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Siemens to expand investment



Cambodia News | June, 17 /2019

Siemens on Friday pledged to expand its investment in Cambodia as a result of the country's impressive economic growth. Armin Bruck, CEO at Siemens Singapore, said during a meeting with Minister of Economy and Finance Aun Pornmoniroth that the firm is ready to increase its commitment in the Kingdom. Mr Bruck said the expansion plans follow the Kingdom's "vibrant" economy and "sound" economic growth over the years. Minister Pornmoniroth noted that the government has recently launched a set of reforms to increase the country's competitiveness and reduce reliance on its main markets. They include facilitating trade, reducing electricity fees, lowering taxes, and reforming institutions. He said the government welcomed Siemens' expansion plans, adding that the German company is a good development partner that has contributed to the energy and health sectors in Cambodia by providing quality equipment. "We welcome the company's expansion plans in Cambodia. We are eager to learn more about their latest products and technology that will contribute to the development of our economy," he said. "Cambodia will continue to work with Siemens and encourages companies to cooperate with relevant government agencies on new projects, such as using digital systems in aquaculture and using modern technology in traffic management. "Cambodia wants to see more European companies

invest in Cambodia. The private sector is an engine of growth for Cambodia," added Mr Pornmoniroth.

Source: <https://www.khmertimeskh.com/50614672/siemens-to-expand-investment/>

Govt details measures to control, repay public debt



Laos News | June, 17 /2019

The government will reduce the budget deficit to zero by next year to ensure that the country's high level of public debt can be repaid as promptly as possible, Deputy Prime Minister Somdy Duangdy told the National Assembly (NA) last week. Mr Somdy, who is also Minister of Finance, said "We will ensure our spending plan is set at a level commensurate to what we earn," when addressing the Assembly's seventh ordinary session. "It is a challenging issue." The DPM was responding to questions raised by MPs about what measures the government is taking to manage and repay its seemingly chronic debt. The deadline for several large debt repayments to external lenders is approaching. Currently, public debt exceeds 60 percent of the country's gross domestic product (GDP). Debts to external lenders equals about 53.34 percent of GDP, or approximately US\$9.7 billion. This is a 14.02 percent increase over 2017 figures. To limit and repay its external debts, the government will strive to have a budget surplus by the 2021/2022 financial years. In order to repay the principal of its external debt, the government will need to find additional financial sources as well as cut

spending. "This year, the government is determined not to borrow from any external sources to make its loan repayments. We will seek money from internal sources only," he said. "If moneys are still insufficient, we have several other options by which we can accumulate finances. This includes issuing government bonds." The government's actions to reduce public debt are in accordance with the Law on Public Debt. As such, the government can only borrow monies when special conditions are in place. These include long-term repayment periods of at least 25 years, interest rates not exceeding 1.5 percent and six to seven year repayment free periods. To control spending, the government has cancelled all unnecessary projects and limited the number of new ones to those that are essential, the DPM said. It is hoped that a state investment focus will accelerate the completion of some already existing programmes. Authorities have carried out inspections of project sites to ensure investment costs are reasonable in another measure to control spending. "While the deficit and debt has been reduced, public debt is still high," the DPM told the MPs, admitting that Laos will continue to suffer debt-driven tensions for at least the next two or three years. When visiting Japan recently, Prime Minister Thongloun Sisoulith told Japan's Nikkei Asian Review that Laos only borrows money for "high-efficiency projects which are long-term and that have low interest rates."

Source: http://www.vientianetimes.org.la/freeContent/FreeContent_Govt_details_139.php

Myanmar permits 10 more foreign investment businesses in Yangon region



Myanmar News | June, 14/2019

YANGON, June 14 (Xinhua) -- Myanmar's Yangon Region Investment Committee (YRIC) recently permitted 10 more foreign investment businesses for the region, according to the Directorate of Investment and Company Administration (DICA) on Friday. A total of 18.986 million U.S. dollars of investments from China, South Korea, Vietnam and the British Virgin Islands entered the region's manufacturing sector, creating about 4,597 local employment opportunities. Regionally, Yangon region attracts 60 percent of both local and foreign investments, followed by Mandalay with 30 percent and the rest flows into other regions and states. According to the DICA's figures, Myanmar attracted over 2.41 billion U.S. dollars' foreign investments as of April 30, the first seven months of the present fiscal year 2018-2019. The new Myanmar Companies Law which started to enforce on Aug. 1 last year allows foreign investors to take up 35 percent in local companies. Under the new companies law, investment with capital not exceeding 5 million U.S. dollars can be permitted by regional and states authorities of the DICA.

Source: http://www.xinhuanet.com/english/2019-06/14/c_138143466.htm

Growing Chinese investment in Viet

Nam: time to worry?



Vietnam News | June, 17/2019

HA NOI - Chinese companies are accelerating investment in Việ̣t Nam – but some local businesses are voicing concerns. Foreign investment hit a four-year high of US\$16.7 billion in the first five months of this year, up 69 per cent compared to the same period in 2018. Chinese investment made up 42.5 per cent of the total according to data released by the Foreign Investment Agency (FIA) under the Ministry of Planning and Investment. If including Taiwan's investment, Chinese investors poured nearly \$7.7 billion in Việ̣t Nam, surpassing South Korea, Singapore and Japan to become the biggest foreign investor. In its recent report, the FIA says the trade tensions between China and the United States has a significant impact on the shift of Chinese investment. Investments from mainland China and Hong Kong increased from \$3.7 billion in 2017 to \$5.8 billion in 2018 and \$7.1 billion in the last five months. Previously, Chinese investors were mainly small businesses with out-dated technology but now many large corporations have funded large-scale projects. Five of the seven biggest foreign-invested projects in the last five months came from Chinese backers, including the ACRT's all steel Radian tire manufacturing project worth \$280 million, a \$260 million electronic equipment and multimedia audio products manufacturing project invested by Hong Kong-based Goertek Co Ltd, and the \$214.4 million

tires, rubber manufacturing project invested by Guizhou Advance Type Investment Co Ltd. However, FIA said increased technological pressure would drive Chinese companies to move their low-quality and old-fashioned technology investment to other developing countries, including Việ̣t Nam, which would potentially pose risks of environmental pollution and create pressure on infrastructure and society. Chinese investors are also increasing merger and acquisition (M&A) activities, raising the concerns Vietnamese enterprises would be acquired and annexed. According to Nguyễn Mạ̣i, chairman of the Association of Foreign Invested Enterprises, Việ̣t Nam needs to fine tune its policies to ensure high-quality foreign investment. "China is a country that exports a lot of raw materials to Việ̣t Nam," Mạ̣i told tienphong.vn. "Therefore, it is not excluded that they invest in manufacturing in Việ̣t Nam to get the origin of goods to take advantage of tax benefits from the free trade agreements Việ̣t Nam has signed with other countries." Regarding the rapid increase in Chinese investment in the last five months, Mạ̣i said Hong Kong topped foreign investors in Việ̣t Nam with \$5.08 billion but three quarters of the amount was spent on buying shares of local companies, of which \$3.8 billion was for the purchase of Vietnam Beverage Co Ltd in Saigon Beer-Alcohol-Beverage Corp (Sabeco). He said China was looking for investment opportunities but was not rushing into purchases. At a recent press conference in Hà NỘi this month, commercial

counsellor of Chinese Embassy in Việ̣t Nam Hu Suo Jin said Chinese investment had increased since 2017 and the value of this year would be higher than last. However, he did not see solid evidence for the connection between the investment increases with the trade friction with the US so far. A more detailed report must be conducted in the next few months.

Another representative of the Chinese Embassy said China had adopted many measures to mitigate the effect of the trade tension with the US and confirmed China's socio-economy was still doing well. — VNS

Sources: <https://vietnamnews.vn/economy/521407/growing-chinese-investment-in-viet-nam-time-to-worry.html>
