

Highlight News / March 22, 2022



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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

Best Logistics Technology's cross-border delivery from Thailand to Cambodia



Cambodia News | 21 March, 2022

Best Logistics Technology supports cross-border delivery from Thailand to Cambodia. In addition, it also does cross border deliveries to China, Malaysia, Vietnam and Laos and Myanmar is the next destination Best Logistics Technology (Thailand), the operator of express delivery service Best Express, is expanding its reach on large goods shipment services and factory customers while gearing up to optimise its work processes in the face of intense competition and business challenges. Best Express started operations in Thailand in 2020, the first overseas investment destination by its Chinese parent Best Inc, which is one of the top three smart logistics and supply chain operators in that country. The firm set out a budget of 5 billion baht for investment in Thailand from 2020 to 2025. Best Express ranks in the top five express delivery service providers in Thailand and aims to reach the top three by 2025, said Jason Qian, chief executive and president of Best Logistics Technology (Thailand). "Thailand's express delivery segment will continue to grow despite challenges brought by economic turmoil affecting the volume of parcels being shipped, particularly from e-commerce channels. I expect the situation will rebound in the second half of this year," he said. In 2021, the local express delivery market was valued at 50 billion baht, about

half of the total logistics segment. In Thailand, 914 million parcels were shipped last year with an 8% unit market share by Best Express. The firm operates two main business units: Best Express for express delivery services and Best Supply Chain for warehouse management and cross-border services. Best Express, which has around 1,000 franchisees across the country, last year handled around 300,000 parcels per day and it aims to double that tally this year, said Mr Qian. The firm is expanding its reach to large item delivery, including items weighing up to 300 kilogrammes, to serve rising demand, he said. This segment includes furniture and large consumer electronic products. The company is also gearing up to serve delivery for factories including multiple parcels, particularly in the automotive and electronics sectors, said Mr Qian. These factories can send their items to multiple destinations on one bill. "We chose Thailand as the first country for expansion a few years ago due to the geographic advantage," said Mr Qian. "We will continue to expand our footprint in the region to support cross-border e-commerce growth." The company's cross-border delivery system assists clients in calculating related taxes and shipping fees, he said. The Regional Comprehensive Economic Partnership (RCEP) trade pact comprising 15 countries, including China and Asean member states, came into force at the beginning of this year, forming the world's biggest free trade area. According to the World Bank, the agreement covers 2.3 billion people or 30% of the global population

and contributes US\$25.8 trillion or 30% of the global GDP. The group also accounts for \$12.7 trillion or more than ¼ of the global trade in goods and services. The agreement aims to eliminate 90% of the tariffs on imports among members and improve the supply chain process. “This pact will help fuel growth in cross-border e-commerce,” said Mr Qian. The company wants to invest more in fulfilment centres in various countries and connect with Chinese e-marketplaces to support product delivery to Asean, he said. Mr Qian said e-commerce accounts for only 8% of Thailand’s total retail market, compared with 50% in China and 30% in the EU and US. “I think Thailand’s online retail can make up 20-30% of the total retail market within five years,” he said. To boost e-commerce growth, it is important to reduce transport cost and enhance physical transport facilities, said Mr Qian. “In China, we have multiple types of transport networks and economy of scale in terms of population. We embrace technologies to increase efficiency and use optimisation strategy to help lower delivery cost,” he said. Mr Qian said the company will adopt automated machinery to reduce labour cost and increase efficiency. High import taxes for automated machinery could be a challenge, he said, but if this burden is eased it could stimulate businesses to invest more in new technology. Since last year, Best Express has deployed electric tricycles to support delivery in Pattaya. Using electric vehicles (EVs) for delivery is still challenging because of the lack of charging points, said Mr Qian. The government’s

recent EV incentive package is useful as it could subsidise the cost of EVs, he said. The company is scaling up efforts to optimise its process and sorting centres as well as embrace automation and artificial intelligence technology to help reduce total cost for delivery services amid intense competition, said Mr Qian.

Source: <https://www.khmertimeskh.com/501044781/best-logistics-technologys-cross-border-delivery-from-thailand-to-cambodia/>

Cambodia mobile payments surge in 2021



Cambodia News | 21 March, 2022

Covid-19 pandemic, together with a rise in FinTechs and Internet usage, has driven sharp growth in mobile payments in Cambodia, the central bank’s senior official and company representatives said. Chea Serey, Deputy Governor and Technical Director General of the National Bank of Cambodia, said the country recorded a total of 707.57 million online payment transactions worth \$113.67 billion in 2021, up 46.7 percent and 19 percent, respectively, from 482.14 million transactions worth \$95.31 billion in 2020. Of the last year’s transactions, 157.63 million transactions were made in national currency riel worth \$34.3 billion, up 25 percent and 54 percent, respectively, from 126.13 million transactions worth \$22.25 billion in the year before, she was quoted as saying in a Xinhua report. “Covid-19 situation has encouraged more people to use mobile and electronic payments rather than cash,” Serey said.

“Younger generations tend to use more modern methods such as online payments rather than paying by cash.” Currently, there are 69 financial institutions providing mobile payment services in the Southeast Asian nation, she said, adding that there was a total of 13.6 million mobile payment users in 2021, up 42 percent from 9.56 million in 2020. The Kingdom has approximately 17.7 million Internet subscribers, according to the Telecommunication Regulator of Cambodia. Speaking of cooperation between Cambodia and China in the mobile payment industry, Serey said currently, Alipay and WeChat Pay are accepted in Cambodia. “In the future, Cambodia will seek the possibility of cross-border payment via Bakong between Cambodia and China,” she said. Bakong is the Kingdom’s only all-in-one mobile payment and banking app. Paul Kim, managing director of Mayura, an online marketplace platform for beauty and health products, agreed that the pandemic proved to be a blessing in disguise for the development of mobile payment sector. He said when his company first launched in early 2020, more than 95 percent of the customers chose the “cash on delivery” payment method when they checked out. “But, today, roughly 30 percent of our customers use one of the various cashless payment methods available on our platform when they check out,” he said. “We are observing this change in consumer behaviour very closely and are excited to see how it continues to evolve in the years to come.” Paul said due to the pandemic, the e-commerce industry has gained tremendous traction, which, in turn, has a

ripple effect on the FinTech industry. “As professionals in science and medicine tell us that we will be living with COVID-19 for the foreseeable future, these changes in consumer behaviour are with us to stay,” he said. “In the next year or two, we are expecting an even greater growth for the e-commerce industry in Cambodia and, in turn, wider adoption of digital payment methods.” Mak Chamroeun, chairman of AgriBee (Cambodia) Plc., a value chain management platform that facilitates all stakeholders in the agriculture sector, said digital payments are convenient, fast and safe, particularly during the pandemic. “For our company, 100 percent of all key stakeholders are using digital payment through BeeApp,” he said.

Source: <https://www.khmertimeskh.com/501044984/cambodia-mobile-payments-surge-in-2021/>

Govt to source more investment to boost agricultural exports



Laos News | 22 March, 2022

The government has pledged to secure more investment from China in the agriculture and forestry sector, using the potential offered by the Laos-China Railway to boost exports. Last year, more than 300 Chinese companies expressed interest in investing in the agriculture and forestry sector of Laos, with the investments expected to touch US\$1 billion due to the export potential provided by the railway, the Minister of Agriculture and Forestry, Dr Phet Phomphiphak, said. Dr Phet was quoted by China

Radio International recently as saying that exports of Lao agricultural products to China had increased significantly. “I observe that trade and investment cooperation between Laos and China has grown continuously and we will further broaden cooperation in this area from now until 2025,” he said. “We will continue to negotiate with China to ensure that more agricultural produce such as rice, other crops and livestock can access the Chinese market. This year, we expect to negotiate the sale of 20 more agricultural products to China.” Last year, Laos earned more than US\$900 million from the export of agricultural products, reaching 82 percent of the target set for 2021. Key export products included bananas, rubber, cassava, sugarcane, watermelons, cattle and buffaloes, with China being the largest purchaser. Although the export of goods via the railway is seen as convenient and quick, very little agricultural produce is currently transported this way. Some 400-600 trucks loaded with produce head to China each day, but many of them are currently stranded at the border. President of LS Trading Import-Export Company, Mr Somxai Duangchaleun, said that only iron ore, dried cassava and cassava powder are being transported via the railway to China. A train loaded with these goods leaves Vientiane each evening and arrives in Kunming, China, the following morning. “Other Lao products, notably sweetcorn and watermelons,

should also be shipped by rail so that crops don’t go rotten because of delays,” he said. Mr Somxai urged the Laos-China Railway Company Limited to run more train services to meet the high demand for the shipment of agricultural produce. On some days, only one train carries produce, while on other days there are three trips. The sectors involved have been urged to strengthen cooperation to ensure that more agricultural produce is transported by rail to bolster trade between Asean and China. The Laos-China Railway, which recently marked 100 days of successful operation, has carried more than 360 cross-border freight trains and transported more than 280,000 metric tons of international freight. Goods transported by the railway have reached Laos, Cambodia, Myanmar, Vietnam, Thailand, Malaysia, Singapore and Bangladesh. The railway has also transported more than 1.8 million passengers.

Source:https://www.vientianetimes.org.la/freeContent/FreeContenten_Govt_to_56.php

Myeik tourism businesses near extinct on hike fuel prices



Myanmar News | 22 March, 2022

ONCE-POPULAR Myeik Archipelago destination in Taninthayi Region crowded with the visitors attract only the small number of visitors and tourism businesses have nearly come to a halt, said a tourism entrepreneur. “Soaring fuel oil prices hinder

the business as it added extra charges on motorboat ride to tour around the islands. The transport charges increase from K100,000 to 150,000 per person," he continued. The tourism business which seemed to revive one month ago turned out sluggish again due to the COVID situation and security concerns. "Myeik Archipelago tourism business has nearly stopped since 2020. Omicron variant and the political instability are contributing factors to the suspension of the business", a tour operator quoted in his sayings. There are 800 islands in Myeik Archipelago and the famous spots are Smart Island, Bailey Island, Kyalleik Island, Padan Island, Lay Island, Donenyaunghmine Island and Don waterfall. The enchanting coastline, picturesque views, natural pebble beach, sandy beach, observing the culture, tradition, customs and living styles of Salon people and Kayin ethnic people are the tourist attractions in the Myeik Archipelago. Additionally, the visitors can enjoy fun sporting activities such as cycling, swimming, diving and snorkelling, fishing, studying natural rainforest and fishing businesses. Visitors rarely use road transport amid security concerns and the pandemic. Additionally, only those individuals who have an urgent case fly with flights to the Myeik Archipelago. The Islands tour does not have any customers, for now, said a tour operator. There were approximately 40 tour companies who have been offering service to Myeik Islands. Now, only ten have survived. —Myint Oo (Myeik)/GNLM

Source: <https://www.gnlm.com.mm/e-paper/>

Vietnamese games open up opportunities for young people



Vietnam News | 21 March, 2022

According to the latest report of the Ministry of Information and Communications, the total revenue of Vietnam's game industry in 2021 is estimated at 14,500 billion VND, up 11% over 2020. However, actual revenue is much higher. The value of the global game market in 2020 was 110 billion USD, growing 15.8%/year. What is the highest value of the Vietnamese mobile game market? The answer is the global market because mobile games have no borders. A game released in Vietnam can be downloaded and played by millions of gamers around the world, and advertising money comes from all over the world. The game publisher will earn based on revenue from advertising on the game. "Vietnam is ranked seventh among mobile game publishing countries globally. If we try our best, Vietnam can raise its share in the global mobile game from the current 1.2% to 3-4%. This means that Vietnam's mobile game industry can reach 3.5 - 4.5 billion USD/year," said Mr. Do Cao Bao, co-founder and member of the Board of Directors of FPT Corporation. In 2021, Vietnam emerged as a "capital" of blockchain games and NFT games with games developed and published by Vietnamese, such as Axie Infinity, My DeFi Pet, Theta Arena, Mytheria. According to experts, with more mobile games funded by international investment funds, Vietnam can export its culture to the world and can

become the capital of games of the new generation. Mr. Nguyen Thanh Trung, CEO of Sky Mavis, the owner of Axie Infinity, said Vietnam is one of the fertile markets for the game industry, with the advantage of a young population who easily adapts and accepts the new wave of technology. The year 2021 saw the strong impact of blockchain games. Mr. Duong Vi Khoa, Vice President of the Vietnam E-Sports and Entertainment Association, said that Vietnam's game market is developing rapidly thanks to livestream technology, and has begun to develop into a competitive game system and is gradually being recognized as an electronic sport at many major competitions in the world and region such as the Southeast Asian Games and the Asian Games. A survey by Vero revealed that Vietnam has the highest percentage of adults playing games in the world, reaching 85%. It is estimated that the personnel serving the game industry is about 23,000 - 28,000 people, including full-time, part-time, and freelancers. The game industry is opening up countless job opportunities and enriching Vietnamese digital content businesses. With the strong development of the game digital content industry, Vietnamese businesses are very short of game-related personnel. "There are about 300 NFT games under development at present, but good studios in Vietnam can't afford it. We have to postpone the release plan to the fourth quarter of 2022, six months behind schedule," said the director of an NFT game project. Currently, human resources for the game industry is very modest and has not met

the growth of the industry. Vietnamese businesses are forced to recruit personnel in foreign markets or outsource games. In the country, game production studios constantly seek employees such as Systems Designer, UI Designer, Game Developer, Game Designer... Positions with an attractive salary include game programmer, game designer with a salary of 449 million VND/year (nearly \$20,000), game developer with 187 million VND/year, game artist with about 389 million VND/year. Mr. Do Cao Bao said another reason is that the prejudice still exists, so that it is difficult for mobile game producing firms to attract talent. The stereotype that games are bad and playing games is harmful is the reason that universities in Vietnam do not have formal training programs and resources for developing mobile game applications, and parents do not help their children to develop mobile games. "The state management agencies have not yet recognized in official reports that mobile gaming is an industry in the digital economy, even though it generates billions of US dollars for the country. Without being recognized, there is no support, no development strategy, no strategy for human resource training for this sector," said Mr. Bao. Besides creating tens of thousands of jobs, the game industry also builds a creative industry, exploiting digital content from games. There are gamers and streamers such as ViruSs, Dung CT, Teacher Ba, PewPew, Xemesis, Linh Ngoc Dam, Nam Blue, Mixi Team, Cris Phan who earn high revenue from games (3.6-5 billion VND/year). According to Appota's Gaming Creators

Vietnam Overview, content creators when livestreaming on platforms, in addition to receiving a fixed stream salary, can share revenue from ad-breaks running on livestreams. Gaming is becoming an emerging industry in the digital economy, so it is necessary to change the way of thinking, and have a development strategy and investment in this digital industry. In 2021, the total revenue of the world gaming industry is estimated at 180.3 billion USD. It is forecast that in 2024, the whole industry will reach total revenue of 218.8 billion USD, including 116.4 billion USD from mobile games; 6.5 billion USD from cloud games; and 1.6 billion USD from eSports.

Source: <https://vietnamnet.vn/en/feature/vietnamese-games-open-up-opportunities-for-young-people-822903.html>

Anti-dumping investigation into cane sugar extended



Vietnam News | 21 March, 2022

NDO/VNA - The Vietnamese Ministry of Industry and Trade has decided to extend its investigation and application of measures against trade remedy circumvention on certain cane sugar products from some Southeast Asian countries. Previously, the ministry on September 21, 2021 issued Decision No. 2171/QD-BCT on the issue on some cane sugar products originating from Cambodia, Indonesia, Laos, Malaysia and Myanmar. The deadline for the investigation of the case will be May 21. According to customs data, the amount of cane sugar imported into Vietnam from the five above-said countries from

October 2020 to June 2021 rose sharply to 527,200 tonnes compared to 107,600 tonnes imported in the previous nine-month period. Recognising the situation, the ministry has supported the Vietnam Cane Sugar Association and the domestic cane sugar industry in collecting information, data and preparing files requesting an investigation in this regard, in order to protect the rights and legitimate interests of domestic companies in the field.

Source: <https://en.nhandan.vn/business/item/11304102-anti-dumping-investigation-into-cane-sugar-extended.html>