

Highlight News / July 17/2023



- China strengthens investment in Cambodia with nearly 65 percent share
- FDI in Cambodia increases by 9 percent in Q1 to \$45.8 billion
- PM vows stronger action to improve business environment
- Myanmar welcomes 69,373 int'l visitors in May
- Vietnam spends US\$100 million on in-app purchases in Jan-May
- Vietnam could benefit as investors look for low-cost production centres: Savills



China strengthens investment in Cambodia with nearly 65 percent share



Cambodia News | 16 July, 2023

The Council for the Development of Cambodia (CDC) has announced that it approved 113 new investment and expansion projects with combined registered capital of about 1.1 billion USD in the first half of this year, of which nearly 65 percent came from Chinese investors. According to CDC's report, local investors accounted for nearly 20 percent of the registered capital in the six-month period. Next on the list of nationalities were Vietnam (6.64 percent), Seychelles (3.31percent), Thailand (1.77 percent), the Republic of Korea (1.70 percent), Samoa (0.60 percent), the US (0.49 percent), Singapore (0.18 percent) and Sweden (0.07 percent). These undertakings are expected to generate about 122,000 new jobs, the report said, adding that the industrial sector accounted for the most projects, at 102 (90.27 percent), followed by agriculture and agro-industry (7), tourism (3), and infrastructure (1). Royal Academy of Cambodia (RAC) economist Ky Sereyvath acknowledged that the key factors shaping the kingdom's investment appeal include its bilateral and regional trade deals as well as the more recent changes to its legal investment framework, which he stressed are favourable across a range of sectors. He said that the country is receiving more medium-sized investments, necessitating government initiatives to

promote small- and medium-sized enterprises, and encourage these investments and turn the sector toward exports. China continues to be Cambodia's top investor, primarily in the processing sector, largely due to the availability of cheaper labour, he said.VNA

Source : <https://www.khmertimeskh.com/501324792/china-strengthens-investment-in-cambodia-with-nearly-65-percent-share/>

FDI in Cambodia increases by 9 percent in Q1 to \$45.8 billion



Cambodia News | 16 July, 2023

Foreign direct investment (FDI) in Cambodia amounted to 185.7 trillion Riel (Cambodian currency roughly \$45.8 billion), as of the first quarter of 2023, according to the National Bank of Cambodia (NBC). The figure saw an increase of 9 percent compared to the same period last year, the central bank underlined in a news release. FDI's main source of capital were from China, South Korea, Singapore, Japan, Vietnam, Malaysia, Thailand, and the United Kingdom, the source added. The inflow of investment was injected into the major sectors of the economy, including financial activities, manufacturing, real estate, accommodation, agriculture, hydropower and construction, said the NBC. The increase in FDI reflects the political and socio-economic stability in Cambodia.C. Nika – AKP

Source : <https://www.khmertimeskh.com/501324528/fdi-in-cambodia-increases-by-9-percent-in-q1-to-45-8-billion/>

PM vows stronger action to improve business environment



Laos News | 14 July, 2023

Prime Minister Sonexay Siphandone has pledged to amend legislation to improve the business environment amid fierce international competition by governments to improve their ease of doing business. The government will “amend the Investment Promotion Law and relevant legislation to smooth business operations and investment,” he told lawmakers at the ongoing National Assembly (NA)’s 5th ordinary session. In response to questions from Assembly members, the head of government said his cabinet will explore and employ greater incentives to attract private investment. The relevant sectors will be entrusted to expedite the categorisation of land types so that land concessions can be issued quickly in accordance with particular investment projects upon approval. “Each province must have clear data on land types for agricultural, industrial, service development and residential building purposes,” the PM said. The focus on land categorisation comes after it was learnt that there have been projects for which feasibility studies were finalised but development could not go ahead because there was not enough land available for the proposed scheme. In addition to conventional state land concessions, the government will explore cooperation models for concessions on private land for investment projects. PM Sonexay also pledged to streamline procedures

to speed up the signing of Memorandums of Understanding in relation to investment projects. To promote investment and attract more foreign investors, he said, the government will diversify its promotional roadshow. In addition to the usual promotional forums conducted by the Lao National Chamber of Commerce and Industry and ministries concerned during official or state visits by state leaders to foreign countries, the government is encouraging provincial authorities in partnership with foreign investors operating special economic zones or industrial parks in Laos to organise similar forums abroad. PM Sonexay cited a recent promotional seminar jointly organised by a Chinese company investing in Laos, Khammuan provincial authorities and the Ministry of Industry and Commerce in China’s Guangdong province as a successful example. It was expected that 10 investment contracts would be signed, worth more than US\$800 million, as a result of this event. “All provinces have favourable conditions for international relations and cooperation,” the PM said, adding that many Lao provinces are now twinned with provinces in other countries. Also addressing the National Assembly, Minister of Planning and Investment Khamjane Vongphosy said the government would do more to encourage commercial production, further improve transport, facilitate trade, and negotiate for greater access to foreign markets. State authorities will work with the private sector to expedite the improvement of

tourism services including related infrastructure, he added.

Source : https://www.vientianetimes.org.la/freeContent/FreeConten_PMvows135.php

Myanmar welcomes 69,373 int'l visitors in May



Myanmar News | 15 July, 2023

YANGON, July 15 (Xinhua) -- Myanmar welcomed 69,373 international arrivals in May this year, up from 14,115 visitors registered in the same period last year, according to the figures released by the Ministry of Hotels and Tourism on Saturday. During the period, foreign arrivals to Myanmar by air accounted for 33.34 percent of the total, followed by road with 66.6 percent and sea routes with 0.05 percent, the ministry's data showed. In 2022, a total of 233,487 international tourists visited Myanmar, the figures showed.

Source : <https://english.news.cn/20230715/b7847a6d93c2441798bf3eaadf522f58/c.html>

Vietnam spends US\$100 million on in-app purchases in Jan-May



Vietnam News | 15 July, 2023

HCMC – Vietnamese users have spent over US\$100 million, equivalent to around VND2.3 trillion, on in-app transactions through mobile devices in the first five months of this year, reported the VnExpress news site. Data from the Ministry of Information and Communications' report on digital transformation showed that revenue generated from online transactions via mobile applications (in-app

purchases) on iOS devices from January to May was 1.5 times higher than on Android devices. The total value of in-app purchases across both platforms exceeded US\$100 million, averaging out at around US\$20 million per month. Vietnam witnessed 1.41 billion app downloads in the first five months of the year, with Android devices accounting for 75% of the total. Vietnam's app download figure constituted 2.2% of global mobile app downloads, lower than the 3.4% rate recorded in the same period in 2022. According to a report by market research company Statista, revenue generated by the mobile application sector in Vietnam reached an estimated US\$865 million in 2022 and is projected to reach US\$982 million in 2023. The majority of app downloads and expenditures were related to online games. Only 22% of applications used by Vietnamese individuals are domestically registered, while the remaining applications come from other countries. Currently, Vietnamese developers have created 60 applications and mobile platforms with over one million monthly users, including two public service platforms, VNeID and VssID. Out of these 60 applications, 14 are payment services apps, and another 14 are entertainment service platforms, collectively accounting for 23.33% of the total.

Source : <https://english.thesaigontimes.vn/vietnam-spends-us100-million-on-in-app-purchases-in-jan-may/>

Vietnam could benefit as investors look for low-cost production centres: Savills



Vietnam News | 15 July, 2023

Countries like Vietnam and Indonesia could be beneficiaries if firms start to look for low-cost production centres in Asia, particularly for labour-intensive and low-margin industries, Savills Asia Pacific has said. After three years of disruption, international supply chains appeared to be returning to normal, it said. The cost of shipping freight by sea or air had largely returned to pre-COVID-19 levels; container ships were no longer queuing outside major ports and businesses no longer cited “supplier delays” as one of their most pressing problems. This did not, however, mean it was business as usual for logistics, manufacturing and other industrial sectors. The pandemic and geopolitical tensions had exposed the fragility of supply chains and placed a new emphasis on resilience. Meanwhile, cost continued to be key in a tough economic climate. Cost remained a powerful lever of location decisions. Jack Harkness, director of regional industrial and logistics services at Savills, said rising labour costs in China mean it is not as cost-effective as it once was, particularly when domestic incentives to re-shore and ongoing security concerns are factored in. “Companies already embedded in China are not necessarily withdrawing. But there may be a slowdown in new facilities being established there.” Harkness points out that many companies with facilities in China are looking to complement rather

than replace existing plants. Apple, for example, has announced plans to diversify away from China, while Siemens has said it is looking at other locations in Southeast Asia. “This process is being accelerated across sectors deemed strategically important to US and European industrial policy. “Furthermore, there has been scepticism around state influence of some Chinese tech firms, which suggests the western expansion of Chinese firms will be more constrained in the future.” According to John Campbell, associate director, head of industrial services at Savills Vietnam, Vietnam’s north and south have distinct characteristics: the former typically experiences a high demand for electronics, while it is more diverse in the latter. In terms of nationality, there has been an increase in European companies, particularly German and French manufacturers, which demonstrates the positive impact of the EU-Vietnam Free Trade Agreement (EVFTA). There is still strong interest from Asian manufacturers, with Taiwanese electronics companies preferring the north and manufacturers displaying confidence in the south. After the global slowdown in the first half of the year, he said he anticipated a much better second half. The challenges faced by the manufacturing sector, indicated by the decline in the purchasing managers index and industrial production, were now being reversed, he said. This had improved confidence among manufacturers, investors and logistics companies, leading to a likely better performance in the second half of the year. There would be a significant turnaround in the

country's economic performance by December, he added.

Source : <https://english.vov.vn/en/economy/vietnam-could-benefit-as-investors-look-for-low-cost-production-centres-savills-post1032775.vov>
