

Highlight News / April 26, 2022



- Credit guarantees to SMEs reach \$113 million
- GDT earns \$21 million on e-commerce VAT income in Q1
- Laos, S. Korea mull ways to bolster tourism
- Seintalone mango fetches good price this year
- Vietnam's rice exports surge on supply crunch
- Foreign investors pledge nearly \$8.9bn to Vietnam in Jan-Apr



Advisory Institute for Trade and Investment by TCC (AiTi)



Credit guarantees to SMEs reach \$113 million



Cambodia News | 25 April, 2023

The Credit Guarantee Corporation of Cambodia (CGCC) provided credit guarantees of \$113.6 million to businesses as their working capital for expansion in the first quarter of this year. CGCC said in a report that by the end of the first quarter it supported nearly 1,300 businesses by providing credit guarantees for their loan applications, amounting to \$113.6 million. The large portions of loan guarantees were used as working capital and other purposes of investment or business expansion, and capital expenditure, the report mentioned. Various credit guarantee schemes played crucial roles in strengthening entrepreneurship and enhancing financial inclusion in Cambodia, especially during the Covid-19 pandemic, through the smooth disbursement of loans, CGCC said. For SMEs and MSMEs, it improves financial inclusion. It enables them to borrow without having the burden of providing collateral whenever their business capacity grows and they have higher loan requirements. The CGCC has come up with three guarantee schemes so far — the Business Recovery Guarantee Scheme (BRGS) launched in March 2022, the Co-Financing Guarantee Scheme (CFGS) unveiled in September 2021 and the Women Entrepreneurs Guarantee Scheme, which was launched in April 2022, besides the extension of the CFGS to tourism. The CGCC of the Ministry of

Economy and Finance has extended the BRGS from January 1, 2023, until the \$200-million scheme is fully utilized to support businesses including MSMEs as well as large firms by enhancing their access to formal loans from the Participating Financial Institutions (PFIs) for working capital investment and business expansion. Updating some scheme features, including the scheme period, the definition of the micro, small and medium enterprises (MSMEs) and large firms, and the maximum loan amount for each guarantee are on the extension of BRGS. BRGS aims to support businesses, including MSMEs and firms, to enhance their access to formal loans from Participating Financial Institutions for working capital, investment, and business expansion.

Source: <https://www.khmertimeskh.com/501278434/credit-guarantees-to-smes-reach-113-million/>

GDT earns \$21 million on e-commerce VAT income in Q1



Cambodia News | 25 April, 2023

The General Department of Taxation earned e-commerce value-added tax (VAT) income of \$21 million from the operation of electronic goods and services in the first quarter of this year. GDT said in a meeting last week that in January alone the tax income from e-commerce was \$6 million. The average tax income from e-commerce was \$7 million in the first three months, higher than \$5 million for the same period last year. GDT has been conducting further research to understand the tax collection management of e-commerce VAT from tax

administrations in various countries. “As e-commerce grows, GDT expects the sector to continue to grow, which will boost tax revenue from e-commerce and maintain sustainable growth year on year,” it said. The usage of digital devices, e-commerce transactions during the pandemic and financial technology boosted internet and mobile services in the country. The mobile phone subscribers in Cambodia reached 19.5 million by November last year, a decrease from 21.7 million in 2019, according to the Telecommunication Regulator of Cambodia’s report. The government started implementing e-commerce VAT in April this year and taxed companies including Google, Facebook, YouTube, Alibaba, Microsoft and TikTok. GDT earned around \$44 million in tax revenues from the e-commerce sector from April to December last year. VAT of 10 percent on e-commerce transactions has been in force since April 1 in Cambodia. Its director-general Kong Vibol recently said that the VAT on e-commerce was a potential source of revenue for the country. Cambodia sees it has the potential to increase the national budget revenue further, he said, adding that the taxes on foreign e-commerce transactions also put the local e-commerce operators on an equal footing. In the past, foreign companies did not pay income tax and VAT in Cambodia. GDT of the Ministry of Economy and Finance collected \$1,343 million in tax revenue in the first three months of 2023. The Kingdom has two institutions for collecting taxes. One is GDCE, which collects taxes on goods entering and leaving the

country, and the other is GDT, which focuses on interior taxes such as income tax, salary tax, value-added tax, and property tax. In 2023, the government targets \$5.5 billion as income from tax and customs, an increase of nearly 16 percent compared to 2022.

Source: <https://www.khmertimeskh.com/501278433/gdt-earns-21-million-on-e-commerce-vat-income-in-q1/>

Laos, S. Korea mull ways to bolster tourism



Laos News | 25 April, 2023

Officials from Laos and the Republic of Korea are exploring ways to expand tourism between the two countries and last week met in Luang Prabang province to share their experiences and build cooperation between their government and private sectors. The two sides discussed ways to encourage more people to travel between Laos and Korea, with Korean tourists returning to Laos following the lifting of Covid-related travel restrictions. Last year, more than 1.29 million foreign visitors including Korean nationals came to Laos. Korean tourists usually travel in large groups and are interested in exploring Laos throughout all tourist seasons. In the first two months of this year, 34,326 Korean nationals visited Laos while Korean performers promoted tourism in Laos. Vangvieng district in Vientiane province, and Luang Prabang province, are particular favourites among

Koreans visiting Laos. The meeting was co-organised by Laos' Ministry of Information, Culture and Tourism and the Centre of Asean-Korea. The talks were attended by Deputy Minister of Information, Culture and Tourism Mr Ounthuang Khaophanh, representatives of Korea's tourism ministry, a lecturer from Korea, and business operators in Luang Prabang province. Mr Ounthuang said tourism was an important source of revenue and served to improve socio-economic conditions in many countries. But when the Covid pandemic hit, tourism was severely disrupted and countries around the world suffered an economic downturn as a result. Fortunately, travel restrictions have been lifted worldwide and tourism is on the rebound. The Lao government is now working hard to revive tourism and bring more visitors to Laos. Tourism is a pillar of the country's economic development, provides people with jobs, and boosts the incomes of rural populations. Laos is working with other Asean countries, and nations in the Asia-Pacific region and beyond, in its efforts to restore tourism. Laos and the Republic of Korea have enjoyed friendly relations and cooperation for many years. Korea has supported rural and village development in Laos, and travel between the two countries is on the upswing.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent78_Lao_S_y23.php

Seintalone mango fetches good price this year



Myanmar News | 25 April, 2023

The price of Seintalone mango exported to China's market is pretty high at the beginning of the mango season this year, said U Kyaw Soe Naing, general secretary of Myanmar Mango Market and Technology Development Association (Mandalay). "Myanmar started to export mango to China. It fetches good prices depending on quality. Traders face some transport difficulties. Some growers harvested mango early in the premature stage of the previous season, making other growers face loss. If they take care of that, the market condition is expected to improve. About four to five 12-wheel trucks go to China. Mango will be harvested during the end-April and early May. The price of mango is estimated at 150 Yuan (over K40,000) per 16 kilogrammes basket. The price varies depending on the quality," he elaborated. The mango export to China is on a trial run in the post-Thingyan period. The prevailing price of quality mango is nearly 150 Yuan per 16 kg (48-50 per cent), while the low quality one fetched over 100 Yuan (over K20,000) per 16 kg (50-60%). This year, the mango price is expected to be offered higher. Myanmar will export other mango varieties such as Meithi, Shwehintha, Padamyar Ngamauk and Yinkwe besides Seintalone.

The mango yields this year dropped yet the price is high. — Maung Aye Chan/EM

Source: <https://www.gnlm.com.mm/seintalone-mango-fetches-good-price-this-year/#article-title>

Vietnam's rice exports surge on supply crunch



Vietnam News | 25 April, 2023

Strong rice export demand coupled with waning supplies have caused prices to surge in the market since the beginning of 2023. According to the General Department of Vietnam Customs, Vietnam exported 1.85 million tonnes of rice worth US\$981.4 million in the first quarter of this year, up 23.4% in quantity and 34.3% in value year-on-year. The Philippines spent more than US\$450 million importing some 900,000 tonnes of Vietnamese rice in the first quarter of this year, and more orders are expected to be placed in the time ahead. The Southeast Asian neighbouring country was the biggest importer of Vietnamese rice in the quarter, making up 48.2% in volume and 45.9% in value, followed by China, Indonesia, Malaysia and Ghana, the department reported. The average export price in the reviewed period was estimated at US\$531 per tonne, up 9.2% year-on-year, the highest in the past decade. The global shortage of rice, one of the most consumed food grains in the world, is set to be the largest in the last two decades, according to New York-based research firm Fitch Solutions. It forecast the global shortfall at 8.7 million tonnes in 2022-

2023, which is the highest since the deficit of 18.6 million recorded in 2003-2004. Experts say the forecasts predict a buoyant market, stressing favourable conditions for Vietnam's rice exports given the increasing demand for food reserves amid global economic and political uncertainties. The Agency for Foreign Trade under the Ministry of Industry and Trade (MoIT) suggested businesses keep a close watch on the market, and fully assess opportunities and risks in order to make successful transaction plans, sign suitable contracts and ensure export efficiency. They should provide updates for the Vietnam Food Association and the MoIT to keep all stakeholders in the loop in Vietnam.

Source: <https://english.vov.vn/en/economy/vietnams-rice-exports-surge-on-supply-crunch-post1016127.vov>

Foreign investors pledge nearly \$8.9bn to Vietnam in Jan-Apr



Vietnam News | 25 April, 2023

Vietnam had attracted nearly US\$8.9 billion in foreign investment by April 20, equal to 82.1 percent of the figure in the same period last year, according to the Foreign Investment Agency under the Ministry of Planning and Investment. Some \$5.85 billion of the foreign investment was disbursed in the four-month period, inching down 1.2 percent year on year. These are positive signals amid the foreign

investment volatility when many developed countries, which pour a high amount of investment into others, will levy a global minimum tax rate of 15 percent on multinational groups with global revenue of over 750 million euros (\$829.3 million) late this year. As of April 20, Vietnam had had around 37,100 operational foreign-invested projects with a total registered capital of nearly \$445.9 billion. Of the total, more than \$279.8 billion has been disbursed, or 62.8 percent of the registered amount. In the first four months of this year, foreign investors registered to inject over \$4.1 billion into 750 new projects. The period also saw 386 operational foreign direct investment projects revise up their investment by a total of nearly \$1.66 billion. Foreign investors also conducted around 1,000 transactions to contribute funds and acquire shares in local firms with total capital of \$3.1 billion. They poured capital into 18 out of 21 national economic industries in Vietnam, with the processing and manufacturing sector taking the lead in investment capital at \$5.1 billion, accounting for 57.8 percent of the total registered capital. The finance and banking sector came second with over \$1.5 billion, representing 17 percent of the total, followed by the real estate sector with nearly \$972 million. As many as 77 countries and territories invested in Vietnam in the four-month period. Singapore was the biggest investor of Vietnam with nearly \$2.2 billion, followed by Japan with some \$2

billion and China with nearly \$752 million. However, South Korea ranked first in terms of the number of new projects and operational projects with revised investment. Foreign investors pledged investments in 46 cities and provinces in Vietnam with Hanoi being the largest recipient of foreign investment, at more than \$1.1 billion. The capital city was followed by northern Bac Giang Province with over \$1 billion, Ho Chi Minh City and its two neighbors--Binh Duong and Dong Nai Provinces. Ho Chi Minh City attracted the most foreign-invested projects in January-April.

Source: <https://tuoitrenews.vn/news/business/20230425/foreign-investors-pledge-nearly-89bn-to-vietnam-in-janapr/72817.html>
