

Highlight News / June 08/2022



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- Laos' international standard dry port receives funding boost
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Int'l air tourists to Cambodia surge 244 percent Q1



Cambodia News | 7 June, 2022

The number of foreign tourists arriving in Cambodia by air increased remarkably in 2022 after the government lifted Covid-19 restrictions, the Ministry of Tourism has said. Cambodia's three international airports handled 131,864 passengers between January and April this year, which is 243.9 percent compared to the same period last year, according to a report. The Phnom Penh International Airport handled 113,406 tourists during this period – an increase of 261.5 percent, while Siem Reap International Airport and Kong Keng (Sihanouk) International Airport handled 15,171 and 3,287 foreign tourists respectively. Sin Chan Serey Vutha, under-secretary of state and spokesman at the State Secretariat of Civil Aviation, attributed the significant increase to the country's full reopening buoyed by high vaccination rates. "By fully reopening, more airlines – both local and foreign – have restarted service, offering more choices of travel to air passengers," Vutha said. In the pre-pandemic years, the Chinese topped the list of foreign tourists in Cambodia, but now China has strict restrictions in place to fight Covid-19. Chinese immigration authorities have said they enact tighter overseas travel policies, including restrictions on non-essential travel and passport approvals, to prevent the spread of COVID-19. Tourism is one of the four pillars supporting Cambodia's economy. Before the

pandemic, the country attracted up to 6.6 million international tourists in 2019, generating gross revenue of \$4.92 billion, according to the tourism ministry. Cambodia has fully resumed its social and economic activities and reopened its borders to fully vaccinated travellers without quarantine since last November after most of its 16 million population had been vaccinated against COVID-19. Thong Khon, Minister of Tourism, said recently that the Kingdom expects to receive at least 800,000 to one million international tourists in 2022 based on the success of the government's strategy to control the Covid-19 situation.

Source : <https://www.khmertimeskh.com/501089249/intl-air-tourists-to-cambodia-surge-244-percent-q1/>

Goods transport up, but shipping cost too rising



Cambodia News | 7 June, 2022

Transportation of goods to and from Cambodia has significantly improved since the government decided to reopen the economy in November 2021 after the Covid-19 shutdown. Sin Chanthy, president of Cambodia Freight Forwarders Association, told Khmer Times that the country's export-import shipments have increased this year due to unhindered transportation but shipping costs have also gone up between 15 and 20 percent following the rise in fuel prices. He said that the transport sector is facing three serious challenges. "First, it is the rising cost of shipping to other countries in the region and outside. The second problem is the lack

of containers at ports. The third challenge is the war between Ukraine and Russia that has pushed up the prices of fuel,” Chanthy said. However, he added, “But we think that goods transportation will decline in Europe and the United States, and that will divert trade back into this region.” “At the beginning of April 2022, shipping costs showed an increase of 15 to 20 percent and hence the profits declined. Overall, shipping costs are not expected to decrease at any time near because fuel prices have been rising for some time,” he said. Recently, the Ministry of Public Works and Transport focused on four Asean framework agreements to improve regional transportation. These agreements include the Asean Framework Agreement on Freight Transit, the Intergovernmental Agreement on Transport of Goods, the Multimodal Transport Agreement and the Agreement for Transport of Passengers by Land.

Source : <https://www.khmertimeskh.com/501089252/goods-transport-up-but-shipping-cost-too-rising/>

Laos’ international standard dry port receives funding boost



Laos News | 8 June, 2022

The Thanaleng Dry Port, part of an integrated logistics facility in the capital Vientiane, has received new financing for its development and equipment costs to modernise and deliver world-class services. The International Finance Corporation (IFC), as the lead arranger, has arranged a financing package of US\$67 million to fund the development, construction, and equipment costs of the dry port, which is part of

the country’s first-ever integrated Vientiane Logistics Park (VLP). A signing ceremony for the financing took place on Tuesday at the dry port site. Open for service since December last year, the dry port and logistics park will set new standards for Laos’ logistics infrastructure and help drive cross-border trade, signalling a major shift from sea trade to road and rail for landlocked Laos. Developed with IFC’s advisory and financing support, once completed, the Thanaleng Dry Port will offer access to efficient and cost-effective logistics services, increasing competitiveness and establishing a new trade hub in the Southeast Asian region. Under the new financing, IFC - a member of the World Bank Group - will contribute US\$27 million from its own account, with development finance institutions and international lenders providing the remaining amount. A loan of US\$21 million—part of the IFC-led financing package—will be provided through the Blended Finance Facility under the International Development Association’s Private Sector Window, set up to catalyse investment in low-income and fragile countries. The IFC-led funding follows its earlier advisory engagement in 2021, where it helped structure a BOT (build, operate and transfer) project—under a 50-year concession agreement with the government—to attract experienced operating and financing partners. IFC advised the project developer and sponsor, Sitthi Logistics Company Limited, on strategies to mitigate various project risks and strengthen the project’s bankability. IFC also helped the client align the project to IFC’s

performance standards—a widely adopted international benchmark for identifying and managing environmental and social risks. “While long-term funding for infrastructure projects is not available locally, with IFC’s support, the project has been structured in line with best international practices to make it bankable for global lenders,” said the Chief Executive Officer (CEO) of Sitthi Logistics Company Limited, Chanthone Sitthixay, who is also Chairman of Vientiane Logistics Park Co., Ltd. “The integrated logistics facility will help reduce costs and time for cross-border trade, contributing to the government’s strategy to turn Laos from a land-locked to a land-linked country and allowing it to emerge as a new export base in manufacturing and agriculture.” This critical infrastructure will facilitate a major increase in trade between China and Laos, as well as transit trade between China and Thailand, Malaysia, and Singapore, spurring a major shift from sea trade to road and rail passing through Laos with the completion of new cross-border railway lines in the next few years. “This first of its kind project in Laos shows that well-structured projects, even in a small market like the Lao PDR, can unlock international funding, and serve as a valuable model for future infrastructure projects in Laos and other developing countries,” said Isabel Chatterton, IFC Infrastructure Regional Director for Asia and the Pacific. “The use of blended finance helps IFC support higher risk projects with promising sustainable and strong development impacts. Strong logistics infrastructure is key to increasing

Laos’ competitiveness, enabling it to become a regional hub for connectivity, creating jobs and driving economic growth.” The new funding agreement was signed at the Thanaleng Dry Port site by Vikram Kumar, IFC’s Infrastructure Business Development Manager for Asia and the Pacific, and Chanthone Sitthixay, CEO of Sitthi Logistics Company Limited. Minister of Public Works and Transport Viengsavath Siphandone witnessed the signing, which was also attended by representatives of related government agencies, private businesses, and key international organisations.

Source : https://www.vientianetimes.org.la/freeContent/FreeContent18_Laosinter.php

Myanmar earns US\$3.56 million at Myanmar-Bangladesh border trade camps in May



Myanmar News | 7 June, 2022

The two Myanmar-Bangladesh border trade camps — Sittway trade camp and Maungtau border trade camp — earned \$3.56 million from border trade in May 2022 and that amount was higher than in April, according to the Rakhine State Chambers of Commerce and Industry. In May, Myanmar exported \$3,565,708 worth of products (7,310 metric tons) to the Teknaf jetty of Bangladesh and imported products worth \$9,540. The country exported \$1.9 million worth of marine products and it was about 55 per cent of trade volume in May. Moreover, it exported more than 1,500 tonnes of rohu from Yangon and Ayeyawady fish farms worth \$1.81

million. The products of Rakhine State such as areca nut, coconut and other things including the products from other regions and states like palm fruit jam, ginger, onion and other crops are also exported to Bangladesh. Although the import volume was low, the officials imported \$750 worth of 5,000 T-shirts to the Sittway trade camp and \$8790 worth of products including PVC pipes to the Maungtaw border trade camp. The trade camps made \$2.86 worth of trade in April and the export was more \$700,000 than the previous month. — TWA/ GNLM

Source : <https://www.gnml.com.mm/myanmar-earns-us3-56-million-at-myanmar-bangladesh-border-trade-camps-in-may/>

Vietnam's Jan-May trade surplus at \$430m – Customs Department



Vietnam News | 7 June, 2022

HANOI: Vietnam recorded a trade surplus of \$430 million in the first five months of this year, according to government customs data released on Tuesday. Exports in the January-May period rose 16.7% from a year earlier to \$153.29 billion, while imports rose 15.3% to \$152.86 billion. dollars, the Customs Department said in a report. In May, the country's exports fell 7.5% from April to \$30.81 billion, while imports rose 1.4% to \$32.91 billion, the official said. department.

Source : <https://www.uktimenews.com/vietnams-jan-may-trade-surplus-at-430m-customs-department/>

EVFTA helps push up Vietnam's spice, fruit, vegetable export to EU



Vietnam News | 7 June, 2022

Hanoi (VNA) – Vietnam has many more opportunities to increase export of fruits and vegetables to the European Union - the world's largest market, thanks to tariff incentives brought by the EU-Vietnam Free Trade Agreement (EVFTA), according to analysts. Before the EVFTA took effect, Vietnam's vegetables and fruits exported to the EU market enjoyed preferential tax rates under the Generalised System of Preferences (GSP), but still at a relatively high level of 10-20 percent. However, after this agreement came into effect, the EU offers a substantial reduction of about 94 percent out of the total 547 tax lines on fresh and processed vegetables and fruits, including those of Vietnam's strength. This brings about a huge advantage for Vietnam to compete against agricultural products of other Asian countries, especially Thailand and China that do not have FTAs with the EU. Data from the General Department of Customs show Vietnam's vegetable and fruit export turnover to Europe in 2021 hit 303 million USD, up 17.4 percent year-on-year. After the period of isolation and social distance due to the COVID-19 pandemic, the demand for foods, especially vegetable and fruit products, in EU countries was on the rise. Notably, the demand for novel tropical fruits and vegetables increased from

15-20 percent for fresh products and over 30 percent for processed products. Experts said that Vietnam's vegetable and fruit market share in the EU remains low, at less than 1 percent of the demand of the European market. Hoang Quang Phong, Vice President of the Vietnam Chamber of Commerce and Industry (VCCI), attributed the situation to structural imbalance between commodities, instability of output and quality, and barriers related technical standards. To support Vietnamese businesses in increasing the shipments of spice, vegetable and fruit products to the EU market, Oxfam in Vietnam and the VCCI developed the project "Enhancing the Export Competitiveness of Vietnamese Small and Medium Enterprises in Spice, Fruit and Vegetable Sub-Sectors" (SFV-Export), which is funded by the EU Delegation to Vietnam, during 2022 – 2023. Country Director of Oxfam Vietnam Vu Thi Quynh Hoa said the project aims to support Vietnamese spice, vegetable and fruit exporters to increase sales in the EU market. The project will provide specific technical support packages designed for each enterprise in terms of quality and supply chain management, and market development towards pushing up exports to the EU. Connection opportunities between businesses and potential customers from Europe will also be promoted in both face-to-face and online forms./.

Source : <https://en.vietnamplus.vn/evfta-helps-push-up-vietnams-spice-fruit-vegetable-export-to-eu/229764.vnp>
