

Highlight News / January 21/2020



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Central bank closely monitoring real estate and construction



Cambodia News | 21 January, 2020

Triumph Commercial Centre (TCC) project has officially announced its first \$48million condominium project targeting lower- and middle-income people. TCC is being developed by Yunnan Shengmao Investment (Cambodia) Co Ltd. Yunnan Shengmao started the construction of the \$1billion complex in Phnom Penh's Boeung Salang village in August 2018. It includes shopping malls, a hospital, a swimming pool, a playground, a supermarket, and a recreation centre. Chen Tai An, chairman of the company behind the project called it a small city. The TCC's 20-storey complex has apartment prices starting from \$950 per square metre (sq m) – around \$30,000 to \$40,000 per unit. Chen said: "This condo is designed for lower- and middle-income earners. TCC's condo has 20 storeys for the first building. From the ground floor to the fourth floor is the commercial centre, from the fifth floor to sixth floor is a car park and from the seventh floor to the twentieth storey are luxury condo apartments at a cost lower than the market price," he said. "I am optimistic about the condo market in Cambodia because the economy is growing, so the demand for homes is high. Also the number of millennials is increasing, so the demand is high because condos are safe, secure and hygiene plus the price is lower compared with villa and borey projects," he said. "We are targeting local residents so we made the price of

the condo very low. We want the Cambodian people to have an appropriate price and an affordable condo to live in, so we have to fulfill the need of the local market," Chen added. He said the company will build 10 buildings in Triumph Commercial Centre. He added this 20-storey condominium will take 18 months to complete at a cost of \$48million. CBRE, a commercial real estate services and investment firm, has stated that the trend of using mixed-use development buildings has been increasing in the Kingdom because of the rising price of land in the city centre. Cambodian millennials are driving affordable condominium sales as buyers shift towards developments that offer a sense of community, liveability and walkability, according to CBRE's Fearless Forecast 2020. CBRE said that affordable places will rise in price because of healthy demand from local buyers, while mid-range and high-range condo prices will remain stable. Based on the CBRE's forecast, the condominium supply in 2020 is expected to increase 55 percent to 28,000 units. Of those, 24 percent are high-end, 46 percent are mid-range and 30 percent are considered to be affordable. Sothida Ann, managing director of CBRE Cambodia, said that to develop a mixed-use building will depend on the area and size of land. Some projects are not well suited for mixed use because the land is small, with not enough space to separate the lobby, residential areas and offices areas. She said that to have a mixed development you must have land that is at least 5,000 sq m. She added that these developments do not always have to be in the

commercial business districts (CBD). However, at present, the demand for the mixed-use development buildings are mostly in the CBD zone. In the Commercial Business District, the current average land price is \$4,700 per square metre. Ann said the use of mixed developments can be a combination of different space usage.

Source: <https://www.khmertimeskh.com/50681541/triumph-for-those-seeking-affordable-homes>

Triumph for those seeking affordable homes



Cambodia News | 21 January, 2020

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Ministry pursues technological development



Laos News | 20 January, 2020

The Ministry of Science and Technology is furthering its attempts to make greater and appropriate use of intellectual knowledge for technological development. A workshop held yesterday noted that there is now greater understanding of the issues surrounding intellectual property and the progress made in human resource development in this field. Participants gained a deeper insight into the need for technological development and the use of more technology in manufacturing, so that Laos can

compete more effectively in domestic and overseas markets. The workshop was attended by the Director of the International Cooperation Division, Policy Planning and Coordinator Department, and senior officials from the Ministry of Science and Technology. The meeting was part of efforts to improve the management of intellectual property systems, and was supported by the Japan Institute for Promoting Invention and Innovation. Speaking at the meeting, Director General of the ministry's Department of Intellectual Property, Dr Khanlasy Keobounphanh, said one of the objectives of the gathering was to stress the importance of qualified personnel and promote understanding of the role of good management in enhancing economic development and encouraging creativity. The workshop was also an expression of respect and admiration for the work, achievements, and wisdom of researchers and inventors and their creativity in furthering the development of mankind, and advancing economic research. The government places a high priority on the development of personnel in the field of intellectual property and the use of technology for economic development, she added. In recent years the ministry has partnered with regional and international bodies to assist with funding and personnel exchanges in this field, Dr Khanlasy said. She explained the need for cooperation in human resource development, which is being supported in part by the Japan Institute of Invention and Innovation. The ministry has sent officials to study at Japanese universities to broaden

their knowledge of intellectual property management, copyright, trademarks, and other topics. The government is also encouraging the private sector to invest in this area as part of the Science and Technology Development Strategy to 2025 and the Vision to 2030. This is consistent with the aims of the 8th five-year National Socio-Economic Development Plan which incorporates science, technology, and innovation as driving forces to achieve the country's development goals. The ministry's strategy focuses on developing scientific and technological thought and innovation, the development of human resources, and the building of science and technology centres in rural areas.

Source: <http://annx.asianews.network/content/ministry-pursues-technological-development-112280>

Laos faces growing inflation



Laos News | 20 January, 2020

Inflation continued to increase in December, sending a strong warning that serious action is needed to rein in the price of goods and services to prevent them rising further, according to a senior economist. "If the rate of inflation is higher than GDP growth, the growth means nothing," acting president of the Lao National Economic Research Institute, Dr Leeber Leebouapa, told Vientiane Times on Friday. To maintain a healthy economy, he said the government needs to slow down the rate of inflation so that it is less than GDP growth, which is projected to grow at 6.5 percent this year. He made the comment after

the National Statistics Bureau unveiled the latest inflation rate, indicating a rise to 6.28 percent in December, up from 5.34 percent in November and 1.5 percent in January 2019. Data from the Bank of the Lao PDR shows that the average inflation rate in 2019 was 3.32 percent, which was below the GDP growth rate, which was estimated at 6.4 percent in 2019. When asked about the government's response to spiralling inflation, Dr Leeber said the government was on the right track and had stepped up efforts to stabilise the value of the kip and boost productivity. "The government has a sound policy and measures to address the increasing rate of inflation. However, the challenge will be the effective implementation of these measures," he added. Dr Leeber warned that if the relevant agencies fail to implement the government's policies effectively, rising inflation would lead to an increase in the cost of production and the country would be less competitive in the marketplace. He also said that people on low incomes would struggle to make ends meet because they would earn the same amount of money but would be unable to purchase the same amount of goods and services. The National Statistics Bureau's report indicates that the main driver of inflation in December was the rise in price of food and non-alcoholic drinks, which was estimated at 10 percent. The price of pork, which increased by 4.33 percent, also made a significant contribution to the inflation rate. In Vientiane, the price of pork has risen beyond the price fixed by the government. The Vientiane Industry and Commerce Department claims that

middlemen were the cause of the price increase, noting that the price charged by the main wholesale suppliers remained stable. Observers say it's necessary to investigate the price structure, adding that the findings would provide a reference for policy intervention such as encouraging pig farms to increase the supply of pigs and pork products to markets.

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

Trade deficit in over 3 months this FY falls over \$670m compared with last year



Myanmar News | 20 January, 2020

As export increases, foreign trade value over three and a half months of this fiscal year has exceeded US\$1.4 billion compared with the same period of last year while trade deficit also fell by over US\$670 million, according to the Ministry of Commerce. From October 1 to January 10 in the current 2019-2020 fiscal year, total trade value amounted to US\$10.443 billion while last year's amount was US\$8.953 billion only. So, this year's amount exceeded US\$1.489 billion. Increased trade has resulted from increased export. Export value in the over three months' period this FY reached US\$5.061 billion exceeding over US\$1 billion compared to the same period of last FY. Meanwhile, import value exceeded US\$256.723 million. Therefore, the trade deficit was US\$256.723

million whereas that of the same period of last year hit US\$935.452 million. The total trade value is projected to hit 34 billion US dollars with US\$18 billion in export in 2019-20 FY, said Union Minister for Commerce Dr Than Myint. The minister made the remark after a mediaquestion at Myanmar Entrepreneurship Summit 2019 held at Fortune Plaza in Yangon on November 16 last year. He told the media that trade deficit in the current financial year was expected to be just about US\$500 million but he pointed out difficulties and challenges. There was a trade deficit of 1.15 billion US dollars in 2018-19 FY though the trade deficit was expected to lower to 500 million US dollars.

Source: <https://elevenmyanmar.com/news/trade-deficit-in-over-3-months-this-fy-falls-over-670m-compared-with-last-year>

Foreign investment inflows to double: Myanmar govt



Myanmar News | 20 January, 2020

Approved foreign direct investment (FDI) into Myanmar is expected to grow this year, the Myanmar Investment Commission (MIC) says. Already, approved FDI into Myanmar in the first three months of fiscal year 2019-20 is double what it was in the same period in the previous fiscal year, the commission said. "Currently, FDI in the country shows obvious growth in the current fiscal year. We have received around US\$500 million a month so far for this fiscal year so it shows promise of good

growth,” said U Thant Sin Lwin, secretary of the MIC and also director general of the Directorate of Investments and Company Administration (DICA). As of January 10, MIC has approved investments in projects totalling US\$1.5 billion since the start of FY2019-20 on October 1, 2019. According to DICA, during the same period it approved investments totalling some \$800 million for 60 projects. Although the commission has approved a significant number of high-value foreign investment projects, it is also working to ensure the projects are sustainable and beneficial, U Thant Sin Lwin said. “We did not simply accept any proposed project put forward by international investors who want to set up shop in Myanmar. The commission rejected proposed projects that were judged to have the potential to damage the country’s social and environmental landscape within the 15 days stipulated under the Myanmar Investment Law,” U Thant Sin Lwin, said. Most recently, the commission rejected the two proposed investment projects that might bring damage to the environment at its meeting on January 10, he added. The World Bank’s latest Myanmar Economic Monitor report states that FDI inflows showed signs of recovery in 2019. The increase in approved FDI indicates the recovery of FDI flows could continue into 2019-20. However, the report added that sustaining FDI inflows depends on continued efforts to improve the business environment to attract capital flows in the context of diminishing global flows and Myanmar-specific country risks. According DICA, FDI rose to \$4.2

billion in FY2018-19 from \$3.3 billion in FY2017-2018, and is projected to reach \$5.8 billion in the current fiscal year. Singapore remained the largest foreign investor in Myanmar, followed by China and Hong Kong. The sectors receiving the most foreign investment were oil and gas, followed by power, and manufacturing.

Source: <https://www.mmmtimes.com/news/foreign-investment-inflows-double-myanmar-govt.html>

US-China trade deal forces firms to grow



Vietnam News | 20 January, 2020

HÀ NỘI — The recently signed US-China trade deal, an effort to calm trade tensions between the world’s two largest economies, will force Vietnamese businesses to grow in order to meet the challenges as well as the opportunities it brings, said economic experts. Nguyễn Đức Thành, head of the Vietnam Institute for Economic and Policy Research (VEPR) said the US and China will likely seek to further deescalate tensions to avoid adverse effects on their economies, especially China, which has shown signs of willingness to allow its economy more leeway to follow market economy principles. The global economy, including Việt Nam, is to benefit from the new US-China deal. This is a positive development as Việt Nam stands to gain little to nothing from a trade war between the two super-economies, said Thành. For instances, Vietnamese firms now face far greater risk and stricter scrutiny

while doing business in the US as a result of the trade war as US agencies ramp up effort to counter origin fraud. The country being added to a currency manipulator watch list by the US was proof of how much attention the Southeast Asian country is getting. “As always, the answer to our problems is sound policy and trade frameworks. The US-China deal has opened a new phase in global commerce and Vietnamese businesses must be able to capitalise on their advantages to grow and become more competitive,” said VEPR’s head researcher. Thành said the country must make its moves quickly in the next few years regarding trade policies and reforms. “Everything is moving fast and Vietnamese firms must be moving along with it, especially our private sector, if we are to make use of these opportunities,” he said. The US and China both have taken steps away from the trade war for now, with the US removing China off their list of currency manipulators and China agreeing to buy more US products, said banking expert Nguyễn Trí Hiếu. It’s a good start, but it’s still difficult to see how it will go or if they will stick to their agreements. Hiếu said the trade war benefited and hurt Việt Nam’s economy. As trade between the US and China was disrupted the country was able to sell more to both sides. On the other hand, more goods from the US and China also found their way into Việt Nam creating immense pressure on domestic firms. “If the US and China

could resolve their trade issues, US investors may no longer see the need to shift their investment from China to Việt Nam,” said Hiếu. Hiếu said in any case Vietnamese firms must remain proactive and adaptive to changes, especially the export sector. Top priorities include keeping close watch on market developments and finding new markets for Vietnamese products. Hiếu urged firms to also not overlook trade deals such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the European Union Vietnam Free Trade Agreement (EVFTA) for these will have much greater impact on Việt Nam’s economy in the long run. — VNS

Source: <https://vietnamnews.vn/economy/571326/us-china-trade-deal-forces-firms-to-grow.html>

Over 67,000 orders for VinFast vehicles in 2019



Vietnam News | 20 January, 2020

HÀ NỘI — VinFast Trading and Production LLC, a subsidiary of Vietnamese conglomerate Vingroup, has reported it had received over 17,000 orders for VinFast cars, and 50,000 others for electric motorcycles in 2019. The company launched its first electric scooter Klara in November 2018, and to date, three more brands have been sold in the market, including Ludo, Impes and Klara S. Up to 45,118 scooters have been produced so far. Last year, Vingroup joined the Vietnamese auto market by

rolling out segment-A Fadil, SUV Lux SA 2.0 and sedan Lux A 2.0 brands. As many as 17,214 orders have made for the three models while VinFast has manufactured 15,300 vehicles so far. In 2020, VinFast will introduce VinFast Lux V8, two crossover models, and electric buses to the market. The firm also plans to export electric cars to the US. Currently, all of the VinFast vehicles are produced at the 335-hectare complex in **Đ**ình Vũ-Cát **H**ải Industrial Park, which is equipped with modern technology. The complex has a designed capacity of 250,000 cars, and 500,000 electric vehicles each year in the first phase. — VNS

Source: <https://vietnamnews.vn/economy/571324/over-67000-orders-for-vinfast-vehicles-in-2019.html>
