

Highlight News / December 09, 2022



- World Bank says Cambodia's economy on recovery path, forecast 4.8 percent GDP growth for this year
- Taxation revenue collection exceeds 114% of budget plan
- Railway transport sees bananas reach China unspoiled
- Watermelon and sweet cucumber markets rebound at Myanmar-China border
- US paper: macroeconomic outlook of Vietnam bright
- HCM City sets 2023 growth target of 7.5-8%



Advisory Institute for Trade and Investment by TCC (AiTi)

World Bank says Cambodia's economy on recovery path, forecast 4.8 percent GDP growth for this year



Cambodia News | 08 December, 2022

Cambodia's economy is recovering well after COVID-19, but global headwinds could pose risks to a positive outlook in months to come, the World Bank said in a report released yesterday. The World Bank forecasts economic growth of 4.8 percent in 2022 as the post-pandemic economic recovery expands thanks to a rebound in tourism, the World Bank's Cambodia Economic Update for December 2022 said. According to the report, Cambodia's garment industry, travel goods and footwear exports have been resilient. The services sector, especially travel and tourism, has done well since the introduction of the "Living with COVID-19" strategy in late 2021, and total international visitor arrivals have steadily increased, reaching 1.2 million in the first nine months of 2022. Business and consumer confidence have risen and both domestic and foreign investment have increased. Economic growth is projected to accelerate to 5.2 percent in 2023 as increased hiring supports rising domestic consumption and as inflation recedes. However, prospects for faster growth face serious risks due to developments beyond Cambodia's borders.

Cambodia has a small economy that is open to outside trade and investment, and the global growth outlook is gloomy. Global trade growth slowed in the second half of 2022 and is projected to slow sharply in 2023. The economies of developing countries such as Cambodia are particularly vulnerable to rising inflation, slower global economic growth, decreased availability of energy supplies, and higher interest rates. Cambodia's manufacturing sector depends on export markets to thrive and would be negatively affected by an extended growth slowdown in its two largest export markets, the United States and the European Union. Similarly, investment and capital inflows would likely diminish as a result of a sustained slowdown in its largest source of foreign direct investment, China. To shield its economy from a possible drop in external demand, Cambodia could take steps to strengthen its fiscal position and promote its domestic economy, in particular its globally attractive tourism industry, said Mariam Sherman, World Bank Country Director for Myanmar, Cambodia and Lao PDR. "Revenues are up, thanks to the economic recovery and administration improvements," Salim said. "Broadening the tax base will help ensure the resources needed to promote Cambodia's economy and weather slowing growth among major trading partners. Tourism and hospitality are particularly promising areas for growth." Looking farther into the future, Cambodia's economy is expected to advance to a growth rate of around 6 percent, as international and domestic tourism adds strength. Participation in

recently concluded trade agreements can boost agriculture and agro-processing industries. A Special Focus section looks at the impact of inflation on poverty. The section highlights the need to protect the most vulnerable people with an expansion of carefully targeted temporary social protection programs. The Cambodia Economic Update is focused on short- and medium-term macroeconomic developments and is published twice a year.

Source: <https://www.khmertimeskh.com/501198797/world-bank-says-cambodias-economy-on-recovery-path-forecast-4-8-percent-gdp-growth-for-this-year/>

Taxation revenue collection exceeds 114% of budget plan



Cambodia News | 08 December, 2022

The General Department of Taxation at the Ministry of Economy and Finance collected \$3.2 billion in tax revenue from 11 months this year, exceeding 114 percent of the budget plan, said Director-General Kong Vibol in a meeting with a delegation of the Korean taxation administration on Tuesday. Vibol attributed this achievement to a range of reforms that helped the tax revenue collection exceed the budget plan every year. “The results achieved by General Department of Taxation are due to the implementation of in-depth reforms. As a result, the mission of tax revenue management in the last ten years has always exceeded the plan,” Vibol said. He

projected that the revenue would exceed by more than 115 percent of the plan by the end of this year. “The tax revenue collection for 2022 is expected to reach 115 percent compared to the 2022 financial plan for management, despite difficulties of the Covid-19,” he said. The reforms and modernization of the tax administration, as well as other measures, have promoted and ensured the sustainable management of tax revenue collection,” he added. According to the national budget law plan, the GDT was tasked to collect \$2.8 billion in tax revenue in 2022. 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. Noting the global economic uncertainty, the prevalence of Covid disease and the prolonged Russia-Ukraine war which pushes up inflation hurting global growth, he said the GDT is concerned about revenue collection. “However, GDT will not give up in order to fulfil the mission of collecting tax revenue effectively, performing duties well, and continuing to support the implementation of various government policies,” Vibol said. Prime Minister Hun Sen said in October 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," he said.

Source: <https://www.khmertimeskh.com/501198406/taxation-revenue-collection-exceeds-114-of-budget-plan/>

Railway transport sees bananas reach China unspoiled



Laos News | 08 December, 2022

Growers are using the Laos-China Railway to ship bananas from Laos to China, with the speedy means of transport ensuring that the fruit reaches its destination before overripening or going mouldy. In the past the shipment of agricultural produce was problematic because of the long time taken for trucks to make the journey to China, with many consignments going rotten before delivery. Another problem for transporters were the long delays at the Laos-China border during the Covid-19 outbreak, when trucks had to wait in line for days to undergo rigorous checks. Bananas in particular were prone to damage because of the lengthy transport time. Business operators demanded solutions after they lost money due to spoilage, saying faster transport was essential if the sale of agricultural produce to China were to be sustainable. Fortunately, the new railway has provided a solution and shipments of fruit and vegetables are now regularly making their way to China this way. The Ministry of Agriculture and

Forestry and representatives of Chinese companies on Monday held a ceremony to mark the first shipment of bananas from Laos to China. The ceremony was attended by Deputy Minister of Agriculture and Forestry Mr Kikeo Singnavong, and senior officials from other entities. The Ministry of Agriculture and Forestry is encouraging the cultivation of more agricultural produce in order to reduce the need for imported fruit and vegetables. Lao growers have been able to sell more of their crops to China since an agreement was signed between the two governments in 2012, with 15 crop types now being sold to China.

In 2013, the two countries agreed on the establishment of large-scale banana plantations in Laos. In August this year Laos' Ministry of Agriculture and Forestry signed an agreement with Hunan province in China on the sale of 1 million tonnes of produce annually.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent2022_Railway238.php

Watermelon and sweet cucumber markets rebound at Myanmar-China border



Myanmar News | 08 December, 2022

Border traders said that the watermelon and sweet cucumber trade has recovered at the border as China has eased the lockdown in urban areas. Starting from 5 December 2022, the lockdown

imposed in China has been eased and no more Covid tests will be conducted, they said. "From today, at the fruit marketplace, we have started trading," said a trader based in Muse (105 miles). Currently, Myanmar is the period when watermelon and sweet cucumber have yielded. Trade is closed on the Chinese border under the pretext of Covid, and exports are not permitted. Now, the border has been relaxed for exports. In addition, on 2 December 2022, the entrance to the country started to open at the Kyinsankyawt border (A1), traders said. As trading at the market has started to be good the price of watermelon is 1.8 yuan per piece, and sweet cucumbers are getting 3 to 4 yuan, according to market reports. "We just need the price of watermelon to be good. Watermelons are allowed to move freely in big cities," said a person based in Muse. In the past, the export of melon and cucumber was limited due to Covid detection in China's urban areas. It is hoped that the trading of Myanmar melons and cucumbers will improve. In the financial year 2018-19, Myanmar exported up to 800,000 tonnes of watermelons and 0.15 million tonnes of sweet cucumber. In the 2019-20 financial year, it exported up to 600,000 tonnes of watermelon and 0.14 million tonnes of sweet cucumber. – TPT/GNLM

Source: <https://www.gnlm.com.mm/watermelon-and-sweet-cucumber-markets-rebound-at-myanmar-china-border/>

US paper: macroeconomic outlook of Vietnam bright



Vietnam News | 08 December, 2022

The macroeconomic outlook of Vietnam is bright as the country has witnessed strong domestic consumption, received foreign direct investments and maintained a surplus in trade balance with other countries, wrote an article recently published on the US's seekingalpha.com. Vietnam's real GDP growth is forecasted to exceed 8% in 2022. In a time when other major world economies are curtailing fiscal and monetary policy support in an effort to contain inflation, Vietnam is in a position to support its growth. In January 2022, Vietnam passed a fiscal stimulus package of US\$15.4 billion at almost 4% of its GDP to support its 8% growth target for the year. The stimulus is generally viewed as a positive for the country's GDP growth trajectory for the year, it said. Vietnam's currency and interest rates also appear relatively stable compared to other countries. A sharp recovery in personal consumption along with strong export growth contributed to the country's impressive Q3 GDP growth of 13.67%. Vietnam's strong macroeconomic position is expected to lift its population out of poverty as more than half of the Vietnamese population is projected to join the global middle class by 2035. "The country has been able to remain attractive to foreign investors and received

foreign direct investment (FDI) net inflows totaling US\$15.3 billion in 2021, or 4.2% of GDP, up from 3.2% of GDP in 2013. We believe the strong FDI further solidifies the country's macro outlook", the article said. According to the author, Vietnam's regulators are vying for an upgrade to emerging markets status by global index providers. The State Securities Commission of Vietnam is working with global agencies such as the World Bank and FTSE as well as Vietnam's ministries, associations and market members to address concerns on foreign ownership limits. The country's regulators are willing to make markets more accessible to foreign investors and boost the infrastructure support needed to run a healthy and functioning market. An upgrade to emerging markets status could potentially attract foreign active and passive asset inflows into the local Vietnamese market, it concluded.

Source: <https://english.vov.vn/en/economy/us-paper-macroeconomic-outlook-of-vietnam-bright-post989157.vov>

HCM City sets 2023 growth target of 7.5-8%



Vietnam News | 08 December, 2022

Ho Chi Minh City (VNA) – Ho Chi Minh City People's Committee has proposed a growth target of 7.5-8% for its Gross Regional Domestic Product (GRDP) in 2023. At the meeting of the municipal People's

Council on December 7, Vice Chairwoman of the city People's Committee Phan Thi Thang said that the city could have both opportunities and challenges in socio-economic development next year but more difficulties and challenges are expected and it's hard to predict them. The city will continue to focus on administrative reform, increase the efficiency of public services, and improve the business environment, she said. Thang added that the city authorities will continue to remove bottlenecks, make use of resources, mobilise various investment capital sources, as well as accelerate the implementation of key infrastructure projects, traffic and urban development ones. The city also expects to create a breakthrough in digital transformation and a knowledge-based economy in association with exploiting the potential of science and technology, Thang said. Among the 17 key indicators for socio-economic development for 2023, the municipal People's Committee also set a target to attract 4.5-5 million foreign tourists next year for a revenue of 120 trillion VND (about 5.03 billion USD). In 2022, despite difficulties and challenges, HCM City reached a GRDP of about 9.03%, surpassing the approved target of 6-6.5%. Its Index of Industrial Production (IIP) so far this year is estimated to increase by 14.2%. So far this year, the city's total export turnover is estimated at 49.5 billion USD, up 10.3%, and its total import turnover, at 66.2 billion USD, up 10%. Total tourism revenue has reached about 120 trillion VND, marking a year-on-year increase of 171.2%. The city has received 3.5 million foreign visitors so

far this year. Its budget revenue posted positive growth, estimated at VND 457.5 trillion, 18.35% higher than the target approved by the city People's Council./.

Source: <https://en.vietnamplus.vn/hcm-city-sets-2023-growth-target-of-758/245180.vnp>
