

Highlight News / June 30, 2023



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Kingdom exports to Thailand surge 10% to \$480 million



Cambodia News | 29 June, 2023

Cambodia's exports to Thailand are growing steadily, a sign of economic growth across all sectors and rising demand for goods, particularly agricultural products. Cambodia exported \$480 million worth of goods to Thailand in the first five months of this year, a year-on-year increase of 10 percent, according to a report from the General Department of Customs and Excise. Meanwhile, Thailand's export to Cambodia decreased by 14 percent to \$1,400 million in the first five months of 2023. Thai Business Council in Cambodia (TBCC) president Jiranun Wongmonkol said that the increase in exports indicated demand for Cambodia's products in Thailand. "While Thai imports to Cambodia declined, we see that Cambodia's exports to Thailand in the first five months of 2023 have increased significantly, indicating a significant growth momentum for Cambodia, especially in the industrial and agricultural sectors, which are important parts for Cambodia's economic growth," she told reporters during a business event last week. She said the decrease in imports from Thailand is due to the setting up of factories in Cambodia by Thailand investors to supply products in the Kingdom. After Cambodia recovered from the Covid-19 pandemic, businesspeople and production owners often

exchanged views and information regarding the business potential in the country, she said. Cambodia's main exports to Thailand include textiles, agricultural products, gems, raw materials and semi-finished products. Imports from Thailand include fish, meat, vegetables, automobiles, organic fertilisers, foodstuffs, and construction materials. Minister of Commerce Pan Sorasak has urged all stakeholders to continue working hard to attain the target of \$15 billion Cambodia-Thailand bilateral trade volume in 2025. He also asked relevant parties from both countries to study, discuss and express commitment towards future bilateral cooperation on trade and investment.

Source: <https://www.khmertimeskh.com/501315920/kingdom-exports-to-thailand-surge-10-to-480-million/>

'Service sector to become Cambodia's largest by GDP'



Cambodia News | 29 June, 2023

Prime Minister Hun Sen yesterday said that the service sector is expected to become Cambodia's largest by gross domestic product (GDP) composition, replacing industry and agriculture. The Covid-19 pandemic has had a devastating impact on the tourism and travel sector, disrupting businesses across all types of industries. Nearly 1,200 establishments in the tourism industry were closed and almost 22,000 direct jobs have been lost as of May this year due to Covid-19, the Ministry of Tourism said in June last year. "With the arrival of foreign tourists, the service sector will expectedly

increase and share the largest composition of Cambodia's GDP," the Prime Minister said at a get-together with garment workers in Phnom Penh yesterday. Last year, the industry sector shared the largest composition of the country's GDP with 38 percent, followed by the service sector and agricultural sector with 35 percent and 21 percent, respectively. Cambodia received around 2.4 million foreign tourists in the first five months of 2023, a significant rise of 530 percent from 343,464 over the same period last year, according to the Ministry of Tourism's report. The tourism industry, a key component of the country's service sector, has witnessed remarkable growth with tourism arrivals reaching 6.6 million in 2019, generating gross revenue of \$4.92 billion. During the pandemic time, Cambodia took multiple initiatives to help foster the growth of the service sector, including adjusting several regulations related to foreign investments in the industry. Cambodia has pinned high hopes for its tourism recovery after Chinese tourists gradually returned to the Southeast Asian nation. Cambodian Tourism Minister Thong Khon said Cambodia hopes to attract more than 4 million foreign tourists in 2023, almost doubling from 2.27 million in 2022. "The recovery of the tourism sector has importantly contributed to our country's post-pandemic economic growth, which is forecast at 5.6 percent this year," Khon said at a bi-annual conference of the Ministry of Tourism in Phnom Penh last week. Tourism is one of the four pillars supporting the Cambodian economy. The country has three world

heritage sites, namely Angkor archaeological park in northwestern Siem Reap province, Preah Vihear Temple in northwestern Preah Vihear province, and Sambor Prei Kuk archaeological site in central Kampong Thom province. Besides, it is known for its pristine coastline stretching in the length of 450 km in four southwestern provinces of Sihanoukville, Kampot, Kep, and Koh Kong.

Source: <https://www.khmertimeskh.com/501315918/service-sector-to-become-cambodias-largest-by-gdp/>

Vientiane Saysettha Development Zone 'a boon for investors'



Laos News | 29 June, 2023

The Vientiane Saysettha Development Zone offers great opportunities for investors, thanks to lucrative incentives ranging from tax holidays to privileged access to major markets, the Zone's operator has said. Companies doing business in the Laos-China joint venture project, located in the Lao capital Vientiane, will enjoy a profit tax exemption for periods ranging from 5-10 years, under the Lao government's Decree No. 177. In an exclusive interview with the Vientiane Times last week, Xiong Jun, General Manager of the Lao-China Joint Venture Investment Co., Ltd. – the developer of the specific economic zone - said the level of tax exemption would depend on the volume of goods

exported. "The higher the export volume, the longer the exemption will be extended," he said through an interpreter. When the profit tax exemption period ends, a tax reduction policy will be offered, Mr Xiong Jun added. In addition, tariffs will be waived on imported construction and raw materials, while finished products that are exported will also enjoy tariff exemptions as well as zero value-added tax (VAT). Goods manufactured and sold within the Zone will be subject to just 5 percent VAT, while goods sold outside the Zone will incur 7 percent VAT. In addition to tax and tariff holidays provided by the Lao government, manufacturers in Laos will enjoy privileged access to major markets in countries whose governments offer exemptions or reductions of import tariffs on made-in-Laos goods with an unlimited quota, the manager said. Some 42 countries and territories extend such special treatment for Laos. They include Australia, Canada, members of the European Union (EU 28), Japan, New Zealand, Norway, Russia, Switzerland and Turkiye as well as members of the Association of Southeast Asian Nations (Asean), of which Laos is a member. The Laos-China Railway has transformed landlocked Laos into a land link country, and the Lao government plans to extend the rail network to other neighbouring counties to offer cost-effective transport, which is an added boon for investors,

Mr Xiong Jun said. Being developed on 1,149 hectares of land in Saysettha district since 2010, Phase I of the Zone is now complete and the necessary infrastructure for industrial development is in place. So far, the developer has signed agreements with 127 companies from countries such as China, Thailand, Japan, Malaysia, Singapore, Laos, the United States of America and Switzerland to do business in the Zone. Of these, 64 companies now have production lines up and running, generating as much as 6,000 jobs, including more than 4,000 for Lao nationals. Dozens of other companies are in the process of building manufacturing plants in the Zone, which is part of the global infrastructure project, the Belt and Road Initiative, instigated by China. Once all the 127 companies have production lines in operation, they are expected to generate a combined production value of US\$1.8 billion and create more than 10,000 jobs including more than 8,000 for Lao nationals. Products already being and planned for manufacture in the Zone include electronic appliances, electrical equipment, medicines, and clothing. Transport and service businesses also plan to set up bases in the Zone. Currently, the developer is working on Phase II, focusing on trade and service areas, before continuing with Phase III - the last phase,

which will see the development of a new urban area that will offer more investment opportunities. Construction of all three phases is scheduled for completion by 2035. Once they are all operational, it is expected that the Zone will generate a total production value of US\$5 billion as well as create a huge number of jobs. To supply skilled workers for companies operating in the Zone, Mr Xiong Jun said his company is working with technical schools to train up the necessary workforce. In the long run, the developer in collaboration with the Lao Ministry of Education and Sports, has asked for assistance from the Chinese government to build a vocational school in the Zone itself to train workers. Pledging to be an environmentally responsible project, the manager said his company requires investors to strictly follow environmentally-friendly guidance given by Lao authorities, which will be given key consideration when it comes to scrutinising investors. Mr Xiong Jun said he envisioned developing the Zone like the industrial park jointly developed by Chinese and Singaporean investors in Suzhou, a major city in Jiangsu Province, which has made a great contribution to the Chinese city's development. "We will establish a standardised and model economic zone in Laos," he concluded.

Source: https://www.vientianetimes.org.la/freeContent/FreeContent124_Vientiane_y23.php

Central Bank of Myanmar warns of online scams



Myanmar News / 29 June, 2023

The Central Bank of Myanmar released a notification on 28 June that it will take legal actions against the online scammers and swindlers under the name of Gold T 6 Facebook Page, conducting a boiler room scheme to defraud investors to put their money into nonexistent assets. In accordance with the provisions stipulated in the Central Bank of Myanmar Law and Financial Institutions Law, the CBM has issued banking licences to four state-owned banks, 27 private banks and 20 foreign bank branches. Those entities need to follow the provisions in providing banking services including accepting saving deposits. Nonetheless, as per the section 158 and 163 of the Financial Institution Law, an individual or some companies are found to be violating the rules; No bank shall engage in banking without licence and no one can accept the saving money without licence. The swindlers are running boiler room operations to deceive the people with the promise of a high rate of interest for their worthless investments, the CBM's statement mentioned. The scammers using the Gold T 6 or Gold T 6 Trading page on social media platforms are using false information to convince the investors in nonexistent real estate,

gold assets and foreign currency trading. They displayed legitimate looking investment advertisements on their social media page, misinforming cooperation with the CBM in order to trap the investors. This being so, the CBM warned of online scams offering incentives and promising higher interest rate return. The authorized banks offer nine per cent interest rate per annum yet the swindlers give six per cent per day. The public needs to be aware of those fake advertisements with incentives. The CBM will take legal actions against those involved in online fraud under the Facebook page of Gold T 6 and Gold T 6 Trading under the section 158, 163, 171 and 172 of the Financial Institution Law. The CBM will step up investigation and prosecuting market manipulation in the local forex market and crack down on online scammers with incentives and deception scheme to take advantage on investors and illegal financial service operators under the provisions stipulated in the Financial Institution Law, the Anti-Money Laundering Law, the Foreign Exchange Management Law and the existing laws. Under the guidance of the Monitoring and Steering Committee on Gold and Currency Market, the Central Bank of Myanmar clamped down on 50 individuals and three companies involved in the foreign exchange market manipulation and illegal money transfer service in

Yangon and Mandalay cities, according to its notification on 23 June. — NN/EM

Source: <https://www.gnlm.com.mm/central-bank-of-myanmar-warns-of-online-scams/#article-title>

Number of new businesses hits record high in June



Vietnam News / 29 June, 2023

HA NOI — Viet Nam saw a record-high number of new business registrations, including those resuming operations, in June, according to the Department for Business Registration Management under the Ministry of Planning and Investment. This is a positive signal seeing as firms are still facing many difficulties in production and business activities, the department said. There were 13,904 newly established enterprises in June 2023, an increase of 4.8 per cent over the same period in 2022. A further 7,098 enterprises resumed their operations in June, an increase of 215 per cent over the same period in 2022. In the first six months of the year, there were about 113,000 newly established and resumed enterprises. Thus, each month about 19,000 enterprises were set up or resumed operations. Meanwhile, about 100,000 enterprises withdrew from the market during the first six months, including 12,333 enterprises in June. The average number of enterprises withdrawing from the market reached 16,600 per month. This number decreased

compared to 17,600 enterprises each month during the first five months and 19,000 units each month during the first four months. The department reported that the registered capital of newly established enterprises continued to decrease during the first six months. The total registered capital of newly established enterprises was just VNĐ707,457 billion, or 75-80 per cent of the total registered capital in the same period of the years affected by the Covid-19 pandemic. The figure was VNĐ942,648 billion in 2021 and 882,122 billion in 2022. The average registered capital per new enterprise in the first six months of 2023 only reached VNĐ9.3 billion, the lowest level for the first six months of the year since 2017. During the six months, total capital that was registered to increase by operating enterprises also decreased by 48.1 per cent over the same period in 2022. The department also said that the real estate businesses continued to face the most difficulty in the first six months of the year. Both numbers of enterprises entering the market and the registered capital of the new enterprises in the real estate sector decreased sharply compared to the same period last year at 58.9 per cent and 54.1 per cent, respectively. The number of real estate businesses withdrawing from the market increased by 40.4 per cent over the same period in 2022,

the highest rate among 17 economic sectors. This was in contrast to the impressive growth in the number of new real estate businesses entering the market at 44.8 per cent in the first six months of 2021 compared to 2020. — VNS

Source: <https://vietnamnews.vn/economy/1550426/number-of-new-businesses-hits-record-high-in-june.html>

Vietnam Q2 GDP growth accelerates to 4.14%, led by services



Vietnam News | 29 June, 2023

HANOI: Vietnam saw gross domestic product growth of 4.14% in the second quarter of this year, led by the services sector, government data showed on Thursday. Growth in the second quarter was faster than an expansion of 3.28% in the first quarter, the General Statistics Office (GSO) said in a report. First quarter growth was revised down from 3.32%. The services sector in the second quarter grew 6.11% from a year earlier, the GSO said. The agricultural sector grew 3.25%, while the manufacturing and construction sector expanded 2.50%. Vietnam's exports in the first half of this year fell 12.1% from a year earlier, and its imports fell 18.2%, the GSO said.

The country's industrial output in the January-June period fell 1.2% from a year earlier, it added. -

Reuters

Source: <https://www.thestar.com.my/business/business-news/2023/06/29/vietnam-q2-gdp-growth-accelerates-to-414-led-by-services>
