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Real estate growth robust in H1:

VTrust



Cambodia News | 28 October, 2019

Cambodia's real estate sector experienced strong growth in the first half of the year, with robust market absorption for landed housing and condominiums, according to the latest report from VTrust Appraisal. Phnom Penh's Property Market Update H1-2019 notes that 13,900 landed housing units from 82 projects were launched, while 4,600 were built. Residential link-houses represented about 65 percent (9,100 units) of the new launches, followed by purpose-built shophouses (21 percent or nearly 3,000 units). The report adds that market absorption for landed housing was 10 percent in the first half of 2019 (12 months for supply to be sold), while it was only 8 percent in the first half of 2018 (15 months for supply to be sold). The condominium market saw 6,600 new unit launches in the first six months of the year, while 6,200 units were built. During that period, the market absorption for condos was 3.7 percent (32 months for supply to be sold), compared to 4.3 percent in the first half of 2018 (28 months for supply to be sold). Hoem Seiha, VTrust Appraisal director of research, said the strong market absorption rate is a sign of the sector's health. "The condo market in Cambodia is strong and demand is starting to grow, particularly among local buyers," Mr Seiha said. The report notes that in H1, office supply of all types in Phnom Penh totalled more than 638,000 square metres. The standalone office segment had the

largest share with 36 percent, followed by large office (29 percent), small office (18 percent), and medium office (17 percent). New retail supply in Phnom Penh amounted to more than 147,000 sqm. As of June, total retail supply (completed, ongoing and new launch) in the capital cumulatively reached nearly 1,000,000 sqm, of which 825,000 sqm was completed. Chrek Soknim, president of the Cambodian Valuers and Estate Agents Association, said the real estate sector in Cambodia will continue its robust growth in the next five years. "Based on the number of sales, the real estate market is performing well. Real estate agents are still generating profits," he said. "Cambodia's real estate sector will continue to thrive in the next five years, particularly in Phnom Penh, Sihanoukville, Kep, Kampot, Siem Reap, Battambang, and Koh Kong," Mr Soknim said. "This growth is made possible by higher incomes among locals, the support of commercial banks, government's efforts to develop infrastructure and regulation, and the country's political and macroeconomic stability," he added.

Source: <https://www.khmertimeskh.com/50654869/real-estate-growth-robust-in-h1-vtrust/>

Japanese firm to build cashew

processing plant



Cambodia News | 28 October, 2019

Top Planning Japan Co., Ltd last week announced its intention to build a plant in Cambodia to process cashew nuts. The firm recently concluded a study on the investment that was carried out with the help of

the Japanese International Cooperation Agency (JICA), according to Murayama Tsetuo, a Top Planning Japan senior official. On Thursday, Mr Murayama held a meeting with the Cambodian Minister of Agriculture in Phnom Penh to discuss the investment. Mr Murayama told Minister Veng Sakhon that his company study found that Cambodian cashews tasted better than those in Vietnam, India and African countries. “However, we also found that when it comes to quality, hygiene, potential output, and modernisation in the industry, Cambodia is lacking,” he noted. “But there is a lot of potential so we want to establish a processing facility here in Cambodia that adheres to international standards,” he told the minister. Mr Murayama said the plant will help lift quality standards in the sector, helping it reach international levels. He stressed that the support of the Cambodian government is needed for the investment plans to materialise. Mr Sakhon welcomed the plans and said the ministry is open to support and facilitate the investment. “The government is working hard to improve the agriculture sector in terms of quality and packaging standards and to modernise the industry. “More investment in the processing of agricultural goods will raise the value of our products and curb exports of raw materials,” the minister said. According to its Industrial Development Policy, the government aims for processed agricultural products to represent 12 percent of the country’s exports by 2025. Oum Uon, president of the Sambo Prei Kuk Cashew Nut Association in Kampong Thom province, welcomed

the news and asked the Japanese firm to consider Kampong Thom for the investment. “Kampong Thom has great potential for growing cashews. In our province, cashew trees occupy about 60,000 hectares of land,” he told Khmer Times on Friday. He said Cambodia lacks processing facilities, which means most cashew nuts end up in the hands of traders who sell them to Vietnam. “Traders buy raw cashew nuts to sell them to Vietnamese buyers,” he said. Vietnam has invested in about 500,000 hectares of cashew plantations in the Kingdom. In 2018, the Ministry of Agriculture signed a memorandum of understanding with the Vietnam Cashew Association to bolster Cambodia’s cashew production to one million tonnes per year. Under the agreement, the Vietnam Cashew Association agreed to share with local farmers advancements in technology related to planting and harvesting, as well as boost investment in local plantations, contract farming, and research. According to the latest figures from the Ministry of Agriculture, from January to September, Cambodia exported 169,458 tonnes of cashew nuts. The product was shipped to 11 countries – Vietnam, Russia, South Korea, China, Myanmar, Peru, Saudi Arabia, Australia, Taiwan, India, and Singapore.

Source:<https://www.khmertimeskh.com/50654880/japanese-firm-to-build-cashew-processing-plant/>

Laos, China lift ICT cooperation to new heights



Laos News | 28 October, 2019

VIENTIANE (Vientiane Times/ANN) - Laos and China are extending their cooperation in Information Communication and Technology (ICT) to pave the way for information communication system development in Laos. Officials from Laos' Ministry of Post and Telecommunications led by the minister, Dr Thansamay Kommasith, last week met a delegation from the Ministry of Industry and Information Technology of China led by its minister Mr Miao Wei at the 19th Asean Telecommunication and Information Technology Ministers Meeting in Vientiane to agree on ICT cooperation. A Memorandum of Understanding was signed by Dr Thansamay and Mr Miao Wei. Further cooperation in this field will help drive China's "Belt and Road" Initiative and digital development for better regional connectivity. It will also strengthen the relationship and comprehensive strategic partnership between Laos and China in line with the four "good" principles agreed on by the two governments. The two sides agreed to cooperate in the use of high-speed information systems towards the goal of poverty reduction and economic growth through the "Digital Silk Road" and plan to upgrade digital systems in Laos. On this occasion, four leading telecoms companies from Laos and China also teamed up to cooperate in the development of telecommunications. These companies are

Enterprise of Telecommunications Lao (ETL), Southeast Asia Tower (SAT), China Mobile International (CMI) and China Unicom Global (CUG). An agreement was signed by ETL's CEO, Mr Huang Shuyun, SAT General Manager, Ms Liu Bo, CMI General Manager, Mr Wang Meng, and CUG Executive Vice President, Mr Qiu Tao. ETL and SAT agreed to cooperate in the maintenance and use of telecoms infrastructure in Laos. ETL and CMI agreed to cooperate on overseas telecommunications for a win-win situation, especially in international roaming, transmission line system connectivity between Laos and China, and high-speed transmission lines between the Laos-China border to neighbouring countries and beyond. ETL and CMI also agreed to cooperate on ICT service development and provide 4.0 innovation services such as Start Up, IoT, AI, Big Data, Smart City, and service integration in fixed broadband, mobile broadband, 4.5G and 5G networks through ETL, with these services becoming available now and in the future. SAT and CMI agreed to negotiate on the use of optic fibre along the Laos-China railway route provided by SAT to link telecoms services in China, Laos and Thailand. SAT and CUG agreed to negotiate on the renting of fibre optic cable along the Laos-China railway and Laos-China expressway routes from SAT to link telecoms services in China, Laos and Thailand. The partnership of these leading telecoms operators is aimed at upgrading telecommunication systems and telecommunications infrastructure in Laos to international standards. This is part of the

government's policy to convert Laos from being landlocked to a land link within the region.

Source: <http://annx.asianews.network/content/laos-china-lift-ict-cooperation-new-heights-107095>

Ministry addresses concerns over “non-existent” civil servants



Laos News | 21 October, 2019

The Ministry of Home Affairs is clarifying the actual number of civil servants amid public concerns over the possible existence of so-called “ghost” positions, according to a senior ministry official. “This process is part of procedures to ascertain the true number of civil servants in Laos,” Director General of the Civil Servant Management Department, Mr Souvanny Rattanavong, said on Friday. He spoke to Vientiane Times after leading an event to distribute civil servant identification cards to Ministry of Information, Culture and Tourism officials at the National Culture Hall in Vientiane. Before receiving their cards, ministry officials were told to stand in line and show evidence that they were the persons named on the ID cards, which are designed as ATM cards so they can be used for salary withdrawal. Other people were not allowed to accept the cards on their behalf, which is seen as another measure to prevent the existence of “ghost” officials. The government initiated salary payments for civil servants via bank transfers some years ago, in order to simplify the process. But some people have expressed concern that without checks it is possible for the government to continue paying salaries into the bank accounts of civil servants who

no longer hold a government position. Mr Souvanny said that every three months each ministry had to submit the names of its civil servants and their bank account numbers to the government before salaries were paid. Through this process, the Ministry of Home Affairs confirms the number of civil servants to whom the government must pay salaries but this does not actually prove the existence of each civil servant, he added. But requiring each civil servant to present evidence that they were the true owners of the newly issued ID cards would help the government to determine whether civil servants receiving government salaries really existed. If the Civil Servant Management Department learnt about the existence of “ghost” civil servants, it would request the cancellation of salary payments into their bank accounts. The department would also ask the sectors concerned to look into the case and punish the wrongdoer in accordance with the law, Mr Souvanny said. Mr Souvanny said the government had authorised the Ministry of Home Affairs to partner with the Banque pour le Commerce Extérieur Public (BCEL) to issue new ID cards to civil servants in 2018. The cards can be used to withdraw salaries from ATMs. The home affairs ministry has distributed the new ID cards to 37 central state agencies as part of the process to double-check the true number of civil servants. The ministry plans to distribute the cards to nine other central state agencies and complete the distribution of ID cards to civil servants in the provinces in 2020.

Source:http://vientianetimes.org.la/freeContent/FreeConten_Ministry_addresses_236.php

Shan State's peace and tea leaves



Myanmar News | 25 October, 2019

Among Myanmar's many agricultural products, tea leaves hold a lot of potential for export markets because they are organic product grown naturally, an official with the Myanmar Tea Association says. However, development of the sector is tied to conflict in Shan State, one of the main growing areas for the crop in Myanmar. If a truce is achieved, Myanmar's tea exports will develop strongly, Myanmar Tea Association Vice Chair U Maung Lwin says. "Myanmar tea leaves are naturally grown without using any chemicals so we have many advantages. Frankly speaking, most of areas that produce tea leaves in Myanmar are affected by conflict-torn, and that is why we can't seek quality certifications. If there is peace, tea plantations could apply for quality certification and export more to China. There is a opportunity for a huge market to be tapped," said U Maung Lwin. In Myanmar, tea leaves from Kokang and Palaung have already gained a reputation as good product in overseas markets. But internal conflict remains a big challenge to expanding the production. To increase exports, it is the most important to increase production to meet market demands and seek quality certification, he said. "Because 80pc of tea plantations in Myanmar are

situated in unstable areas, peace must be present first in order to obtain quality certification and expansion of production, never mind business expansion. Right now growers have to pick tea leaves amidst fighting and production has declined compared with other growing areas in China. Production costs are also higher than in other countries," said U Maung Lwin. There are some 8900 hectares of tea planted across Myanmar. In September, 52 tonnes of tea was exported to China according to the data from Ministry of Commerce. While development of the sector does not look promising at present, Chinese consumers like the quality of Myanmar tea and as there is demand. If quality and production can be improved, the market may expand, U Maung Lwin said. There are international organisations that can grant quality certification documents and quality specifications for organic farms, he said. "The Control Union that grants quality certification is here. In reality, there are difficulties to get the certificates. For example, my tea fields are in Kokang and I get organic certificate for this year by cooperating with Control Union. But, if fighting occurs next year, the certificate I received will be in vain. So, all the tea plantation owners don't dare to obtain the certificates," said U Maung Lwin. Myanmar tea growers participated in the recent 16th China-ASEAN Expo and promoted dried and wet tea leaves and interest among visitors to the expo was

reported to be high. “China does not focus on quality certification and this offers Myanmar’s growers an advantage. This point is a difference between China and western countries. Chinese people test the quality of tea by drinking it and they are satisfied only when are they allowed to test like that. We have to prepare to give them good quality. They have many questions and complaints because they know about tea. If we have quality certificates, we are able to expand the market,” he said. Although local tea is also exported to Taiwan, Thailand, South Korea and Singapore, the largest market remains China. “Peace in Shan State is very important for the tea sector. So, we want peace quickly,” said U Maung Lwin, an owner of tea plantations in Kokang region.

Source: <https://www.mmtimes.com/news/shan-states-peace-and-tea-leaves.html>

Vietnam attracts over 29 billion USD in FDI in ten months



Vietnam News | 26 October, 2019

Vietnam attracted 29.11 billion USD in foreign direct investment (FDI) in the first ten months of 2019, up 4.3 percent over the same period last year, according to the Ministry of Planning and Investment. Of the figure, 12.83 billion USD was poured into nearly 3,094 new projects, up 25.9 percent in the number of projects year on year. Approximately 5.47 billion USD was pledged to existing projects, just equivalent to 83.6 percent of the value from a year ago. Foreign firms invested

10.81 billion USD in Vietnam during the period through capital contributions and share purchases, representing a year-on-year increase of 70.5 percent and accounting for 37.1 percent of the total registered capital. Processing and manufacturing remained the most attractive sector to foreign investors during the January-October period, drawing 18.83 billion USD, making up 68.1 percent of the total FDI pledges. It was followed by property trade at 2.98 billion USD (10.2 percent of the total) and wholesale and retail. Among the total 107 countries and territories investing in Vietnam, Hong Kong (China) was the largest investor with 6.45 billion USD, followed by the Republic of Korea with 5.52 billion USD and Singapore with 4.21 billion USD. Hanoi was the largest FDI recipient during the period with 6.61 billion USD, accounting for 22.7 percent of the total. Ho Chi Minh City came second with 4.96 billion USD (17 percent), followed by Binh Duong, Dong Nai, and Bac Ninh.

Source: <https://english.vov.vn/economy/vietnam-attracts-over-29-billion-usd-in-fdi-in-ten-months-405251.vov>

Will Uniqlo earn big money in Vietnam like H&M and Zara?



Vietnam News | 27 October, 2019

Uniqlo considers Vietnam a key market which will help it access the Southeast Asian market. However, the strong development of Zara, H&M, Elise and Hnoss will challenge the global Japanese brand. Uniqlo has stated that its first shop in Vietnam will be

located at Parkson Saigon Tourist Plaza in the central district 1, HCM City. Covering a total area of 3,000 square meters, Uniqlo Dong Khoi has been advertised as one of the largest stores of the brand in Southeast Asia. Uniqlo is the 11th international high-fashion brand present in Vietnam. Together with other foreign brands and domestic brands such as Eva de Eva and Libe, Uniqlo is believed to trigger a fierce competition in the 95-million consumer market. According to Virac, Mitra Adiperkasa (MAP), which runs Zara, Pull & Bear, Stradivarius and Massimo Dutti brands, is leading the retail fashion market in Vietnam. MAP's 2018 finance report showed that the company earned VND1.973 trillion in annual revenue from the Vietnamese market, which was 1.7 times higher than 2017 and six times higher than 2016. Of this, Zara made up 90 percent of revenue. Vietnam is the second biggest market of the company in terms of revenue, just after Indonesia. After three years of presence in Vietnam, the brands collected VND3.1 trillion and the average annual gross profit margin is about 40 percent. However, in the first half of 2019, MAP's revenue decreased by 2 percent compared with the same period of 2017, to VND972 billion, or VND5.3 billion dong each day. Meanwhile, with the opening of four new shops, H&M saw its revenue surging to VND653 billion in the 2018 fiscal year, or 4.3 times higher than 2017. Owning seven shops in HCM City and Hanoi, H&M Vietnam has had

the fastest expansion rate among H&M companies all over the globe. Vietnam is lucrative soil for many international fashion brands. Having filed for bankruptcy protection in the US, Topshop and Gap still maintain their business activities in Vietnam. Commenting about opportunities in the Vietnamese fast fashion market, Dinh Anh Huan, the founder of Seedcom, said Vietnam has great potential with nearly 100 million people and high demand for mass produced products and a low number of domestic brands. Vietnam's fashion industry in 2018 had estimated value of \$5 billion. With a growth rate of 10 percent per annum, the market value may reach \$7 billion by 2023, according to Seedcom. In such a market, Uniqlo, which is arriving in Vietnam at year end, will have to compete with 10 prestigious international brands and tens of domestic names which offer products at affordable prices. Fast Retailing has reported a pre-tax profit of \$2.3 billion for the 2019 fiscal year.

Source : [https://english.vov.vn/economy/will-uniqlo-earn-big-money-in-vietnam-like-hm-and-zara-](https://english.vov.vn/economy/will-uniqlo-earn-big-money-in-vietnam-like-hm-and-zara-405276.vov)

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