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Advisory Institute for Trade and Investment by TCC (AiTi)



Cambodia-Korea FTA export benefits deliberated



Cambodia News | 28 November, 2022

The Ministry of Commerce and the Embassy of the Republic of Korea last Thursday held a workshop on dissemination of the benefits and export procedures to local exporters under the Cambodia-Korean Free Trade Agreement (CKFTA), which is scheduled to come into force next month. The workshop was participated by officials from the ministry, Korean embassy, private sectors, some 200 representatives from Cambodia Chamber of Commerce Textile, Apparel, Footwear, and Travel Goods Association in Cambodia and Korea Trade-Investment Promotion Agency. Addressing the participants, Pan Sorasak, Minister of Commerce, said the workshop was held to disseminate export procedures to the private sector to promote exports and maximise the benefits of implementing the CKFTA. It also guides for filling in export procedures in accordance with the procedures of the Rule of Origin, in particular, promotes the growth of exports through the use of the Certificate of Origin under the CKFTA, he said. The CKFTA agreement, which will enter into force on December 1, 2022, will increase trade volume between the two countries and create more new export opportunities, he said. "Cambodia will be able to export goods at zero tariffs immediately after the agreement enters into force on December 1, 2022, 92.37 percent of the total tariff line," Sorasak said, adding, "The CKFTA will complement the existing ASEAN-Korea Free Trade Agreement and the existing ASEAN Agreement (RCEP)." The agreement will further boost Cambodia's exports to South Korea, such as garments and textiles,

footwear, bags, spare parts, electronics, rubber and agricultural products. Lim Tong, chairman of the Cambodia Travel Goods and Leather Association (CTLA) said the trade pact will open a wider market to Cambodia-made products to Korean markets and also attract investors to inject investment in Cambodia for processing and producing products to Korea under FTA. "This agreement will be an opportunity to attract investors who wish to export products to Korea through investment in Cambodia and export under duty free and many other benefits," Tong said. Hyuk-Sang Lee, First Secretary of the Korean Embassy in Cambodia, said that Cambodia and Korea will be able to benefit mutually in key areas such as trade in goods, trade, services, investment and economic cooperation. "The agreement will be a catalyst for further strengthening economic and political ties, increase trade and investment, as well as economic and technical cooperation and other areas between the two countries," he said. The bilateral trade between Cambodia and South Korea reached \$920 million in ten months of 2022, a year-on-year increase of 16.3 percent, according to a report from the Korea International Trade Association (KITA). Of which, Cambodia exported \$341 million worth of goods to Korea, an increase of 20.7 percent.

Source: <https://www.khmertimeskh.com/501192199/cambodia-korea-fta-export-benefits-deliberated/>

Cambodia milled rice export seen increasing



Cambodia News | 27 November, 2022

Cambodia is expected to see a remarkable increase in its milled rice export due to the China market, a recovery in demand in the European Union, and the emergence

of new markets. The Cambodian Rice Federation expects more rice exports in 2023 because of the recovery in the European markets and the emergence of new markets, including Bangladesh, said the federation's newly appointed president Chan Sokheang. Currently, the CRF sees many markets for Cambodian rice export, including the European market, where demand for rice is recovering after tariffs on Cambodia's white rice were removed. Regarding the new market, CRF has recently been discussing export options to Bangladesh, which has gradually been positive, he said last week. "The Rice Federation of Cambodia has always made efforts to organise and promote, as well as other programs, to gradually increase the export market there," he said. The new quota of 400,000 tons export to China will give a big boost to rice export, said Minister of Commerce Pan Sorasak, adding that the ministry is currently negotiating a new agreement for the Cambodia-United Arab Emirates Comprehensive Economic Partnership, in which rice is a priority commodity that Cambodia expects to expand new market potential in the Middle East. "Currently, the market in this area is very small, which the ministry hopes will help increase Cambodia's rice exports even more," he said. The Ministry of Commerce not only considers one-sided rice exports, but also strives to help smallholder farmers to better prepare, especially by promoting agricultural contracts between smallholder farmers and rice millers, he added. Cambodia's milled rice export rose by 10.6 percent to 509,249 tons in January-October of this year, according to a report from the CRF. The Kingdom earned \$324 million from milled rice export, the report said, adding that milled rice had been shipped to 56 countries and regions. China

remained the biggest buyer of Cambodia's milled rice. The milled rice export to China was at 231,873 tons, which is 45 percent of the total export. The comments were made amidst the government's new policies set by the Minister of Agriculture, Forestry, and Fisheries aiming to boost the use of high-quality rice seeds. The plan is to produce rice varieties that are resilient to climate, high yield and low cost to boost the quality of rice for exports. Recently, the ministry announced that the stable price of paddy rice was ensured after interventions by the ministry's officials and rice millers. The ministry said rice millers ensured stable prices offered for purchasing paddy rice from farmers in Battambang and Banteay Meanchey provinces that saw a fall in rice prices. The Agricultural and Rural Development Bank (ARDB) has announced an additional \$10 million fund for rice procurement in Cambodia to promote the purchase of rice from farmers and help stabilise the price. The ARDB fund will support rice mills and processing companies to buy the commodity from farmers at reasonable prices and avoid buying at discounts from some traders. Sokheang said that currently, the situation is improving with the price of rice starting to rebound after many traders have placed orders and purchases in the areas.

Source: <https://www.khmertimeskh.com/501192058/cambodia-milled-rice-export-seen-increasing/>

Census Japan extends support for Laos' 2024 Asean chairmanship



Laos News | 29 November, 2022

The government of Japan has provided vehicles and information technology (IT) equipment worth more than 63 billion kip (500 million yen) to Laos, in

support of the country's duties as the Chair of Asean in 2024. The items provided include 33 Toyota Camry Hybrid cars, which will be used to transport ministers from Asean member countries and dialogue partners when they attend Asean meetings in Laos in 2024. IT equipment has also been donated to improve communications and Internet systems. Senior Lao and Japanese government officials on Monday attended a signing and exchange of notes ceremony on the grant aid from Japan at the Ministry of Foreign Affairs in Vientiane. Deputy Minister of Foreign Affairs Thongphan Savanphet and Japanese Ambassador to Laos Kenichi Kobayashi signed the documents, witnessed by Deputy Prime Minister and Minister of Foreign Affairs Saleumxay Kommasith and other officials. Mr Thongphan, on behalf of the Lao government, expressed heartfelt gratitude to the government and people of Japan for their generous assistance. Ambassador Kobayashi underlined the importance of Laos-Japan bilateral relations and pledged to continue to work with Laos in its preparations for the 2024 Asean chairmanship. This engagement has further enhanced the traditional friendly relations and cooperation between the two countries in the spirit of a strategic partnership. It also contributes to the strengthening of Asean-Japan relations.

Source:https://www.vientianetimes.org.la/freeContent/FreeContent232_Japan_y22.php

Singapore tops FDI ranking in Myanmar in past seven months



Myanmar News | 28 November, 2022

Fourteen Singapore-listed enterprises pumped in foreign investments of US\$1.154 billion into Myanmar in the past seven months (April-Oct) of the current financial year 2022-2023, the Directorate of Investment and Company Administration's statistics showed. Singapore companies mainly put investments into urban development, real estate, power and manufacturing sectors. Hong Kong SAR stood as the second largest investors this FY with an estimated capital over \$163 million by 11 enterprises and the existing ones. China is ranked third in the investment line-up with more than \$90 million from 22 businesses and the existing ones. One enterprise each from Belize, China (Taipei), the Republic of Korea and Japan also made investments in the past seven months respectively. The existing enterprises from China (Taipei), China, Hong Kong SAR, the Republic of Korea, India, Bangladesh and Seychelles also increased the investments. Myanmar attracted foreign direct investments of \$1.45 billion from 52 enterprises during April-October period. Majority of the investments brought into the manufacturing sector. Agriculture sector drew \$3.5 million from two projects. Power sector received \$817 million from 10 projects, while one enterprise put \$29 million in the real estate sector and two other foreign enterprises made an investment of \$413.068 million in the service sector

respectively. The mining sector earned \$7 million from one project, while one enterprise also put investments of less than a million into the hotels and tourism sector and some capital expansion of the existing businesses are also seen. Additionally, the livestock and fisheries sector saw a capital expansion of \$1.545 million. Myanmar has drawn foreign direct investment of more than \$647.127 million from 49 enterprises in the past mini-budget period (October 2021-March 2022), according to the statistics released by the DICA. Singapore stood as the largest foreign investor in Myanmar in the previous years, pulling in the FDI of \$1.85 billion in the FY 2019-2020, \$2.4 billion in the FY 2018-2019, \$724.4 million in the mini-budget period (April-September, 2018), \$2.16 billion in the 2017-2018 FY, \$3.8 billion in the 2016-2017 FY, \$4.25 billion in the 2015-2016 FY, \$4.29 billion in the 2014-2015 FY, \$2.3 billion in the 2013-2014 FY and \$418 million in the 2012-2013 FY respectively. Additionally, Singapore emerged as the second largest foreign investor in the Thilawa Special Economic Zone, after a top investor Japan.—KK/GNLM

Source: <https://www.gnln.com.mm/singapore-tops-fdi-ranking-in-myanmar-in-past-seven-months/#article-title>

VN ready to become a semiconductor manufacturer



Vietnam News | 28 November, 2022

HÀ NỘI — The global chip race is heating up, and Việt Nam should be able to raise its position on the

global semiconductor manufacturing map as some leading corporations are investing in chip production in the country, local economists said. Prof. Nguyễn Mạnh Mai, President of the Vietnam Association of Foreign Invested Enterprises (VAFIE), said the adverse impact of the COVID-19 pandemic and prolonged trade conflicts have caused a disruption of semiconductor supplies. Global companies involved in using semiconductors to make smartphones, self-driving vehicles, artificial intelligence (AI) technology or data centers have been forced to cut their productivity. Mai emphasized that countries are in a race to produce semiconductors and chips. In particular, the US Department of Commerce (DOC) in September released its strategy for implementing its US\$50 billion CHIPS for America programme. And China has doubled its spending and enacted policies to support semiconductor manufacturing companies. Việt Nam has also become a centre of the semiconductor industry as Samsung announced its plan to produce semiconductors from July next year with an additional investment of US\$920 million. The country is also home to Intel's largest assembly and testing factory with an investment of \$1.5 billion. Đỗ Nhật Hoàng, head of the Ministry of Planning and Investment's Foreign Investment Agency, said the Synopsys company from the US also announced that it would train electrical engineers in Việt Nam and support HCM City Hi-

Tech Park (SHTP) to establish a chip design center through a software sponsorship programme. Hoàng added that in the first 10 months this year, FDI disbursement reached \$17.45 billion, an increase of 15.2 per cent over the same period in 2021. This was the highest number in the past five years. Of this figure, the manufacturing sector accounted for 65 per cent and involved the major industries of hi-tech electronics and chip production. This has shown that Việt Nam has gradually begun to form an ecosystem of semiconductor and chip production. Over the years, Việt Nam's investment climate has been highly appreciated by foreign investors due to its stable political system and rapid growing economy. Incentives through corporate income taxes have also made an important contribution to creating an attractive investment climate. Hong Sun, Vice President of the Korean Chamber of Commerce in Việt Nam (KoCham), said that apart from having a stable business environment and many incentives, chip manufactures want to have abundant and stable power sources. Hong emphasized that chip or semiconductor manufacturing were both high-value products. If a sudden power failure occurred, production would have to restart from the beginning, which would take from a week to a few months and cost billions of dollars. Mai said that "Việt Nam should not rest on its gains and we need to make an assessment of the bottlenecks in luring FDI, such as

transport infrastructure, and information networks." He noted that if Việt Nam can participate in the semiconductor industry, it will generate a big boost of added value for the country. — VNS

Source: <https://vietnamnews.vn/economy/1399493/vn-ready-to-become-a-semiconductor-manufacturer.html>

Domestic tourism increases but spending remains low



Vietnam News | 28 November, 2022

HÀ NỘI — The domestic tourism market was a lifesaver during the difficulties of the COVID-19 pandemic, but local spending on tourism is still low and needs a boost, experts have warned. Nguyễn Anh Tuấn, Director of the Vietnam Institute of Tourism Development, said through crises such as COVID-19, the domestic tourism market was the saviour of the tourism industry and a fast recovering market, regaining growth momentum beyond expectations. Through research on the domestic tourist market in 2016-2022 on a national scale, domestic tourism has taken an active role in each development stage. The number of domestic tourists has increased steadily over the years and peaked in 2019 with 85 million arrivals. In the first ten months of 2022, the number of domestic tourists reached 91.8 million, surpassing the whole figure of 2019. Tuấn said: "The double-digit annual growth shows the amazing development of the tourism

industry."Domestic tourists are increasingly contributing positively to the total revenue of the tourism industry. In 2015, domestic tourists only contributed VNĐ158 trillion (US\$6.86 billion) to the total revenue of the whole industry. In 2019, it increased 2.1 times to reach VNĐ334 trillion. The average growth was about 20.5 per cent per year, and revenue from domestic tourism accounted for about 41-44 per cent of the total revenue structure of the industry. However, if compared with countries in Southeast Asia, both the total number of visitors and the total revenue from domestic tourists still have room to improve. For example, the spending of domestic tourists averaged VNĐ977,700 per day in 2011 and VNĐ1.15 million by 2020. Domestic tourists often travel during the summer and major holidays, such as New Year's Day, Lunar New Year, April 30 and May 1, and weekends. Most of them go with groups of friends and family, with an average trip length of four to four days in summer and one to three days during holidays. Their destinations are beach and mountain resorts across more than a dozen localities. Many localities have good tourism potential but are empty due to unfavourable traffic and underdeveloped infrastructure. The institute said the type of tourism for local travellers was not diverse and rich. According to Assoc. Prof-Dr. Phạm Hồng Long, Dean of the Faculty of Tourism, Hanoi University of Social Sciences and Humanities, states

that due to the impacts of the COVID-19 pandemic, Việt Nam's tourism is too dependent on international revenue. At the same time, the huge domestic market is left untapped. In 2022, the tourism industry aims to welcome 65 million visitors, including five million international visitors, bringing in revenue of VNĐ400 trillion. "Domestic tourism is still the industry's key market," Long said. To attract domestic tourists, programmes need to be more innovative and creative in approaching destinations, moving and using services. Based on the trend shift of tourists in the new normal, travel businesses need to focus on building groups of products with an emphasis on experiences suitable for different customer groups. Besides the high mass tourism product lines such as sea tourism, spiritual, cultural tourism, festivals, urban tourism, night tour and culinary tourism, Long emphasised: "New trending tourism product lines need to be developed more after the COVID-19 period, based on the characteristics of tourists' tastes and preferences. That tourism is a product of high-class resort, care, health, treatment, eco-tourism, community-based tourism, sports, and smart tourism." In the context of the new normal, guests' needs and consumption habits have changed a lot. To promote the development of domestic tourism, Tuấn from the institute said the Ministry of Culture, Sports and Tourism should direct the Vietnam National

Administration of Tourism to develop separate and specific mechanisms and policies for the domestic tourist market to promote strong and sustainable development of domestic tourism activities in the new conditions. In addition, it is necessary to diversify products and be bold in the local area, to develop forms of health care tourism, cultural tourism, traditional craft village tourism, art tourism, and tourism, ecology, adventure sports tourism, Tuấn said. At the same time, the tourism industry encourages new products in areas with difficulties but with tourism potential in the northern mountainous provinces, the Central Highlands provinces and the Mekong River Delta. To develop sustainable domestic tourism, localities should strengthen the capacity of destination management and safe tourism services and effectively implement the code of conduct in tourism activities, establishing and connecting networks in promoting domestic tourism. They must also focus on market research and tourism promotion. — VNS

Source: <https://vietnamnews.vn/economy/1399500/domestic-tourism-increases-but-spending-remains-low.html>
