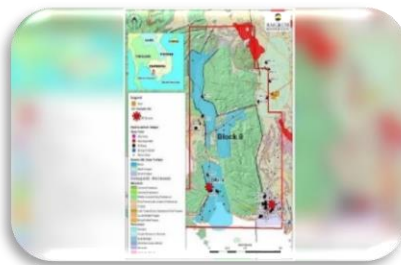
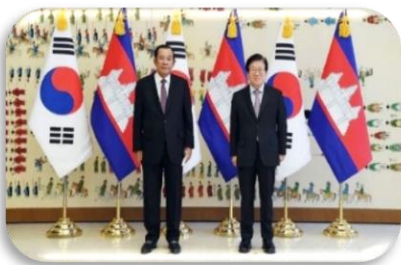


Highlight News / October 06, 2022



- Cambodia-Korea FTA to come into force from December 1
- Onshore exploration and production license for Cambodia's Oil & Gas granted to Angkor Resources Energy Subsidiary
- Weak kip harming Lao economy
- Over 4,200 tonnes of cement worth US\$0.338 million imported via border trade
- Tourism revenue reaches 78% of pre-Covid 2019
- UOB upgrades 2022 growth forecast for Vietnam to 8.2%



Advisory Institute for Trade and Investment by TCC (AiTi)

Cambodia-Korea FTA to come into force from December 1



Cambodia News | 05 October, 2022

The Embassy of the Republic of Korea confirmed on Sunday that the Cambodia-Korea Free Trade Agreement (CKFTA) will enter into force on December 1, 2022. The notification comes after the embassy issued a notification to the Ministry of Foreign Affairs and International Cooperation (MFAIC) of the Kingdom of Cambodia on October 2, 2022, said an official note obtained by Khmer Times yesterday. The embassy pointed out that the CKFTA stipulates in Article 10.10 that the agreement shall enter into force 60 days after the official note dated October 2, 2022, was sent to the Cambodian government following the government of the Republic of Korea had completed its domestic procedures for the entry into force of the agreement. “The Embassy of the Republic of Korea avails itself of this opportunity to renew to the Ministry of Foreign Affairs and International Cooperation of the Kingdom of Cambodia the assurance of its highest consideration,” the note pointed out, adding, that the embassy has also notified the same to Cambodia’s Ministry of Commerce. The Embassy of the Republic of Korea in Phnom Penh also presented its compliments to MFAIC and referred to the ministry’s note dated February 9, 2022, that notified the completion of the internal procedures of the

Cambodian side for the entry into force of the CKFTA, which was signed at Seoul and Phnom Penh on 26 October 2021. Nguon Mengtech, Director General of Cambodia Chamber of Commerce (CBC), told Khmer Times yesterday that the private firms applauded the CKFTA as it would be another gateway for them to expand exporting their goods in addition to the current markets, but would raise complaints during the actual implementation of the new official bilateral trade deal. Mengtech added that the private sector would use the public-private partnership to flag the issues that arise from the implementation of not only the free trade agreements but also other trade deals and policies imposed by the government, which he says is a very effective mechanism for the private sector to solve business issues with policymakers. “It is too early to predict what changes the agreement will bring about even before the FTA has come into force. Besides, the private sector has also even not started to do business. So, let’s see what changes take place when we implement the deal. If there are any problems that may affect our businesses, we would take them up to the government to address them,” he said. The National Assembly of the Republic of Korea on September 27, 2022, gave its formal consent to CKFTA through its ratification to make Cambodia’s second bilateral trade agreement officially valid and effective for enforcement in a most likely 60-day period of time. Under CKFTA, Cambodia is expected to receive over 95 percent of the total tariff lines from the Republic of Korea to

export 92 percent of all of its goods to the latter at zero percent of customs duty immediately after the agreement is entered into. Pen Sovicheat, Undersecretary of State of MoC, told Khmer Times that CKFTA will provide additional benefits from the trade between the two countries as the tariff lines, tariff rates and some conditions under the Regional Comprehensive Economic Partnership (RCEP) that also include the Republic of Korea are still limited, unlike CKFTA. "So, CKFTA will fulfill the things we have received through RCEP and expand our markets in that country, which enables us to expect that the bilateral trade would be boosted further, but the rest percentage of tariff lines that we have not received yet refers to some goods that are still sensitive to the partner's economy and so they cannot give us, while some goods require complete fulfilment of technical conditions," Sovicheat said. The spokesman said CKFTA will allow Cambodia to export peppers, bananas, cashew nuts, potatoes, pineapples, coffee, fruits, corns, longans, tobaccos, meats, aquaculture products, sugar, rubbers, apparel, textiles, footwear, bicycles, travel materials, bags, accessories, industrial goods and more, while the Republic of Korea will be allowed to export electronic devices, automobiles, construction machinery, agriculture machinery, cloth raw material, processed cloth, cosmetics, food, groceries, construction materials and spare parts and more. CKFTA is expected to foster Cambodia's exports to the Republic of Korea such as garments, textiles, foot wears, bags, accessories, electronic

devices, rubbers and agricultural products, according to the statement, adding that CKFTA is the second bilateral free trade agreement for Cambodia following the bilateral free trade agreement between the Kingdom and China that was enforced in January this year.

Source: <https://www.khmertimeskh.com/501162478/cambodia-korea-fta-to-come-into-force-from-december-1/>

Onshore exploration and production license for Cambodia's Oil & Gas granted to Angkor Resources Energy Subsidiary



Cambodia News | 05 October, 2022

Angkor Resources Corp. and has announced that its energy subsidiary, EnerCam Resources Corp. (Cambodia) Co. Ltd. (EnerCam) has received final licensing for exploration, development, and production on Block VIII onshore Cambodia. Mike Weeks, President of EnerCam, commented, "We are excited about moving oil and gas forward in Cambodia as we believe this is a monumental change for the entire country. "Having its own long-term source of energy for LNG, for fuels, and a whole variety of products currently imported into Cambodia will advance this country to a new level. It starts with exploration on Block VIII; we see gas shows, oil seeps, and other indications on the license that point

us in a potential direction for discovery.” Initial reconnaissance over the license area by exploration experts indicates a sedimentary foreland basin. Geologists performing on-the-ground reconnaissance found numerous oil seeps and gas seeps across the targeted areas. Initial phases of exploration on Block VIII will include the acquisition of available seismic, which will then have comprehensive analysis completed. Preliminary magnetics on the targeted areas will also be part of the first phase work plan. The licensed area is on the southwest corner of Cambodia. The permitting is for an initial three-year exploration term and two further renewal terms of two years each. Development and production terms are for 25 years with additional renewals. Exploration will be undertaken outside of park areas, part of EnerCam’s ESG mandate so the Company assists in protecting Cardamon Mountains National Park and Preah Monivong and Kirirom National Parks. D Weeks, CEO of Angkor, comments, “Until countries have accomplished sourcing sufficient renewable energy to meet global demand, cleaner and greener use of hydrocarbons plays a vital role in every country’s energy balance. Cambodia needs its own source of energy, and we look forward to actively exploring and producing energy for Cambodia, all the while establishing strong ESG principles in a new sector of the country. “On the impact for people, she continues, “This is also a huge opportunity for human resource development with a significant new industry sector for Cambodia. Implementing best practices for

energy creation with hydrocarbons brings positive development and a template for the entire country. We can use what we have learned elsewhere to minimize the carbon footprint and maximize the benefits to the economy and the population.” TheNewswire ABOUT ANGKOR RESOURCES CORP. Angkor Resources Corp. is a public company, listed on the TSX-Venture Exchange, and is a leading resource optimizer in Cambodia with multiple mineral licenses in the northern portions of the country. In 2022, the company finalized negotiations on the Production Sharing Contract (PSC) terms for Block VIII, a 7,300 square kilometre oil and gas license in Cambodia.

Source: <https://www.khmertimeskh.com/501162922/onshore-exploration-and-production-license-for-cambodias-oil-gas-granted-to-angkor-resources-energy-subsiary/>

Weak kip harming

Lao economy



Laos News | 05 October, 2022

The kip fell in value by 37.4 percent against the US dollar and 32.9 percent against the Thai baht in the official market from January to August, according to a report from the Asian Development Bank. “The gap between the official and parallel foreign exchange markets was 38.6 percent by mid-June, but it narrowed to an average of 15.9 percent in August,” stated the update of ADB’s flagship publication, Asian Development Outlook (ADO) 2022. The

continuing depreciation of the kip is linked to a supply-demand mismatch of foreign currencies, ramping up pressure on importers and driving up inflation. The currency devaluation is having a damaging effect on the Lao economy, driving up the price of products and creating more hardship for the poor. According to the ADB, the year-on-year inflation rate in August was at a 22-year high of 30 percent. The rate averaged 15.5 percent in the first eight months of this year. Administered prices for fuel were increased 13 times from January to September, resulting in a 90.3 percent rise in diesel prices and a 62.3 percent increase in gasoline prices. Rising inflation and the country's high public debt ramped up economic and financial pressure for Laos. In response, the Lao government, in June, increased the availability of foreign exchange for fuel importers and issued letters of credit to shore up fuel supplies. The Bank of the Lao PDR issued savings bonds worth 5 trillion kip, the equivalent of 3 percent of money supply, to reduce excessive liquidity in the economy and shore up demand for the kip. According to BCEL exchange rates on August 18, 2018, US\$1 bought 8,268 kip and sold for 8,308 kip. One baht bought 249.54 kip and sold for 251.4 kip. In comparison, Wednesday's exchange rate saw US\$1 buy 16,539 kip and sell for 16,576 kip. One baht bought 465.42 kip and sold for 268.93 kip. Laos imports more than it exports, which drives up the

need for foreign currencies to buy imported goods. In August alone, Laos registered a record trade deficit of US\$166 million, up from US\$114 million in July, according to the Lao Trade Portal. The value of two-way trade between Laos and other countries was valued at US\$1.02 billion, excluding the export of electricity. Laos' main exports in August included mining and paper products, rubber, fertiliser, clothing, beverages, sugar and footwear, while its main imports were fuel, mechanical equipment and vehicles. The price rise is linked to the Russia-Ukraine conflict, which saw households trimming daily consumption spending, affecting output growth. Sharp increases in the price of fertiliser, animal feed, food and fuel discouraged farmers and producers from expanding their operations. According to the ADB report, foreign direct investment inflows halved to US\$280 million in the first half of this year amid slower growth in Laos' trading partners, constraining the contribution of fixed investment to growth.

Source: <https://www.vientianetimes.org.la/free>

Content/FreeContent2022_Weak194.php

**Over 4,200 tonnes of cement worth
US\$0.338 million imported
via border trade**



Myanmar News | 05 October, 2022

Thailand exported US\$0.338 million worth of cement weighing over 4,200 tonnes to Myanmar in the

second and third week of September via border trade. In maritime trade, over 130 tonnes of cement worth \$0.024 million were imported from Malaysia. A total of 2,800 tonnes of cement worth \$0.272 million was imported in August – 2,600 tonnes of cement were purchased from Thailand, over 120 tonnes from the People’s Republic of China, over two tonnes from France, and around 130 tonnes from Malaysia. The cement market is at its normal state with stable prices. The market price stands at K9,600 per bag for Two Rhinoceros (red), K14,500 per bag for Elephant (Thailand) and K9,300 per bag for Rhino (blue). — TWA/GNLM

Source: <https://www.gnlm.com.mm/over-4200-tonnes-of-cement-worth-us0-338-million-imported-via-border-trade/>

Tourism revenue reaches 78% of pre-Covid 2019



Vietnam News | 05 October, 2022

HCMC – Vietnam’s tourism industry has generated VND394.2 trillion in revenue in the year through September, equivalent to 78% of the same period of 2019 when the pre-Covid tourism sector was at its best, the Vietnam National Administration of Tourism (VNAT) reported. Vietnam saw over 1.8 million international arrivals in the first nine months of the year. In the third quarter alone, 1.2 million foreigners came, a 2.5-fold increase over the second quarter, indicating the tourism industry is bouncing back after

the country reopened international tourism on March 15. Still, the figures show Vietnam has achieved only a third of the full-year target of welcoming five million international visitors, down 85.4% compared to 2019. According to VNAT, most foreign travelers came from South Korea, with 489,400 visitors, accounting for 26%, followed by guests from the United States and other Asian countries. However, the number of Indians arriving in Vietnam exceeded that of 2019, with 61,300 in the first nine months and 15,000 in September. This may be the fruit of the country’s efforts to open air services to India and promote tourism, VNAT said. Domestic tourists between January and September totaled 86.8 million, increasing by 1.8 million visitors over 2019, signaling a rapid recovery in domestic tourism. That said, the figures have tapered off since the peak season ended in June, VNAT reported.

Source: <https://english.thesaigontimes.vn/tourism-revenue-reaches-78-of-pre-covid-2019/>

UOB upgrades 2022 growth forecast for Vietnam to 8.2%



Vietnam News | 05 October, 2022

Given Vietnam’s strong economic recovery in the third quarter, the Singapore-based United Overseas Bank (UOB) has raised its forecast for the country’s GDP growth this year to 8.2%, from the previous prediction of 7%. The bank said the GDP expansion of 13.7% in Q3 is a record quarterly growth rate in

Vietnam and surpassed the rate of 13.5% of India to become the highest in Asia this year. The strong GDP rebound in Q3 was thanks to a record contraction of 6% in the same period last year, when the country had to impose social distancing to curb COVID-19 transmission. Meanwhile, the border reopening and easing of travel restrictions since the beginning of 2022 has helped fuel business activities since Q2, especially in the service sector. Over the past three quarters, the country's GDP increased 8.8% year on year, compared to the growth of 6.4% in the first half. In particular, the construction sector expanded 8.6% year on year during the nine months, manufacturing 10.7%, and services 10.6%. Recovery was particularly visible in the service sector, in which accommodation and food services rose 41.7% and entertainment services 14.5% thanks to relaxed restrictions and the return of foreign visitors, according to the UOB. The strong GDP recovery in Q3 has created a prerequisite for vigorous growth in the entire 2022. Given the year-on-year expansion of 8.8% in the nine months, the UOB decided to upgrade its growth forecast for Vietnam this year to 8.2%, it said in a report. However, it also expressed concern about the growth outlook for 2023, when the monetary policy strictly tightened by central banks is set to put pressure on the US and Europe - two main export markets that account for 41% of Vietnam's total exports. The bank maintained the forecast for Vietnam next year at 6.6% based on an estimation

that demand in the main markets will continue to slow down.

Source: <https://english.vov.vn/en/economy/uob-upgrades-2022-growth-forecast-for-vietnam-to-82-post975342.vov>
