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Highlight News / August 23, 2022

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Cambodia-UK trade to soar under new scheme

Cambodia News I 22 August, 2022

In a post-Brexit strategic move that distances it further from European Union countries, the UK will replace the Generalised Scheme of Preferences (GSP) for the developing countries with a new trading instrument early next year. Named the Developing Countries Trading Scheme (DCTS), the new instrument offers additional tariff concessions to products imported from developing countries. Cambodia is among the 65 beneficiaries and the trade between the two is expected to grow further under the new scheme. While unveiling the scheme the other day, UK's Secretary of State for International Trade, Anne-Marie Trevelyan, described the move as "taking back control of the country's trade policy". By encouraging the import of goods from Least Developed Countries (LDCs), the UK also aims to check its rising inflation, which currently is the highest in 40 years. The UK's Department for International Trade estimates that businesses in the country will be able to save £750 million a year on reduced import costs under the new scheme. This saving can be passed to the shoppers. The scheme will also remove certain seasonal tariffs while simplifying complex trade regulations such as rules of origin. The tariff cut is more generous than that of the equivalent EU scheme and will mean 99 percent of goods imported from LDCs will enter the UK without any tariff. "The new scheme offers developing countries one of the most generous sets of trading preferences from any (developed) country in the world. The scheme demonstrates the UK's commitment to building long-term, mutually beneficial relationships with emerging economies that are home to more than 3.3 billion people," Trevelyan said. "We are also using our status as an independent trading nation to go beyond what is offered by the European Union (EU)," she added. "The DCTS also cuts red tape for developing countries, for example by simplifying rules of origin requirements. This helps the world's poorest countries to export to the UK and play a more active part in the fast-growing global supply chains," she noted. "The scheme to a great extent helps developing countries to diversify their exports and grow their economies, while British households and businesses can benefit from lower prices and more choices," she said. The DCTS applies to countries that currently benefit under the UK's GSP including 47 countries in the GSP LDC Framework and 18 additional countries or territories classified by the World Bank as low income (LIC) and lower-middle income (LMIC). The department claimed that DCTS is one of the most generous preference schemes in the world. It provides duty-free, quota-free trade to LDCs on everything but arms and duty-free, quota-free trade on 85 percent of eligible goods to most LICs and LMICs. LDCs constitute around 13 percent of the world's population but only account for around just one percent of global trade in goods. Addressing the barriers to trade such as 'rules of origin' can be an effective way to support LDCs entering global value chains. Under the new scheme, more than 85 percent of eligible lines now benefit from zero tariffs in DCTS Enhanced Preferences, covering trade worth around £2 billion. Meanwhile, the UK has retained the power to suspend a country's preferential trade partnership for serious and systematic violations of human rights and labour rights based on international conventions. The government is expanding the list of international conventions that form the basis for suspension. The new list includes conventions on anti-corruption, climate change and the environment. The UK's GSP has been in place since January 1, 2021. The UK GSP largely replicated the EU GSP, providing continuity of trade access to UK markets for 70 developing countries. The scheme reduced and removed those tariffs reduced or removed by the EU GSP.

Source:https://www.khmertimeskh.com/501136142/cambodia-uk-trade-to-soar-under-new-scheme/

$17M investment projects in Kandal, P Sihanouk provinces

Cambodia News I 22 August, 2022

Aiding the job prospects and investment potential in two provinces in the country, the Council for the Development of Cambodia (CDC) gave approval for four new investment projects worth $17 million. The new projects, covering footwear, furniture, wood accessories, sofa and packaging materials are expected to create around 2,800 jobs for locals, a CDC statement said. The factories will be based in Kandal and Preah Sihanouk provinces, it pointed out. Out of the four companies, RG Footwear (Cambodia) Co Ltd will operate its unit in Andoung village at Bek Chan commune of Ang Snoul district in Kandal province. Meanwhile, Xing Gang Wood Industry (Cambodia) Co Ltd is expected to set up a wooden furniture and decoration factory in the country's special economic zone at Jehang Gorjur in Sihanouk province, CDC said. While Zhejiang Jeni Furniture Co Ltd will establish a sofa and sofa cover factory at Zhejiang Geni Special Economic Zone in Sihanouk province, the FF. LL (Cambodia) Co Ltd is scheduled to start an all-type packaging material manufacturing factory in the special economic zone at Sihanouk City, the release added. Last week, CDC gave approval to three new investment projects worth $15.7 million in Kampong Speu province and Phnom Penh. The new garment and yarn factories are Jade Fashion (Cambodia) Garments Company Limited, Hong Yu Fang Garment Co. Ltd. and Shun Wei Fang Zhi Ke Ji Co. Ltd. The three projects have the potential to create around 2,279 jobs in the country. A report earlier this month showed that the country's garment, footwear and travel goods industry posted a 40 percent increase in exports in the first half of 2022. The increase in investment projects across Cambodia is an indication of the country's revival in economic prospects following the adverse impact of Covid-19 for a couple of years, according to experts. The Kingdom exported products worth $6.6 billion during the January-June period in 2022, compared to exports valued at $4.72 billion for the same period last year. The Ministry of Commerce's undersecretary of state and spokesman Penn Sovicheat attributed the growth to the full resumption of socio-economic activities in the country, free trade agreements, including RCEP and a rise in global demand. RCEP comprises 15 Asia-Pacific countries including 10 Asean member states - Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam, and their five trading partners — China, Japan, South Korea, Australia and New Zealand. A recent report from the Ministry of Industry, Science, Technology, and Innovation said Cambodia has 1,947 active factories as of July this year with a total investment of $15 billion and created a million jobs for local people.

Source:https://www.khmertimeskh.com/501135969/17m-investment-projects-in-kandal-p-sihanouk-provinces/

Bokeo SEZ Registers Lao and Foreign Workers

Laos News I 22 August, 2022

official registration of workers in the zone at the beginning of this month, 1,267 Laos workers have registered. Health check ups on workers and labor conditions were also conducted. The department began with the registration of Lao workers, followed by the registration of Chinese workers, workers from Myanmar, and other nationalities. Mr. Odon Maniboun said that, after two weeks of labor registration and health check-ups, it is clear that there are problems in the Special Economic Zone which need to be solved, but doing so will require effort and cooperation.

Source: https://laotiantimes.com/2022/08/22/bokeo-sez-registers-lao-and-foreign-workers/

In the Pakukku onion market, the price of onions rose again and reached 3,000 kyats per pound

Myanmar News I 22 August, 2022

During the last week of August in Pakukku Onion Market, the price of onion rose again and reached 3,000 kyats per pound, according to traders. 1,700 kyats per pound in the first week of August at Pakokku Onion Market; In the second week, the price was 2,000 kyat per pound and in the third week, the price was 2,600 kyat per pound. In the market on August 22, when about 24,000 pounds entered the Pakokku onion market, one pound of John Tay was 1,800 - 2,200 kyats. It is reported that the price of one pound of John Lat is 2,300-2,500 Kyats and one pound of Big John is 2,600-3,000 Kyats. “Onion prices are good. Low income. Raise the price and sell the price. The current price is good because it is a good buyer. In normal times, the income in this price range is around 100,000 pesos per day. This year, due to various reasons, there is less onion input. There is a lot to buy and the income is low, so they bargained for it," said an onion trader from Pakokku. At the time of last onion planting, due to the instability of the area, some farmers were unable to plant at all, while others were unable to maintain it after planting, so the yield was lower than normal. In 2019, onions were sold for more than 3,000 kyats per pound, and from 2020 to mid-2022, they were sold for less than 1,000 kyats per pound. According to local farmers, there is still onion to be sold to the onion farmers in Pakukku and Puk townships, and they are trading depending on the stability of the area.

Source: https://news-eleven.com/article/236144

Vietnam's petroleum imports rise 150% over eight months

Vietnam News I 22 August, 2022

Vietnam had spent nearly US$6 billion importing 5.65 million tonnes of petroleum of all kinds as of August 15, up 150% in value year on year, according to the General Department of Vietnam Customs. Petroleum businesses imported 651,000 tonnes worth US$736 million in July alone, representing an increase of 5.4% in volume but a fall of 9.4% in value compared to corresponding figures recorded in June due to the cooling of world market prices.More than 3.17 million tonnes of diesel were shipped to Vietnam, making up 60% of the total volume of petroleum products imported into the country as of August 15.Meanwhile, the Republic of Korea remains Vietnam's largest petroleum import market, with 2.17 million tonnes in the first seven months of this year, up 92%. It is followed by Malaysia and Singapore that purchased 815,000 tonnes and 753,000 tones, respectively.The global oil market has fluctuated sharply since the beginning of the year, mostly due to the limitary conflict in Ukraine. In Vietnam, the Nghi Son oil refinery's decision to cut production capacity in January due to technical problems resulted in a shortage of petroleum in the domestic market.The Ministry of Industry and Trade immediately requested key petroleum trading businesses to increase their imports by an additional 2.4 million m3 in the second quarter, to make up for the shortfall in output from the plant. The ministry confirmed that Vietnam currently has a sufficient supply of petroleum for domestic use.Domestic retail petrol and oil prices have experienced 13 increases and seven falls since the beginning of this year. After skyrocketing to more than VND33,000 per litre, the price of petrol RON-95 plummeted in early July and it has since declined five times to VND24,660 per litre at present.The government is scheduled to announce new retail prices of petrol and oil on August 22 afternoon.

Source: https://vietnamnet.vn/en/vietnam-s-petroleum-imports-rise-150-over-eight-months-2051972.html

Aviation industry rebounds in Q2 thanks to opening of routes

Vietnam News I 22 August, 2022

HÀ NỘI - The restoration of flights and increased number of passengers are helping airlines and non-aviation businesses to gradually recover in profit after the pandemic.According to the Civil Aviation Administration of Việt Nam, in the first six months of this year, the total number of passengers in the industry reached 23.3 million, up 74.2 per cent over the same period in 2021 and equal to 60 per cent compared to the same period in 2019. The domestic market saw 20.8 million passengers, an increase of 58.4 per cent compared to the first six months of 2021 and an increase of 12 per cent over the same period in 2019.The total cargo transported in six months was estimated at 651,000 tonnes, up 6.8 per cent over the same period in 2021 and up 7 per cent over the same period in 2019, of which the domestic market accounted for 146,900 tonnes, up 3.6 per cent compared to the first six months of 2021 and down 29 per cent over the same period in 2019.According to the Civil Aviation Administration of Việt Nam, the domestic market began to recover from April, grew again in May and had strong growth in June. In June alone, the domestic market welcomed 5 million passengers, an increase of 20.9 per cent compared to May and an increase of 38.8 per cent compared to June 2019 - the peak summer month before the COVID-19 pandemic. The seat occupancy rate on domestic routes in June was high, ranging from 85 per cent to 87 per cent depending on the airlines.Lê Hồng Hà, General Director of Vietnam Airlines said at the annual General Meeting of Shareholders that the Vietnamese airline market would see many positive changes because the Government had reopened and resumed domestic flights and international flight routes. However, the international airline market would still face many difficulties because of complicated disease developments, a sharp decline in vaccine effectiveness and high input fuel prices.Hà said that the tourists travelling were mainly Vietnamese. The number of foreign customers had not been able to recover as before the pandemic. Đặng Ngọc Hoa, Chairman of Vietnam Airlines quoted forecasts that the world aviation market will recover by the end of 2024.SSI Research also assesses that the profit growth of enterprises in the airline industry this year is forecast to grow insignificantly because the resumption of international routes is estimated to be slow, as key markets such as China, South Korea and Japan have yet to fully reopen. Therefore, the profit of the whole industry is estimated to increase more strongly from 2023 onwards.The Vietnam Airlines Corporation (ACV), the unit that directly manages 22 of 23 civil airports in Việt Nam, has had a bumper quarter. It recorded net revenue of VNĐ3.43 trillion in Q2, 2.5 times higher than the same period in 2021. In which, revenue from aviation services reached VNĐ3.27 trillion, up 123 per cent year-on-year. Financial revenue reached VNĐ1.91 trillion, twice as much as in the second quarter of 2021 thanks to an increase in exchange rate differences.During Q2, this unit made a net profit of VNĐ1.47 trillion thanks to the difference in exchange rates. Financial expenses and general and administrative expenses both decreased while selling expenses increased. ACV collected VNĐ2.6 trillion in profit after tax, 7.6 times higher than the same period last year.In the first six months, ACV's net revenue reached VNĐ5.56

trillion, up 61.5 per cent compared to the first half of 2021.

Source:https://vietnamnews.vn/economy/1299728/aviation-industry-rebounds-in-q2-thanks-to-opening-of-routes.html