

Highlight News / January 06/2023



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Cambodia's e-commerce market eyes \$1.78B by 2025



Cambodia News | 5 January, 2023

With the growing reach of the Internet, better access to newer technologies, increasing digitization, and rise in income levels, the e-commerce sector in Cambodia is marching ahead on a firm growth path. "The e-commerce sector has been growing and showed a remarkable growth during and after the Covid-19 pandemic," Penn Sovicheat, Undersecretary of State and Spokesman at the Ministry of Commerce, told Khmer Times on Tuesday. The growth of the e-commerce sector will continue in the coming years, he added. Since 2020, the e-commerce sector has registered consistent growth. The market value of e-commerce in Cambodia is estimated to reach \$1.11 billion in the year just gone by, \$1.28 billion in this year, \$1.50 billion in the next year and \$1.78 billion in 2025. The market value increased to \$970 million in 2021, up 19 percent from \$813 million in 2020, according to the Ministry of Commerce's iTrade Bulletin. Increased reach and use of the Internet in recent years have given a big boost the e-commerce. In 2022, according to the Khmer Enterprise estimates, among 17.06 million people, there were 22.06 million mobile phone connections, 13.44 million internet users, and 12.6 million social media users in Cambodia. The previous year, among 16.8 million people, there were 21.18 million mobile phone connections, 13.3 million Internet users, and 12

million social media users. According to the Commerce Ministry iTrade Bulletin, at \$263.30 million fashion accounted for the lion's share of the e-commerce market revenue. It was closely followed by the electronics segment at \$254.4 million. At \$230.5 million, sales and purchases of beauty, health, personal and household care products contributed the third largest share. The rest of the revenue came from food, furniture, beverages, and media, among others. The e-commerce market in Cambodia is expected to expand by a compound annual growth rate of 13.51 percent during 2023-27 which may take the market volume to \$2.10 billion in 2027, according to research by statista.com. By 2027, the number of e-commerce market users in Cambodia is expected to increase to 8.8 million and the user penetration to grow to 48.1 percent from 40.1 percent in 2023, as per the model calculation of the market trend. The average revenue per user could grow to \$181.50 by 2027, according to the statista.com assessment. Between 2022 and 2027, the e-commerce sector in Cambodia is expected to grow at a compound annual growth rate of 14.5 percent, said a market participant. More money in the hands of people will give a fillip to the country's trade and business, including the e-commerce sector. The government expects the economy to grow by 6.6 percent and the per capita gross domestic product to reach \$1,924 this year, said Prime Minister Hun Sen while presiding over the groundbreaking ceremony for the construction of a bridge across the Mekong River in the Kratie

province on Monday. The government plans to promote e-commerce like other businesses to facilitate cross-border trade, and increase local business activities of small and medium enterprises, said the Commerce Ministry spokesman. To support the sustainable development of e-commerce, the government unveiled an e-commerce strategy in 2020. In 2019, it formulated laws on e-commerce and consumer protection. Similarly, the law on competition was adopted in 2021. As per the law, the natural persons and the legal persons (companies) conducting businesses in Cambodia by leveraging social networks or other electronic means for the supply/purchase of goods and services are required to apply for registration. While the natural person and the sole proprietorship are required to obtain the e-commerce permit, the legal person and branch of a foreign company are needed to obtain the e-commerce licence. The registration of e-commerce entities is aimed at a fairer competition, developing the statistical base for the government's supportive and protective policies, and creating consumer-supplier confidence and protection, said the ministry official. The government sees e-commerce as a potential sector to help boost the economic recovery in the post-pandemic years, Sovicheat said.

Source : <https://www.khmertimeskh.com/501214272/cambodias-e-commerce-market-eyes-1-78b-by-2025/>

Thailand keen on joint petroleum production with Cambodia



Cambodia News | 5 January, 2023

The Thailand cabinet held an informal discussion on Tuesday on the realisation of the joint production of petroleum resources in the Gulf of Thailand with Cambodia, according to media reports. Quoting government sources, Bangkok Post reported that the Thailand government is proceeding with its years-long plan for joint production of petroleum resources in the Gulf of Thailand. Sources said Deputy Prime Minister Prawit Wongsuwon had pushed for cooperation with Cambodia for years. Wongsuwon had a discussion with Suy Sem, Cambodia's minister of mines and energy, regarding the project in Bangkok on December 16, 2022, the report said. Both governments consider joint cooperation as a solution to energy shortages. The movement followed a positive signal from Cambodia to revive negotiations on the joint petroleum production on an overlapping claim area (OCA) of both countries and it would be based on the Malaysia-Thailand Joint Development Area (JDA), the paper reported, quoting sources. Thailand's foreign ministry had set up a working group to handle negotiations. Prime Minister Prayut Chan-o-cha earlier said the issue was essential and concerned many parties, and the foreign ministry and the energy ministry were supervising it. Last year Thailand's energy minister Supattanapong Punmeechaow said that the joint venture development was expected to form part of the government's long-term policy. "In seeking new energy sources, particularly in neighbouring countries with potential energy sources such as Cambodia, if the talks start soon and finish early, we

hope we will soon be able to make use of these resources and for the next 10 years, as all infrastructure is now available to the benefit of both Thailand and Cambodia,” Supattanapong said. Both countries have been in talks regarding a 26,000 sq kilometres overlapping claims area (OCA), which is estimated to hold up to 500 million barrels of oil and gas deposits under the sea floor. The OCA overlaps the Cambodian and Thai borders in the gulf and has been a point of contention since the early 1970s. A Memorandum of Understanding to jointly explore the OCA was signed in 2001 but was later shelved by the Thai government in 2009. In late 2019, Thailand and Cambodia were set to resume talks, but the outbreak of Covid-19 pandemic delayed the process. The Thai-Cambodian joint technical committee (JTC), which met for the first time in October 2021, is expected to complete by March this year. The JTC is scheduled to finalise the details of the joint development oil project. The first JTC meeting set a framework for negotiations over the OCA and appointed two special committees for maritime zoning and joint oil extraction. Cambodia is also keen to develop oil and gas resources, especially considering the surging global oil and gas prices following the Ukraine war. Cambodia imported \$1,910 million worth of oil products in the January-June period of last year, an increase of 25.8 percent compared to the same period in the previous year, according to a report from the National Bank of Cambodia. The Kingdom imports its petroleum products from Vietnam, Singapore and

Thailand. The demand for petroleum products in Cambodia is projected to rise to 4.8 million tons in 2030, up from 2.8 million tons in 2020, according to reports.

Source : <https://www.khmertimeskh.com/501214065/thailand-keen-on-joint-petroleum-production-with-cambodia/>

Despite high economic growth, job creation remains limited



Laos News | 5 January, 2023

Laos has recorded one of the highest rates of economic growth in Southeast Asia over the past two decades, but few jobs have been created. According to the World Bank’s latest economic update, Laos’ GDP growth averaged 7.5 percent a year between 2000 and 2018, with trade growing at an average rate of 17 percent annually. But growth has been driven mostly by trade and investment in natural resources, notably mining and energy. “The highly-capital resource-driven growth model had little success in translating high growth rates into employment,” the World Bank stated. The “Lao Economic Monitor for October 2022: Tackling Macroeconomic Vulnerabilities” said employment in the non-farm formal private sector dropped from 2012 to 2018, with salaried jobs largely generated in the public sector. “Off-farm jobs creation was not enough to absorb the surplus agricultural workforce. As a result, the unemployment rate increased from 4.1 percent in 2012 to 15.7 percent in 2018,” the World Bank stated. “Poverty was reduced but more

slowly than in comparator countries and was principally driven by rising farm incomes. In the coming decades, the Lao PDR will need to create nearly 60,000 jobs a year to absorb its increasing population."Of particular interest was the average annual growth rate of 17.8 percent in the hydropower sector from 2012 to 2018, with the mining and hydropower sectors representing 20.7 percent of GDP in 2018. However, both sectors generated less than 1 percent of all jobs in 2018. The construction sector boomed in the decade beginning in 2010 but many of the jobs went to nationals of neighbouring countries. The World Bank suggested that an estimated 100,000 skilled workers from Thailand, China and Vietnam were employed on large hydropower and transport infrastructure projects in 2012. Around 390,000 workers moved out of full-time farming work between 2012 and 2018, but the industry and services sectors could not absorb the surplus agricultural workforce. The World Bank recommended that Laos should attract more large manufacturing and global value chain firms to drive exports and create jobs. It is essential to improve the investment climate by improving the business registration process and the operating licence regime as well as simplifying entry conditions to attract foreign investment. Tax exemptions are extensively used in Laos to attract investment. However, international evidence shows that tax incentives do little to encourage foreign investment, although some sectors have benefitted from tax exemptions. It is also necessary to invest more in the

development of skilled labour to prepare young people for the job market and in turn create more inclusive growth.

Source : https://www.vientianetimes.org.la/freeContent/FreeContent2023_Despote03.php

New Mingala Market to be completed in April 2023



Myanmar News | 5 January, 2023

The construction of the new Mingala Market is scheduled to complete at the end of April 2023 and some completed shops are to be sold at the beginning of this year, according to the Department of Markets under the Yangon City Development Committee. Joint contractors of the new Mingala Market are Sun Myat Tun Construction Company Co Ltd and Jasmine Palace Construction. The construction of the project started in 2019, and the first part — up to the fifth floor — was completed in October 2022 and the second part — the rest floors — will be completed at the end of April 2023. The new market is going to be a 17-storey building with over 5,000 shops, 21 lifts, and parking lots that can accommodate more than 700 vehicles, cinemas, restaurants, banks and supermarkets. After the completion, owners of shops who had run the business in the old market will be relocated to the new market. Detailed inquiries can be made by those who are willing to purchase vacant shops, at the Department of Markets under YCDC in Yangon City Hall. The new Mingala Market in Mingala Taungnyunt Township was formerly a high-end

market that used to sell wholesale and retail consumer goods. It encountered two fire outbreaks, in May 2010 and in January 2016. — TWA/CT

Source : <https://www.gnlm.com.mm/new-mingala-market-to-be-completed-in-april-2023/#article-title>

China to resume operation of border gates with Vietnam in Lao Cai

 *Vietnam News | 5 January, 2023*

Lao Cai (VNA) – The Chinese side has announced that it will completely resume the operation of border gates and paths with Vietnam in northern Lao Cai province from January 8, said Ha Duc Thuan, Vice Director of the Management Board of Lao Cai Economic Zone. Specifically, the Chinese side will re-open its border for people, vehicles and goods in the railway border gate on Nanxi River, the road border gate on Red River, Kim Thanh II International Border Gate, and the Lao Cai International Border Gate. Thuan said that the board has sent a notice to relevant agencies and businesses on the resumption, while preparing necessary conditions to maintain smooth import-export and entry-exit activities in line with regulation. Over the past two years, China's restriction measures to prevent the COVID-19 pandemic have seriously affected import-export activities through border gates. The import and export value of goods and services via Lao Cai's international border gates neared 1.7 billion USD in the first nine months of 2022, down 39.4% year-on-year./.

Source : <https://en.vietnamplus.vn/china-to-resume-operation-of-border-gates-with-vietnam-in-lao-cai/246567.vnp>

High-quality human resources to help

Vietnam draw more FDI

 *Vietnam News | 5 January, 2023*

Hanoi (VNA) – To attract more foreign direct investment (FDI), Vietnam needs to pay attention to training high-quality human resources, accelerating administrative reform and developing and upgrading infrastructure, according to the European Chamber of Commerce (EuroCham). The organisation said European businesses have planned to expand their investment in renewable energy, hi-tech manufacturing and processing, and research and development (R&D) centre next year. In a recent report, Savills Vietnam also emphasised the attractiveness of investment in high value manufacturing industries in Southeast Asia and Vietnam. Compared to China, India, and other Southeast Asian countries, Vietnam is an attractive market for investment with relatively low risk. This creates an impetus for the capital flow of many technology companies, and businesses operating in other fields in the US to invest in Vietnam. According to HSBC Bank (Vietnam) Ltd, Vietnam has become a hi-tech production centre in the world. Large groups such as Samsung and LG of the Republic of Korea, and partners of Apple and Goertek, Foxconn and

Pagatron have poured tens of billion USD into Vietnam. Statistics from the Ministry of Planning and Investment, as of December 20, 2022, the total newly-registered capital, adjusted capital, and capital contribution and share purchase hit nearly 27.72 billion USD, equivalent to 89% of the same period of 2021. Foreign businesses invested in 54 localities nationwide in 2022. Recently, Samsung officially launched an R&D centre worth 220 million USD in Vietnam. The firm intended to turn the country into a strategic R&D base. Dirk Hartmann, General Director of Tesa Site Hai Phong Co., Ltd, said when it selected Vietnam for its plant, the firm saw an attractive destination for investment thanks to the country's stable economic growth./.

Source : <https://en.vietnamplus.vn/highquality-human-resources-to-help-vietnam-draw-more-fdi/246578.vnp>
