

Highlight News / June 29/2022



- Cambodia commodity trade deficit down to \$3.64 billion
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- Laos losing billions from financial leaks
- Myanmar maritime trade surges by \$1.3 mln as of 17 June
- Vietnam FDI inflow plunges 8.9% in first half
- Agro-forestry-fishery exports rake in 27.88 billion USD in 6 months



ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AiTi)

Cambodia commodity trade deficit down to \$3.64 billion



Cambodia News | 28 June, 2022

The deficit in trade of commodities between Cambodia and the rest of the world has narrowed by 23.55 percent to about \$3.64 billion in the first five months of this year from \$4.8 billion in the same period of 2021, according to figures released by the General Department of Customs and Excise (GDCE). The trade deficit reduced as the value of export from Cambodia rose by 25.37 percent to \$9.41 billion in the January-May period from \$7 billion in the same period of the previous year. The pace of exports was faster compared to imports, which rose by only 9.87 percent to \$13.05 billion from \$11.76 billion, according to figures. The trade volume between Cambodia and Singapore — the trade partner in commodities standing at number 5 among the 20 countries in the list of GDCE — has fallen by almost 73.21 percent to \$1.7 billion from \$2.88 billion mainly due to the drop in imports by Cambodia by 76.04 percent in the first five months of this year compared to the same period last year. Andrew Tay, president of Singapore Club Cambodia and Director of Himawari Hotel Apartments in Phnom Penh, told Khmer Times that the trade between the two countries is most likely to bounce back this year as the Singapore government has relieved health restrictions and encouraged its people to seek business and investment opportunities in the region. “My hope is that more

trade will be back, as in few months we have seen more Singaporeans coming to Cambodia either for business or leisure and they have booked and stayed more at my hotels, but mostly they are coming to seek new [export] markets as the economic activities here are back,” Tay said. Nguon Mengtech, director-general of the Cambodia Chamber of Commerce (CCC), told this newspaper that commodities inflow into Cambodia through Singapore as a transit spot has been restricted by its government’s health restrictions, while exporters most likely change course from this country to Vietnam in order to carry commodities to Cambodia. “It is due to Singapore that has applied very strict restrictions in a bid to get out of the pandemic very quickly. Even goods could carry the disease along with containers and so on ... to let them pass by this country as people also still work on that stuff that could be risky,” Mengtech said. “Another possible scenario is that the inflow of goods through Vietnam could be faster as free trade agreements between the US and others have been effective and transiting goods could be changed to Vietnam and so Singapore could see a lot of loss,” he said. The trade volume between Cambodia and its eastern neighbour Vietnam surged to \$2.79 billion or 16.85 percent between January and May this year compared to \$2.32 billion last year. When compared, Cambodia’s exports to Vietnam slightly increased by 3.32 percent to \$1.08 billion from \$1.043 billion. The Kingdom’s imports from Vietnam rose faster by 25.38 percent to \$1.71 billion. The figures show that total

trade volume has surged by 16.5 percent to \$22.5 billion in the first five months of this year from \$18.76 billion in the same period last year. China, US, Vietnam, Thailand and Singapore were the main commodity trade partners among the top 20 countries that exchanged commodities with Cambodia during this period. The commodity trade volume between the Kingdom and China increased by 20.7 percent to nearly \$5 billion in the January-May period of this year compared to \$3.95 billion in the same period of last year, while exports from Cambodia to China dropped 7.41 percent, but imports rose by 23.96 percent to \$4.47 billion, according to the figures. Cambodia exported commodities valued at \$3.73 billion to the US, which is a rise of 36.6 percent from \$2.36 billion and imported goods worth \$0.13 billion – a fall of about 10 percent from \$0.12 billion. According to statistics, trade volume between the two countries increased by 35.65 percent in the first five months of this year to about \$3.86 billion compared to the same period last year. The statistics also show that Cambodia's trade volume with Thailand – its neighbour on the west – increased by 15.26 percent to \$1.87 billion. Exports grew by 24.61 percent to \$0.43 billion and imports by 12.4 percent to \$1.43 billion in the first five months of this year. Cambodia has exported mainly apparel, textile, leather, machinery, electrical, furniture, non-rail vehicles, fruits, grains, plastics, rubber, wood, gems and processed items and imported gems, automobiles,

steel, pharmaceutical, fertilizer, raw leather, processed food, coal and so on.

Source : <https://www.khmertimeskh.com/501102129/cambodia-commodity-trade-deficit-down-to-3-64-billion/>

Cambodia records more than 310,000 tourists



Cambodia News | 28 June, 2022

The Kingdom's tourism sector is recovering from setbacks posed by the Covid-19 pandemic and has been recording an uptick in tourist numbers. Minister of Tourism Thong Khon told local news on June 27, that during the fourth weekend of June, the country received more than 310,000 tourists. Minister Khon said that from June 25 to June 26, the country recorded a total of 318,863 tourists, including 298,940 nationals and 19,923 foreigners. The main tourist destinations are: Preah Sihanouk with 56,885 tourists, Siem Reap with 45,219 tourists, Battambang with 40,955 tourists, Kampong Speu with 12,895 tourists, Pursat with 12,854 tourists. The number of visitors recorded last weekend was a slight decrease compared to the previous weekend. It was a decrease of about 12.55 percent. The decrease in tourists can be attributed to rising oil and gas prices. The Minister of Tourism called on the private sector to discuss and set reasonable prices for tour packages in order to

attract domestic market dynamics and to compete with neighbouring markets.

Source : <https://www.khmertimeskh.com/501102706/cambodia-records-more-than-310000-tourists/>

Laos losing billions from financial leaks



Laos News | 29 June, 2022

Billions of kip have been lost due to financial leaks and the evasion of tax/tariff payments at border crossings, government leaders have learned. Prime Minister Phankham Viphavanh told the National Assembly that the data provided by the sector responsible stated that Laos imports 1,200 million litres of fuel a year. But figures provided by Thailand and Vietnam indicated that they sold 1,900 million litres of fuel to Laos annually, meaning that 700 million litres was smuggled into the country. The premier said taxes and tariffs on this amount of fuel was not paid, with some officials and importers conspiring to avoid payments, which was facilitated by weak management on the part of the government. National Assembly members have expressed concern about the huge amount of money that has been misappropriated, stressing that officials who have embezzled state funds must be punished in line with the law. Vice President of the Lao National Chamber of Commerce and Industry and NA member for Vientiane, Ms Valy Vetsaphong, called for the government to plug loopholes that have the potential to create financial leaks. "If we can tackle the problem of financial leaks, I feel sure that our

country will have more money with which to repay debts," she said. The government has announced that it will impose stronger measures to handle financial leaks and increase the revenue earned from imported products, notably construction equipment, electrical devices, consumer goods, and fuel. The Minister of Finance, Mr Bounchom Ubonpaseuth, said the government will modernise tax/tariff informing processes and link import-export information into a system which can be inspected transparently and accountably. Just recently, the government has begun piloting the use of a computerised system to regulate four major import-export companies in Laos. As a result, the income collected from just one of the four companies has increased from 4 billion to 13 billion kip. In addition, the TaxRIS system has been employed to regulate fuel imports at more border crossings as part of the government's efforts to tackle tax evasion. Individuals and small retailers have been told to provide detailed tariff information to authorities at every border crossing, causing authorities to collect 312 billion kip. The government is also attempting to address the issue of the non-payment of taxes on imported vehicles. Over the past five months, the government has amassed 314 billion kip in taxes and fees paid on 20,773 vehicles. In addition, it is expected that 77 billion kip will be earned from taxes paid on 9,698 vehicles in the past six months. This year, the government has set a revenue collection target of 31,593 billion kip. Over the past five months, more than 10,633.89 billion kip has been collected,

accounting for 33.66 percent of the target set for 2022.

Source : https://www.vientianetimes.org.la/freeContent/FreeContent123_laoLosing.php

Myanmar maritime trade surges by \$1.3 mln as of 17 June



Myanmar News | 28 June, 2022

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bounce back this year as the Singapore government has relieved health restrictions and encouraged its people to seek business and investment opportunities in the region. "My hope is that more trade will be back, as in few months we have seen more Singaporeans coming to Cambodia either for business or leisure and they have booked and stayed more at my hotels, but mostly they are coming to seek new [export] markets as the economic activities here are back," Tay said. Nguon Mengtech, director-general of the Cambodia Chamber of Commerce (CCC), told this newspaper that commodities inflow into Cambodia through Singapore as a transit spot has been restricted by its government's health restrictions, while exporters most likely change course from this country to Vietnam in order to carry commodities to Cambodia. "It is due to Singapore that has applied very strict restrictions in a bid to get out of the pandemic very quickly. Even goods could carry the disease along with containers and so on ... to let them pass by this country as people also still work on that stuff that could be risky," Mengtech said. "Another possible scenario is that the inflow of goods through Vietnam could be faster as free trade agreements between the US and others have been effective and transiting goods could be changed to Vietnam and so Singapore could see a lot of loss," he said. The trade volume between Cambodia and its eastern neighbour Vietnam surged to \$2.79 billion or 16.85 percent between January and May this year compared to \$2.32 billion last year. When compared,

Cambodia's exports to Vietnam slightly increased by 3.32 percent to \$1.08 billion from \$1.043 billion. The Kingdom's imports from Vietnam rose faster by 25.38 percent to \$1.71 billion. The figures show that total trade volume has surged by 16.5 percent to \$22.5 billion in the first five months of this year from \$18.76 billion in the same period last year. China, US, Vietnam, Thailand and Singapore were the main commodity trade partners among the top 20 countries that exchanged commodities with Cambodia during this period. The commodity trade volume between the Kingdom and China increased by 20.7 percent to nearly \$5 billion in the January-May period of this year compared to \$3.95 billion in the same period of last year, while exports from Cambodia to China dropped 7.41 percent, but imports rose by 23.96 percent to \$4.47 billion, according to the figures. Cambodia exported commodities valued at \$3.73 billion to the US, which is a rise of 36.6 percent from \$2.36 billion and imported goods worth \$0.13 billion – a fall of about 10 percent from \$0.12 billion. According to statistics, trade volume between the two countries increased by 35.65 percent in the first five months of this year to about \$3.86 billion compared to the same period last year. The statistics also show that Cambodia's trade volume with Thailand – its neighbour on the west – increased by 15.26 percent to \$1.87 billion. Exports grew by 24.61 percent to \$0.43 billion and imports by 12.4 percent to \$1.43 billion in the first five months of this year. Cambodia has exported mainly apparel, textile, leather,

machinery, electrical, furniture, non-rail vehicles, fruits, grains, plastics, rubber, wood, gems and processed items and imported gems, automobiles, steel, pharmaceutical, fertilizer, raw leather, processed food, coal and so on.

Source : <https://www.gnlm.com.mm/moc-facilitates-daily-imports-of-essential-anti-covid-19-equipment-8/#article-title>

Vietnam FDI inflow plunges 8.9% in first half



Vietnam News | 28 June, 2022

VOV.VN - Vietnam has attracted US\$14.03 billion in foreign direct investment (FDI) in the first six months of 2022, a drop of 8.9% compared to the same period last year, according to data compiled by the Ministry of Planning and Investment (MPI). The Ministry reported that as of June 20, a total of US\$4.94 billion was injected into 752 newly-licensed projects, marking an annual decline of 48.2% and 6.5%, respectively. Some US\$6.82 billion was added to 487 existing projects, representing increases of 65.6% and 5.9% year on year, respectively. Foreign investors also poured a further US\$2.27 billion into share purchase deals in the country, up 41.4%. According to the Ministry, although newly-registered capital has yet to fully recover following disruption caused by the global COVID-19 fight in 2021, adjusted capital, capital contribution, and share purchases made by foreign investors have continued to increase by 65.6% and 41.4%, respectively. Among the 18 sectors attracting FDI,

manufacturing and processing lured the highest amount with US\$8.84 billion, accounting for 63% of the total investment, followed by real estate with US\$3.15 billion, making up approximately 22.5% of the total. Singapore leads 84 countries and territories investing in Vietnam, pouring in US\$4.1 billion, equivalent to 29.5% of the total amount. It was followed by the Republic of Korea with investment of US\$2.66 billion.

Source : <https://english.vov.vn/en/economy/vietnam-fdi-inflow-plunges-89-in-first-half-post953152.vov>

Agro-forestry-fishery exports rake in 27.88 billion USD in 6 months



Vietnam News | 28 June, 2022

Hanoi (VNA) – Vietnam posted 27.88 billion USD worth of agro-forestry-fishery exports in the first half of this year, an annual increase of 13.9%. According to the Ministry of Agriculture and Rural Development, of the total value, the groups of key farm produce and forestry products contributed 11.37 billion USD and 9.1 billion USD, both growing by 8.8% and 3% year-on-year, respectively. Fishery products shipped overseas during the six months, meanwhile, reeled in 5.8 billion USD, up 40.8% annually. There were nine type of goods recorded an export revenue exceeding 1 billion USD in the period, namely coffee, rubber, cashew, vegetable- fruit, rice, Tra fish, shrimp, woodwork products, and inputs for production. The ministry said the US and China were the biggest importers of Vietnamese agro-forestry-

fishery goods for spending more than 7.61 billion USD and 4.97 billion USD, increasing 7.9% and 5.9% from the same period last year, respectively. They were followed by Japan and the Republic of Korea. Also in the first half, Vietnam purchased agro-forestry-fishery products worth about 22.1 billion USD, hence a trade surplus of approximately 5.75 billion USD, nearly doubling the figure posted in the same period last year. The encouraging outcomes were thanks to the implementation of mechanisms and policies for trade promotion, negotiations for reopening, and market development, among other factors./.

Source : <https://en.vietnamplus.vn/agroforestryfishery-exports-rake-in-2788-billion-usd-in-6-months/231823.vnp>