

Highlight News / April 27/2022



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Cambodia FDI surges

11.2 percent in 2021



Cambodia News | 26 April, 2022

The foreign direct investment in Cambodia registered a growth of 11.2 percent in 2021 compared to the previous year, according to a report from the National Bank of Cambodia yesterday. The investment from China, South Korea, Vietnam, Singapore, Japan and Malaysia in the sectors of finance, manufacturing, real estate, hotel and restaurant, agriculture, and construction helped register an impressive growth last year. Cambodia received a total FDI of \$41 billion last year. The licensed FDIs mainly flowed into manufacturing, electricity, finance, real estate, hotel and restaurants, agriculture, and construction. Meanwhile, a significant share of FDI went to the financial sector with a \$9.4 billion investment, representing 22.9 percent of the total investment. China was the largest source of registered foreign investment, with \$18 billion or 43.9 percent of the total registered investment capital. South Korea ranked second with a registered investment capital of \$4.9 billion, followed by Vietnam and Singapore at US\$2.5 billion and \$2.7 billion, respectively. Sok Chenda Sophea, Secretary-General of the CDC, explained how the government is working to rejuvenate Cambodia's economy and continue its upward trajectory post Covid-19. "On 22 December 2021, the government launched an important document called the strategic framework and programme for post-covid recovery

2021-2023, in which the three pillars are based on the 3Rs – Recovery, Reform, Resilience. The framework concerns a broad range of socio-economic matters, not least economic expansion. The second R stands for Reform – Economic diversification, trade facilitation, upcoming law on Special Economic Zones and implementation of the new investment laws." The government's adoption of a more liberal foreign investment regime, which is already garnering a lot of attention both regionally and globally, aims to raise the bar further and create an even more conducive environment for investors. The legislature around investment includes 100 percent foreign ownership of companies, corporate tax holidays of up to nine years, 150 percent cost deduction on human resources and employee welfare purchases, duty-free import of capital goods, and no restrictions on capital repatriation. Hong Vannak, an economic researcher at the Royal Academy of Cambodia, told Khmer Times that an 11.2 percent increase in FDI is a positive sign for Cambodia, even though the effect of Covid-19 is not over. "This growth is not accidental, it is a clear consideration of the Cambodian government, and it is a policy to attract foreign investors. Cambodia has been an island of peace for decades without war. There are no natural disasters that affect the investment infrastructure. Good diplomatic relations with a flexible and progressive approach for increasing investor confidence also helped." "Besides, the Cambodian government has drafted new investment laws to establish relations with

Asean countries and other nations within the framework of the RCEP and WTO," he added.

Source : <https://www.khmertimeskh.com/501063578/cambodia-fdi-surges-11-2-percent-in-2021/>

ADB focuses on health, clean energy, roads in Cambodia



Cambodia News | 26 April, 2022

The Asian Development Bank committed \$25 million to strengthen Kingdom's health system. The funding will enhance laboratory services and infection prevention control at 81 provincial and district referral hospitals across the country. The Asian Development Bank (ADB) published its annual report, highlighting its operations and financial results in 2021. In the report, ADB also provided details of its various projects and programs in Cambodia last year. To tackle the Covid-19 pandemic in Southeast Asia last year, ADB said it made strategic investments to reinforce national health systems, services, and programs to provide greater protection for vulnerable populations in times of crisis. In Cambodia, ADB committed \$25 million for a project to strengthen the country's health system. The bank noted that the funding will enhance laboratory services and infection prevention control at 81 provincial and district referral hospitals. Under the same project, ADB has been administering a \$5 million grant from the Japan Fund for Prosperous and Resilient Asia and the Pacific (JFPR) to improve emergency care at 14 provincial hospitals. The grant will fund new

equipment and train health staff on identifying and supporting people affected by gender-based violence and mental health issues. Last year, the bank also supported the private sector in scaling up clean energy infrastructure. In the Kingdom, ADB provided a \$4.7 million non-sovereign loan to Prime Road Alternative Company Ltd. to develop and operate a 60-megawatt solar power plant in Kampong Chhnang Province. The project is expected to reduce greenhouse gas emissions by nearly 111,000 tonnes a year. The bank said it continued to tackle urban challenges across Southeast Asia, including investments to improve solid waste management, expand safe water supply and sanitation, and decongest road network choke points. In Cambodia, ADB committed \$180 million so that around 140,000 residents living in Bavet, Kampot, and Poipet can benefit from better wastewater and solid waste management services. "The project will also help reduce flooding in the cities by upgrading urban stormwater and drainage systems. The project includes a grant of \$2 million from the JFPR to develop municipal government capacity in urban and infrastructure planning," the bank said in the annual report. It pointed out that the rural and remote communities across Southeast Asia have often found themselves cut off from medical and other critical services during the Covid-19 pandemic. To address this issue and support the longer-term recovery in the region, ADB has been investing in improvements to road connectivity and access to markets for millions of rural residents. The

bank committed \$82.1 million in Cambodia to make 48 km of national and provincial roads less susceptible to damage caused by climate change, natural hazards, and vehicle overload. The bank said this investment would better connect about 2.5 million people in the provinces of Prey Veng and Kandal to markets and income-earning opportunities. The project, which is along the Greater Mekong Subregion (GMS) Southern Economic Corridor, will also expand access to education, health, and other public services for remote communities. ADB pointed out that its support for strengthening governance and institutional capacity in Southeast Asia is highlighted by three significant investments in 2021. In Cambodia, the bank committed a \$40 million policy-based loan to expand access to credit for micro, small, and medium-sized enterprises and support reforms to boost financial stability and upgrade finance sector infrastructure. ADB said it is also supporting upgrades to outdated payment systems through the program. ADB has also been working to intensify integration between countries in Southeast Asia to help accelerate the region's green and inclusive recovery from the Covid-19 pandemic. Regionally, ADB provided technical assistance to promote the competitive, efficient, and seamless movement of goods in Southeast Asia. It said the project would build the capacity of customs administrators in Cambodia and the Lao People's Democratic Republic to implement select provisions of the World Trade Organization Trade Facilitation Agreement. It will also help the two

DMCs strengthen their engagement with the private sector. ADB said its knowledge work on agriculture and rural development included events on mapping rice plots and crop yields amid lockdowns in Cambodia, on policy responses to ensure food security in the wake of the COVID-19 pandemic, and promoting better nutrition post-pandemic. The bank also provided regional technical assistance to assess the impacts of the pandemic on food and nutrition security and rural livelihoods across Asia and the Pacific and to help DMCs mobilise investments for a greener and resilient recovery of agri-food value chains and rural economies, the report added.

Source : <https://www.khmertimeskh.com/501063773/adb-focuses-on-health-clean-energy-roads-in-cambodia/>

Tariff MOU successfully signed for Pak Beng Hydropower Project



Laos News | 27 April, 2022

Two investors in the Lao Mekong Pak Beng Hydropower Project, China Datang Overseas Investment Co., Ltd. (China Datang) and Gulf Energy Development Public Company Limited (GULF) as the Project Co-Sponsor, officially signed a tariff Memorandum of Understanding (Tariff MOU) for the Pak Beng Hydropower Project in Laos with the Electricity Generating Authority of Thailand (EGAT), on Monday in Bangkok, Thailand. The MOU is an important step in securing the electricity sale market and has laid a solid foundation for the full

implementation of the Pak Beng Hydropower Project (HPP). The Pak Beng HPP, located on the main stream of the Mekong River in Xayaboury and Oudomxay provinces of Laos, is a key project of the China-Laos Economic Corridor. Its smooth implementation will provide strong support for the building of a China-Laos community with a shared future. Since the beginning of 2022, China Datang has overcome the serious impact of the Covid-19 epidemic abroad. The company strictly implemented the development goals of “high standards, sustainability, and benefitting people’s livelihoods” under China’s “Belt and Road” initiative. It strengthened the risk prevention and control network, and actively practised the China Datang Corporation’s guideline of “seizing resources and accelerating green transformation”, through “special assigned responsibility and system guarantee” to fully promote the development of the Pak Beng HPP. The company strives to build the project into a “Model Project” and “Masterpiece Project” in Southeast Asia, with green energy construction serving Laos as the development orientation of “Southeast Asia battery”. It will help the development of Laos’ electric power industry, and bring common benefits for local people, while promoting local economic and social development.

Source : https://www.vientianetimes.org.la/freeContent/FreeContent79_TariffMOU.php

Rice exports through border show big slump in past mini-budget period



Myanmar News | 26 April, 2022

According to the Myanmar Rice Federation, rice and broken rice exports through border trade channels drastically plummeted. Myanmar delivered more than 1.4 million metric tons of rice and broken rice in the past mini-budget period (October 2021-March 2022). Maritime trade performed the best with an export volume of over 1.3 million tonnes, while only 76,000 tonnes were sent to neighbouring countries via border. Due to the virus strict policy, China restricted Myanmar trucks and drivers from entering its side through the Muse land border. Only Chinese short-haul service is available now to transport Myanmar goods to China through the Kyinsankyawt post. As a result, the cost of Chinese short-haul trucking tremendously rose to K10 million per truck, whereas the trucking was worth only K700,000-K800,000 when Myanmar truckers were allowed to enter China, rice traders stressed. About 10,000 bags of rice and broken rice are daily delivered to China via the Muse cross-border post, whereas earlier, the export volume to China was approximately 60,000 bags per day. Consequently, exports of only 76,000 tonnes were seen in border trade in the past mini-budget period. China shut down all the checkpoints linking to the Muse border amidst the COVID-19 pandemic. Of the checkpoints, Kyinsankyawt has resumed trading activities from 26 November on a trial run. Myanmar daily delivers

rubber, various beans and pulses, dried plum, watermelon, muskmelon, pumpkin and other food commodities to China through the Kyinsankyawt border. Myanmar exported rice to 13 foreign markets, mainly to Ivory Coast with over 400,000 tonnes, followed by China with 220,000 tonnes and the Philippines with over 130,000 tonnes. Similarly, Myanmar shipped broken rice to 10 countries, primarily to China with 210,000 tonnes, followed by the Netherlands 160,000 tonnes and Belgium 79,000 tonnes. Myanmar exported two million tonnes of rice worth US\$700 million to the foreign trade partners in the 2020-2021 Financial Year. — NN/GNLM

Source : <https://www.gnln.com.mm/rice-exports-through-border-show-big-slump-in-past-mini-budget-period/#article-title>

Under-4-percent inflation rate tough to complete: Experts



Vietnam News | 26 April, 2021

Hanoi (VNA) – Vietnam is likely to complete its target of 6.5 percent in economic growth for 2022, but the goal of keeping the inflation rate under 4 percent is tough, according to Assoc. Dr. To Trung Thanh from the National Economics University (NEU). The increase in commodities' prices as well as the hike in power prices due to the Russia-Ukraine conflicts are affecting domestic production cost, causing pressure on inflation in 2022, Thanh said at a national symposium to evaluate the Vietnamese economic performance and outlook for 2022, which was held in Hanoi on April 25. Thanh noted that the 45 percent

increase in petrol price will cause a rise of 0.6 percent in the consumer price index (CPI) and about 2 percent in the producer price index (PPI). Since the environmental tax rate was cut from April 1, petrol price has been up by about 41 percent, leading to a 0.5 percent rise in CPI and 2.2 percent in PPI. According to the Vietnam annual economic report 2021, the successful control of the COVID-19 and the economic support package will help Vietnam complete the target of 6.5 percent in economic growth in 2022. However, the major economic development motivation will continue to be foreign trade, with great contributions from processing-manufacturing and export activities. Amid the difficulties facing the private sector, the public sector is likely to make great contributions to economic growth in the year, it said, adding that the reopening of the economy will help speed up the recovery of service sector, thus promoting economic growth. The report recommended that the Government should stick to three principles while designing policies, including focusing on economic recovery and sustainable economic development amid COVID-19, ensuring economic balance, and prioritising the business sector to create favourable conditions for its post-pandemic recovery and development. Regarding policies to support enterprises, the report underlined the necessity to give more practical assistance to the right recipients by narrowing the eligible beneficiaries basing on the level of the pandemic's impacts they suffer. As for the expansion of fiscal support, the report's research

team proposed that the stronger assistance should be given to the business sector, focusing on dealing with the interruption of supply chain and rise in production cost./.

Source : <https://en.vietnamplus.vn/under4percent-inflation-rate-tough-to-complete-experts/227568.vnp>

Vietnam's logistics must keep up with international standards



Vietnam News | 26 April, 2022

Hanoi (VNS/VNA) - There has been great pressure on Vietnam's logistics industry to train, retrain and upgrade workers' knowledge as well as to keep up-to-date with international standards and measures, according to the Vietnam Logistics Business Association (VLA). In a recent survey by VLA, 59 percent of businesses asked said they need to train their workers on modern quality management systems such as ISO 9001, ISO 14001, ISO 17025, HACCP, and ISO 22000. Meanwhile, industry experts have said it's high time Vietnam established its own quality management system that is tailor-made to include small-and-medium-sized businesses, the country's infrastructure characteristics, means of transportation, and energy consumption. VLA President Le Duy Hiep said the Government has started working on an occupational standard for the industry's jobs. Once completed, the standard will be the foundation of the industry's recruitment and training process. According to a report by the World

Bank, Vietnam's logistics industry has made much progress in the last three decades. The country's criteria including customs, infrastructure, and logistical capacity have improved significantly. The Southeast Asian economy's Logistics Performance Index (LPI) ranked 3/10 among the bloc's member countries in 2018, after Singapore and Thailand. The industry was said to account for 5-6 percent of the country's GDP by 2025 with a growth rate of 15-20 percent. Meanwhile, the industry has set an objective to bring costs down by 16-20 percent and join the world's top 50 in LPI ranking. In order to realise the vision, it's crucial for the industry to introduce a quality management system and standard, which help ensure the flow of goods to and from the country. Standardisation is said to play an important part in bringing down costs and improving the industry's ability to compete internationally as well as a focus on human resources and a skilled workforce. The business association advised firms to start building their own quality monitor and control systems, adopt international practices and models, and improve their internal capacity to inspect and adjust operations. It also placed great importance on communicating with the workforce to raise morale and personal commitment to the success of the organisations. VLA said from now, with the modernisation of logistics, industry workers should

expect greater responsibility and demand to perform highly complex tasks./.

Source : <https://en.vietnamplus.vn/vietnams-logistics-must-keep-up-with-international-standards/227570.vnp>
