

Highlight News / May 27, 2024



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Advisory Institute for Trade and Investment by TCC (AiTi)

GDT tax collection falls in Q1



Cambodia News | 24 May 2024

The General Department of Taxation (GDT) collected taxes totalling \$1.18 billion during the January-March period this year, down 11.9 percent from \$1.34 billion collected in the first quarter of 2023. Cambodia has two institutions responsible for collecting taxes. One is the General Department of Taxation (GDT), which focuses on interior taxes such as income tax, salary tax, value-added tax and property tax, and the other is the General Department of Customs and Excise (GDCE), which collects taxes on goods entering and leaving the country. "The January-March tax income collection equals 28.5 percent of the budget target plan set in 2024," read a report. Tax incomes from financial and insurance activities, import-export activities, and manufacturing activities are the main tax incomes, it stated in the report. GDT is taking steps to address the shortfall and outline potential measures to mitigate its impact. Its director-general Kong Vibol asked tax officials to increase work efficiency to reach the target. "The GDT has reformed the tax system, including services to taxpayers and registration, audits, debt management and fast resolution of issues faced by taxpayers," Vibol said recently. This drop in tax income presents a challenge for the Cambodian government,

which relies heavily on tax revenue to fund public services and infrastructure development. Prime Minister Hun Manet has stated that the Cambodian government will not create any new tax, nor increase rates of existing taxes but maintain the current tax exemptions for some economic activities. He has also lined up a wide range of tax incentives to the tourism sector, construction and land property sector, and agricultural sector to boost economic activities. The GDT earned \$3.61 billion as taxes in 2023, a 4.5 percent increase from \$3.45 billion in 2022. This \$3.61 billion collected has ensured the department achieved 101 percent of its annual target, said the report.

Source: <https://www.khmertimeskh.com/501493907/gdt-tax-collection-falls-in-q1/>

AMRO forecasts rosier growth for Cambodia in 2024



Cambodia News | 26 May 2024

According to a press release from the ASEAN+3 Macroeconomic Research Office (AMRO) on Thursday, Cambodia's economy is predicted to grow robustly in 2024, driven by a rise in exports and a continued tourism recovery. "The Cambodian economy is projected to grow by 5.6 percent in 2024 and 5.9 percent in 2025, up from 5 percent in 2023," AMRO Principal Economist Jinho Choi said in the news release. "A recovery in the garment sector, sustained expansion in other manufacturing exports,

and continued tourism rebound will support the ongoing economic recovery,” he added. However, the news release said the recovery trajectory is contingent on external risks and domestic vulnerabilities, particularly prolonged weakness in the real estate sector and a decline in credit quality. The Southeast Asian country’s growth is mainly buoyed by garment exports, tourism, agriculture, and construction and real estate. AMRO Chief Economist Hoe Ee Khor said Cambodia is among the countries with the fastest growth in the region. “Growth in the garment sector is projected to rebound steadily in 2024, driven by stronger demand for consumer goods in major advanced markets. Likewise, the non-garment sector is forecast to sustain its strong growth momentum, supported by stable foreign direct investment inflows,” he told Xinhua in an e-mail. “A robust tourism recovery, fueled by increased flight availability and the gradual return of foreign tourists, coupled with pent-up domestic consumption, will further bolster the ongoing improvement in the service sectors,” he added. Khor said the construction sector may experience a slower recovery pace, with growth potentially falling short of pre-pandemic levels due to the prolonged real estate downturn. “The boost in infrastructure investment will partially offset the weakness in the real estate sector,” he said. According to the news release, Cambodia’s consumer price index (CPI) inflation is forecast at 2.5 percent in 2024 and 2.6

percent in 2025, converging to the pre-pandemic trend. Xinhua

Source: <https://www.khmertimeskh.com/501494147/amro-forecasts-rosier-growth-for-cambodia-in-2024/>

Climate change could pose real threat to Lao development.



Laos News / 24 May 2024

Bali, Indonesia: Climate change looks set to pose a significant threat to the Lao economy, with prolonged droughts now damaging energy production and agricultural activities, according to a Lao official speaking at a regional panel discussion during the 10th World Water Forum. Ms Sengphasouk, who is also Deputy Director of the Policy Division at the Water Resource Department, said climate change is one of the primary causes of prolonged droughts in Laos. This weather change could severely impact energy production and agricultural activities, which are key drivers of economic growth. “Water scarcity could damage agricultural activities, which employ a significant proportion of the Lao population. Farmers without access to irrigation systems could be more severely affected by water shortages,” she said in her presentation.

Source: https://www.vientianetimes.org.la/freefreenews/freecontent_98_Climate_y24.php

Mawtaung-Singkhon border likely to become permanent checkpoint



Myanmar News | 24 May 2024

Thailand's cabinet has been planning to open the Singkhon crossing connecting with Myanmar's Mawtaung border as a permanent checkpoint. The Singkhon post, located in Prachuap Khiri Khan Province which shares a border with Mawtaung Township, Taninthayi Region, will be upgraded to be a permanent checkpoint to bolster bilateral cross-border trade. Traders from both countries engaged in that border trade expressed their willingness for Singkhon post to become a full-time checkpoint, citing reports from Thailand's media agencies. "Thailand's businesspeople are pushing authorities for it. Thailand's ministers for Defence and Foreign Affairs visited the Singkhon border on 14 May 2024, marking the first-ever visit of the highest-ranked officials. There's a high expectation of opening Singkhon as the permanent checkpoint to accelerate border trade with Myanmar, said a trader executing border trade with Thailand at the Mawtaung border. At present, it has yet to be defined to conduct international trade. It is just a temporary crossing for now. "The trade is regularly flowing at the Mawtaung-Singkhon checkpoint. With Thailand's western economic corridor initiative, they eye the Mawtaung-

Singkhon-Bangkok trade route rather than the Hteekhee-Kanchanaburi trade channel. The Phayathonzu border is not an option for now. The delay in the Myawady-Mae Sot border prompted Thailand's authority to explore another border checkpoint. They went to uninhabited land at the border and discussed matters regarding the trade potential, benefits and difficulties upon upgrading the permanent checkpoint. The two ministers said they will undertake negotiations with Myanmar's counterparts, according to reports from Thailand's media outlets. The Mawtaung border, located in Mawtaung Township, Myeik District, Taninthayi Region, was opened as the permanent checkpoint on 8 May 2013. One year later, Thailand's Singkhon border was designated as a special temporary border checkpoint. Thailand has not yet given the green light to the border pass of the people despite ongoing bilateral border trade.

Source: <https://www.gnlm.com.mm/mawtaung-singkhon-border-likely-to-become-permanent-checkpoint/#article-title>

Yangon Stock Exchange discusses pre-listing board and consultant appointment



Myanmar News | 27 May 2024

The Yangon Stock Exchange (YSX) held a talk on the pre-listing board and appointed a registered

consultant on 25 May. The YSX also announced that Asia Pacific Business Group Public Co Ltd is making efforts to register as a pre-listing public company at the YSX. Myanmar Enterprise Solutions' CEO and Founder, U Myo Hein, stated, "APC Company appointed us as the registration officer as part of the preparations for the pre-listing board. Although the YSX has been in development for eight years, public interest remains low. Due to the stringent criteria, many companies fail to meet the necessary standards. The pre-listing board was established in 2022, and in 2024, there are three registered companies." A Memorandum of Understanding for mutual cooperation was signed to facilitate APC Public Holding Limited's entry into the YSX Pre-listing Board. During the talk, U Than Lwin, former deputy governor of the Central Bank of Myanmar and Senior Advisor to Kanbawza Bank, delivered the opening remarks. Additionally, U Myo Min (Director of DICA), U Thet Tun Oo, Executive Senior Manager, YSX, and Daw Tin May Oo (Advisor to SECM) discussed what companies need to prepare to enter the pre-listing board, knowledge on PLB readiness, and the steps local companies should take amid declining foreign investments.

Source: <https://www.gnlm.com.mm/yangon-stock-exchange-discusses-pre-listing-board-and-consultant-appointment/>

Industrial production shows signs of recovery



Vietnam News | 25 May 2024

Hanoi (VNA) - Vietnam's industrial production has shown signs of recovery and positive growth despite ongoing challenges, the Ministry of Industry and Trade has assessed. With increasing global demand and the government's support measures, the business outlook for companies in the field is expected to improve significantly in the coming months. Reports from the ministry indicated that between January and April, the index of industrial production went up by about 6% compared to the same period last year. The manufacturing and processing sector, in particular, grew by 6.3%, contributing 5.5 percentage points to the overall increase. A representative from the ministry attributed this positive outcome to the effectiveness of the government's support measures, increased FDI inflows boosting domestic production capacity, the global market's gradual recovery and adaptation to major disruptions in 2022 and 2023, and a rise in new export orders. Additionally, the capacity of enterprises, especially domestic businesses, has improved, with their confidence bolstered by a stable macro-economic environment and the global market's recovery trend. According to Dao Phan Long, Chairman of the Vietnam Association of Mechanical Industry, the continued efforts of developed countries

to diversify supply sources, supply chains, and investments will help Vietnam become a significant production and export hub in the global value chain. However, the global economic forecast for 2024 suggests weak growth, high inflation, and geopolitical tensions in various regions. Vietnam's participation in numerous free trade agreements and its open economy make it susceptible to negative impacts from these risks. Long said firms still need connectivity solutions provided by ministries and sectors, as well as support from authorities in addressing difficulties relating to capital, interest rates, and administrative procedures. The ministry pledged to expedite the disbursement of public investment and review pending issues to quickly bring key projects in the electricity, oil and gas, manufacturing, processing, and mining industries into operation, thereby creating market capacity for business development./.

Source: <https://en.vietnamplus.vn/industrial-production-shows-signs-of-recovery-post287518.vnp>

Visa partners with e-wallets in Việt Nam



Vietnam News | 25 May 2024

HCM CITY – Digital payments provider Visa on Friday announced a new partnership with three of the most popular e-wallets in Việt Nam - MoMo, VNPay and ZaloPay - to provide a more convenient

payment experience for Visa cardholders at participating small and medium enterprises (SMEs). With this new partnership, Visa cardholders will be able to use their Visa cards as a source of funds when making purchases at merchants currently offering payments via the three e-wallets' QR. This collaboration is poised to drive Việt Nam's transition to a cashless society, by offering innovative, contactless, and cashless digital payment solutions benefiting both businesses and consumers, the company said. **Đặng Tuyết Dung**, Visa Country Manager of Việt Nam and Laos, said: "Visa is thrilled to be partnering with the top e-wallets in Việt Nam to make secure and efficient payment methods available to anyone, anywhere in the country." "As Việt Nam continues its journey in becoming a cashless society, this success will be driven by SMEs being able to embrace innovation and provide consumers with the latest digital payment solutions. SMEs form a large part of Vietnam's economy, and this collaboration is key in the push for digital and financial inclusion in Việt Nam." Integrating Visa as a source of funds in three of the most popular e-wallets in Viet Nam will benefit both businesses and consumers. For SMEs, this will likely fuel sales, help them expand their customer base, and provide a better customer experience as consumers now have more digital payment options to choose from. Meanwhile, Visa cardholders can also enjoy existing

promotions and benefits offered by their banks, such as cashback, discounts, or accruing miles. According to a FiinGroup's report, Viêt Nam is set to reach 50 million active e-wallets by the end of 2024, a 40 per cent increase from 2023. This growth is driven by the momentum observed in recent years where consumers are drawn to the ease of use, seamless experiences, multi-services offered, and the security and speed of the transactions. This is in line with recent trends where consumers are increasingly embracing cashless forms of payments in Viêt Nam. According to Visa's Consumer Payment Attitudes study 2023, 88 per cent of respondents have attempted to use cashless payments and 62 per cent of Vietnamese consumers use QR to pay, up from 35 per cent in 2021. Through collaboration, Visa reaffirms its commitment and efforts to drive digital payment adoption and digital transformation towards an inclusive financial future in Viêt Nam. Aligned with the Government's shared vision and common objectives towards a cashless society, Visa is set to continue its partnership with the annual "Cashless Day" event for the sixth consecutive year.

– VNS

Source: <https://vietnamnews.vn/economy/1656257/visa-partners-with-e-wallets-in-viet-nam.html>
