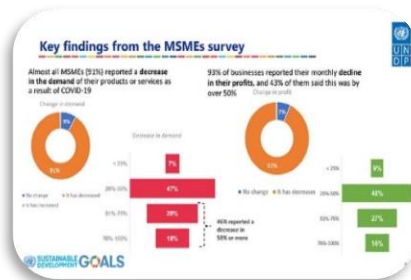


Highlight News / September 08, 2022



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Advisory Institute for Trade and Investment by TCC (AiTi)

Cambodia gets \$3.3B in foreign investment



Cambodia News | 07 September, 2022

Cambodia received almost \$3.3 billion for 123 foreign investment projects from January to August this year, according to data by the Council for the Development of Cambodia (CDC). The projects were for the manufacturing of garments, footwear, tyres, wiring products, plastics, bags and travel materials, besides fruit processing and automobile assembly. The flow of foreign investment was boosted by the country's new investment law and trade deals – Cambodia-China Free Trade Agreement, the Regional Comprehensive Economic Partnership, and trade preference schemes and it also reflected the confidence of foreign investors in Cambodia's development outlook, said Lim Heng, Vice President of Cambodia Chamber of Commerce. "The efficient control of Covid-19 led to resuming of all socio-economic activities, implementation of the Free Trade Agreement between Cambodia and China and the RCEP agreement," Heng said yesterday. Some countries in the region enjoy the same tariffs as Cambodia but are facing political crises and also suffer from continuing spread of Covid-19, resulting in supply orders for these countries moving to Cambodia, he said. Came into force early this year, the RCEP comprises 15 Asia-Pacific countries including 10 Asean member states, namely Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the

Philippines, Singapore, Thailand and Vietnam, and their five trading partners, namely China, Japan, South Korea, Australia and New Zealand. Heng Sokkung, secretary of state and spokesman for the Ministry of Industry, Science, Technology and Innovation, said that with new markets under the regional trade pact – RCEP and Cambodia-China Free Trade Agreement, more Cambodia-made manufacturing products are expected to see growth in export. "Despite the Covid-19 crisis, the manufacturing sector has moderately grown, reflecting the high demand of Cambodia's products in the main markets – the US and the EU," he said during a press conference at the government spokesman unit in August. "The manufacturing sector is playing a key role in driving the country's GDP," he underlined.

Source: <https://www.khmertimeskh.com/501146129/cambodia-gets-3-3b-in-foreign-investment/>

93% MSMEs suffered profit decline due to Covid-19 impact



Cambodia News | 07 September, 2022

As many as 93 percent of Micro, Small and Medium Enterprises (MSMEs) in Cambodia suffered a decline in profits during 2020-21 when Covid-19 peaked in the country, found a survey conducted by United Nations Development Programme (UNDP). The telephonic survey of 500 MSMEs saw 16 percent of the respondents reporting a 76-100 percent

decline in profits, while 27 percent a decline of 51-75 percent, revealing that overall as much as 43 percent suffered an over 50 percent decline in profits. For 48 percent of the survey respondents, the decline in profit was in the range of 26-50 percent and for only nine percent of the MSMEs, this was below 25 percent. The interviews were conducted in four waves during 2020 and 2021. In fact, a whopping 91 percent of the MSMEs reported a decrease in the demand for their products and services as a result of Covid-19 during the period. Among these, the decline in demand for 46 percent of the MSMEs was 50 percent or more. Among formal MSMEs that received government support, partial or total salary subsidy was the top assistance from the government (73 percent) during September-October 2021. Interestingly, the survey also found that in 2020, while the health impacts were under control, the socio-economic fallout was substantial. The outlook was reversed in 2021 when the health situation deteriorated with increasing community outbreaks, the economic growth was on a recovering trend showing positive numbers. The growth in Gross Domestic Product (GDP) was between 1.7 percent to 2.3 percent in 2021 due to social protection and economic stimulus packages. The poverty rate was also moderate during this period — around 11.5 percent. The survey also found that the average weekly earnings of street vendors/grocery sellers declined to \$88 during 2020-2021 from \$159 before the pandemic. For those employed without contracts, the decline was to \$56 from \$107. In the

case of vehicle drivers, this was \$43 from \$104. For heavy work labourers, it declined to \$36 from \$65 and agricultural workers to \$30 from \$61. The coping strategies of the MSMEs included applying for fresh loans, deferral of existing loan repayments, applying for loan suspension and selling property to meet interest payments. On the basis of the survey, UNDP recommended that the government provide more incentives for enterprises in the formal sector besides continuing the social protection measures till the recovery is complete. An earlier survey by UNDP found that about 92 per cent of the households receiving money under the Covid-19 Cash Transfer Programme in Cambodia spent it on food, indicating that the scheme, running for over two years, substantially contributed to addressing poverty during the pandemic. The programme has supported nearly 70,000 households who are among the poorest and the most vulnerable, the impact assessment study undertaken with a sample size of 1,000 beneficiaries found. The government dishes out an average of around \$35 million a month for the programme. The macroeconomic modelling of the study also suggested that the programme helped to stimulate GDP growth by 0.55 percent in 2020 and 0.45 percent in 2021, reduce poverty rate by 2.7 percent in 2020 and 3.4 percent in 2021, and reduce the unemployment rate by 0.57 percent in 2020 and 0.62 percent in 2021.

Source: <https://www.khmertimeskh.com/501146312/93-msmes-suffered-profit-decline-due-to-covid-19-impact/>

Laos Government Allows Foreign Legal Businesses to Survey Land



Laos News | 07 September, 2022

The Ministry of Natural Resources and Environment has issued an agreement allowing foreign land businesses to provide land survey and land evaluation services. A recent announcement from the ministry states that the agreement applies to individuals, legal entities, and organizations being operated in Laos by foreigners, stateless persons, and foreign-Lao nationals. Lao nationals can conduct land use rights business, land surveying services, land price evaluation, and other land-related services as specified in the Land Law. While foreigners, stateless persons, and foreigners with Lao ethnicity who have received necessary permits, can conduct business related to surveying, measurement, and land evaluation services. Under the conditions operators must have relevant work experience for three years or more, verification of actual work performance, or hold a diploma in a specialized field related to land work. Foreign businesses also need to register a deposit account with a commercial bank or a state-owned bank with headquarters in Laos. Businesses with surveying services must provide standard surveying equipment, as well as a suitable office location and

supporting materials, for land-related business operations.

Source: <https://laotiantimes.com/2022/09/07/laos-government-allows-foreign-legal-businesses-to-survey-lands/>

Myanmar earns \$300 mln from rice export in past 5 months



Myanmar News | 07 September, 2022

Myanmar shipped 889,991 metric tons of rice and broken rice to foreign trade partners in the past five months this year (April-August), with an estimated income of US\$302 million, according to the Myanmar Rice Federation (MRF). In the past five months, approximately 44 exporter companies delivered over 731,590 MT of rice to external markets by sea, whereas over 158,400 MT were sent to neighbouring countries via border posts. Myanmar shipped rice and broken rice to regional countries, countries in Africa and European Union member countries through maritime trade. It is also exported to neighbouring countries, China and Thailand through cross-border posts. Myanmar exported rice to over 20 foreign markets in the past months, mostly to China (108,269 MT) and the Philippines (95,019 MT). Additionally, Myanmar primarily conveyed 138,893 MT of broken rice to Belgium and over 132,319 MT to China. Last month, the prices rose to K60,000-K90,000 per bag for high-grade rice varieties and K35,500-K50,000 per bag for low-grade rice varieties. The prices of low-quality white rice varieties

were approximately \$320-355 per MT depending on the different varieties and quality. The export price of Myanmar's rice was relatively lower than the rates of Thailand and Viet Nam, according to MRF. Myanmar has shipped more than 1.4 million tonnes of rice and broken rice to foreign trade partners between 1 October and 31 March in the past mini-budget period (2021-2022), the Myanmar Rice Federation stated. Myanmar bagged \$700 million from two million tonnes of rice exports to foreign countries in the past 2020-2021 financial year. — KK/GNLM

Source: <https://www.gnlm.com.mm/myanmar-earns-300-mln-from-rice-export-in-past-5-months/#article-title>

Moody's upgrades Vietnam's ratings to Ba2, outlook to stable



Vietnam News | 07 September, 2022

The Finance Ministry said on September 6 that Moody's Investors Service has upgraded Vietnam's long-term issuer and senior unsecured ratings to Ba2 from Ba3 and changed the outlook to stable from positive. The ministry said the upgrade to Ba2 reflects the assessment by Moody's that Vietnam's economy has growing strengths and greater resilience to external macroeconomic shocks that are indicative of improved policy effectiveness. Moody's expects the situation would continue as the economy benefits from supply chain reconfiguration,

export diversification and continued inbound investment in manufacturing. The rating also reflects a sounder fiscal footing backed by contained borrowing costs, a conservative approach to fiscal policy and improved government liquidity, driven by the ongoing transition from external concessional borrowing toward longer-dated, low-cost domestic market financing, said the ministry. Amid complicated developments in the world in the past eight months, Vietnam is the only in Asia-Pacific and one of the four countries globally to have ratings upgraded by Moody's since early this year.

Source: <https://english.vov.vn/en/economy/moodys-upgrades-vietnams-ratings-to-ba2-outlook-to-stable-post968258.vov>

Digital economy to make up 25% of HCM City's GRDP by 2025



Vietnam News | 07 September, 2022

HCM City (VNA) – Ho Chi Minh City's digital economy is hoped to account for 25% of the southern hub's gross regional domestic product (GRDP) by 2025. The goal was set out in a Directive on speeding digital transformation and building HCM City into a smart city issued by the Standing Board of the municipal Party Committee. Accordingly, attention will be paid to raising public awareness of digital transformation; organising the implementation of digital transformation tasks and building digital government; and integrating and effectively exploiting data to serve the fight against COVID-19

pandemic, socio-economic recovery and development, and modern-oriented governance. Specific action programmes will be mapped out and implemented, while the application of information technology will be accelerated across fields in association with ensuring information security and safety in building digital government, economy and society. Investments will be strongly poured into human resources development, focusing on training and fostering cadres, civil servants and public employees. Resources will be prioritised in digital transformation in Thu Duc city, contributing to forming a highly-interactive innovation city in the East of the southern hub. Enterprises, especially those operating in information, communication, science and technology are encouraged to actively invest and join the digital transformation process, and provide essential digital services. Experts said promoting digital transformation is one of the solutions to accelerate post-pandemic economic recovery in HCM City and move towards strong development in the future, adding that the work should be considered one of the new growth drivers. According to the HCM City Institute for Development Studies (HIDS), the digital economy contributed nearly 192 trillion VND (8.3 billion USD) to the city's GRDP in 2021, equivalent to 14.41% of the total. The rate is expected to reach 15% in 2022. HIDS has proposed to build HCMC City into a financial technology hub (Fintech hub); develop testing policies (sandbox) on digital transformation; and complete a support and consultation centre for

digital transformation (DXCentre). According to Dinh Lam Thang, Director of the municipal Department of Information and Communications, the southern hub is one of the localities having the highest number of smartphone users. The fiber optic network infrastructure, broadband internet, and 3G and 4G mobile infrastructure cover 100% of communes, wards and townships in the city. These are advantages for it to speed up digital transformation in the time to come./.

Source: <https://en.vietnamplus.vn/digital-economy-to-make-up-25-of-hcm-citys-grdp-by-2025/236868.vnp>
