

Highlight News / August 18, 2022



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Advisory Institute for Trade and Investment by TCC (AiTi)



Cambodia expects to receive 1.3 million tourists this year



Cambodia News | 17 August, 2022

The year 2022 could be the beginning of a long recovery for Cambodian tourism, though it would still be a far cry from 6.6 million international tourists the Kingdom received in pre-pandemic 2019, Director General of Tourism Development and International Cooperation of the Ministry of Tourism Thong Rathasak tells Khmer Times Recovering fast from the Covid-19 downfall, Cambodia is banking on increased arrival of foreign tourists this year, compared to the last two years. The expectation of the Ministry of Tourism is that the country could receive 1.2 to 1.3 million tourists by the end of 2022. This year could be the beginning of a long recovery for Cambodian tourism, though it would still be a far cry from the 6.6 million international tourists the country received in pre-pandemic 2019, said Thong Rathasak, Director General of Tourism Development and International Cooperation of the Ministry of Tourism, in an exclusive interview with Khmer Times. According to Rathasak, Cambodia has received more than 500,000 tourists in the first six months of the year and this is a good comeback compared to the 200,000 tourist arrivals last year. "Covid-19 was a big lesson as we learned to coexist with a pandemic. Tourism is a way of life here and we have to move on," he said, hoping that people who left the tourism sector would come back and rebuild their

businesses or careers. For Cambodia, the Year 2022 started well as it got the chance to organise the Asean Tourism Forum (ATF), which was attended by 3,000 delegates from different parts of the region. Held in Sihanoukville, the forum was not only a big success but concluded with no cases of Covid-19 as well. "It was the first major tourism event in the region in three years and was a great success," Rathasak noted, adding that Cambodia was the first country that reopened after the Covid-19 shutdown in the region and the country's successful vaccination campaign had contributed a lot to the economic revival. The government also got into the act of boosting the tourism sector revival with various incentives, the latest being the Tourism Recovery Co-Financing Scheme, launched on July 1, for the Small and Medium Enterprises (SMEs) where an entrepreneur could avail up to \$400,000 for rebuilding the business. The government has set up a \$150 million fund for the scheme, of which \$75 million is borne by the government and the remaining \$75 million by the participating financial institutions. Next year could also make a lot of difference to the sector as Cambodia will host the South East Asia (SEA) Games in May and the Para Games in June. "We are expecting half-a-million people to visit Cambodia during the SEA Games," said Rathasak. The country will also open three more airports by the next year. The Director General, however, noted that the revival of tourism in the Asia Pacific region depends to a great extent on the three big players – China, Japan and Korea that account for 60 percent

of tourist footfalls. While China is yet to fully reopen due to its 'Zero Covid-19' policy, Japan and Korea are currently battling a new wave of pandemic. According to Rathasak, the ministry is also keen on boosting domestic tourism in Cambodia. "This is in fact the best time for domestic tourists to explore the country," he said, adding that there are lots of hidden tourism gems across the Kingdom to be explored. "Development of infrastructure is needed in some of the remote tourism spots. But people are also attracted to virgin destinations," he noted, adding that September is when a lot of activities are expected, especially in connection with the World Tourism Day celebrations. In December, Sihanoukville will host the Sea Festival and coinciding with the year-end tourism, this can turn out to be a game changer for the sector. "The focus in Sihanoukville is no more gambling, but gaming. The island excursions are the added attractions in the coastal city," he said. Cambodia, he said, is also banking on increased tourist arrivals from neighbouring Asean countries as well. The Southern Tourism Corridor Cooperation, participated by Vietnam, Myanmar and Laos besides Cambodia could encourage more tourists from these countries to visit Cambodia. The cooperation could also result in more self-driving tours from the neighbouring countries. Cambodia, meanwhile, also sees cruise tourism as an emerging opportunity. "We expect one million tourists by the sea in 2026," Rathasak said. A water link connecting Vietnam's Phu Quoc island with Cambodia's Kep province is also under the

consideration of the government. "The government is working on this as it involves foreign policy as well. We also need to set up immigration posts," he noted. Cambodia will also attend the International Travel Expo (ITE HCMC) 2022 in Ho Chi Minh City from September 6-11 and the Mekong Tourism Forum (MTF) from October 11-14 in the Vietnamese city of Hoi An. While Angkor Wat continues to be the tourist icon for Cambodia, being a UNESCO world heritage site, the country is also focussing on promoting other centres such as Battambang, Kampot and Sihanoukville. While Battambang is considered the UNESCO greatest city network, the delicious Nom Banh Chok of Cambodia can also get into the endangered or protected list of heritage by the world body. The Ministry of Foreign Affairs is also gearing up to launch the book, Taste of Angkor, through Cambodian embassies across the world. "It is estimated that tourists spend around 25 percent of the total expenditure on food. And, if you want to taste authentic Cambodian cuisine you have to come to the country," Rathasak said. Asked about the recent discussions about a long pass for foreign tourists to visit Angkor Wat, the Director General said it was yet to be approved by the government. Regarding foreign investment in tourism, he said the sector has received around 600 million worth of investments this year. "The government is also working on a Special Tourism Economic Zone to attract more foreign investment and a host of incentives can be expected for setting up projects in the zone," he said. The tourism ministry is also keen

on enhancing the quality of human resources in the sector. There are not many schools in the country having a tourism curriculum. “We are considering the proposal to set up a university exclusively for tourism studies,” Rathasak said.

Source: <https://www.khmertimeskh.com/501133269/cambodia-expects-to-receive-1-3-million-tourists-this-year/>

Despite risks, GDT collection grows 28.62% in 7 months



Cambodia News | 17 August, 2022

Tax authorities have collected approximately \$2.21 billion of tax revenue — 78.39 percent of the budget law in the first seven months of the year, which soared by 28.62 percent or about \$491.29 million compared to the same period last year, said a release by the General Department of Taxation (GDT) on Monday. Cambodia has been facing risks of uncertainties, changes in the global economic context, waves of continuous spreading and transforming of Covid-19, and tensions of geopolitics and global security that have been affecting the country’s economy, the release said. However, despite all of these risks, GDT has still been able to manage the tax revenue over the last two years from 2020 to 2021 and the first seven months of 2022 effectively—rising the amount that exceeds the budget law and responding to the demand for cash for expenditures of the government. GDT collected about \$240 million of all kinds of taxes via its revenue data online management system in July 2022

alone—8.49 percent of the budget law—and the amount collected rose by about 20 percent or \$156.15 million compared to the same month of 2021, Kong Vibol, director general of GDT said. “The continued rising tax revenue was made from general collection activities of the officials and filling the loopholes that let the revenue leaked out as the tax authorities have continued enhancing good governance, good administration and pro-activeness, especially in preparation, development and launch of information systems since the pre-pandemic period,” the release stated. Tax officials have visited 784 enterprises in Beung Kak 1 quarter of Tuol Kork district since the move was undertaken early this month, according to the release, adding that they also solved over 16,000 cases of problems regarding using online system and applications in the January-July period of this year—2,307 cases in July alone. GTD which operates under the Ministry of Economy and Finance is set to collect over \$2.8 billion for 2022 as a whole, the release said, adding that the tax officials will continue visiting businesses in all 14 districts, strengthening the management of enterprises whose owners request for suspension or termination but then reopening. “Prepare tax retreat on implementation of strategic and executive plans of tax collection strategies and utilising information technology system. Continue strengthening recording and settling tax debts and releasing strict measures to claim tax debts, especially large tax debts that are potentially prioritised,” the release pointed out. Stamp tax on transfers of immovable

properties—a category of tax paid when an immovable property is acquired through various forms including sale-and-purchase, exchange, gift, or succession—contributed about \$875 million or 44.38 percent, which was the biggest contributor to the total tax revenue of approximately \$1.2 billion in the first half of this year. Khun Darith, managing partner of accounting and tax solutions at accountancy firm K Professional Accounts (KPA), told Khmer Times that transfers of immovable properties could be made with either hard or soft titles and the stamp tax on transfers is generally paid at four percent of the immovable property price specified in the list of tax authorities. “The contribution of stamp tax on transfers of immovable properties reflects that there may be many transactions of sale-purchase of immovable properties,” said Darith, adding that the exception for payment of the tax is for acquisition among blood family such as transfers from parents to children.

Source: <https://www.khmertimeskh.com/501133080/despite-risks-gdt-collection-grows-28-62-in-7-months/>

Govt to focus on development of renewable energy



Laos News | 17 August, 2022

The government has vowed to diversify energy sources in Laos by placing more emphasis on renewable energy sources, particularly electricity

generated by solar, wind and biomass systems. The move is part of the government's efforts to ensure energy security, addressing the electricity shortage in the dry season and minimising imports. At present, 81 percent of the electricity consumed in Laos is generated by hydropower, followed by coal-fired power plants with 17 percent. Meanwhile, renewable energy sources such as solar power and biomass represent only 2 percent of the power used in Laos, according to a recent report from the Ministry of Energy and Mines. The government plans to increase the proportion of renewable energy to 11 percent, as endorsed in its five-year plan for 2021-2025. Conversely, the proportion of electricity used from hydropower and coal-fired power plants will account for 75 percent and 14 percent respectively by 2025. There are currently 90 energy-generating plants across the country, with a combined installed capacity of nearly 11,000MW. These include 77 hydropower plants, 8 solar power plants, 4 biomass schemes, and 1 coal-fired power plant. Although no new power plants have become operational in the first six months of this year, the government is pushing for progress in the construction of large-scale energy projects as stipulated in its five-year plan. Among them are the Nam Ngum 3 hydropower plant, coal-fired power plants in Lamam and Kaleum districts of Xekong province and Bualapha district in Khammuan province, and dams on the Mekong in

Luang Prabang and Vientiane provinces. The main challenge is that about 1,500MW of potential electricity generation is wasted by hydropower stations during the high-flow wet season, while Laos has to import electricity from Thailand in the dry season. The price that EDL pays for this imported power makes it almost twice as expensive as imported electricity sourced from EGAT. Laos has the capacity to produce 10,000-15,000MW of solar power and about 100,000MW of wind power, according to Deputy Minister of Energy and Mines Dr Sinava Souphanouvong. Wind farms generating 1.6 gigawatts are now planned, including the 600-megawatt (MW) Monsoon Wind project in Xekong and Attapeu provinces which will sell electricity to Vietnam, according to the Asian Development Bank's Asian Development Outlook 2022. In July last year, the government and shareholders in the Nam Theun 2 hydropower plant signed a Project Development Agreement to develop Nam Theun 2-Solar, with an installed capacity of 240MWp. The solar project will be built on the Nam Theun 2 reservoir in Khammuan province. The government has pledged to tap the potential of the energy sector, particularly the development of hydropower, solar and wind power, so that more electricity can be sold to neighbouring countries.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent158_Govtto.php

Chickpea, potato prices

hit three-year high



Myanmar News | 17 August, 2022

The prices of chickpea and potatoes reached the highest in three years. On 17 August 2022, wholesale prices of chickpea in Yangon markets touched a high of K4,000-4,200 per viss (a viss equals 1.6 kilogrammes) and potatoes fetched K1,400-2,400 per viss depending on the varieties. The current market price is the highest compared to the corresponding periods of the past two years, said Ko Phyo, a trader who delivers goods to the delta region. On 17 August 2021, chickpea was priced at K2,600-2,700 per viss and potatoes were worth K350-1,100 per viss. On 17 August 2020, the prices stood at K1,700-1,750 per viss of chickpea and K400-650 per viss of potato. The local consumption of chickpea and potatoes is high. They are one of the key ingredients in Myanmar dishes, said Daw Moe Moe, a housewife. I have to raise the potato curry price along with other meat curry prices as potato prices hit K2,000 per viss, said Daw San, a roadside food vendor. Some substitute the pea for chickpea, said Ko Yan, a seller of pulses in Bayintnaung market. The wholesale price of chickpea stayed below K2,000 per viss as of September 2020. The price rose to K2,250 per viss in the last four months of 2000. In 2021, wholesale chickpea prices climbed to K2,750 per viss. In early 2022, the price jumped to over K3,000 per viss in early 2022. The price rocketed to K4,000 per viss in

mid-August 2022. The chickpeas are mostly supplied by Pyay areas, said Ko Thein, a seller from the Bayintnaung market. The price in August 2022 is two times higher than the price recorded in 2020. The potato price was mostly below K1,000 per viss in 2020. The highest price in 2020 is K1,450 per viss on 23 September, said Ko Aung, a potato seller from the Nyaungpinlay Market. The potato price reached the lowest of K700 in early 2021 and the highest of K2,450 per viss in late 2021. The potato was priced at K2,400 on 17 August 2022 in the wholesale market. It is the maximized price against the same periods of 2020 and 2021, said Ko Aung. High price benefits growers yet consumers are hurting from rising food prices, Ko Naing, a market observer pointed out. — TWA/GNLM

Source: <https://www.gnln.com.mm/high-grade-shwebo-pawsan-rice-prices-up-by-k24000-per-bag-within-six-weeks/#article-title>

Apple suppliers to make Apple

Watch and MacBook in

Vietnam – Nikkei



Vietnam News | 17 August, 2022

Apple Inc's suppliers are in talks to produce Apple Watch and MacBook in Vietnam for the first time, Nikkei Asia reported on Tuesday, citing people familiar with the matter. Apple's Chinese suppliers Luxshare Precision Industry and iPhone assembler Foxconn have started test production of Apple Watch and MacBook in Northern Vietnam, the report. Apple has

been shifting some areas of iPhone production from China to other markets, including India, where it started manufacturing iPhone 13 this year, and is also planning to assemble iPad tablets. India, the world's second-biggest smartphone market, along with countries such as Mexico and Vietnam are becoming increasingly important to contract manufacturers supplying American brands, as they try to diversify production away from China. Apple, Foxconn and Luxshare Precision did not immediately respond to a Reuters request for comment. Last week, Taiwanese contract manufacturer Foxconn gave a cautious outlook for the current quarter after posting results that exceeded expectations, citing slowing smartphone demand after a pandemic-fuelled boom. Like other global manufacturers, Foxconn - formally called Hon Hai Precision Industry Co Ltd - has dealt with a severe shortage of chips that hurt production, as bottlenecks from the pandemic lingered and the Ukraine war further strained logistical channels.

Source: <https://www.channelnewsasia.com/business/apple-suppliers-make-apple-watch-and-macbook-vietnam-nikkei-2885386>

Japanese firm buys 35.1% stake at

Vietnam's power company



Vietnam News | 17 August, 2022

Tokyo (VNA) - JERA Inc., a power generation company of Japan, has signed a deal to buy a 35.1%

stake at Vietnam's Gia Lai Electricity Joint Stock Company (GEC) to tap the Southeast Asian nation's growing demand for electricity and further its own decarbonisation efforts, Nikkei Asia reported. JERA, a joint venture between Tokyo Electric Power and Chubu Electric Power, will invest 15 billion JPY (112 million USD) in the Vietnamese renewable energy company. The purchase comes as JERA aims to increase its renewables generation capacity to 5,000 MW by 2025. The stake in GEC will add 190 MW, bringing the company's total renewables capacity to 1,900 MW. JERA will also consider jointly developing solar and onshore wind projects with GEC. JERA has already participated in renewable energy projects across Asia, including India and Thailand. It has operated a gas-fired power plant in Vietnam since 2005. GEC owns hydro, solar and wind power plants with a total generation capacity of about 600 MW. It looks to raise this to 1,700 MW by 2025, according to JERA./.

Source: <https://en.vietnamplus.vn/japanese-firm-buys-351-stake-at-vietnams-power-company/235754.vnp>
