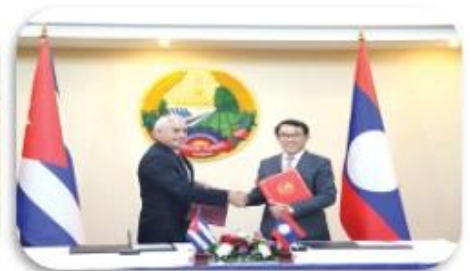


## Highlight News / September 6, 2022



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**Advisory Institute for Trade and Investment by TCC (AiTi)**



## GDCE cracks 15,000 smuggling cases in H1



*Cambodia News | 5 September, 2022*

The General Department of Customs and Excise (GDCE) has cracked down 15,631 smuggling cases, while 862 enterprises have been placed by the General Department of Taxation (GDT) on the risk list which was rejected from tax registration and returned for additional review, among which 760 submitted applications for online registration through a portal in the first half of this year. The two bodies together have collected about \$2.88 billion as revenue, according to a report by the Ministry of Economy and Finance (MEF). The number of crackdown cases recorded by GDCE included 445 large-scale cases and 15,186 small cases in the January-June period of 2022, while the number has been increasing by 7,456 cases or 91.20 percent compared to the same period of last year, according to the report, adding that GDCE settled 15,408 customs crimes, collecting over \$1.8 million of customs and fines. GDCE, which is also operated under MEF, collected nearly \$1.3 billion in the first half of 2022 from customs or import tariff, export taxes, import regime, VAT, Added Tax on petroleum products and others – 50.18 percent of the amount set in Cambodia's budget law 2022 – which is a rise of \$138.83 million or 12 percent compared to the same period of last year, says the report. Cambodia has lost about \$187 million of customs revenue through the execution of free trade agreements (FTAs) in the first half of this year, which increases about 7.34 percent compared to the same period of 2021, while domestically produced items that replaced the imported one included beers, cement, beverages,

cigarettes and vehicles. Among the risky 862 enterprises, GDT found that 21 are large-tax payers, 581 are medium-tax payers and 260 are small-tax payers and among 760 which are in the process of online registration, 21 are large-tax payers, 495 are medium-tax payers and 244 are small-tax payers, while 5,198 firms – 327 large-tax payers, 2,595 medium-tax payers and 2,276 small-tax payers – were registered successfully in the January-June period of 2022, said the report. The recently released report pointed out that GDT which registers businesses in taxation and collects tax revenues for the government – two of its main role under supervision by MEF – has reviewed and approved applications for tax registration for 348 large-tax payers, 3,176 medium-tax payers and 2,536 small-tax payers in the first six months of this year. During this period, GDT audited all 5,759 businesses worth nearly \$2 billion of taxes, which has risen by 46.7 percent or 1,833 businesses worth \$743.79 million of taxes – a rise of nearly 70 percent compared to the same period of last year, according to the report, which does not provide classifications of taxpayers in terms of sizes in the audition section. GDT has actually collected nearly \$2 billion in the first six months period of this year through its online revenue data management system, which equals nearly 70 percent of the amount set in budget law and rises about 30 percent or approximately \$452.74 million compared to the same period of last year, according to the report, adding that the tax revenues have been collected mainly from large-, medium and small-tax payers. The three clusters of taxpayers have paid about \$1.56 billion, \$275 million and \$8.04 million respectively during the first half of this year. The large-tax payers have contributed about 80

percent of the total tax revenue collected by GDT, while medium-tax payers have contributed about 14 percent and nearly 0.5 percent contributed by small-tax payers, according to the report, adding that the revenues from large-tax payers have been risen by 30.26 percent or \$362 million compared to the first six months of 2021. GDT has collected about \$810 million and \$393 million of Income Tax and Value-Added Tax (VAT) – the two key contributors of the total tax revenues in the first half of this year – respectively, while the rest contributors include salaries, special, stamp, residential and land rental taxes that contributed totally approximately \$0.4 million, according to the report. “All types of taxes were collected from import-export, financial, insurance, agriculture, forestry, fisheries, mining, manufacturing, real estate, transportation, logistics, information technology, telecommunications, education, accommodation, food, beverage, construction, electrical supplies, steam, air-conditioning, professional activities, science, technology, administration and other businesses,” the report pointed out in a list of business activities. GDT collected about \$143.50 million of settled tax debts in the first half of 2022, an increase of 18.01 percent or about \$22 million compared to the same period of last year, according to the report, adding that the figures for tax debts were revised and added with about \$6.55 million for the January-May period of this year. This amount was collected after taxpayers had not brought tax receipts to be returned to the tax-payer management unit for recording.

Source:<https://www.khmertimeskh.com/501144668/gdc-e-cracks-15000-smuggling-cases-in-h1/>

## Cambodia's potential for agriculture sector highlighted



*Cambodia News | 5 September, 2022*

A group of investors, businessmen and entrepreneurs gathered in a forum held in Phnom Penh last Saturday to figure out in detail potential investment opportunities in the agriculture sector. Organised by the Junior Chamber Youth (JCI) Cambodia and co-organised by the state-owned Agriculture and Rural Development Bank, the forum held at the Phnom Penh Factory, was attended by key insiders from Mong Rethy Group, Cambodia Rice Federation, Cambodia Food Manufacture Association, Cambodian Women Entrepreneur Association, and representatives from development partners. Experts collaborated to share work experience to increase investment opportunities in agriculture, said JCI Cambodia's Vice President Pich Chan. Businessmen, investors and entrepreneurs interested in agriculture and food processing have launched a joint forum aimed at bringing together project owners, donors, creditors, investors, entrepreneurs, suppliers and agricultural lovers, as well as accessing financial information and markets in agriculture, Chan said. “In this forum, participants received information related to the development of agriculture and processed food in Cambodia, in particular, will know about the investment package, including technical assistance projects,” Chan said. The information related to agricultural assistance projects from NGOs, banks and donors was also mentioned to local entrepreneurs, he said. “Participants also received training on the readiness and strategies to apply for various assistance successfully by sharing the actual

experience of the speakers,” he said. The agriculture sector has potential that local investors and entrepreneurs can explore for investment, said Tan Monivann, vice president of Mong Rethy Group. “This is an opportunity for those who love agriculture, as both the present and the future of Cambodia are increasingly dependent on this sector, as the potential of this sector is attractive to local and foreign investors,” Monivann, who is also Vice President of the Cambodia Chamber of Commerce, said. The agriculture sector continues to contribute to Cambodia’s economic growth although not yet to its full potential. Prime Minister Hun Sen said last week that the agriculture sector has rapidly developed, supplying sufficient foods to people and exports. He has called to boost agricultural production not to only ensure food security for Cambodian people but also to export. Cambodia’s agricultural exports in 2021 reached 7.98 tonnes, a surge of 63 per cent or 3.11 tonnes year-on-year, and generated \$4.96 billion.

Source: <https://www.khmertimeskh.com/501144672/cambodias-potential-for-agriculture-sector-highlighted/>

## Lao, Cuban foreign ministries ink cooperation pact



*Laos News | 6 September, 2022*

The Ministries of Foreign Affairs of Laos and Cuba on Monday signed a cooperation agreement on future activities, aiming to strengthen the links between the two ministries. The agreement was signed by Laos’ Deputy Minister of Foreign Affairs Mr Bounleua Phandanouvong and Cuba’s First Deputy Minister of Foreign Affairs Mr Gerardo Penalver Portal, following a meeting between the two ministries to discuss

cooperation from 2022-2025. Mr Bounleua welcomed the three-day visit by his Cuban counterpart, which he said forged a closer relationship and enhanced cooperation, with the goal of pursuing the ideals of socialism and moving closer to success. The meeting contributed to the strengthening of the longstanding relations between Laos and Cuba, and their greater effectiveness. The two countries established diplomatic relations on November 4, 1974. The visit by the delegation from Cuba’s Ministry of Foreign Affairs from September 3-5 involved talks with Party and government leaders regarding cooperation in the fields of health, education, sports, economics and commerce, and cultural activities. The two sides reviewed their past cooperation and discussed ways to improve and plan for joint projects in the future, to strengthen their partnership in development and diplomacy. In particular, the two ministries hope to improve their ties in ways that are more effective and beneficial for their citizens. They agreed to continue to assist each other in numerous fields and on the regional and international stages. The two deputy ministers outlined socio-economic developments in their respective countries, and current events in the region and further afield, showing mutual understanding. Following the meeting, the two sides signed a cooperation agreement between the two ministries for the period 2022 to 2025. Mr Gerardo

Penalver Portal and his officials also met Deputy Prime Minister Sonexay Siphandone and Chairman of the Party Central Committee's External Relations Committee, Mr Thongsavanh Phomvihane. The group visited the Xaysettha development zone, the Laos-Cuba Friendship Secondary School in Dongbang village, Xaythany district, the Kaysone Phomvihane Museum, and various places of historical interest.

Source: [https://www.vientianetimes.org.la/freeContent/FreeContent172\\_Lao\\_Cuban\\_y22.php](https://www.vientianetimes.org.la/freeContent/FreeContent172_Lao_Cuban_y22.php)

## Myanmar bags \$500 mln from export of various pulses in nearly 5 months

 Myanmar News | 6 September, 2022

Myanmar earned over US\$500 million from export of various pulses in nearly five months of the current financial year 2022-2023, the Ministry of Commerce's statistics indicated. Myanmar shipped US\$513.347 million worth of over 660,806 metric tonnes of various pulses to foreign countries between 1 April and 26 August 2022, according to statistics released by the Ministry of Commerce. During the nearly past five months, the country shipped over 519,868 tonnes of pulses to external markets through sea trade, generating an income of \$418.152 million, while \$95.195 million worth of 140,937 tonnes of pulses were sent to the neighbouring countries via cross-border posts. Myanmar conveyed US\$1.57 billion worth of over 2.02 million tonnes of various beans and pulses to

foreign trade partners in the 2020-2021FY. The country shipped \$966.4 million worth of over 1.24 million tonnes of pulses and beans to foreign markets through sea route, and \$604.3 million valued at over 786,920 tonnes were sent to the neighbouring countries through land borders, the MoC's trade data showed. Myanmar's bean cultivation covers 20 per cent of overall growing acres. Among them, black beans, pigeon peas and green grams constitute 72 per cent of bean acreage. Other beans including peanuts, chickpea, soybean, black-eyed beans, butter bean and rice beans are also grown in the country. Myanmar's agriculture sector is the backbone of the country's economy and various pulses are included in the main agricultural export items. — TWA/GNL

Source: <https://www.gnlm.com.mm/myanmar-bags-500-mln-from-export-of-various-pulses-in-nearly-5-months/>

## Vietnam an important link in Asian supply chain

 Vietnam News | 5 September, 2022

VOV.VN - The nation is becoming an important link in the Asian supply chain, a new destination for a number of businesses that need to diversify their supply chains, according to international media. Japan's Nikkei Assia reported that Vietnam is attracting world's major chip manufacturers. In addition to Apple, Samsung, and Panasonic, which are expanding their scales, the US Company



Synopsys has recently said it will support engineer training and establish a chip design center in the Southeast Asian nation. It's worth noting that Vietnam is increasingly attracting more and more high-tech groups. Okuda Yoshiki, development advisor of the Japan International Cooperation Agency (JICA) said that in the past, not only Japan, but many other countries relied on Chinese production. However, the impact of the COVID-19 pandemic caused disruption to supply chains. Currently, shifting factories to Vietnam is becoming a trend of great concern to Japan, he went on to say. According to Retail News, a page providing the latest retail news throughout the Asian retail market on a daily base, Boeing wants to develop its supply chain in Vietnam by making more domestic businesses its suppliers. The Vietnam Briefing page had an article "Why Vietnam becomes a promising choice for American businesses in Asia", which cited Vietnam's skilled and low-cost workforce, stable infrastructure, safe environment, and free trade agreements. Chairman of the European Chamber of Commerce in Vietnam (EuroCham) Alain Cany stated that Vietnam needs to continue to maintain a reliable and consistent policy on work permits, including those for experts, and length of stay, while ensuring coordination between central and local authorities in order to further attract foreign investors. The Vietnamese government is on the right

track and growth will be sustained in the coming months, he added. The stable foreign investment capital, and major groups intensifying their supply chains to Vietnam is a testament to the government's flexible economic policy and a positive outlook for the Vietnamese economy in the time ahead.

Source: <https://english.vov.vn/en/economy/vietnam-an-important-link-in-asian-supply-chain-post967774.vov>

## Lotte Group to build eco smart city, logistics center in Vietnam



*Vietnam News | 5 September, 2022*

South Korean retail giant Lotte Group said Sunday it will build an eco-friendly smart city complex and smart logistics center in Vietnam, as part of its expansion plan to cement a strong foothold in Southeast Asia. Under the \$900 million Thu Tiem Eco Smart City project, the company plans to construct a 60-story building, with another five floors underground, comprising a shopping mall, cinema, office space, hotel, residences and apartments in Ho Chi Minh City. For the residential area, a big data and artificial intelligence-based system will provide convenient and safe smart home solutions as well as digital health care services, including remote medical examination, the group said. For sustainable and efficient energy management inside the building, the group will adopt an "ice storage" air conditioning system, which freezes ice at night and

converts it to cool air in the day. According to Lotte's plan, the shopping mall and cinema will offer smart payment options and robot and drone delivery, with the hotel providing smart concierge and robot catering services. Office spaces will adopt facial recognition and an AI-based reservation system as well. Along with the megasized construction project, Lotte Global Logistics plans to construct a smart logistics center in the southern Dong Nai province by 2024, to boost imports and exports targeting Vietnam. The center will adopt a cold chain system to cater to fast-growing needs for fresh and frozen food. It will also install automated facilities and operate container terminals. "This year marks the 30th anniversary of Korea's diplomatic relations with Vietnam. Starting with the smart city project, Lotte will expand investments in Vietnam," said Lotte Group Chairman Shin Dong-bin in a statement. During the groundbreaking ceremony of Thu Tiem Eco Smart City, Shin also promoted South Korea's bid to host the 2030 World Expo in Busan. On Wednesday, the Lotte chief met with Vietnamese President Nguyen Xuan Phuc and asked for support. Lotte Group said together with Vietnam, Indonesia is also at the vanguard of its business in Southeast Asia. Before visiting Vietnam, Shin stopped by Indonesia on Aug. 29 to look over the Line Project, the construction of a mega petrochemicals complex, in Banten. The \$3.9 billion project, the group's largest global business

project so far, aims to produce 1 million metric tons of ethylene, 520,000 tons of propylene, 250,000 million tons of polypropylene and other petrochemicals. With regulations lifted for foreign nationals to start logistics business in Indonesia, Lotte Global Logistics will set up a transportation network within Jakarta and other supply chain management systems for petrochemicals.

Source: <http://www.theinvestor.co.kr/view.php?ud=2>

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