in coordinating with the Japanese investors. He highlighted the need to continue cooperation between Cambodian government institutions and Japanese investors to achieve success in business and investment activities in the Kingdom. He hoped continued cooperation with the government of Cambodia in promoting and attracting direct investment from Japan to Cambodia towards the economic progress and prosperity of both countries. It may be recalled that in January, the Council for the Development of Cambodia welcomed and registered 147 investment projects of Japanese companies with a total investment capital of approximately \$2.9 billion.

Source: <https://www.khmertimeskh.com/501028593/cambodia-and-japan-hold-high-level-talks-to-explore-investment-opportunities/>

The Japanese Ambassador to Cambodia committed to continue efforts to promote Japanese FDI inflow into Cambodia



Cambodia News | 21 February, 2022

Sok Chenda Sophea, Minister Delegate to the Prime Minister, Secretary-General of the Council for the Development of Cambodia, and Masahiro MIKAMI, Ambassador Extraordinary and Plenipotentiary of Japan to Cambodia, chaired the 23rd Meeting of the Cambodian Joint Committee – Japan on February

18, 2022 at the Council for the Development of Cambodia. This bilateral meeting is part of the Investment Conservation Mechanism, which has been established since 2009 under the framework of the Agreement between the Kingdom of Cambodia and Japan on the liberalization, promotion and protection of investment, which was signed by Prime Minister Hun Sen and former Japanese Prime Minister Shinzo Abe on June 14, 2007. Sok Chenda Sophea expressed his deepest condolences upon the death of Koji Kanzaki, a Japanese citizen who spent about 38 years of his life strengthening the relationship between Japan and Cambodia who had actively participated in the construction of schools, hospitals and physical infrastructure in Cambodia. He mentioned the better relations that were confirmed through the meeting between the leaders of the two countries, such as the telephone discussion between Prime Minister Hun Sen and the Prime Minister of Japan on December 1, 2021 and the meeting between Hun Manet and Japanese leaders during a visit to Japan this week. The Minister Delegate once again thanked the Japanese investors for their continued trust in the Royal Government of Cambodia under the wise leadership of Prime Minister Hun Sen in ensuring peace, political stability, which is necessary for Create a conducive investment environment. The Minister highlighted the new Investment Law of the Kingdom of Cambodia, which was recently approved and promulgated on October 15, 2021, which has been becoming another strong legal basis for Cambodia

to attract investment and help boost economic recovery after the Covid-19 crisis. The Minister also thanked JETRO and Mizuho Bank for their responsible participation in organizing a successful and effective seminar on the new investment law for Japanese investors on November 11, 2021. In addition, the Minister highly appreciated the investment activities of all Japanese investors in the non-textile manufacturing sector, which has played an important role in contributing to the diversification of the Cambodian economy and human resource development in Cambodia. Ambassador Masahiro Mikami expressed his appreciation and gratitude to all relevant ministries and institutions for their past efforts with a high sense of responsibility in coordinating and providing a gentle response to concerns and requests and blessings of Japanese investors for providing excellent care and warmth to Japanese investors. He highlighted the need to continue the good cooperation between Cambodian government institutions and Japanese investors to achieve success in business and investment activities in Cambodia, which will serve as a positive message for attracting Japanese investors to invest more in Cambodia. The Ambassador expressed his commitment to continue to cooperate with the Royal Government of Cambodia in promoting and attracting direct investment from Japan to Cambodia towards the economic progress and prosperity of both countries. It should be noted that as of the end of January 2022, the Council for the Development of Cambodia welcomed and registered 147 investment

projects of Japanese companies with a total investment of about \$2.9 billion. The topics discussed in the 23rd meeting include 1) seniority pay, 2) withholding tax and value added tax refund, 3) logistics (acceleration). Operating at the Thai-Vietnamese border) 4) reducing electricity prices and power outages) and 5) importing cars by unauthorized persons. National Radio of Cambodia
Source:<https://www.khmertimeskh.com/501028646/the-japanese-ambassador-to-cambodia-committed-to-continue-efforts-to-promote-japanese-fdi-inflow-into-cambodia/>

Govt attempts to regulate fuel price



Laos News | 22 February, 2022

The government is taking steps to rein in the rising price of fuel, to ease the impact on the economy and the lives of the general public, amid a volatile global market. Since taxes and fees represent 31-46 percent of the oil price charged in Laos, the government has decided to cut Value Added Tax from 10 to 7 percent this year. In addition, the government has cut all fuel reserves, meaning that the current oil reserve price is now 0 kip/litre, the Ministry of Industry and Commerce's Domestic Trade Department reported in the Lao Economic Daily last week. The government will also review contributions to the Road Maintenance Fund, collection of import tax, excise tax, value added tax and income tax, as well as cut costs for oil importers, as part of efforts to prevent the price of fuel rising to

an unacceptable level. In addition, the government is encouraging everyone to use as little fuel as possible and instead to use public transport or electric vehicles, in order to reduce the amount of petrol imported. Authorities warn that businesses that stockpile fuel or raise the price of petrol without government approval will be penalised. Since the start of this year, fuel prices have risen four times, causing increasing concern about the spiralling cost of consumer goods. Steady depreciation of the kip is making it even harder to curb the rising cost of oil imports and slow inflation. Motorists in Vientiane now pay 16,190 kip for one litre of premium grade petrol, 14,280 kip for regular grade petrol, and 12,520 kip for diesel. The retail price of fuel is made up of the world market price (48-63 percent), taxes and fees (31-46 percent), and the service fees charged by local businesses (6 percent). According to a Financial Post report last week, the oil price on the world market has soared to over US\$100 a barrel, with every sign it will rise higher due to a supply-demand mismatch. The surge in fuel consumption has compounded the fact that nations in the OPEC+ producer alliance are not managing to pump as much crude as they could. In addition, the situation in Ukraine has a large bearing on global fuel prices. Meanwhile in Thailand, the Thai government recently cut the excise tax on diesel by 3 baht per litre for a period of three months, down from 5.99 baht, to ease

the impact of high fuel prices. The rising cost of fuel is one of the main drivers of inflation in Laos. The cost of motorbike services in central Vientiane has risen following the latest increase in fuel prices. In 2016, Laos imported almost two billion litres of fuel, worth more than US\$1 billion.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent_Govt_36.php

High domestic consumption hikes up chickpea prices



Myanmar News | 21 February, 2022

The chickpeas supplied from various regions are abundantly flowing into the Mandalay market. The prices of chickpea are soaring on the back of strong domestic consumption, Mandalay traders stated. The large volume of chickpeas from Kyaukse, Patheingyi, Madaya, Singu, Sagaing, Myinmu and Monywa are placed in the market. The prevailing prices of chickpea touched a high of K116,000 per three-basket bag whereas it fetched only K80,000 per bag during the year-ago period, according to the Soe Win Myint depot. "Majority of Myanmar people prefer chickpea for its nutrients and rich taste. Chickpea curry is one of the dishes in the food donation as well. The high demand for chickpea in the domestic market prompts all the mills in Mandalay to run, creating job opportunities for residents. Additionally, those merchants are filling the inventory and the buyers from India are also purchasing them. The yield is pretty high this year

due to good weather and the peas are free from pests. The yield rate is expected to increase 10 per cent compared to those recorded in 2021," he explained. Chickpea is primarily cultivated in the upper Myanmar regions and it is also found in Bago Region in the lower Myanmar. Chickpeas (V2, V7 and 927 varieties) are commonly cultivated. At present, the prices of beans and pulses stand at K121,000 per bag for black gram, K124,000 per bag for pigeon peas, K108,000 per bag for green gram, K142,000 per bag for kidney bean, K97,000 per bag for rice bean, and K3,300 per viss (a viss equals 1.6 kilogrammes) for peanut. — Min Htet Aung (Mandalay Sub-Printing House)/GNLM

Source: <https://www.gnln.com.mm/high-domestic-consumption-hikes-up-chickpea-prices/>

Honda Vietnam's motorcycle sales up, auto sales down in January



Vietnam News | 21 February, 2022

Hanoi (VNA) – Motorcycle sales of Honda Vietnam increased 4.3 percent in January while its auto sales decreased 12.1 percent compared to the previous month, the company has announced. This is the fourth consecutive month that the company's motorcycle sales have grown in the new normal. It sold 264,790 motorbikes of all kinds in the month, marking a year-on-year increase of 4 percent. The best-selling model was the Wave Alpha, with 43,860 units sold, accounting for 16.6 percent of Honda Vietnam's total motorcycle sales. The Vision was the most popular scooter, with 63,136 units sold, or 23.6

percent. The joint venture also exported 12,336 motorcycles in the month. It delivered 3,771 automobiles to buyers in January, down 12.1 percent against December but up 25.1 percent from the same period last year. Sedan City led all brands in the Honda Vietnam sales of 1,745 units, making up 46.3 percent of its automobiles sales./

Source: <https://en.vietnamplus.vn/honda-vietnam-motorcycle-sales-up-auto-sales-down-in-january/222377.vnp>

Vietnamese overseas investment soars in January



Vietnam News | 21 February, 2022

VOV.VN - Local enterprises invested a total of US\$36.9 million abroad in January, representing a 11.7 fold-increase compared to the same period from last year, according to figures given by the Ministry of Planning and Investment. During the course of this period, firms received investment licenses for 15 projects worth roughly US\$44.2 million, an increase of 14 times against last year's corresponding period. Of the figure, US\$9.19 million was added to one project, while another project was adjusted to decrease capital by a total of US\$16.4 million. Capital outflows were mainly poured into nine industries, with the mining sector taking the lead with a new project capitalized at US\$35.54 million, followed by the financial and banking sector with US\$9.19 million, in addition to the wholesale and retail and transportation and warehousing sectors. Most notably, Laos was the largest recipient

of Vietnamese overseas investment in the reviewed period, making up 25% of the country's overall investment abroad with US\$48.23 million, trailed by the United States with over US\$7.8 million, China, the Republic of Korea, and Japan. As of January 20, the nation had 1,463 valid overseas investment projects with a total investment capital of over US\$20.9 billion. According to economic experts, amid the complicated developments regarding the COVID-19 pandemic, Vietnamese overseas investment has been on an upward trend, which has helped elevate the status of local enterprises in the wider context of international economic integration.

Source: <https://english.vov.vn/en/economy/vietnamese-overseas-investment-soars-in-january-post925507.vov>
