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Real estate experts concerned about China's investment restrictions



Cambodia News | 16 September, 2019

Real estate insiders are concerned about the effect that China's decision to restrict large-scale capital outflows is having on the Kingdom's market. Two years ago, China implemented a set of policies that imposed additional restrictions on outbound investment. The aim was to address concerns about large-scale capital outflows and mitigate perceived risks to China's financial system from rapid overseas investment. With about 40 percent of total FDI inflows in the Kingdom coming from China, growth in the local real estate sector has been affected by these policies, according to some insiders. King Heang, regional operating principal of Keller Williams Cambodia, told Khmer Times last week that condominium sales have seen a slowdown as a result of China's policies. "Land prices are rising, partially due to the influx of Chinese investors coming into the country," he said. However, he argues that China's capital outflow restrictions might be a good thing, as they can play a part in stabilising the local real estate market by making it less reliant on investors from just one country. Tom O'Sullivan, CEO of realestate.com.kh, said the risk is real, explaining that China has curbed outbound investment before in, for example, Australia. "The money almost stopped overnight," he said. However, he believes Cambodia is in a different position. "Cambodia is in a unique position. I believe China sees Cambodia as a gateway to the region." Paul Ellender, manager of Freer Properties (Cambodia), said he can also see the

impact of the Chinese policies. "My fear is that, since China is the single largest investor in Cambodia, any slowdown will be difficult for the Kingdom as I am not seeing much evidence of economic diversification. "I think the effects will be gradual unless something radically changes in terms of China's economy and/or government fiscal policy," he said. "Potentially, some projects may be affected. However, given Cambodia's strategic importance with China's Belt and Road Initiative, I believe that investments will continue," Mr Ellender said. On the other hand, Kheang Puthy, president of the Real Estate Association, said the impact on the local market has been negligible if any at all. "I haven't seen any signs showing that growth is slowing down and there are a lot of projects coming online," he said. According to him, foreign investors and businesses, particularly from China, keep pouring into the country. According to an article in the South China Morning Post, China's outbound direct investment (ODI) fell by 9.6 percent to 143.04 billion in 2018 as a result of the government crackdown on capital flight. Despite the decline, China's influence in global FDI continued to expand. China remained the world's second-largest overseas investor (second only to Japan) as global FDI dipped by 29 percent. "The country's stock of ODI reached \$1.98 trillion in 2018, ranking third after the United States and the Netherlands." According to CBRE's China Investor Intentions Survey, last year, Chinese outbound real estate investments dropped by 80 percent to \$75 billion. The survey findings showed that investors plan to continue scaling back their overseas acquisitions in Western Europe and North

America. However, Chinese buyers retain strong intentions to invest within Asia, partly due to opportunities to purchase assets in sectors expected to benefit from the Belt and Road Initiative with emerging Asian countries such as Vietnam and Thailand. In its first Financial Stability Review (FSR), NBC presented a mixed outlook for the sector. “The real estate sector saw a continued supply of properties supported by both external funding and domestic credit; however, if external demand and the domestic economy weaken, this could cause an oversupply,” read the report. “By the end of 2019, the supply of condominium units in all segments, retail space, and office space is expected to surge,” the report said. “These developments have raised some concerns that perhaps incoming supply might outstrip demand. This is particularly the case if both external and domestic demand weakens going forward. As a result, sales, rental and occupancy rates across the market could be adversely affected in 2019,” it said..

Source : <https://www.khmertimeskh.com/50643320/real-estate-experts-concerned-about-chinas-investment-restrictions/>

Kith Meng re-elected as CCC president



Cambodia News / 17 September, 2019

Prominent businessman Kith Meng was re-elected yesterday as the president of the Cambodia Chamber of Commerce with the support of 15 presidents of chambers in Phnom Penh and provinces. This will be Mr Meng fourth mandate. He has held the position for nine years. The

previous two presidents of the chamber were Sok Kong, head of the Sokimex Group, and tycoon Theng Bunma. Also yesterday, the businessman, who is the chairman of the Royal Group, was re-elected as president of the Phnom Penh Chamber of Commerce by the elected members. Keo Mom, chairwoman of LyLy Kameda, highlighted the chamber’s local and international achievements under Kith Meng’s leadership. “A lot has been done to lift the industrial and business sectors. In particular, the concerns of the private sector have been brought before the government,” Ms Mom said. She expects that, during Kith Meng’s new mandate, CCC will further improve the business environment in several sectors in Cambodia, but warned that several problems need to be addressed to make Cambodia a better investment destination. The role of the Cambodia Chamber of Commerce is to speak on behalf of the private sector in talks with the government and improve the business environment. Its main responsibility is to manage the Government-Private Sector Forum, a government mechanism to reduce obstacles in doing business and improve the investment environment in the country.

Source : <https://www.khmertimeskh.com/50643673/kith-meng-re-elected-as-ccc-president/>

Authorities cultivating rice seed aid for flood-affected farmers



Laos News / 17 September, 2019

Agricultural production authorities have confirmed that 1,500 tonnes of rice seeds are now available for distribution to farmers affected by the recent floods in six central and southern provinces. Head of the Division

for Production Promotion, under the Department of Technical Extension and Agro-Processing, Ministry of Agriculture and Forestry, Mr Kongsy Xayavong said on Friday that his sector presently has a 1,500-tonne rice seed store for the coming November to March dry season. The division is ready to support flood-affected farmers in Khammuan, Savannakhet, Attapeu, Saravan, Champassak and Xekong provinces with more than 130,500 hectares of rice fields damaged. The division is waiting upon direct requests following assessment from local authorities; however, Mr Kongsy believed his division would be able to supply enough seeds to meet farmers' demands as some flooded areas won't be ready to plant rice this dry season. In addition, the division will continue cooperation with development partners to enhance rice breeding by increasing the number of varieties available, which will help ensure that farmers can access more seeds. Authorities are encouraging farmers to adopt new cultivation techniques and equipment in planting rice aiming to reduce their cost of production. Mr Kongsy added the division had distributed 120 tonnes of rice seeds to farmers in 10 targeted provinces during the wet season, especially 10 tonnes to help flood-affected farmers in Luang Prabang province and 30 tonnes for Xayaboury province. Many provinces in central and southern Laos have struggled to cope with recent floods following days of heavy rain unleashed by tropical depression Podul. The Social Welfare Department reported the floods had affected 54,207 families in 788 villages of 37 districts. More than 130,500 hectares of rice fields, 251 hectares of vegetable plots and 953 fishponds have been damaged. In addition, 26 irrigation channels, six bridges, many schools, two dispensaries and more than

130km of roads have been affected. Environmental experts predict that climate change is expected to bring increasingly severe drought and flood conditions to Laos, with crop yields possibly falling 10 percent by 2020 and 30 percent by the year 2050. This could further affect food security improvement measures which the government is continuing to work on with its agencies and non-government organisations. While Laos' commitment to Sustainable Development Goal (SDG) 2 is to achieve Zero Hunger by 2030, the nation still has a significant level of malnutrition, as measured by the Global Hunger Index. Around one-fifth of the population consumes less than the minimum dietary energy requirements.

Source: http://www.vientianetimes.org.la/freeContent/FreeContent_Authorities_206.php

Nearly \$930 m earned from export of beans and pulses in 11 months



Myanmar News | 16 September, 2019

Myanmar earned nearly US\$930 million from exporting about 1.5 million tons of various beans and pulses in 11 months of this fiscal year exceeding over US\$300 million compared to the same period of last year, said an official from the ministry of commerce. "We earned US\$929.294 million from exporting 1.482 million tons of beans and pulses from October 1 to August 30 in the current 2018-2019 financial year," said a ministry official. In the same period of the previous fiscal year, 1.136 million tons

worth US\$625.572 million. This year, 345,963 tons more were exported, so US\$303.722 million more were earned. Myanmar mainly exports green gram, mung bean and pigeon pea. India mainly purchases mung bean and pigeon pea while green gram is usually purchased by China and some European countries. One ton of mung bean is priced at around K754,000 in local market. Mung bean price is fluctuating in local market, according to bean merchants from Bayintnaung Wholesale Centre in Yangon. According to data from the wholesale centre, mung bean prices on August 30 this year were K752,500 per ton FAQ and K897,500 per ton SQ. On September 2, prices were K753,000 per ton FAQ and K898,000 per ton SQ. On September 11, mung bean prices were K754,000 per ton FAQ and K889,000 per ton SQ. "Myanmar exported 561,766 tons of beans and pulses worth US\$672.288 million in 2016-2107 fiscal year, 527,965 tons worth US\$344.043 million in 2017-2018 FY and 523,177 tons worth US\$273.912 million in 2018-2019 FY (till August 16). An average price of one ton is about K758,332. This is a health price for local growers," said Deputy Minister Aung Htoo.

Source:<https://elevenmyanmar.com/news/nearly-930-m-earned-from-export-of-beans-and-pulses-in-11-months>

Coffee export prices plummet



Vietnam News | 16 September, 2019

Although ranking second in the world, Việ Nam's coffee exports are plummeting. The price of Vietnamese coffee exports is also much lower than the same type of coffee from other countries. According to a report by the Agro Processing and Market Development Authority under the Ministry of Agriculture and Rural Development, coffee exports in the first eight months of 2019 were estimated at 1.17 million tonnes worth nearly US\$2 billion, down 11.8 per cent in volume and 21.4 per cent in value over the same period in 2018. Since the beginning of the year, Germany and the US continue to be Việ Nam's two largest coffee consuming markets, with market shares of 13.7 per cent and 9 per cent, respectively. Except for Việ Nam's increase in coffee exports to the Philippines and Malaysia by 22 per cent and 3.7 per cent, respectively, exports to most of the remaining major markets decreased compared to the same period in 2018. In addition to falling in export volume, the average export price of coffee in the first seven months of 2019 was only \$1,700 per tonne, down 11.2 per cent year-on-year. In fact, Việ Nam's coffee prices are decreasing in accordance with general global trends. Global coffee prices continued to decline in the first months of 2019 and fell to the lowest level in the past 13

years due to oversupply of the global coffee market. For example, Việt Nam is the largest source of coffee for Spain with two main types – unroasted coffee and decaffeinated coffee, accounting for 42.8 per cent and 39.5 per cent of the total import value of the world market in the first four months of 2019, respectively. Spain's average import coffee price reached \$2,710 per tonne. Meanwhile, the average import price of coffee from Việt Nam is only \$1,780 per tonne, much lower than the average import price in this market. Notably, Spain's average import coffee price from France reached a high of \$15,670 per tonne, almost nine times as much as the price imported from Việt Nam. The Ministry of Industry and Trade also cited data from the Korean Trade Commission. In the first four months of this year, Việt Nam was also the largest coffee exporter in this market with an output of 11,000 tonnes, but the price only reached \$1,800 per tonne. Brazil is the second country in terms of output with nearly 10,600 tonnes and its coffee is sold to the Republic of Korea (RoK) at \$2,600 per tonne. Colombian coffee ranked third in RoK, with over 9,000 tonnes and an average price reaching \$3,200 per tonne. An expert in the coffee sector said that Vietnamese coffee is currently exported to over 80 countries and territories around the world with export turnover of over \$3 billion, accounting for 14 per cent of market share and 10.4 per cent of value of global coffee exports, ranked second after Brazil. However, the exported product is mainly coffee beans, accounting for about 90 per

cent. Therefore, the profit earned is not commensurate with the amount of goods exported. According to the Agro Processing and Market Development Authority, some Vietnamese coffee products have not met standards required by demanding markets. This authority predicts that the price of coffee in the short-term will increase due to the supply decrease in major producing countries. In addition, the demand for coffee increasing faster than production will boost the demand for coffee imports in the medium and long term.

Source: <https://vietnamnews.vn/economy/535429/coffee-export-prices-plummet.html#a5vyTodulqym1mml.97>

Construction firms optimistic about business performance in Q3



Vietnam News | 16 September, 2019

Hanoi (VNA) – About 22.7 percent of construction firms said they performed better in Quarter 3 while 40.9 percent said their business remained stable, according to the General Statistics Office (GSO). Meanwhile, 36.4 percent of surveyed firms thought they had a more difficult period. The result is based on a survey conducted by the GSO on 5,500 enterprises engaged in construction activities across the 63 cities and provinces nationwide. According to the survey, 66 percent of state-run enterprises said their business situation during July-September was either better than or stable compared to the previous quarter. The rate for the non-State sector was 63.3 percent and 64.6 percent

among FDI companies. The survey also indicated that 48.7 percent of the businesses said their total production costs remained stable or reduced, while 51.3 percent said their costs increased. Regarding employment demand, 81.5 percent of the firms said their workforce remained unchanged or expanded, and 18.5 percent said they needed fewer employees. In a bid to promote business activities in the end of the year, construction firms said competent authorities should shorten inspection time, and cut unnecessary administrative procedures that trouble the firms, including the number of monthly and quarterly reports. Besides, they suggested more transparency in bidding process for projects funded by the State budget, and acceleration of capital disbursement for completed construction. They recommended commercial banks reduce lending procedures, cut assessment time, and create more favourable conditions for businesses to get access to capital.-VNA

Source : <https://en.vietnamplus.vn/construction-firms-optimistic-about-business-performance-in-q3/160483.vnp>
