

## Highlight News / October 30, 2023



- Cambodia to launch cross-border payment with Indonesia, Morocco
- Crop processing brings Cambodia and Brazil together
- Laos needs to attract more foreign currency to stabilise the kip: economist.
- China-Laos Railway trains carry 81,000 cross-border passengers.
- US\$16,551.306 mln earned from foreign trade volume in more than six months period in 2023-24 FY
- Power shortage in Vietnam looms until 2050
- Vietnam to extend VAT cut until June despite \$1bn revenue loss



## Cambodia's export to other RCEP members up 23.6 percent in 9 months



*Cambodia News | 29 October, 2023*

Cambodia exported \$5.81 billion worth of goods to other Regional Comprehensive Economic Partnership (RCEP) member countries in the first nine months of 2023, up 23.6 percent over the same period last year, said a Ministry of Commerce's report released on Thursday. During the January-September period this year, Cambodia's top three export destinations under the RCEP agreement are Vietnam, China and Japan, the report said. The Southeast Asian country shipped products worth \$2.03 billion to Vietnam, up 30.6 percent; \$1.06 billion to China, up 18.2 percent; and \$885.7 million to Japan, down 1.3 percent, the report added. The RCEP free trade deal 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. Cambodian Ministry of Commerce's Secretary of State and Spokesman Penn Sovicheat said RCEP, which came into force in 2022, has been a catalyst for the kingdom's export growth and has become a magnet to attract more foreign direct investment inflows to the ASEAN nation. "The export growth indicated that the fellow RCEP countries are a potential market for made-in-Cambodia products," he told Xinhua. Sovicheat said

that with preferential tariffs provided under the RCEP agreement, there's no doubt that Cambodia's exports to other RCEP members will continue to rise throughout this year and next years. "RCEP, together with other bilateral free trade agreements, will help Cambodia graduate from its least developed country status by 2027 and achieve its goals of becoming an upper-middle income country by 2030 and a high-income nation by 2050," he said.

Source: <https://www.khmertimeskh.com/501382938/cambodias-export-to-other-rcep-members-up-23-6-percent-in-9-months/>

## Cambodia approves \$9.4 billion for Government spending



*Cambodia News | 29 October, 2023*

The Cambodian government has approved the draft budget of 38,829 billion riels (\$9.4 billion) for government spending in 2024, a decrease from \$9.64 billion in 2023, reported Xinhua. The approval was made during a weekly Cabinet meeting on Friday, which Prime Minister Hun Manet chaired, according to a press release. The budget is equal to 27.16 percent of the country's gross domestic product, according to the news release. "The 2024 expenditure will still focus mainly on social sector, education, vocational training, and health, among others," it said. "The budget for 2024 is an effective tool for the government to respond to domestic and international risks and challenges." The planned

expenditure in 2024 for the national level will account for a total KHR 34,497 billion (\$8.35 billion) or 24.13 percent of the country's gross domestic product (GDP), down 5.8 percent if compared to the 2023 budget law., while for the subnational level will be some KHR 4,332 billion (\$1.04 billion) or 3.03 percent of GDP, up 6.6 percent compared to 2023. The draft budget law for next year will need to be adopted by the National Assembly and finally reviewed by the Senate before being submitted to King Norodom Sihamoni for endorsement.

Source: <https://www.khmertimeskh.com/501383281/cambodia-approves-9-4-billion-for-government-spending/>

## Laos Considers Raising VAT Rate to Boost Revenue.



*Laos News | 27 October, 2023*

Laotian times : The Lao Ministry of Finance is considering raising the value-added tax (VAT) rate from 7 to 10 percent in an effort to boost government revenue and support the economy. The VAT set at 10 percent would be a return to the original rate – implemented from 2010-2021. It was only from 1 January, 2022, that the country adopted a 7-percent VAT rate on import of goods and services. The ministry has pointed to several factors in favor of raising the VAT rate, including the fact that the current value has not been as effective in stimulating the economy as predicted. The number of

businesses registered under the Value Added Tax Law is currently lower than expected, and the government needs to increase revenue to reduce the budget deficit and stabilize the kip currency, according to the government's finance department. A new draft legislation to increase the VAT rate is expected to be completed this year and be effective in early 2024. In addition to raising the VAT rate, the Ministry of Finance is also considering other measures to improve the tax system. These measures include speeding up the development of a mechanism to refund businesses the taxes they have paid, in place of tax exemptions. This would help to reduce the amount of government financial loss through tax exemptions while providing support to local businesses.

Source: <https://laotiantimes.com/2023/10/27/laos-considers-raising-vat-rate-to-boost-revenue/>

## 134th Mekong River joint patrol completed.



*Laos News | 27 October, 2023*

KUNMING, Oct. 27 (Xinhua) -- Law-enforcement authorities from China, Laos, Myanmar and Thailand completed their 134th joint patrol of the Mekong River on Friday. The joint patrol saw five vessels and 114 law-enforcement officers from the four countries cover over 600 km of waterway, with the operation lasting four days and three nights. During the patrol,

the countries focused on cracking down on cross-border crimes to ensure safety and stability along the river. An information exchange meeting was also held in Bokeo Province in Laos to analyze the security situation in the Mekong River drainage area. The four countries reached consensus on jointly fighting telecom network fraud and other cross-border crimes and deepening future cooperation. The Mekong River -- known as the Lancang River in China -- is a vital waterway for cross-border shipping. The four countries have been conducting joint patrols on the river since December 2011.

Source: <https://english.news.cn/20231027/a22c8b9f0c11468b8a5a696aa43e1758/c.html>

## MoC eases import rule of EV permit for seafarers



*Myanmar News | 28 October, 2023*

The Ministry of Commerce reduced income inward remittance of seafarers to US\$50,000 from over \$200,000 per year to grant import permits for electric vehicles (EVs), according to a notification released on 26 October. As per the statement released on 13 October, if those Myanmar citizens including seamen transferred their foreign wages to the local banks, they were entitled to import one EV which value is equivalent to five per cent of the inward remittance worth more than US\$200,000 per year. Except for those receiving monthly salary, others were allowed to

import electric vehicles or electric motorcycles which is equivalent to five per cent of the remittance if they made inward remittance worth \$50,000 per year. To bolster the growth of the electric vehicle industry and promote environmental conservation activities, import permits for electric vehicles or electric motorcycles are granted for inward remittance of foreign salary or other wages of Myanmar citizens as a special programme. The ministry changed the inward remittance amount to \$50,000 for all Myanmar citizens receiving foreign salaries including seafarers in line with the notification released on 26 October. If an individual's remittance does not meet the amount of the EV or electric motorcycles, they can import them collectively. This action of EV import permit is effective from 16 October 2023. The following contact phone 067 3408433 and email [dottraining2008@gmail.com](mailto:dottraining2008@gmail.com) of the ministry can be reached and contacted for further details.

Source: <https://www.gnlm.com.mm/moc-eases-import-rule-of-ev-permit-for-seafarers/>

## Fifty container vessels scheduled to call in November



*Myanmar News | 28 October, 2023*

A total of 50 container vessels are scheduled to arrive in November at Yangon Port, according to the Myanma Port Authority. In November, seven container

vessels each run by Samudera Shipping Line and Sealand Maersk Asia, five by COSCO Shipping Line and MSC Line, four by SITC Line, three each by Evergreen Line, ONE Line, CMA CGM Line and PIL Line, two each by RCL Line, Inter Asia Line, BAY Line and BLPL Shipping Line, one each by Land And Sea Line and Ti2 Container Line are slated to dock at the Yangon Port. This year, 52 container vessels in January, 51 in February, 55 in March, 50 in April, 56 in May, 57 in June, 53 in July, 54 in August, 53 in September and 49 in October arrived at Yangon Port. Yangon Port handled a total of 620 container vessels this year. Following the draft extension, the international ocean liners can access the inner port for now, according to the Myanmar Port Authority's statement on 22 June 2022. After the new navigation channel (Kings Bank Channel) accessing the inner Yangon River was found, the draft extension work was accelerated. After that, the port can now handle larger ships. The container vessel (185.99-metre LOA, 35.25-metre Beam, 29,232 GRT and 2,698 TEU) Hong Kong-based SITC Shipping Line docked at Asia World Port Terminal for the first time on 22 June. That vessel is the largest ship that AWPT Port handled. From May 2021, the arrival of the ships at terminals in Yangon has increased again. To fulfil the seaborne trade requirements, three new container vessels by Maersk Line Myanmar (SeaLand Maersk) started to run in 2021. Earlier, the larger ships had draft

problems preventing their sailing on the Yangon River. The draft was extended up to 10 metres, so the larger ocean liners could enter the Thilawa Port. The coast of Myanmar is 2,228 kilometres long (1,260 nautical miles) including the Rakhine coastline (713 kilometres), delta region (437 kilometres) and Taninthayi coastline (1,078 kilometres), stretching from northern Bangladesh's border to southern Thailand's border area. There are 10 seaports along the coastline, including Yangon Port, Thilawa Deep Sea Port, Kyaukphyu Deep Sea Port, Sittway Port, Thandwe Port, Patheingyi Port, Mawlamyine Port, Dawei Deep Sea Port, Myeik Port and Kawthoung Port. Seaborne trade accounts for 75 per cent of foreign trade. However, Yangon Port including Thilawa terminals is the only international port and the remaining ports in eight cities are designated for the domestic way only.

Source: <https://www.gnfm.com.mm/fifty-container-vessels-scheduled-to-call-in-november/#article-title>

## Vietnam posts highest GDP growth in Southeast Asia in past decade: US website



*Vietnam News | 29 October, 2023*

Vietnam's gross domestic product (GDP) growth has been the highest in Southeast Asia over the last decade, according to US-based website seekingalpha.com. As its economy grew by 5.3%

in the third quarter of this year, Vietnam's growth engine is still in full swing, boosted by households deploying excess savings accumulated through the COVID-19 pandemic, the website said in an article posted on October 25. The favourable geopolitical situation and sooner-than-expected rate cuts by the State Bank of Vietnam (SBV) are the factors that promote economic growth, helping Vietnam become the best-performing market in the region. The article also pointed out that optimism in the first half of this year eased in September, as investors consider impact of weak demand in its major trading partners such as the US, the European Union and China. In addition, inflationary pressure from oil and rice prices – major components of Vietnam's consumer inflation gauge will inevitably delay rate-cut cycle for now. However, according to the article, these commodity pressures are temporary and will not affect the SBV's interest rate policy. It is expected that after a short period of monetary tightening, interest rates will be lowered, thereby boosting lending activities and helping real estate firms address inventories. While weaker trade and transitory inflation pressures have triggered a de-rating in H2 2023, Vietnam's structural earnings growth isn't impaired and should continue to surprise to the upside in the coming years, it said. Despite the fact that trade has declined somewhat

and inflationary pressures have increased, income growth according to Vietnam's economic structure has not decreased and will continue to increase unexpectedly in the coming years. According to the article, recent news flow shows that Vietnam is very close to emerging market reclassification – an event that will bring more benefits to the country.

Source: <https://english.vov.vn/en/economy/vietnam-posts-highest-gdp-growth-in-southeast-asia-in-past-decade-us-website-post1055494.vov>

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## Vietnam's coconut sector aims for export revenue of 1 billion USD



*Vietnam News | 29 October, 2023*

Vietnam aims to make coconuts a key export, with an annual revenue of 1 billion USD over the next five years. The target was set at a conference of the Vietnam Coconut Association (VCA) held in Ho Chi Minh City, on October 28. According to VCA Deputy Secretary General Cao Ba Dang Khoa, coconuts are the source of income for nearly 390,000 farming households with 200,000 hectares nationwide. When the VCA was founded in 2009, coconuts were a fledgling sector with export revenue of just 100,000 USD per year, but the figure has now risen to 940 million USD in 2022. The sector experienced a slump in the early months of 2023 but began to receive good news in the second quarter as coconuts were



given the green light for export to the United States and some European countries. Another great opportunity for Vietnamese coconuts is that China is considering importing fresh fruits from Vietnam through the official channel. Besides Ben Tre, the largest coconut farming region in Vietnam, many coconut farms have been set up in other provinces such as Long An, Tay Ninh, Khanh Hoa, Binh Thuan and Binh Dinh. The newly elected VCA Chairwoman Nguyen Thi Kim Thanh said in the coming year, the association will work together with farmers in cultivation, harvesting and processing, while supporting coconut enterprises to enhance their competitiveness.

Source: <https://en.nhandan.vn/vietnams-coconut-sector-aims-for-export-revenue-of-1-billion-usd-post130737.html>

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