

## Highlight News / October 07, 2022



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

## Global investors eye investments in Asean region to diversify risk, Cambodia features well



*Cambodia News | 06 October, 2022*

Economic growth in Southeast Asia lagged behind the rest of the world in 2021, with the region's countries being extremely cautious in re-opening their borders and economies. But last year, it saw foreign direct investment surge 42 per cent, and that trend has continued this year, with some countries seeing record levels of FDI. The Association of Southeast Asian Nations – ASEAN – is the second-biggest destination for foreign direct investment in the developing world behind only China. 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 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. And lately, the region has benefited from companies looking to diversify their supply chains to avoid being overly reliant on any single production base. Aaditya Mattoo, Chief Economist, East Asia & the Pacific, World Bank "The biggest beneficiary so far of that relocation is Vietnam. The investment diversion, and the trade diversion has been to the benefit of Vietnam, to a lesser extent, Malaysia and Cambodia." And that FDI has continued to flow in despite the pandemic and other global headwinds. Albert Park, Chief Economist, Asian Development Bank "These are countries which are growing quickly, they're reaching, you know, middle income, upper middle income, many of them. They're really ripe for this kind of investment, and they have a lot of capabilities. The macroeconomic management has been relatively sound. The political stability and policy environment has been stable, and so they are attractive destinations." Most FDI has been flowing into manufacturing, especially electronics as well as finance and energy, but also, increasingly ICT. The U.S. was the region's biggest investor, followed by China. Riam Maelzer in Kuala Lumpur says "In Malaysia, a majority of investment this year has been in services and the vast bulk of that was due to two big pledges by Chinese companies to build data centers here." Economists say the region still needs to focus more on attracting investments in green or sustainable industries, on improving the skills of their

labor forces, and on liberalizing rules on investment in services. Mattoo adds “Those are the challenges which are going to be crucial for the region to not just divert investment from one country or one area to another, but actually to create and draw in more investment in a way that will set the countries on a path of sustainable growth.” FDI has been critical to the rapid economic growth of Southeast Asia and it will remain key as the region seeks to move up the developmental ladder. CGTN

Source: <https://www.khmertimeskh.com/501163645/global-investors-eye-investments-in-asean-region-to-diversify-risk-cambodia-features-well/>

## Tax revenue rises to \$2.02 billion in nine months



*Cambodia News | 06 October, 2022*

The General Department of Customs and Excise (GDCE) collected \$2.02 billion in tax income in the January-September period of this year, a 19 percent increase compared to the same period last year. The increase in tax income collection was reflected in the resumption of socio-economic activities, said GDCE director-general Kun Nhem. “The figure sounds good, reaching 78.61 percent of the budget law set for 2022,” Nhem said at a press conference yesterday. “After Cambodia recovered from the outbreak of Covid-19 and reopened its socio-economic activities, the import and export activities also improved,” he said. Based on the revenue made in the first nine months, GDCE will achieve the target

this year, he said. The Kingdom has two institutions responsible for collecting taxes. One is GDCE, which collects taxes on goods entering and leaving the country, and the other is the General Department of Taxation (GDT), which focuses on interior taxes such as income tax, salary tax, value-added tax, and property tax. The GDT collected \$2,680 million in tax income in three quarters of this year, representing 95 percent of the national budget plan 2022. The increase in tax revenue collection was due to the tax system reforms, including the provision of services to taxpayers and good registration services, good audits, debt management and resolving issues to make it easier for taxpayers to pay their taxes, GDT’s director general Kong Vibol said. “In 2022, the GDT will collect 10-15 percent more tax revenue than planned without any problems,” he said. According to the plan in the national budget law, the GDT is tasked to collect \$2.8 billion in tax revenue in 2022. Prime Minister Hun Sen said early this week that the tax income had been collected at a stable rate, reflecting the recovery of economic activities. “After Covid-19, only internal taxes, regardless of customs duties and non-tax revenues, are now starting to grow again, we get at least \$250 million a month,” the Prime Minister said on Monday.

Source: <https://www.khmertimeskh.com/501163250/tax-revenue-rises-to-2-02-billion-in-nine-months/>

## Lao Airlines suspends flights on Vientiane-Oudomxay route



*Laos News | 06 October, 2022*

Lao Airlines has suspended flights between Vientiane and Oudomxay province after suffering a sharp downturn in the number of passengers. The drop in customers has been attributed to the popularity of the Laos-China railway, which is a preferred form of travel due to lower costs. The national flag carrier announced the cancellation of flights on this sector on its Facebook page on Monday. “We have been carrying the cost of increasing fuel prices while each flight usually has only about 10 to 20 passengers,” the Director of Lao Airlines’ Commercial Department, Mr Noudeng Chanthaphasouk, said. “Before making the decision to cancel the Vientiane-Oudomxay sector, we offered three flights a week as well as special promotion fares in order to attract more passengers, but the increase in customers was minimal,” he added. “We will close this route definitely until there are indications that we will see a significant increase in passenger numbers,” he added. Mr Noudeng also said that passenger numbers are falling on the Vientiane-Luang Prabang sector but the airline will continue to operate this route for the foreseeable future. There is currently one flight a day from

Vientiane to Luang Prabang, down from three or four flights a day before the Covid-19 pandemic. According to Lao Airlines’ Facebook page, from Vientiane there are currently eight flights a week to Luang Prabang, a daily flight to Luang Namtha, four flights a week to Xieng Khuang, 11 flights a week to Pakxe, and six flights a week to Savannakhet. On international routes, the airline has daily flights from Vientiane to Bangkok, four flights a week to Hanoi, two flights a week from Pakxe to Ho Chi Minh city and three flights a week from Luang Prabang to Bangkok.

Source: [https://www.vientianetimes.org.la/freeContent/FreeContent2022\\_LaoAirlines194.php](https://www.vientianetimes.org.la/freeContent/FreeContent2022_LaoAirlines194.php)

## Trafigura’s Puma Energy to sell Myanmar business to local private company



*Myanmar News | 06 October, 2022*

Trafigura’s Puma Energy, which is the main supplier of aviation fuel in Myanmar, has signed an agreement to sell its stake in Myanmar to a local private company, according to the official statement on 5 October. Following a board decision to exit Myanmar earlier this year, Trafigura’s Puma Energy has signed an agreement to sell its stake in Puma Energy Asia Sun (PEAS) and National Energy Puma Aviation Services (NEPAS) to a locally owned private company. National Energy Puma Aviation Services Company (NEPASC), a joint venture between Singapore-based Puma Energy and state-owned

Myanmar Petrochemical Enterprise, has executed the jet fuel business since 2015. – TWA/GNLM

Source: <https://www.gnln.com.mm/trafiguras-puma-energy-to-sell-myanmar-business-to-local-private-company/#article-title>

## Coca-Cola Việt Nam to build a factory in Long An



*Vietnam News | 06 October, 2022*

HÀ NỘI — Peeyush Sharma, General Director of Coca-Cola Vietnam Beverage Company Limited (Coca-Cola Vietnam), said the firm is preparing a factory project in Phú An Thành (IZ) in Long An Province. According to a representative of Coca-Cola Vietnam, the factory, spanning 19 ha with a total investment of US\$136 million, will be the fourth since the brand set foot in Viet Nam since 1994. He added it would be the largest factory of Coca-Cola in Việt Nam, applying an intelligent factory model and modern techniques. In addition, the company is committed to supporting the local community. Nguyễn Thanh Thanh, head of the Management Board of Long An Economic Zone, directly signed the certificate of investment registration and construction of a factory in Phu An Thanh Industrial Park for Coca-Cola Viet Nam. He told local media: “As it is a big, reputable investor with complete legal documents, we will facilitate local investment even in a day.” According to a representative of the

Management Board of Long An Economic Zone, it has 37 industrial parks with a total area of nearly 12,300 hectares. In the first six months of 2022, industrial parks have attracted 59 new projects, including 25 FDI projects with a total investment of nearly \$250 million. VNS

Source: <https://vietnamnews.vn/economy/1341840/coca-cola-viet-nam-to-build-a-factory-in-long-an.html>

## E-retailing to grow 20% this year



*Vietnam News | 06 October, 2022*

Hanoi (VNA) – The COVID-19 pandemic has put the brake on Vietnam’s economic growth over the last two years but, on the other hand, it has also fueled a significant uptick in e-commerce which recorded a 16% growth to 13.7 billion USD in retail revenue in 2021, according to the White Book on Vietnamese E-business 2022. Last year, the economic growth hit the lowest in 30 years, at just 2.58%, with key services sub-sectors experiencing downturn. Data from the General Statistics Office showed that retailing and wholesaling declined 0.21% year-on-year, causing the economy to decrease 0.02 percentage point. Warehouse and logistics plunged 5.02% and lodging and catering services 20.81%, leading to a drop of 0.3% and 0.51%, respectively, to the GDP growth. Meanwhile, the share of turnover from e-retailing to last year’s total retail sales of goods and services was 7%, a year-on-year rise of 27% from 2020. E-retailing is forecast to surge 20% this year to 16.4 billion USD, compared to 5 billion

USD in 2015. A 2022 study by big data analysis company Metric.vn indicated that Vietnam is emerging as the second largest e-commerce market in Southeast Asia, only after Indonesia. The White Book on Vietnamese E-business 2022 also reported that with online marketplaces now a vital distribution channel in the era of digitalisation, Vietnamese enterprises are investing more on expanding their presence on these platforms. Those doing business on social networks, such as Facebook, Zalo and Instagram, spurred 41% in 2021 and 57% in 2022, according to the book./.

Source: <https://en.vietnamplus.vn/eretailing-to-grow-20-this-year/239588.vnp>

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