

Highlight News / July 08/2022



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Economy	2021 Actual	Gross Domestic Product (Percent Annualized)			
		ASEAN 2022 Update (April 2022)		ASEAN 2022 Quarterly Update (July 2022)	
		Q1P	Q2P	Q3P	Q4P
ASEAN-5	6.0	4.7	4.8	4.3	4.9
Plus-3	6.8	4.6	4.4	4.1	4.9
China	8.1	8.2	8.3	4.8	5.7
Hong Kong, China	8.4	2.8	3.2	1.1	3.7
Japan	1.6	2.8	1.2	1.8	2.0
Korea	4.1	3.0	2.6	2.9	2.6
ASEAN	3.1	5.1	5.2	5.1	5.2
Brunei Darussalam	-1.8	4.1	2.9	3.0	3.9
Cambodia	3.0	5.2	6.1	4.9	5.8
Indonesia	3.7	5.2	5.3	5.1	5.4
Laos PDR	2.6	2.9	5.9	3.5	4.9
Malaysia	3.1	6.0	6.0	6.0	6.0
Myanmar	-18.7	1.9	-	1.5	-
The Philippines	5.6	4.8	4.8	5.9	5.8
Singapore	7.6	4.0	2.6	3.8	2.4
Thailand	1.6	3.4	5.2	3.2	4.9
Taiwan	2.0	1.1	1.1	0.1	1.1



## Cambodia goes head-on with Thailand in implementing 10 year golden visa



*Cambodia News | 7 July, 2022*

Cambodia has launched a “My 2nd Home” programme to encourage foreign investment in the country. The programme features a 10 year long “Golden Visa” with unlimited entry and exit and other benefits. But how does it compare with Thailand’s 10 year Long Term Resident visa? Applicants for the “My 2nd Home” Golden Visa must be a foreign investor with an investment capital of no less than \$100,000 in Cambodia, own a “real estate project” in Cambodia and be a citizen of a country recognised by the Cambodian government. No academic qualifications or language proficiency are required. There is no application fee. Benefits of Cambodia’s programme, approved by the Ministry of Interior, include a 10 year visa with unlimited exit and entry to Cambodia and an option to apply for Cambodian citizenship after 5 years. The programme is the only way for a foreigner to apply for a Cambodian passport. Foreign investors will benefit from Khmer Home Charity Association membership which will give them access to insurance coverage and VIP medical treatment. Details on how to apply for the Golden Visa are outlined on Cambodia’s official “My 2nd Home” website. Applicants will receive their CM2H membership number in 7 days and the visa will be processed within 14 days. A Cambodian spokesperson said the Golden Visa is aimed at

foreign professionals, but wealthy retirees would also be considered as long as they meet the minimum investments... “We will judge every application on its merits rather than issuing lengthy checklists.” The My 2nd Home website outlines a total of 7 requirements to apply for the 10 year Golden Visa Golden Visa Requirements “1 – The applicant must be a citizen of a country or region recognized by the Cambodian government, regardless of race, religion, or gender, 2 – The applicant must obtain approval from the Ministry of Interior, 3 – The applicant must be 18 years old and above, 4 – The applicant must have an investment capital not less than USD 100,000 in Cambodia, 5 – The applicant must own a real estate project approved by the government in Cambodia, 6 – The applicant is eligible to apply for a personal bank account and a trust account, 7 – The applicant does not require to submit proof of language competency test or academic qualifications.” Thailand LTR Visa Thailand offers a 10 year “Long Term Resident” visa which also aims to attract foreign investment. In May, the application fee was halved from 100,000 baht to 50,000 baht. The eligibility criteria for Thailand’s LTR visa is slightly more complicated, but not necessarily more demanding than Cambodia’s Golden Visa. Thailand’s 10 year visa is aimed at foreigners who fall under 4 categories: 1) wealthy foreigners 2) retirees 3) working foreigners and 4) specialists. All groups are welcome to bring their spouse and up to 4 children, as long as the children are under the age of 20.

Source : <https://www.khmertimeskh.com/501108375/cambodia-goes-head-on-with-thailand-in-implementing-10-year-golden-visa/>

## CDC offers support for Malaysian businesses in Cambodia



*Cambodia News | 7 July, 2022*

The Council for the Development of Cambodia (CDC) is ready to provide services to Malaysian investors in Cambodia, attracting foreign investment to Cambodia. Sok Chenda Sophea, Secretary-General of the Council for Development of Cambodia, said this at the 6th 'Asean-Italy High-Level Dialogue on Economic Relations' in Kuala Lumpur, Malaysia, on July 5-6. The event was organised by the Malaysian Retail Supply Association and the Malaysian Small and Medium Enterprises Corporation in the presence of Cheuy Vichet, Cambodian Ambassador to Malaysia, MRCA President Sharan Valiram, Dato Sri Ricky Yaw, Vice President of Malaysian SME Corporation, and manager of 15 companies. Sophea expressed his gratitude to all company representatives who were interested in finding investment opportunities in Cambodia. He said that the new investment law provides more incentives to investors and the resumption of socio-economic activities were the factors that benefitted investment. "The development and success factors of Cambodia come from the tireless efforts of the government that has enabled Cambodia to relaunch the socio-economic development in all sectors," Sophea said.

"The new investment law, which came into force at the end of 2021, is a framework of a strong legislation that has provided many incentives for investment in Cambodia," he said. Representatives of Malaysian businessmen and associations appreciated the development of Cambodia in recent years, especially the good management of Covid-19. From August 31 to September 3, 2022, the Cambodian Embassy in Malaysia in collaboration with MRCA will organise a four-day trade mission in Phnom Penh and Kampong Speu province. The mission is to provide dialogue opportunities between companies in Cambodia and Malaysia, seeking more understanding of investment opportunities in Cambodia. Cambodia has been keen on attracting more investment from Malaysia and other countries as the Kingdom has the potential for investment due to the bilateral free trade agreement between Cambodia-China and Regional Cooperation Economic Partnership. Lim Heng, vice president of the Cambodia Chamber of Commerce, told Khmer Times in June that Cambodia would be able to attract more foreign investors from Malaysia and other countries due to trade pacts. "Cambodia has trade preferences – EBA, GSP, and other trade preferences in terms of bilateral free trade agreements with China and RCEP. This is the potential factor foreign investors see in Cambodia," Heng said. In the January-May period this year, the bilateral trade between Cambodia and Malaysia topped at \$244 million, a 28.4% increase year-on-year, according to the data of the General

Department of Customs and Excise. The Kingdom exported \$44 million worth of merchandise to Malaysia, 6.3% increase from last year and imported \$200 million from Malaysia.

Source : <https://www.khmertimeskh.com/501108010/cdc-offers-support-for-malaysian-businesses-in-cambodia/>

## Chinese investors buy up more land in Laos



*Laos News | 7 July, 2022*

Chinese businesses investing in Laos are quickly buying up land for factories, hotels and other development projects, as China's influence continues to grow in the impoverished, landlocked country to its south. "A lot of Chinese are buying land for future investments," a real estate agent in the Lao capital Vientiane told RFA on Tuesday, speaking on condition of anonymity for security reasons. "The price of land near the Vientiane railway station is 2,500 Thai baht (\$70) per square meter, and the land listed with my company has now almost all been sold to the Chinese." Foreign investors looking to buy land in Laos are required for now to make the purchase in the name of a Lao citizen with legal residency in the country, Lao sources told RFA, also asking for anonymity in order to speak freely. "One Chinese businessman came to Dan Xang Village in Vientiane's Xaythany District and legally married a Lao woman there," another real estate agent in the capital said. "Later, the Chinese bought 10 hectares of land in the name of his wife and then built a hotel

resort, karaoke bar and restaurant there that are now patronized mostly by other Chinese," he said. A landowner in the Phon Hong District of Vientiane Province said that he has already sold one hectare of a 9-hectare plot, but is refusing Chinese offers of 300,000 baht (\$8,337) per hectare to buy the rest. "This price is too low, so I'm not going to sell it, and I'm waiting for other offers to come in," he said. Also speaking to RFA, a landowner in Vang Vieng, a popular tourist town in Vientiane Province, said that he had been approached by Chinese investors asking to buy or lease his land for use in storing minerals waiting to be transported by train to China. "Apart from my land, there is no more land left for sale in the area surrounding the Vang Vieng Railway Station because the Chinese companies have bought it all," he said. Chinese businesses are now looking to buy land in Vientiane close to a station of the new \$6 billion high-speed railway linking Laos with China, a real estate expert told RFA, also declining to be named. "They want to build hotels, apartments and restaurants on the land within a radius of 200 meters from the station, which will be the center of a new and modern city planned by the Lao government," he said. "It's expected that a lot of Chinese businesspeople will be coming to work and live in that new city," he added. Reports have increased in recent years of growing resentment in Laos over Chinese business presence in the country, over Chinese casinos and special economic zones linked to human trafficking and crime, and over the often high-handed treatment of Lao workers by their

Chinese bosses.China is Laos' largest foreign investor and aid provider, and its second-largest trade partner after Thailand.

Source : <https://www.rfa.org/english/news/laos/land-07062022143130.html>

## Myanmar's foreign trade up 18.19 pct yoy in Q1



*Myanmar News | 7 July, 2022*

YANGON, July 7 (Xinhua) -- Myanmar's total goods imports and exports surged 18.19 percent year on year to over 7.62 billion U.S. dollars in the first quarter of the 2022-2023 fiscal year started on April 1, official data showed Thursday. The Southeast Asian country changed its fiscal year from the original October-September to April-March beginning this year. From April 1 to June 24 this year, exports increased 18.34 percent from a year earlier while imports climbed 18.04 percent, the Ministry of Commerce's figures showed. Despite the total trade surge, the country's border trade decreased 15.54 percent year on year to over 1.719 billion U.S. dollars amid the COVID-19 pandemic. Most of the country's trade with foreign countries is usually done through sea routes as the country boasts a long coastline. Its border trade is conducted with neighboring China, Thailand, Bangladesh and India. The country exports agricultural products, animal products, fisheries, minerals and forest products, manufacturing goods and others to foreign countries while capital goods, intermediate goods and consumer goods are imported into the country.

Source : <https://english.news.cn/20220707/a1174db83ab2439296f539a3a2e35999/c.html>

## Vietnamese economy

### to perform well: AMRO



*Vietnam News | 7 July, 2022*

Vietnam is expected to come out second only to the Philippines in terms of projected GDP for 2022 and on top for 2023, according to a recent Quarterly Update of the ASEAN +3 Regional Economic Outlook. Specifically, the country was projected to achieve a growth rate of 6.3% this year and 6.5% next year, well above the region-wide figures which were estimated at 4.3% and 4.9% respectively. Compared to the previous update, Vietnamese growth rates were revised downwards to reflect the lower growth forecasts for China and the US, its major trade partners. The country was expected to top the list with growth rates of 6.5% and 7.0% in the April update. "Vietnam is a much more open economy and very exposed to the US and Chinese economies. Because we are expecting reductions in growth rates in these countries and the expected slowdown would affect its external demand, we have to shift down projected growth rates for Vietnam," said Hoe Ee Khor, chief economist of the ASEAN+3 Macroeconomic Research Office (AMRO). The Russian military operations in Ukraine have been pushing up commodity prices and global inflation. Relentless cost-push pressure, coupled with firming domestic demand, is expected to drive regional inflation

higher this year, at 5.2%.Regional inflation is projected to moderate to 2.8% in 2023 as tight monetary policy taken by various economies will take effect and the pandemic is showing signs of receding. AMRO expects that Vietnam will keep inflation rates well below 4% by means of price control. It estimates the figures at 3.5% in 2022 and 3.3% in 2023. "Vietnam has a fiscal base to be able to keep prices down and afford subsidies for now. At the same time, it can also use fiscal policy to stimulate the economy. There is a need for infrastructure investments in the country, so it can pump prime the economy to make domestic demand stronger," the chief economist added.A sharper deceleration in China's consumption and realty activities, according to AMRO, would significantly drag down the economy, with spillovers that would further undermine regional outlook. Additionally, mounting prices in the US have caused the Federal Reserve to adopt contractual monetary policy at a faster pace than expected, raising concerns of an imminent recession. Financial investors have switched to safe assets and risk aversion has spiked, leading to capital outflows from emerging markets."Navigating this formidable environment, ASEAN 3 policymakers are now facing difficult policy trade-offs as they balance the need to sustain the growth momentum while containing the inflationary pressure," Khor added.Japan, the Republic of Korea and Myanmar are expected to enjoy growth rates of less than 3% this year, whereas Vietnam and the Philippines will be riding high with growth rates of

over 6%. The other eight countries fall between 3 and 6%.Regarding inflation, China and Japan are expected to do well with inflation rates kept under 3% in 2022. Meanwhile, Thailand, Myanmar, Laos and Cambodia will have their rates surpass 6%. The other seven countries fall between the two ends.

Source : <https://english.vov.vn/en/economy/vietnamese-economy-to-perform-well-amro-post955081.vov>

## Xiaomi confirms production of smartphones in Vietnam



*Vietnam News | 7 July, 2022*

The new Vietnamese facility of the Chinese smartphone manufacturer will be a hub for exports to neighboring Southeast Asia countries, including Malaysia and Thailand.Chinese handset maker Xiaomi has begun smartphone production in Vietnam by DBG Technology, a subsidiary of Hong Kong's DBG Electronics Investment Limited, at a factory in Vietnam's Northern Province of Thai Nguyen. DBG Technology said that the new Vietnam facility is a hub for exports to neighboring Southeast Asia countries, including Malaysia and Thailand. Delivery costs in Southeast Asian markets have surged due to the Covid-19 pandemic and logistics costs have risen in recent years, and in order to address these problems, the Chinese smartphone maker has cooperated with its partners to implement production localization, a Xiaomi spokesperson told the Global Times.Nguyen Duc Trong from Digiworld,

Xiaomi's official distributor in Vietnam, affirmed the first shipments have arrived at its warehouse. He believed this will solve the supply shortages amid Covid-19 impacts, ensuring the stability of the provision as well as affirming Vietnam's competitiveness in terms of production capacity. Aside from smartphone production, the factory will manufacture a variety of components, including data transmission equipment and circuit boards, and will be supplying the Vietnamese market. Setting up production lines in Vietnam or other Southeast Asian markets can improve both cost and delivery efficiency of Chinese handset makers, given the potential market demand and relatively low labor costs in the region, according to Ma Jihua, a veteran technology analyst. Alongside China's industrial upgrading, some labor-intensive industries have started to relocate to Vietnam and other countries, beginning with manufacturers of shoes, clothes, and furniture. Xiaomi is the second largest smartphone maker in Vietnam, accounting for 22% of the market share in the first three months of this year, according to the market research company Counterpoint.

Source : <https://hanoitimes.vn/xiaomi-confirms-production-of-smartphones-in-vietnam-321190.html>

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