

Highlight News / January 26, 2022



- Cambodia puts high speed train on track
- Cambodia looks at FTA possibility with Switzerland
- Ministry outline progress on five expressways
- Peanut price rebounds on strong domestic, foreign demand
- Vietnamese small, medium-sized firms carrying out digital transformation
- Innovative start-ups in the e-commerce sector



Advisory Institute for Trade and Investment by TCC (AiTi)

Cambodia puts high speed train on track



Cambodia News | 25 January, 2023

Cambodia is moving to build its historic high-speed train system connecting Phnom Penh and Poipet city, northern Cambodia's Banteay Meanchey province that shares a border with Thailand, using a concessional loan from China. The result of a feasibility study conducted by the China Road and Bridge Corporate (CRBC) was discussed in a meeting chaired by Sun Chanthol, Minister of Public Works and Transport, on Monday. The study showed that the historic high-speed distance is 382 km in length with an estimated cost of \$4 billion, around 14.8 percent of the country's gross domestic product in 2021. To be headed by an electric driven engine, the maximum speed will be 160 km per hour, the ministry said, adding that the construction will take four years. The ministry pointed out that at least 33 stations are in the plan to be built along the track, which will be renovated on the existing track, which was once rehabilitated under assistance from the Asian Development Bank. Chanthol agreed in principle to the feasibility study income, saying that he would submit the result to the discussion at the inter-ministry level with the Ministry of Economy and Finance by end of this month. The meeting will discuss the feasibility and conditions of project implementation, as well as request further recommendations for a detailed and comprehensive

study process towards the implementation of the high-speed rail project in the near future, he said. "The project to upgrade the northern Phnom Penh-Poipet railway to the high-speed railway is aimed to serve the transportation sector, and promote socio-economic growth, especially in the provinces and cities located along the track," the ministry said. The project focuses primarily on international passenger and freight services between Cambodia and Thailand, as well as passenger and freight transport from Phnom Penh to Poipet, passing through Kandal, Kampong Chhnang, Pursat, Battambang and Banteay Meanchey provinces. "The project will be the first standard high-speed rail in Cambodia and will be a major passenger and freight line in the country and abroad," stated the ministry. The ministry granted the CRBC to conduct a feasibility study of the high-speed train on January 6, 2022, following the firm's proposal made on December 17, 2021. The government asked the Ministry of Economy and Finance and the Ministry of Public Works and Transport to accelerate the study of the construction and renovation of the high-speed train from Phnom Penh to Sihanoukville and from Phnom Penh to Poipet City by developing the existing tracks. The government said the high-speed train is to serve the transportation sector to be more diversified, which would further boost the socio-economic development of the country, increase income and raise the people's standard of living. The high-speed train project is among the various project

proposals that Prime Minister Hun Sen will discuss with Chinese leaders during his scheduled visit to Beijing on February 10. “We need to seek assistance for new projects from China for the development of Cambodia during my visit in the near future. Among them, we may prepare the high-speed train project as we already have existing railroads but they cannot be used efficiently and economically,” he said on January 16. Lim Heng, vice-president of the Cambodia Chamber of Commerce, expressed hope that the new rail would be able to connect with neighbouring countries’ railways, enhancing regional connectivity. “First step, we want to have the rail connection inside the country, and then if we can make the rail connection with Laos, Thailand, and Vietnam, it would be better to boost the economy by carrying passengers, tourists, and agricultural products,” Heng told Khmer Times. Cambodia now has two rail lines – the southern line, connecting Phnom Penh and Sihanoukville, and the northern one, linking the capital with Poipet. The trains are mostly served in freight as they attract fewer passengers’ attention to the carriages. Royal Railway, a subsidiary of the conglomerate Royal Group, manages and operates the railways under a concessional investment. The current trains run at a maximum speed of only 30 km per hour.

Source: <https://www.khmertimeskh.com/501225200/cambodia-puts-high-speed-train-on-track/>

Cambodia looks at FTA possibility with Switzerland



Cambodia News | 25 January, 2023

Cambodia, which successfully entered into several free trade agreements (FTA) last year, is looking at the prospect of having a similar partnership with Switzerland. Minister of Commerce Pan Sorasak explored the possibilities of an FTA during his recent meeting with Swiss State Secretary for Economic Affairs Helene Budliger Artieda. The meeting at Davos, which hosts the World Economic Forum, also discussed measures to enhance the economic cooperation between both countries, the ministry said in a statement. During the meeting, Sorasak said both countries have good relations and highlighted the diplomatic ties, which were established in 1963. He pointed out that the trade between Cambodia and Switzerland has been steadily increasing every year. The bilateral total trade volume reached \$379 million in 2020 and it was more than \$974 million in 2021. Sorasak also discussed the possibility of establishing a free trade agreement to further enhance the trade cooperation between the two countries. He thanked the Swiss government for its assistance and development programs in areas such as good governance and people’s participation in agriculture and food security, vocational training and employment. Artieda welcomed the initiative, saying that the Swiss government has been supporting Cambodia in its

transition and economic development efforts. She praised Cambodia's success in curbing the spread of Covid-19 and congratulated Cambodia on its chairmanship of ASEAN in 2022 and its successful hosting of the ASEAN Summit. The two sides also pledged to further strengthen existing bilateral ties and expand cooperation in priority areas as well as international cooperation. Cambodia looked to boost its prospects in international trade by entering into free trade agreements with several countries. It joined the Regional Comprehensive Economic Partnership. RCEP comprises 15 Asia-Pacific countries including 10 ASEAN member states — Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam — and their five trading partners, namely China, Japan, South Korea, Australia and New Zealand. Besides, the country signed FTAs with China and South Korea last year. The Kingdom has also been talking with the United Arab Emirates to form a Cambodia-United Arab Emirates Comprehensive Economic Partnership Agreement (CAM-UAE CEPA). The third round of talks is scheduled to be held this year. The country has also been looking at the prospects of entering into similar agreements with Japan and Bangladesh. Cambodia's trade value with RCEP countries rose 4 percent to \$31.03 billion in 2022, as compared to the previous year, according to a recent report from the ministry. The CCFTA and RCEP have provided more momentum to bilateral trade between Cambodia and China, according to experts. The bilateral trade

volume reached \$14.5 billion from January to November 2022, a year-on-year increase of 19.1 percent, the Economic and Commercial Office of the Chinese Embassy to Cambodia said in a release. Data from the Ministry of Commerce showed that Cambodia exported \$4,703 million worth of goods to the RCEP member countries in the first nine months of last year, an increase of 6 percent when compared with the same period in the previous year. The Kingdom imported \$19,363 million worth of merchandise from RCEP countries, a year-on-year increase of 12 percent, it added.

Source: <https://www.khmertimeskh.com/501225199/cambodia-looks-at-fta-possibility-with-switzerland/>

Ministry outline progress on five expressways



Laos News | 25 January, 2023

Laos has made progress in the construction of five expressways under the five-year plan of the government, the Minister of Public Works and Transport, Dr Viengsavath Siphandone, has said. During an interview to the media on the occasion of the second Government Meeting held recently, he said that these five expressways are a priority in the development plan for the road sector for the period 2021-25. He also provided details of the progress on the five projects. The first section between Vientiane and Vangvieng of expressway from the capital to Boten in Luang Namtha province has been opened.

Authorities are in the process of selecting a company with various conditions and facilities to develop the second section between Vangvieng and Luang Prabang and the third section from Luang Prabang to Oudomxay. The Ministry of Planning and Investment is in the negotiation process for the fourth section from Oudomxay to Boten. In the case of the expressway from Luang Namtha province to Houayxai in Bokeo province, the inspection and approval of the technical drawing have been completed and the Ministry of Planning and Investment is engaged in negotiations to sign a concession agreement. The project for building the highway from Vientiane to Pakxe has been divided into five sections. The economic and technical certification for first section from Vientiane to Borikhamxay province has been completed. The second section will run from Pakxan in Borikhamxay province to crossroad No. 12 at Thakhaek in Khammuan province, while the third section will run from junction No. 12 at Thakhaek to Khammuan province to Savannakhet province (junction No. 9B). The fourth section will run from the junction of road number 9B in Savannakhet province to the junction of road number 15 in Saravan province, while a feasibility study is underway for the fifth section from Saravan province to crossroad No. 15 at Pakxe in Champassak province. The fourth expressway

project, a new corridor, will run parallel to road No. 12 from the third Lao-Thai Friendship Bridge in Thakhaek District of Khammuan province to the Lao-Vietnam border. The economic and technical terms of this project have been approved. The fifth expressway project, also a new corridor, will go from Thangon in Xaythany district of Vientiane to Naxanglek village in Thoulakhom district in Vientiane province. The economic and technical certification has been completed and the project is currently in the detailed design stage. Dr Viengsavath highlighted the results arising from development of the highways, especially first section of the Vientiane to Boten expressway, which has been completed and is in use. The benefits are in proportion to the shareholding, with the Ministry of Planning and Investment responsible for monitoring and management on behalf of the contracting parties. This section has reducing the distance and travel time for people, with a journey that originally took four hours now taking only one hour. It has also reduced the cost of transporting goods and the risk of accidents, and made it more convenience for people to travel between Vientiane and Vangvieng.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent11_Govt_y23.php

Peanut price rebounds on strong domestic, foreign demand



Myanmar News | 26 January, 2023

The price of peanuts moved up again to over K7,000 per viss (a viss equals 1.6 kilogrammes), according to Mandalay Wholesale Commodity Centre. During the last week of November 2022, the peanut market was stagnant due to a lack of demand by oil millers and foreign buyers. The peanut prices declined to K4,700-5,750 per viss then. The prevailing prices move up to K5,900 -7,050 per viss. High domestic and external demand pushed up the price. The peanut from various regions is flowing into Mandalay commodity depots at present. Chinese traders are buying them. Moreover, they are highly demanded by the oil millers in the domestic market. Myanmar has been shipping oil seeds (sesame seeds and peanuts) to foreign countries. Last April 2022, the world's top palm oil exporter Indonesia, which is one of the main oil suppliers to Myanmar, declared an export ban on cooking oil export to reduce the domestic shortage. Consequently, Myanmar's Trade Department under the Ministry of Commerce temporarily suspended exports of oil crops (peanut and sesame) from 9 May to have oil self-sufficiency. Exports of Myanmar's edible oil crops resumed as

the world's top palm oil exporters returned to normalcy, according to a notification dated 5 July 2022 released by the Trade Department. The country has shipped more than 15,000 kilogrammes worth US\$17.336 million to foreign markets through the border trade channels as of 13 January in the current financial year 2022-2023 since April 2022. – NN/EMM

Source: <https://www.gnlm.com.mm/peanut-price-rebounds-on-strong-domestic-foreign-demand/#article-title>

Vietnamese small, medium-sized firms carrying out digital transformation



Vietnam News | 25 January, 2023

Although more than 90 percent of manufacturers in Vietnam are still in small and medium enterprises, they have performed digital transformation strongly, which also impacts the country's economic growth beneficially. CNS AMURA Precision Company (CAP), one of the members of Saigon Industry Corporation (CNS) has implemented digital transformation and is negotiating more new orders with foreign business partners to produce end products. Many of its orders are worth up to millions of US dollars. This is a new step after the company became Samsung's tier 1 supplier. Evaluating its

workers' skills as well as existing production lines and machines, the company's representatives are confident that they can meet most of the orders of foreign direct investment (FDI) enterprises. Regarding the CNS Amura's digital transformation process, Mr. Nguyen Phuong Dong, General Director of Saigon Industry Corporation, told following the wave of foreign direct investment in Vietnam, the corporation managers were concerned about how to be able to "absorb" this capital and transform it into an internal force for domestic industrial development. Keeping the concern in mind, the corporation managers have come up with an investment plan to transform the entire production technology line of CNS Amura. Accordingly, the corporation purchased five most modern mold making machines and managers changed their thought by approaching the market; simultaneously, the corporation studied the global supply chain standards of FDI enterprises. The efforts of the corporation managers and employees were rewarded as CNS Amura has gradually become the first-class supplier of mold making for many large enterprises in the world. Mr. Tran Ba Linh, Production Director of Dien Quang Lamp Joint Stock Company, said that the production line innovation by applying digitalization in operation is a vital factor for the enterprise's success. In fact, in order to be able to

join the supply chain in the European and US markets, especially actively manufacturing "Made in Vietnam" tablets and laptops, the company has invested thousands of billions of Vietnamese dong to innovate the management system and the production line. For instance, the company spent on the Panasonic Smart Factory version of the gluing machine with two robotic arms, each arm has 16 suction heads with a capacity of 86,000 chips an hour. This type of machine allows engineers to glue micro-components into parts with a length of 1.2m. The company also invested in a thickness tester, an oven, and a machine that checks the accuracy and completeness of all components on each board. In addition, there are other devices and X-ray machines to check welds at glue points that are invisible to the naked eye, ensuring product quality requirements. Last but not least, while carrying out digital transformation, many businesses also look for green production solutions. Specifically, the US\$1.5 billion Stavian Quang Yen Petrochemical Factory project of the Stavian Group has recently committed to copyrighted technology and modern production lines from G7 countries, which will save energy, contributing to the implementation of the Vietnamese Government's commitment to environmental protection and reducing greenhouse gas emissions to zero by 2050. Stavian is also a pioneer in applying

blockchain technology in international payment transactions.

Source: <https://www.sggpnews.org.vn/vietnamese-small-medium-sized-firms-carrying-out-digital-transformation-post99855.html>

Innovative start-ups in the e-commerce sector



Vietnam News | 25 January, 2023

E-commerce start-ups are becoming more and more popular and are considered relatively safe in the fields of innovative start-ups in Vietnam today. However, safety does not mean success because to succeed in a vibrant developing market requires effort and creative thinking. Vietnam is considered to have a lot of potential for start-ups in the e-commerce sector, with 72.1 million internet users, accounting for 73.2 per cent of the population, ranking 12th in terms of internet users globally by September last year. Two years of the COVID-19 pandemic have changed the shopping habits of the majority of consumers, shifting from direct shopping to online shopping. This is one of the important levers that create the amazing development of Vietnam's e-commerce industry. A report by the Ministry of Industry and Trade last year showed that the size of Vietnamese retail e-commerce market is estimated at US\$16.4 billion, accounting for 7.5 per cent of the country's revenue from consumer goods and

services. The number of online shopping users reached 57-60 million people, accounting for 74.8 per cent of internet users, last year, of which the online shopping value of a Vietnamese person is about \$260-285. In addition, with a growth rate of 20 per cent per year, Vietnam is also ranked by eMarketer, an American market research company, in the group of five countries with the world's leading e-commerce growth rate. The booming e-commerce market has great potential, creating many opportunities for Vietnamese start-ups. Starting a business in e-commerce is also in line with the Government's policy of promoting the development of the digital economy. The legal framework for e-commerce activities is increasingly complete; start-ups are encouraged, and favourable conditions and open mechanisms created for development. On the other hand, Vietnam's e-commerce market is still quite young, so there is still a lot of room for Vietnamese start-ups. In addition to many advantages, start-ups in the field of e-commerce also face many obstacles. There is the high level of competition due to the very early participation of big names such as Shopee, Lazada, Amazon or Tiki and Sendo. In addition, there are obstacles coming from an underdeveloped payment system, goods infrastructure, packaging, warehousing, goods rotation, customs clearance, and the lack of trust of a part of consumers when buying online. However,

the key point of an innovative start-up is an idea, in which difference is a decisive factor, so the challenge is not small coming from the start-ups themselves, requiring creativity and right-oriented thinking. At the same time, they must find sustainable solutions to have new users and retain existing users. Although there is no exact number of start-ups in the field of e-commerce, it is estimated that about 387 start-ups were formed and operated with certain success. Compared to the development potential of Vietnam's e-commerce, it is thought that this number is still quite modest. Therefore, it is necessary to continue promoting start-ups, creating a vibrant market with healthy competition, contributing to making this field one of the key areas of the digital economy.

Source: <https://vietnamnet.vn/en/innovative-start-ups-in-the-e-commerce-sector-2103908.html>
