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Advisory Institute for Trade and Investment by TCC (AiTi)

Cambodia to set up commercial centres in China



Cambodia News | 15 February, 2023

Cambodia will set up private commercial centres in five locations in China this year, which will play an important role in promoting the country's products and attracting China's investment in Cambodia. The Ministry of Commerce said the Cambodian private business centres will be established in Changchun, Harbin, Nanjing, Taiyuan and Zhengzhou. The establishment of these centres is part of the country's market integration and diversification strategy to boost the export of Cambodia-made products, said the ministry's secretary of state and spokesman, Penn Sovicheat. The ministry plans to establish commercial centres in many locations in China to collaborate with the private sector for showcasing Cambodia's quality products and also to receive order purchases, Sovicheat told Khmer Times yesterday. The centres will also promote investment and function as business match-up places for investors and businessmen, he said. "They will play an important role in promoting Cambodian products in the Chinese market besides attracting investments," he said. The centres can help bring more investment from China to Cambodia as the two countries have now a bilateral free trade pact, said Lim Heng, Vice President of the Cambodia Chamber of Commerce. Cambodia-China Free Trade Agreement and RCEP agreement, in which

Cambodia and China are signatory members, entered into force in 2022. The trade pacts have provided more momentum to bilateral trade between Cambodia and China, attracting new investment over the past year, Heng said. Prime Minister Hun Sen has recently said that the bilateral free trade agreements and the RCEP opened the market wider to Cambodian products, particularly agricultural items. The premier said signing a free trade agreement with China is a huge opportunity for Cambodia's agricultural market as China is a huge market. In January this year, the two-way trade between the countries was valued at \$972 million, a 28.8 percent decrease compared to January last year, according to the General Department of Customs and Excise's report. The bilateral trade between Cambodia and China recorded \$11.6 billion in 2022, up by 4.4 percent compared to a year before, of which Cambodia's exports amounted to \$1.2 billion, a 17.9 percent decrease, and imports \$10.4 billion, a 7.9 percent increase. The ministry has also launched Cambodian private commercial centres in Japan.

Source: <https://www.khmertimeskh.com/501238754/cambodia-to-set-up-commercial-centres-in-china/>

GFT exports decline by 28% in January



Cambodia News | 15 February, 2023

Cambodia's exports of garments, footwear and travel (GFT) goods declined by over 28 percent in

the first month of 2023, a slide on expected lines as international demand remained low for the last six months. While Cambodia exported GFT goods worth \$1.08 billion in January 2022, it managed to export only \$782 million in January this year, the trade data released recently by the General Department of Customs and Excise (GDCE) showed. The sector, which is the biggest export earner for the Kingdom, still accounted for over 50 percent of the total export earnings of \$1.5 billion for the country in the month. The decline in GFT exports could continue for the next couple of months and the demand is expected to pick up by the second half of the year. Among the GFT goods, knitted apparel brought in \$350 million for January 2023, a decline of 33.4 percent, compared to January 2022 while non-knitted apparel articles that earned \$205 million went down by 16.5 percent over the same period. Travel goods netting \$117 million for last month slid by 32.3 percent year-on-year. Footwear exports earned \$109 million, also showing a decline of 23.6 percent compared to the same period in the previous year. According to industry experts, export orders for GFT goods would not revive until mid-2023 as retailers in Europe and the US have just too much stock from unsold goods of the previous seasons. Ukraine war and inflation have also caused a downward trend in the global demand for GFT. Despite a second-half slowdown last year, GFT exports managed to achieve a growth of around 15 percent in 2022 compared to the previous year, rising from \$10.99 billion to \$12.63 billion. Exports in the second half of last year

declined compared to the first half when they showed a growth of nearly 40 percent. The 2023 economic outlook of the National Bank of Cambodia (NBC), released recently, however, forecasted that the GFT sector in the country would expand (not just exports) by 6.5 percent this year. While highlighting the role of the GFT sector for the country, Ky Sereyvath, Director General of the Institute of China Studies at the Royal Academy of Cambodia, told Khmer Times on Monday that the sector plays a very important role in the Kingdom's economy and helped it to fight off the pandemic woes. "The GFT sector created jobs for local people and this was vital for the country's recovery from the Covid-19 slowdown," he said. Data from the National Institute of Statistics (NIS) also suggested that the continued progress of the GFT sector was crucial for the Kingdom during the Covid-19 pandemic. The sector accounted for 11 percent of the economy and contributed around 50 percent of Cambodia's real GDP growth in 2021. This indicated that the GFT sector had been functioning relatively well throughout the Covid-19 pandemic, while other sectors such as tourism suffered greater setbacks. In March 2022, the Royal Government of Cambodia launched the 'GFT Sector Development Strategy 2022–2027,' which underscores the sector's important role as a major economic growth pillar, with GFT exports averaging over 70 percent of Cambodia's total merchandise exports over the past decade and more. The strategy also emphasizes the sector's direct and indirect contributions to the livelihoods of between

2.5 to 3 million Cambodians. Despite being one of the key drivers of the Cambodian economy, the GFT sector still faces challenges related to its competitiveness and long-term sustainability. The sector's current exports are reliant on preferential market access granted by the US and the European Union (EU) which makes it highly vulnerable to the potential withdrawal of such agreements.

Source: <https://www.khmertimeskh.com/501238959/gft-exports-decline-by-28-in-january/>

Korea's Jeju Air to resume flights to Laos



Laos News | 15 February, 2023

Jeju Air Co., the Republic of Korea's biggest low-cost carrier, will resume flights to Laos and Vietnam in April after three years of suspension due to the Covid-19 pandemic, according to the South Korean news agency Yonhap. The budget carrier plans to commence services on routes from Incheon to Vientiane, and to Hanoi and Ho Chi Minh City in Vietnam on April 20, after Laos opened its borders to international visitors last year. Jeju Air operated eight routes to five Vietnamese cities -- Danang, Hanoi, Ho Chi Minh, Nha Trang and Phu Quoc -- at the end of 2019, but most of the routes were suspended in early 2020 when the pandemic hit the airline industry. In June last year, the company resumed the routes from Incheon to Danang and Nha Trang, and the Busan-Danang sector. Jeju Air aims to turn around

this year after posting net losses for three consecutive years through 2021 as eased virus restrictions unleash pent-up travel demand. Director of Lao Airlines' Commercial Department, Mr Noudeng Chanthaphasouk, told the Vientiane Times on Tuesday that it was a perfect time for foreign airlines to operate flights to Laos. The number of people visiting Laos is increasing significantly since the lifting of travel restrictions, and the country has been ranked by several media organisations as one of the world's top travel destinations for 2023. "The airline industry in Laos is positive at the moment with the rising number of passengers," Mr Noudeng said. Seats on Lao Airlines' flights are currently 70-80 percent full due to the growing number of foreign nationals coming to Laos, Mr Noudeng said. Lao Airlines has also opened flights to South Korea in response to the growth of regional tourism. Flights between Laos and South Korea are an important link for tourists from Europe, US and other continents, as they can fly to Asean countries including Laos after transiting in South Korea. Laos is now well connected regionally after several airlines based in neighbouring countries, notably Thailand, China and Vietnam, have resumed flights to Vientiane and other cities. Mr Noudeng said Lao Airlines plans to operate flights from Vientiane to Guangzhou, Shanghai, Chengdu, Changzhou and Hangzhou to increase links between Laos and China and spur the growth

of tourism. Lao Airlines hopes to benefit from the influx of Chinese tourists to Asean now that China has lifted travel restrictions. The airline also plans to increase the number of flights from Luang Prabang and Champassak to China. The national flag carrier currently operates three flights a week from Vientiane to Kunming, the capital of Yunnan province.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent32_Korea_y23.php

China, Myanmar to promote economic cooperation in post-pandemic era

 Myanmar News | 16 February, 2023

YANGON, Feb. 15 (Xinhua) -- China's Yunnan provincial department of commerce and the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) held a meeting here on Wednesday to promote economic and trade cooperation. Speaking at the meeting, UMFCCI President U Aye Win said that it is a timely meeting to promote the economic and trade cooperation between Myanmar and China's Yunnan province, adding it will assist Myanmar's economic development and private business sector development. Myanmar, in the post-COVID-19 period right now, was making efforts to increase its export, which declined during the pandemic period, and China is an important market for Myanmar, the

UMFCCI president said. China is the largest trading partner of Myanmar, he said, adding that he hopes the meeting will open up cooperation opportunities for the two countries. Tan Shufu, economic and commercial counselor of the Chinese Embassy in Myanmar, said that he always supports the trading between China's Yunnan province and Myanmar, adding that the economy is recovering in the post-COVID-19 era. At the meeting, Li Chenyang, director-general of China's Yunnan provincial department of commerce, said that he has brought Yunnan province's business delegation to Myanmar to cooperate in trade promotion. On Tuesday, the Chinese delegation led by Li also met with Myanmar's Union Minister for Commerce U Aung Naing Oo in Nay Pyi Taw, and discussed matters relating to border gates reopening and policies, smooth flow of goods, financial cooperation and agricultural cooperation between the two countries.

Source: <https://english.news.cn/asiapacific/20230216/d51ad3ab59524454966ad689bf9eb78e/c.html>

Vietnam's infrastructure luring Chinese investment

 Vietnam News | 15 February, 2023

With wider activities taking place involving the markets of China, Taiwan, and Hong Kong, their investors are looking at potential infrastructure

opportunities throughout Vietnam. China Pacific Construction will soon establish a representative office in Vietnam to explore investment potential in the transport infrastructure sector, said Jiehe Yan, president of China Pacific Construction Group, last month. Dr. Jonathan Choi, chairman of the Chinese General Chamber of Commerce, was in Vietnam one month ago to encourage capital investments in the infrastructure and regional economy, commerce, services, and industrial sectors. He said that Vietnam is an “interesting centre of attraction” for Chinese investors. Hong Kong is also an essential gateway for Chinese corporations to invest in Vietnam. According to the Ministry of Planning and Investment, as of January 20, Hong Kong was the fifth-biggest economic partner of Vietnam, following South Korea, Singapore, Japan, and Taiwan, with nearly 2,180 investment projects totalling \$29.6 billion in investment capital. When Vietnam recognises infrastructure development, including transport infrastructure, as one of three strategic breakthroughs, it will provide new long-term driving factors for foreign investment. The Vietnamese government is now undertaking its plan to construct an additional 3,000km of motorways by 2025 and 5,000km by 2030. According to the Ministry of Transport, Vietnam has barely constructed more than 1,000km of roadways during the previous two decades. Chinese investors who went directly to

Vietnam to encourage investment employed a strategy that was prevalent several years before the emergence of the pandemic. A number of experts believe this strategy will have a long-term influence on Vietnam’s infrastructure. Chinese investment in Vietnam increased at a compound annual rate of 17 per cent between 2015 and 2022. Despite strict lockdowns, investment flow continues as several important projects from China, Taiwan, and Hong Kong have extended or boosted cash to improve output in Vietnam. As of January 20, the number of foreign-invested projects in Vietnam continued to rise, and China retained its position as the sixth-largest investor in Vietnam, registered at \$23.6 billion. Despite difficulties, Chinese groups still have the potential to invest in Vietnam’s transport infrastructure. Vietnam is mobilising funding sources for road network investment of about \$17.06 billion to 2025 and \$14 billion during 2026-2030, including cash for transitional projects over the next few years.

Source: <https://vir.com.vn/vietnams-infrastructure-luring-chinese-investment-99771.html>

VN needs to build national brands for fruits



Vietnam News | 15 February, 2023

HÀ NỘI — Việt Nam must develop national brands for fruit products to increase added value and competitiveness in international markets, experts

said. Although fruits bring in billions of US dollars in export revenue annually, Việt Nam has no well-established fruit brands. "When talking about apples, we think about the US," said Nguyễn Đình Tùng, Director of Vina T&T Import-Export Company. "Talking about kiwis, we think about New Zealand. Talking about melons, we think about Japan. Talking about Monthong durians, we think about Thailand. Talking about Musang King durians, we think about Malaysia... Meanwhile, Việt Nam, where many types of fruits are grown, does not have any famous fruit brands." Tùng said Việt Nam has Ri6 durian, which could compete with durian from Thailand and Malaysia in terms of quality and is chosen by many companies as an export product. However, it is still falling behind in terms of brand identity and value. "Because there is no brand, the price of Ri6 is always about 20 per cent lower than Monthong and much lower than Musang King," he said. Lê Thị Kiều Oanh, director of Apple LLC, which exports Việt Nam's agricultural products to Japan, said Japan imported dragon fruit from Việt Nam, but only 10 per cent were sold at supermarkets under Vietnamese brand names. According to Tạ Đức Minh, Vietnamese Trade Counselor to Japan, Vietnamese lychees are exported to many countries and have become popular with the Japanese market. However, Vietnamese lychees remain inferior to their Japanese counterparts in terms of economic value,

even though Japan does not have a production advantage in lychees. Japanese lychees are grown in Miyazaki over an area of around 10,000 hectares, and Japan has built a brand for its lychees as a precious fruit. There was a time when each Japanese lychee was sold for as much as US\$10 each, and people still waited in line to buy them, Minh said. According to Tùng, Việt Nam must develop national fruit brands to increase their value and competitiveness in the international market. "We should select several types of fruits to build national brands for," Tùng said. "Like New Zealand, this country successfully built brands for kiwis, which have markets around the world with the export value of over \$3 billion per year, equal to the whole fruit and vegetable export of Việt Nam." To build fruit brands of national pride, Tùng said it was necessary to pay attention to factors including varieties associated with soil, Vietnamese culture, quality, food hygiene and safety, planting area, high yield and preservation technology. Tùng said that grapefruit, coconut and durian were fruits with large potential for export. Tùng said that to build national fruit brands, it was vital to control the granting of geographical indication certificates strictly. Each type of fruit is only suitable for the climate and soil of certain localities. However, many kinds of fruit, such as pomelo, dragon fruit and lychee, are grown all over the country, which can affect branding,

according to Tùng. Therefore, it is important to select products associated with local culture and history to grant and manage geographical indication certificates. For example, the best quality coconuts are from Bến Tre Province, lychees from Bắc Giang and Hải Dương, white-flesh dragon fruit from Bình Thuận and red-flesh dragon fruit from Long An. Việt Nam could choose typical products of each locality and upgrade them to national brands. Ngô Trường Vy, general director of Chánh Thu Company, said that among dozens of fruits exported, Việt Nam could choose from three to five fruits to focus the resource on to build brands of Việt Nam's pride. "It's time for Vietnamese fruits to focus on improving quality and adding cultural and creative elements to farming methods so that products contain stories that appeal to consumers," Minh said. Minh pointed out that Japan focused on the quality of some world-famous fruits of the country. Even output was controlled to maintain selling prices. For some, special farming techniques were incorporated into the story to ensure the best quality. Building national brands and quality management databases and traceability systems would be the focus of the Ministry of Agriculture to increase the export value, Deputy Minister Trần Thanh Nam said, adding that growth should not be based on output any longer. He said that the agriculture ministry must work with the Ministry of Industry and Trade to propose to the

Government a programme to build national brands for agricultural products. The branding should also be integrated with a digitalisation process in traceability, field diary, fruit chain management, and registration and protection of fruit brands in foreign markets. Việt Nam's export of fruit and vegetables reached nearly \$3.34 billion in 2022, 80 per cent of which were fruit exports. The country is heading for \$4 billion in fruit and vegetable exports this year. — VNS

Source: <https://vietnamnews.vn/economy/1483448/vn-needs-to-build-national-brands-for-fruits.html>
