

Highlight News | August 01/2019



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## SCG reports strong financial performance in H1



*Cambodia News | 31 July, 2019*

Siam Cement Group (SCG), Thailand's largest conglomerate, reported positive financial results in the first half of the year, including its operations in Cambodia. According to a financial report released Monday, from January to June, SCG's revenue from sales grew by 11 percent in the Cambodian market, reaching 906 billion riel (\$226 million). The report highlights two services launched during the first half of the year in the Cambodian market: "Interior Solution", which provides design and materials specification services, and roofing, which includes design an installation. It notes that the first facility to benefit from these services is the children department at Royal Phnom Penh Hospital. "Our first project was the children department of the Royal Phnom Penh Hospital, which is the first healthcare facility that specialises in children. The ward needed a special design to provide health services for children and our 'Interior Solution' met the ward's needs, with a professional team trained using Thai standards," it said. Somwang Manpisonchai, SCG director in Cambodia, said that Kampot Cement, an SCG subsidiary, was the recipient of the 'TPM Excellent: Category A', an award given by the Japan Institute of Plant Maintenance (JIPM). "Kampot Cement is the first company in the country to receive the award, which demonstrates its operational excellence in various aspects including productivity

management and environmentally friendly processes. It is a reflection of the world-class standards used in manufacturing our high-quality products," he said. "SCG continues to broaden its offer of innovative and high-value-added products and services. We strive to integrate the circular economy concept into our operations while delivering holistic solutions for customers," he added. According to the report, in the Asean region (excluding Thailand), revenue from sales in the second quarter of the year decreased by 7 percent.

*Source : <https://www.khmertimeskh.com/50628722/scg-reports-strong-financial-performance-in-h1/>*

## Banking, microfinance sectors maintain strong growth



*Cambodia News | 01 August, 2019*

Loan and deposit growth in the Kingdom's crowded financial sector remained high during the first half of the year, a result of sound macroeconomic management and political stability, the Central Bank said in its latest report. The National Bank of Cambodia's report, released last week, said that loans in the banking and microfinance sectors rose by about 22,4 percent in H1, growing by \$27.7 billion. The value of all outstanding loans has now reached \$21.5 billion in the banking sector and \$6.2 billion in the microfinance industry. Cambodia's banking and microfinance sectors continue to play a crucial and active role pushing economic growth and reducing poverty and inequity, Chea Chanto,

the Central Bank's governor, said last weekend during NBC's biannual meeting. He said the offer of financial services continues to expand in the country, creating more opportunities for people in urban and rural areas and improving their livelihoods. "Given this growth, regulation of the sector needs to be strengthened alongside financial literacy," Mr Chanto said. "All macro and microeconomic factors must be in place to mitigate risks to financial stability. "The banking sector contributed and supported the strengthening of the financial safety net as well as regional cooperation. An example of this is the Asean framework and Asean+ 3 (China, South Korea, and Japan), which aims to boost the development of the financial sector, and enhance financial inclusion and financial stability in the region," he said. In Channy, president of Acleda Bank, the largest locally-owned bank in the Kingdom, told Khmer Times that Acleda has been focusing on helping small and medium-sized enterprises grow and reported strong financial results during the first half of the year. From January to June, deposits at Acleda reached more than \$4 billion while loans exceeded \$3.5 billion. The bank's profit after tax was about \$60 million. This growth was the result of the bank's new emphasis on digital and its determination to develop its financial technology, or fin-tech, capabilities to improve services, Mr Channy noted. "The bank has certainly benefitted from the stable macroeconomic situation, which has enabled growth in the financial sector," he said. "Last year, Cambodia's economy expanded by

7.1 percent and this year the government has projected a 7 percent growth rate, so the financial sector and the economy will continue to expand at a very fast pace. "Acleda Bank has been growing as a result of its lending activity to support SMEs in Cambodia. We don't care about big loans; we want to help our SME customers grow. Right now, we are lending about \$6 billion to SMEs and we will continue down this path," Mr Channy said. Say Sony, senior vice president of Prasac Microfinance Institution, said that their loan portfolio grew by 21.2 percent in H1 compared to the same period last year. "The MFI sector as a whole performed very well during the first half of the year. "Prasac remains a leading player in terms of portfolio growth and quality thanks to the stable economic growth, access to finance, and regulation from the National Bank of Cambodia and local authorities," he said. Cambodia has 44 commercial banks, 15 specialised banks, 7 microfinance deposit taking institutions, 74 microfinance institutions, and 254 rural credit operators, the report points out. Total assets in the banking and microfinance sectors increased by 19.2 percent in H1 to reach \$44.8 billion. There are now 2,367 bank and MFI offices in the Kingdom and 2,228 ATMs.

Source : <https://www.khmertimeskh.com/50629111/banking-microfinance-sectors-maintain-strong-growth/>

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## Private sector investment goes off the boil



*Laos News | 01 August, 2019*

Investment by domestic and foreign enterprises has not grown as planned despite the government's augmented measures to boost private sector growth and sustain the economy. The Minister of Planning and Investment, Dr Souphanh Keomixay, told Vientiane Times recently that private companies invested in 1,266 projects over the first six months of this year, with registered capital of US\$3.6 billion. Nevertheless, the actual capital transferred through banks was only US\$1.09 billion, equal to 40 percent of the target for the year. An economist from the Lao National Economic Research Institute, Dr Sathabandith Insyxiengmay, said sluggish private sector growth was a result of the government's budget policy to prioritise the repayment of debt. He said moderated credit growth is a definite indicator of the slower growth of private investment. In the first quarter of this year, credit growth sank to 3.13 percent with investors pessimistic about business opportunities and potential investment returns. "Four to five years ago, Laos recorded 20 percent credit growth, and then it dropped to 15 percent. But growth in this sector is now below 10 percent," Dr Sathabandith said. He acknowledged that banks had toughened up their lending requirements to minimise

risk and problems relating to non-performing loans. The slower private investment is also associated with the government's delays in repaying debts owed to private companies. The delayed repayment of government debt has placed added burdens on companies, hindering their expansion as they endeavour to repay loan interest and principal to banks. Meanwhile, the government has prioritised the repayment of debts to companies by not approving new state-funded projects from now until 2020. The budget trimmed from this sector will partly be used to service the country's debt. Economists say Laos has a huge opportunity to attract more foreign investors since the US-China trade war is forcing regional companies to consider relocating their production base from China to Southeast Asian nations to avoid any impacts from the trade dispute. Dr Sathabandith said several companies had already relocated factories to Vietnam and Thailand, so Laos needs to do more to improve the investment climate and generate more confidence among foreign investors about shifting their investment to Laos. Government bodies have been urged to remove red tape and treat all enterprises equally through the proper enforcement of the country's laws. Private investment accounts for more than 50 percent of the country's economy and generates many jobs for local people. So it is

essential to address investors' problems and create an environment that encourages people to do business

Source : [http://www.vientianetimes.org.la/freeContent/FreeConten\\_Private.php](http://www.vientianetimes.org.la/freeContent/FreeConten_Private.php)

## Traders suffer after curb on import entry points into China



Laos News | 31 July, 2019

VIENTIANE (Vientiane Times/ANN) - Traders in the northern provinces of Laos now have fewer options for getting their goods into China after Chinese authorities banned imports through local border checkpoints. All products, including agricultural goods, can now enter China only at the main international border crossing at Boten in Luang Namtha province, according to Lao industry and commerce officials. The change has affected exports over the past few months after Chinese authorities at local border checkpoints refused to allow imports from Laos. Lao authorities have not received any official information from their Chinese counterparts as to why imports have been banned at these locations. However, Laos and Chinese people should be able to travel via local border checkpoints without any goods, an official from Phongsaly province's Industry and Commerce Department told Vientiane Times yesterday. In Phongsaly, the restrictions are being implemented at the Paktha border checkpoint in Bounneua district. This checkpoint has traditionally been an important trading route between

Laos and China, particularly for traders from northern Laos. Traders in Oudomxay province are facing the same problem at the Phou Lakkham border checkpoint in Namor district. Previously, Chinese authorities allowed the import of goods through checkpoints in Oudomxay once a week, but now the practice has been stopped. The problem has impacted many traders in Phongsaly and Oudomxay as they have to spend extra to transport their goods to the border crossing in Luang Namtha province. The main agricultural exports from Laos to China are tea, bananas, rubber, fertiliser, cassava and sweetcorn. However, traders in Luang Namtha province have not been affected because Chinese businesses in the region are able to export goods to China through both local and international border checkpoints, according to the provincial import and export section of the Industry and Commerce Department. China is now the largest foreign investor in Laos and the country's second largest trading partner. The increasing number of Chinese investors in Laos and the surge in cooperation projects between both governments is the main reason for the increase in imports from China. Laos' exports to China are expected to increase this year, while imports will decline, according to the latest projection from the Ministry of Industry and Commerce.

Source : <http://annx.asianews.network/content/traders-suffer-after-curb-import-entry-points-china-101193>

## Average inflation hits

### 8.08 pc in June



Myanmar News | 31 July, 2019

The average inflation rate in late June was 8.08 per cent, a slight increase compared with 7.82 per cent in late May, according to the figures released by the Consumer Price Index (CPI) and the Inflation Rate by the Central Statistical Organisation (CSO). The average inflation rate is calculated using 2012 as a base year. The year-on-year inflation rate was 9.51 per cent. In late June, Magway Region topped the list of inflation with 12.31 per cent, followed by Mon State with 10.14 per cent and Mandalay Region with 9.99 per cent. Magway Region saw the biggest change with 14.33 per cent while Kachin State, the least change with 3.76 per cent. In November, 2012, the Central Statistical Organization conducted a household and consumption survey on 32,669 households in 82 townships nationwide to calculate the CPI and inflation rate. In the past, the inflation rate was calculated using 2006 as a base year. Now 2012 is used as a base year to calculate inflation rate. Under the second five-year National Development Plan (from 2016-2017 to 2020-2021 FY), the government has planned to reduce the inflation rates through finance, monetary, trade and foreign currency policies.

Source : <https://elevenmyanmar.com/news/average-inflation-hits-808-pc-in-june>

## Pakokku airport needs to

### Upgrade : minister



Myanmar News | 31 July, 2019

Bagan-NyaungU airport cannot be upgraded as it is located closely to world heritage listed Bagan and the airport and aviation authorities are needed to draw plans to upgrade Pakokku airport, said Thant Sin Maung, Union Minister for Transportation and Communications. The minister said Bagan-NyaungU airport is closely located with Bagan archaeological zone and the upgrading process will not be carried out in long term plan. Pakokku airport has enough land space to upgrade and they need to draw plans to upgrade the airport in the future. Bagan is recognized by the UNESCO as one of the world heritage sites. The area is popular among the international before it was being listed in the world heritage list. Now more foreign travellers would be visited Bagan and international airlines have taken an interest to run direct flights to Bagan. Department for Civil Aviation (DCA) replied to Bangkok Airways that they are not allowed the direct flight between Bangkok and Bagan at the present as Bagan-NyaungU airport is not an international airport. "Nyaung-U airport is a domestic airport and we cannot allow them to run direct flight between Bangkok and Bagan at the present," said Ye Htut Aung, Deputy Director General from the DCA.

Source : <https://elevenmyanmar.com/news/pakokku-airport-needs-to-upgrade-minister>



## Kien Giang approves 20 projects worth total \$2 billion



Vietnam News | 31 July, 2019

HA NOI - Twenty projects worth combined a VNĐ43.4 trillion (roughly US\$2 billion) were granted investment licences by Kien Giang People Committee on Monday. The Mekong Delta province's authority also signed investment co-operation agreements with 25 investors for 36 projects with total registered capital of more than VNĐ150 trillion. Key projects include a limestone and clay mining project and a clinker kiln one, both for cement production, run by Siam City Cement Vietnam – a subsidiary of Thailand-based Siam City Group – in Kien Luong District with combined investment of VNĐ10.9 trillion (\$467.8 million). Sun Phú Quốc Co Ltd was approved to build An Thới Eco Urban Area, Suối Lớn reservoir and a water treatment plant, worth a total of VNĐ5.1 trillion. The newly-approved projects also include Rạch Tràm eco-tourism complex and residential zone invested by CityLand Phú Quốc, worth VNĐ4.9 trillion; and Resident Hill Phú Quốc which costs VNĐ2 trillion. Kien Giang pledged to improve the local business climate and legal framework for investors. It also vowed to remove barriers in public administration schemes and provide investors with preferential policies. The province aims to create a dynamic, creative and efficient business environment for

investors as it sees their success as its own, said Secretary of the provincial Party's Committee Nguyễn Thanh Nghị. Kiên Giang will be consistent in implementing investment policies and ensure supply of human resources and services for investors. Additionally, it will hold dialogues between local authorities and businesses to address problems in a timely manner and help projects run on schedule, Nghị said. — VNS

Source : <https://vietnamnews.vn/economy/523409/kien-giang-approves-20-projects-worth-total-2-billion.html#Y7gloZtx3Ge2ZYqw.97>

## Rubber group sees both revenue and profit rise



Vietnam News | 31 July, 2019

HA NOI – The Việt Nam Rubber Industry Group JSC (GVR) reported revenue and post-tax profit of VNĐ7.6 trillion (US\$325 million) and VNĐ1 trillion in the first half of this year, up 8.5 per cent and 15.7 per cent year-on-year, respectively. The figures represent 31.4 per cent of the revenue target and 25.5 per cent of the profit target for this year. In the second quarter alone, the group earned VNĐ4.2 trillion in revenue and VNĐ744 billion in post-tax profit. The group has total assets of VNĐ76 trillion and more than VNĐ12.5 trillion of liabilities. Currently, GVR manages 407,800 hectares of rubber area. The company has 106 subsidiaries and 20 joint

venture companies with total investment value of more than VNĐ37.2 trillion. In rubber latex processing, GVR accounts for more than 35 per cent of Việt Nam's production. GVR has advantages in developing material plantation and wood processing. The company has 13 factories processing wood products such as medium-density fibreboard (MDF), plywood, refined wood, rubber, of which plywood accounts for 60 per cent of the market supply, MDF accounts for 50 per cent. Each year, the group can supply nearly one million square metres of artificial wood with high quality products. Additionally, GVR manages 12 industrial parks with total area of 6,000 hectares. Commercial land for lease accounts for nearly 4,400 hectares. The group will continue to invest in infrastructure of existing industrial zones such as Nam Tân Uyên, Rạch Bắp and Tân Bình in the southern province of Bình Dương. It will also develop residential areas and service areas for industrial parks. — VNS

Source : <https://vietnamnews.vn/economy/523414/>

rubber-group-sees-both-revenue-and-profit-rise.html#YtS2E50RP8KLJwOb.97

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