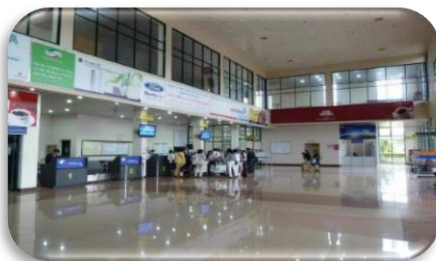


## Highlight News / October 27, 2022



- Global investors eye investments in Asean region to diversify risk, Cambodia features well
- Tax revenue rises to \$2.02 billion in nine months
- Lao Airlines suspends flights on Vientiane-Oudomxay route
- Trafigura's Puma Energy to sell Myanmar business to local private company
- Coca-Cola Việt Nam to build a factory in Long An
- E-retailing to grow 20% this year



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



## FDI in Cambodia's construction sector touches \$334M



*Cambodia News | 26 October, 2022*

Cambodia continued to receive substantial Foreign Direct Investment in the construction sector in 2021, despite the economic slowdown in the wake of Covid-19, showed the Asean Investment Report 2022. According to the report, FDI in construction rose from \$260 million in 2020 to \$334 million in 2021 in the Kingdom, reflecting expanding industrial and economic activities even during the worst days of the pandemic. The construction sector in Cambodia is projected to expand at an average of 6.3 percent in 2022 and will grow 9.4 percent between 2023 and 2026, reported Bussineswire's Cambodia Construction Industry Report 2022. This forecast was supported by the ongoing investments in the infrastructure, commercial, and residential sectors and the strong demand for real estate. Lor Vichet, Phnom Penh President of Global Real Estate Association, told Khmer Times yesterday that the demand for housing in Cambodia is expected to go higher in the coming three to five years and that this demand is mostly driven by a young population. "In Cambodia, the housing sector has been generating good demand for the last several years. Generally, there is greater demand across the Asean region for the construction sector to grow further," Vichet said.

He also said that the increase in the flow of FDI to the construction sector was helped to a great extent by the changes in the Investment Law, brought about by the Royal Government of Cambodia last year. Aun Pornmoniroth, the Deputy Prime Minister, Minister of Economy and Finance, recently estimated that the real estate sector will grow by 4.8 percent in 2022, and that the momentum is mostly driven by the existing demand for housing and office properties. The 2022 Real Estate Survey by Realestate.com.kh indicated strong demand for housing in Cambodia from first-home buyers, re-buyers, and local and international investors, with more than 90 percent of respondents indicating that buying property is a good investment. According to Ly Rasmey, secretary of state at the Ministry of Land Management, Urban Planning and Construction (MLMUPC), recently, Cambodia provided licenses to some 2,000 construction projects with a total investment of \$1.2 billion in the first half of 2022. "The construction sector has significantly contributed to the economic development and has created a lot of jobs for our people," Rasmey had said. Construction is one of the four pillars supporting the country's economy. According to the MLMUPC, from 2000 to June 2022, Cambodia granted licenses to 57,590 construction projects across the country with a total investment of \$66.2 billion.

Source: <https://www.khmertimeskh.com/501174759/fdi-in-cambodias-construction-sector-touches-334m/>

## Cashew nut plantation area falls due to climate change



*Cambodia News | 26 October, 2022*

Due to a sharp drop in cashew prices, output, and climate change, the cashew plantation area in Cambodia has been shrinking. From the peak of around 800,000 hectares in 2021, the land under cashew farming has shrunk to 700,000 hectares in 2022, according to the Cashew nut Association of Cambodia. The association attributed this decline to a number of factors. According to agriculture statistics, since 2009 the area under cashew cultivation started increasing at a fast pace. It increased from 66,513 hectares in 2009 to 800,000 hectares in 2021, which was an increase of 12 times in the cultivation area. Concerned over the decline in cashew yield, Uon Silot, President of the Cashew nut Association of Cambodia, told Khmer Times, "In January-October of 2022, Cambodia exported over \$1 billion worth of raw cashew nuts (660,000 tons) to the international market. But it was a decline of 34.65 percent over the same period in 2021. He said prices of wet cashew nuts declined between KHR 3,800 and KHR 2,800 during the March-May period, and dried cashew nuts prices between KHR 7,200 and KHR 4,200. In 2021, a large number of farmers in Kampong Cham, Stung Treng, Ratanakiri, Mondulakiri, Kratie, Tbong Khmum, Oddar Meanchey, Siem Reap, Preah Vihear, Kampong Chhnang, and Kampong Thom turned towards growing cashew

nuts with remarkable success. He blamed the local weather for the low yield and also for lower than desired quality of cashew. "It means we produce less and of lower quality of cashew," he remarked. On the differences between the Cambodian Cashew Association (CCA) and the Cambodian Cashew nut Federation, established by the Ministry of Commerce, he said the CCA is an independent institution that doesn't receive assistance from the government. It was set up with the help of farmers, and entrepreneurs for helping cultivators in adapting to climate change, reducing production costs, and helping farmers and entrepreneurs. The CCA has been working for 10 years in this field, he added. Nhim Nhoeun, a cashew farmer from Santuk district in Kampong Thom province, told Khmer Times, compared with cassava and rubber, cashew cultivation required regular investment, which increased the cost. "While the cashew prices were falling, most farmers in his area are turning towards other crops," he said. According to experts from the Ministry of Agriculture, Forestry, and Fisheries (MAFF), cashew nut is grown in many tropical countries. A decent cashew crop needs 5 months of rainfall and the ability of the soil to absorb water well. Cashews can be grown in areas with 500-4,000 mm of rainfall per year.

Source: <https://www.khmertimeskh.com/501174931/cashew-nut-plantation-area-falls-due-to-climate-change/>

## Thai, Lao PMs to lay foundation stone for new Mekong bridge



*Laos News | 26 October, 2022*

Government spokesperson Anucha Burapachaisri said on Tuesday that Prime Minister General Prayut Chan-o-cha will travel to Bueng Kan province on Friday to participate in the foundation stone laying ceremony of Thai-Lao Friendship Bridge No 5 together with his Lao counterpart Phankham Viphavanh. The bridge running over Mekong River will connect Bueng Kan's Muang district with Laos's Bolikhamsai province. It has a total length of 1.35 kilometres – 0.815km on Thai territory and 0.535km on the Laos side. It will serve as another transport route that links Thai-Lao-Vietnam Highway R8, which terminates in China's Guangxi region, and promote key cross-border trading among the four countries. Construction work began in June 2020 and is expected to be completed in April 2024. The 3.65-billion-baht project covers the construction of roads, a customs checkpoint, a concrete bridge, and a multi-purpose area under the bridge. Anucha said talks to hold the foundation stone laying ceremony took place during Phankham's official visit to Thailand in June. He added that after the ceremony

Prayut will discuss bi- and multi-lateral ties with Phankham.

Source: <https://www.nationthailand.com/thailand/economy/40021391>

## Onion price heads for two-day high



*Myanmar News | 27 October, 2022*

High prices of onions were extended for two days (25 and 26 October) on the back of strong demand by border markets. The onions hit an all-time highest of K4,300 per viss (a viss equals 1.6 kilogrammes) in the wholesale market. The large onions reached a record price of K3,700 per viss in early December 2015. Afterwards, Bangladesh's demand pushed up onion prices in 2019. However, the price does not increase higher than that. However, the decrease in onion outputs and low supply to border markets raised the prices to K3,800 in 2022. Then, the price dipped to K3,400 per viss and regained to K4,000 per viss. On 26 October, the price hit a fresh new peak of K4,300 per viss. On 25 October, 180,000 visses of onions from various regions entered the Yangon market, making the price up by K200 per viss. Although 100,000 visses of onion supply to Yangon markets on 26 October, the price went up to K3,200-4,000 per viss from the Seikphyu area and K3,500-4,300 from the Myingyan area. The rise in local onion prices resulted in high demand for Chinese onions at the Bayinthaung wholesale market, said Ko Yee Tun, a seller from Nyaungpinlay wholesale market. Similarly, Chinese onions also

increased from K1,800 per viss on 25 October to K2,200 on 26 October. The buyers of kitchen groceries from hotels and restaurants are commonly seen at Thanzay, Lanmadaw Township. When the local onion of large size fetched up to K4,000 per viss, Chinese onions were highly demanded in the markets in recent days. Thus, the retailers from Thanzay purchase more Chinese onions at the Nyaungpinlay wholesale market, Ko Yee Tun, told the Global New Light of Myanmar (GNLM). – TWA/GNLM

Source: <https://www.gnln.com.mm/onion-price-heads-for-two-day-high/#article-title>

## Vietnamese aviation industry enters seasonal lull



*Vietnam News | 26 October, 2022*

According to the Civil Aviation Authority of Vietnam (CAAV), the number of passengers passing through nationwide airports reached 7.2 million in October, down 11.6% month-on-month and 23.3% compared to October 2019. Of the total, 5.8 million passengers were domestic travelers, down 1.4% month-on-month, and 1.3 million were foreign travelers, down 1.4%. The CAAV explained that after experiencing high growth during summer time, the domestic aviation market is now entering an off-peak season that normally lasts until the end of December every year before witnessing a short surge during the New Year holidays. Overall, Vietnamese airports have

served more than 81 million passengers for the past 10 months. The CAAV reports that the domestic aviation market is currently undergoing a strong recovery, while the international market has yet to fully recover. China, one of Vietnam's major tourism markets, has not reopened its doors due to COVID-19 challenges. The aviation authorities of the two countries are negotiating the time for resuming flight routes. Meanwhile, some other markets such as the Republic of Korea and Japan have reopened flights, although travel demand remains low. It is expected that the total number of passengers traveling through Vietnamese airports will pass the 100 million mark this year, equaling around 83% of the figure recorded in the pre-pandemic period in 2019.

Source: <https://vietnamnet.vn/en/vietnamese-aviation-industry-enters-seasonal-lull-2073888.html>

## Vietnam racks up trade surplus exceeding US\$7 billion



*Vietnam News | 26 October, 2022*

VOV.VN - Vietnamese import and export value soared by 14.5% to reach over US\$580 billion by mid-October, with the country posting a trade surplus of approximately US\$7 billion, according to statistics given by the General Department of Vietnam Customs. Foreign-invested enterprises (FIEs) continue to play an important role in terms of the country's trade value, with the import and export turnover of both FIEs and domestic businesses increasing by 14.9% and 13.4%, respectively. The

country's total export value edged up 16.7% on-year, with a number of commodity groups enjoying strong growth, including machinery, equipment, tools, and other spare parts up 29%, textiles and garments, up 22.8%, computers, electronic products and components, up 14.1%, and footwear of all kinds, up 39.3%. Meanwhile, FIEs' total export value increased by 17.5%, thereby accounting for 73.8% of the entire nation's total export revenue. By the end of October 15, the country's total import value had inched up by 12.7% on-year, with some commodity groups experiencing a sharp rise, including computers, electronic products and components up 7.8%, petrol and oil of all kinds up 130.3%, and coal of all kinds up 82.2%. FIE's import value of goods throughout the reviewed period expanded by 12% compared to last year's corresponding period, accounting for 65.2% of the nation's total import turnover.

Source: <https://english.vov.vn/en/economy/vietnam-racks-up-trade-surplus-exceeding-us7-billion-post979799.vov>

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