



- Microlender reports strong performance after bond issuance on CSX
- Concerns nation may not achieve five-year economic plan
- European car makers express interest in Myanmar
- Viet Nam's six- month industrial production up 9.13%



Microlender reports strong performance after bond issuance on CSX



Cambodia News | 3 July, 2019

Microfinance institution Hattha Kaksekar Limited (HKL), the first firm to list bonds on the Cambodia Securities Exchange (CSX), reported a sharp increase in income in the first quarter of the year.

According to an interim financial report filed to CSX yesterday, HKL said total income exceeded \$6 million in the quarter ending in March, a 50 percent hike compared to the same period last year. HKL president and CEO Hout leng Tong told Khmer Times yesterday that the positive business performance is partially the result of greater access to capital which has allowed the firm to expand lending, particularly in the local currency. "Our business performance was great during this quarter due to a stable economic and political situation." "More importantly, thanks to our bond issuance at CSX we have had access to more resources and have been able to lend more," he said. In December, HKL became the first firm in Cambodia to issue bonds. 1.2 million bonds, worth 120 billion riel (\$30 million), were issued. The bonds have a tenor of 3 years and the annual coupon rate ranges from 7.5 to 8.5 percent. According to Mr leng Tong, the financial results will encourage more people to invest in bonds. "Our financial results are a very good sign for us and for those who bought our bonds. We hope to continue growing together with

the national economy." In May, microfinance deposit-taking institution LOLC followed in HKL's footsteps by issuing bonds to raise \$20 million. CSX announced last week that all five companies listed on the capital market reported strong net profit margin (NPM) gains last year – on average, NPM increased by 20.8 percent year-on-year.

Source: <https://www.khmertimeskh.com/50620142/microlender-reports-strong-performance-after-bond-issuance-on-csx/>

Concerns nation may not achieve five-year economic plan



Laos News | 3 July, 2019

A lower economic growth rate has sparked concerns that Laos may not meet the average targeted rate of 7.2 percent as part of the country's five-year economic development plan for 2016-2020. Economic growth in Laos has reached only 6.7 percent over the past four years, which is lower than the target approved by the National Assembly. The Minister of Planning and Investment, Dr Souphan Keomixay, told a recent news conference in Vientiane that time is running out with 2020 as the final year for the socio-economic development plan. "Our government needs to work harder if we want to accomplish our five-year plan," he said. Dr Souphanh said Laos would need capital investment of 45.5 trillion kip (US\$5.3 billion), equal to 26 percent of Gross Domestic Product (GDP), to ensure economic growth at a rate of at least 6.7 percent to 7 percent in 2020. Of this amount, about 50 percent

will be sourced from domestic and foreign investments, notably hydropower, development of special and specific economic zones, as well as the processing industry, and tourism. Some 22 percent will come from the banking sector, 11 percent from the national budget and the rest from official development assistance (ODA). Over the past four years, Laos has struggled to grow its economy as a result of revenue shortfalls and external impacts, particularly the falling price of commodities and minerals, which are among the primary income earners for the country. Dr Souphan said Laos remains vulnerable to the impact of external factors, and the trade dispute between the US and China could inevitably affect the domestic economy. The government has acknowledged that the country has suffered from a chronic budget deficit, rising debts, falling currency reserves and financial leaks. Although the government has imposed numerous measures to address these issues, the problems remain. Natural disasters, notably floods that occurred in Laos last year, posed a great challenge for the government in its efforts to boost the economy. As a result of the government's budgetary tension, the administration was unable to repay debts owed to private enterprises that constructed state investment projects. The delayed payments for these companies hindered the growth of the business sector and job opportunities for local people. In 2016, GDP growth in Laos was 7 percent, and it dropped to 6.9 percent in 2017 and 6.3 percent in 2018. The government has projected GDP

growth in 2019 at only 6.5 percent to 6.7 percent. Despite the economic slowdown, the government has tried to address unlawful trade, corruption and illegal logging while concentrating on improving the investment climate to attract more private capital into the country. The government has vowed to boost agricultural productivity for exports and push for further development of mega projects to sustain the country's economic growth. These include the construction of the Laos-China railway line, the expressway from Vientiane to Vangvieng, and hydropower projects.

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

European car makers express interest in Myanmar



Myanmar News | 3 July, 2019

The Czech Republic has announced interest to assemble Skoda cars in Myanmar, U Thaung Tun, Union minister for Investment and Foreign Economic Relations, said last week. "The Czechs sold the Skoda in Myanmar in the past and now they've made an offer to start production here," U Thaung Tun said at an investment promotion event held on June 26 in Nay Pyi Taw. He added that Hungary has also voiced interest in starting similar operations in the country. Hungary and Czech Republic made the offers during State Counsellor Daw Aung San Suu Kyi's Europe visit last month, he said. However, more information on assembling Skoda vehicles in Myanmar was not provided. Hungary has offered to

manufacture electric cars in Myanmar and the Ministry of Industry will cooperate, said U Aung Naing Oo, permanent secretary of the Ministry of Investment and Foreign Economic Relations. “Hungary is making plans to cooperate with the Ministry of Industry. It will be an assembly plant,” he said. U Ko Ko Lwin, permanent secretary of Ministry of Industry, said they will import three cars on a trial run basis. “We’ll import three cars and carry out a test drive with them in Myanmar to gauge their performance. After that, we’ll discuss how to cooperate,” he said. “We have actually received many enquiries from foreign countries to invest in Myanmar and interest in producing automobiles is among the popular questions asked, not just by the Japanese and other Asians but also by the Europeans,” U Thaug Tun said. On May 30, Toyota Motor Corporation announced that it will establish Toyota Myanmar Co Ltd in Thilawa Special Economic Zone as its first vehicle production company in Myanmar, where it will locally produce the Hilux from February 2021. Investment is expected to amount to US\$52.6 million. It intends to assemble around 2500 Hilux vehicles using the semi knock-down method and will hire around 130 employees. – Translated.

Source: <https://www.mmtimes.com/news/european-car-makers-express-interest-myanmar.html>

Viet Nam’s six- month industrial production up 9.13%



Vietnam News | 3 July, 2019

HA NOI — The country’s index of industrial production (IIP) recorded a year-on-year rise of 9.13 per cent in the first six months of this year, according to the General Statistics Office (GSO)’s latest report. The index was lower than 10.3 per cent seen in the same period last year but higher than 7 per cent and 5.4 per cent in the corresponding periods of 2016 and 2017, respectively. The processing and manufacturing sector, which accounts for nearly 80 per cent of domestic industrial production, reported the strong IIP increase of 11.2 per cent – a highlight that led the growth of not only the sector but also the whole economy in the period, according to GSO director Nguyen Bích Lâm. Meanwhile, the IIP growth of electricity production and distribution stood at 10.6 per cent and that of water supply and waste-sewage treatment sector and mining sector reached 7.8 per cent and 1.8 per cent, respectively. Some industries achieved high production growth in the first half of this year, such as coke coal and refined mining products (70 per cent), metal (40 per cent), ore exploitation (18 per cent), motor vehicles (12 per cent) and textile and garment (11 per cent). Among key industrial products with strong IIP increases included crude iron and steel (60 per cent), petroleum (58 per cent), paint (15 per cent), feed for aquaculture (14 per

cent) and handsets (14 per cent), according to the GSO. From January to June, a number of localities that posted significant growth in IIP like the northern port city of Hai Phòng with 25 per cent and three other provinces of Quang Ninh, Vĩnh Phúc and Hai Duong in the north with 14 per cent, 13 per cent and 10 per cent, respectively. Others were the southern province of Dong Nai with 9 per cent while the two largest economic hubs of Hà Nội and HCM City lagged behind, recording IIP rises of nearly 8 per cent. According to GSO statisticians, in addition to accelerating production, the industrial sector needs to speed up local consumption of goods in the latter half of this year as the inventory index of the processing and manufacturing sector remained at 75 per cent in the first six months, much higher than the safe inventory index at about 65 per cent. Vietnamese manufacturers complete solid second quarter June completed a solid second quarter for the Vietnamese manufacturing sector, with business conditions improving amid the ongoing growth of new orders. A survey by Nikkei and IHS Markit released on Monday showed the Vietnam Manufacturing Purchasing Managers' Index (PMI) was 52.5 in June, up from 52.0 in May and in line with the reading from April. The average PMI reading for the second quarter of 2019 was above that seen in the opening three months of the year, albeit remaining short of the 2018 average. According to the survey, Vietnamese manufacturers continued to record solid growth of new orders in June, with the rate of expansion ticking up to a six-month high.

Panellists linked the latest rise to the launch of new products and increased customer numbers. Less positive data was seen with regards to new export orders, which rose at the slowest pace since February. There were some reports that US-China trade tensions had negatively impacted export orders. The higher number of new orders was the key factor leading to a nineteenth successive monthly rise in manufacturing production in Viet Nam. The rise in output was solid, and broadly in line with those seen during the rest of the second quarter. The continued new order growth led to a rise in backlogs of work in June, the first in 2019 so far. Firms responded to higher workloads by taking on extra staff, reversing the decline seen in May. "The Vietnamese manufacturing sector continues to bob along nicely midway through 2019. The second quarter of the year saw solid growth that was broadly stable across the period and an improvement on the first quarter," said Andrew Harker, Associate Director at IHS Markit, adding that ongoing strength in demand encouraged firms to fill positions that had been vacated by resigning staff in May, leading to a return to job creation. — VNS

Source: <https://vietnamnews.vn/economy/522117/viet-nams-six-month-industrial-production-up-913.html#q6ZDhm9glQbtFZyf.97>
