

Highlight News / October 3, 2022



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Advisory Institute for Trade and Investment by TCC (AiTi)



RCEP, CKFTA to give big boost to Cambodia-Korea trade



Cambodia News | 2 October 2022

The Regional Cooperation Economic Partnership (RCEP) and Cambodia-Korea Free Trade Agreement, recently ratified by the Korean National Assembly, will give a big impetus to bilateral trade in the post pandemic era, said a senior official. Prak Sakhonn, Deputy Prime Minister and Minister of Foreign Affairs and International Cooperation, said this during a reception on the celebration of the National Foundation Day of Republic of Korea and the 25th Anniversary of the Re-establishment of Diplomatic Relations between Cambodia and RoK, held here on September 29. Sakhonn said that the RoK is one of Cambodia's key economic partners and ranks second in FDI in Cambodia. The bilateral trade reached a record high of nearly \$1 billion last year and the two countries continue to witness a stable flow of goods and services, he said. "Now that the RCEP is up and running and the Korea National Assembly has ratified the Cambodia-RoK FTA, I am so optimistic that our bilateral trade will get a big boost in the post-pandemic era," Sakhonn added.

Source:<https://www.khmertimeskh.com/501160317/rcep-ckfta-to-give-big-boost-to-cambodia-korea-trade/>

International tourists to Cambodia to reach pre-pandemic level in 2026



Cambodia News | 2 October 2022

The number of international tourists to Cambodia is expected to reach the pre-COVID-19 pandemic level in 2026 or 2027, a senior official said here on Friday. In the pre-pandemic era, the Southeast Asian nation

recorded 6.6 million international tourists in 2019, generating \$4.92 billion in revenue. "Cambodia's tourism sector has significantly recovered and is forecast to attract about 7 million international tourists in 2026 or 2027, and up to 7.5 million in 2028," Ministry of Tourism's Secretary of State Top Sopheak told a press conference. He said during the first eight months of 2022, the kingdom received almost 1 million international visitors, up 720 percent year-on-year. "We hope that Cambodia will attract from 1.5 million to 2 million international tourists in the entirety of 2022," he added. Tourism is one of four pillars supporting Cambodia's economy, in addition to garment export, construction and real estate, and agriculture. Sopheak said the kingdom currently has 724 hotels, 2,122 guesthouses, 2,581 restaurants, 380 massage parlors, and 616 travel agencies as well as some karaoke parlors and discotheques. The kingdom is famous for its three world heritage sites, namely the Angkor Archaeological Park in Siem Reap province, the Preah Vihear Temple in Preah Vihear province, and the Sambor Prei Kuk Archaeological Site in Kampong Thom province. Besides, it has a 450-km pristine coastline stretching across four southwestern provinces. Xinhua

Source:<https://www.khmertimeskh.com/501160330/international-tourists-to-cambodia-to-reach-pre-pandemic-level-in-2026/>

Germany to deliver new support package to Laos



Laos News | 3 October 2022

Germany has pledged additional support to Laos of about 38 million Euro in the coming years, following the resumption of bilateral cooperation between the two countries, according to a top German government official. “I am here to discuss with the Lao government our future cooperation. In this context I am happy to pledge additional 38 million Euro [for Lao-German bilateral cooperation],” the State Secretary for Economic Cooperation and Development, Mr Jochen Flasbarth, said in an exclusive interview with the Vientiane Times at the German Embassy in Vientiane on Friday. Mr Flasbarth, who is responsible for taking international development cooperation decisions, made an official visit to Laos last week to cement the new phase of Lao-German bilateral cooperation, which was officially reinstated in June this year. While in Vientiane, Mr Flasbarth met with Deputy Prime Minister and Minister of Foreign Affairs, Mr Saleumxay Kommasith, and senior officials from the Ministry of Planning and Investment, Ministry of Public Works and Transport, Ministry of Education and Sports and the Ministry of Agriculture and Forestry to discuss the new bilateral cooperation. Mr Flasbarth said the decision by the German government to resume bilateral cooperation was

based on his government’s new global agenda, which aims to support the international community to achieve the UN Sustainable Development Goals. In the Lao context, he said that the newly announced support would be spent on proven bilateral cooperation projects, such as forest management and infrastructure development in rural areas. The new intervention would further help rural communities in Laos gain better access to markets, education, and health care services, he added. “The best thing to do now is to build up on what we have,” Mr Flasbarth said, adding that the upcoming phase of bilateral cooperation would enable Laos and Germany to explore new areas of cooperation for the mutual benefit of both countries. In addition to the bilateral cooperation with Laos, Mr Flasbarth said Germany would continue to support Laos through multilateral cooperation frameworks, including the European Union and other international platforms. When asked what needed to be done to increase bilateral trade and German investment in Laos, Mr Flasbarth said the German government was not in a position to order the private sector to invest in particular countries, adding that, generally, the private sector only invests in countries that can provide them with good returns on their investments. He said the transformation of Laos from a landlocked country to a regional land bridge would help to improve Laos’ competitive advantage. However

what investors need the most is not only good infrastructure but also good governance and favourable investment policies, together with effective legal enforcement, he added. Laos and Germany started diplomatic relations in 1958 and bilateral cooperation in 1963. So far, Germany has provided more than 560 million Euro development support to Laos. The value of bilateral trade between Laos and Germany to date stands at about 159 million Euro. Germany has also provided a number of scholarships for Lao nationals. About 3,000 people have been educated and trained in Germany.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent191_Germany_y22.php

Myanmar goods exports surpass larger than imports as of 23 Sept



Myanmar News | 3 October 2022

The value of Myanmar's goods exports was relatively higher than those of imports between 1 April and 23 September in the current financial year 2022-2023, according to statistics provided by the Ministry of Commerce. Myanmar's trade gap significantly shrank to US\$0.024 million this FY from \$234 million registered in the corresponding period of the 2021-2022 FY. In the nearly a half of the FY, the value of Myanmar's external trade soared to \$16.3 billion from \$13.45 billion recorded in the year-ago period. While exports were estimated at \$8.159.057 billion, imports were valued relatively low at \$8.159.033

billion during April-Sept period. Compared to the FY 2021-2022, exports showed an increase of over \$1.3 billion, while import value was up by \$1.55 billion. Myanmar's maritime trade value edged up to \$12.5 billion in the nearly past six months from \$9.5 billion recorded in the same period last year yet the country witnessed a small drop of \$135 million in border trade as cross-border trade with the main trade partner China has not returned to normal amid the strict virus policy. Myanmar exports agricultural products, animal products, minerals, forest products, and finished industrial goods, while it imports capital goods, raw industrial materials, and consumer goods. The country's export sector relies more on the agricultural and manufacturing sectors. The Ministry of Commerce is trying to reduce the trade deficit by screening luxury import items and boosting exports. The country mainly imports essential goods, construction materials, capital goods, hygienic material and supporting products for export promotion and the import substitution.—
KK/GNLM

Source: <https://www.gnml.com.mm/myanmar-goods-exports-surpass-larger-than-imports-as-of-23-sept/#article-title>

Brussels Times speaks highly of Vietnam's economic prospects



Vietnam News | 1 October 2022

The Brussels Times of Belgium has run an article entitled "The comprehensive cooperation over 30 years: for the prosperity and welfare of the EU and

Vietnam's citizens", which highlighted that Vietnam - a development partner of the EU in the Indo-Pacific - is becoming a beacon in the region, with the capacity to control inflation and maintain economic growth at a high level, despite turbulent international affairs. Although the global economy is facing a potential recession, international financial institutions have come out with strong forecasts for Vietnam's economy, the author wrote. Most recently, credit rating agency Moody's upgraded Vietnam's rating from Ba3 to Ba2, with a stable outlook. Nikkei assessed that Vietnam's COVID-19 recovery index ranked second in the world, up 12 places. Vietnam's economy is expected to grow by 7.2% in 2022, on the back of a strong rebound in domestic demand and continued solid performance by export-oriented manufacturing, according to the World Bank East Asia and Pacific Economic Update, October 2022. European companies see Vietnam as a promising business investment centre with multiple quality sustainable projects. Recent investment statistics show an upward trend in investment from some EU countries in Vietnam, such as the Netherlands (26%), Denmark (24%), Sweden (63%), the Republic of Ireland (235%), and Belgium (284%). The article stated that Vietnam and the EU share many objectives, goals, and visions in maintaining multilateralism, promoting environmental protection, green and sustainable development, innovation and digital transformation. According to the article, promoting bilateral cooperation in diverse fields will support

Vietnam in fulfilling its strategic and conditional goals to improve human livelihood, contributing to humanity's progress and the world's development.

Source: <https://en.nhandan.vn/brussels-times-speaks-highly-of-vietnams-economic-prospects-post118467.html>

Vietnam has "golden chance" to welcome new FDI wave



Vietnam News | 1 October 2022

Vietnam has a "golden chance" to attract a new wave of foreign investment, especially to economic zones (EZs) and industrial parks (IPs), according to Deputy Minister of Planning and Investment Tran Quoc Phuong. Annual foreign direct investment (FDI) poured into IPs and EZs is making up 35% - 40% of the total FDI capital inflows. The rate reaches even 70% - 80% in the processing and manufacturing industry, according to the Ministry of Planning and Investment (MPI). The MPI said Vietnam is currently home to 403 IPs, 18 coastal EZs, and 26 border gate EZs, which have become key magnets for domestic and foreign investments. Many of them are accommodating large foreign enterprises such as Samsung, Canon, LG, Sumitomo, Foxconn, and VSIP. Explaining why Vietnam holds this chance to attract new investment, especially in IPs and EZs, experts and international organisations said at a recent forum that aside from political stability, the economy is bouncing back quickly after the COVID-19 pandemic, with one of the fastest growth rates in the region, ensured major balances, and curbed

inflation. Many free trade agreements have also been signed and taken effect, creating optimum conditions for international investment and trading activities. Besides, thanks to the State's attention to building infrastructure, especially expressways, and large businesses' engagement in the work, infrastructure conditions for industrial development nationwide have been improved considerably. However, Nguyen Anh Tuan, editor-in-chief of *Nha dau tu* (Investor) magazine, also pointed out certain challenges to investment attraction to IPs and EZs, including complex administrative procedures, lengthy site clearance for new IPs, issues related to law and policy enforcement, especially investment incentives and tax refunding, the shortage of high-quality manpower, and housing and social welfare for workers in IPs and EZs. Economists said to welcome more investment, IPs and EZs need not only good infrastructure and excellent services but also assistance for investors. To do that, they in turn also need support from the Government. Favourable conditions provided for IPs by the Government will facilitate investors, and difficulties facing IPs could also directly or indirectly affect investors, experts noted. Deputy Minister Phuong said as the advisory body for the State management of IPs and EZs, the MPI will work with other ministries, sectors, and localities to continue overhauling mechanisms and policies and assisting investors to create an increasingly transparent and favourable business environment in IPs and EZs.

Source: <https://en.nhandan.vn/vietnam-has-golden-chance-to-welcome-new-fdi-wave-post118468.html>
