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## Cambodia's airports expect slower growth this year



*Cambodia News | 21 January, 2020*

Cambodia's three international airports are forecasted to maintain growth trajectory this year – albeit at a slower and lower pace when compared to 2019. A Cambodia Airport press release said that Phnom Penh International Airport welcomed more than six million passengers, surpassing six million passengers for the 1st time ever last year, registering a year-on-year increase of 11.2 percent. However, Siem Reap International Airport had received only 3.9 million passengers during the same period, a 12.3 percent decline. This drop in passenger arrivals is also marked by the drop in the number of tourists visiting the Angkor temples. Sihanoukville International Airport meanwhile achieved a remarkable increase of 158 percent to 1.6 million passengers last year. This increase was attributed largely to increasing number of direct flights from China and other countries and the relocation of several Cambodian registered airlines to Sihanoukville airport as a hub for their operations. Cambodia Airports, the company developing and managing the three international airports, also shared the statistics of achievements in the previous year. The annual total passengers for the three airports were recorded at 11.6 million passengers, up 10.2 percent compared to 2018, it said.

Source: <https://www.khmertimeskh.com/>

50681854/cambodias-airports-expect-slower-growth-  
this-year

## Use of Riel increases significantly, says central bank



*Cambodia News | 21 January, 2020*

The National Bank of Cambodia (NBC) has stated that there has been a remarkable increase in the use of Riel, the national currency, with a 33 percent growth recorded in monetary circulation and a 37 percent growth in deposits. Chea Chanto, Governor of NBC, in stating this added that the banking sector has continued to make progress and gained confidence from the public and investors. The active assets of banking and financial institutions increased by 24.5 percent, while loans had increased by 26 percent. The governor called on the line general departments to continue promoting the use of Riel by strengthening the existing measures and taking new measures in line with the economic progress. There are now more than 7.5 million deposit accounts and 3.1 million loan accounts in Cambodia. While an astonishing five million Cambodians use e-payment services. The Riel appeared in 1955, when it replaced the formerly used Indochinese piastres. Currently, there are 30 different Riel banknotes, of which a commemorative one of 15,000 Riel, two for 100,000 Riel; three for 50,000 Riel; two for 20,000 Riel; three for 10,000 Riel; three for 5,000 Riel; three for 2,000 Riel; five for 1,000 Riel; three for 500 Riel; one for 200 Riel, three for 100 Riel, and one for 50 Riel.

Source : <https://www.khmertimeskh.com/50681857/use-of-riel-increases-significantly-says-central-bank>

## Research institute needs to branch out, PM advises



*Laos News | 22 January, 2020*

Prime Minister Thongloun Sisoulith has advised the National Institute for Economic Research that it should independently choose areas of research in relation to macroeconomic growth rather than waiting for assignments to be handed down by the government. The premier made constructive and open suggestions at a meeting held at the institute on Tuesday and heard a report on the past years' achievements and future research plans. Mr Thongloun and other senior government officials were warmly welcomed by the institute's senior officials, led by its Acting President, Dr Leeber Leebouapao. Dr Leeber gave a brief report on the institute's achievements in economic research in various fields, which it had undertaken for the government. Mr Thongloun praised the institute's leading officials and researchers for their contribution to economic research under the national socio-economic development plan. The premier advised the institute to exercise independence in choosing areas of study according to its own interests and based on current trends and situations in the region and internationally. "Most importantly, the institute will need to focus on a specific topic that is related to the macroeconomy, such as how to deal with reduced revenue amid increasing expenditure,

how to cope with financial leaks, and other essential issues," he said. He noted that several important areas needed to be carefully studied and analysed to assess the benefits for macroeconomic development. He cited the fact that Laos is now able to produce spare parts for aircraft as well as other electrical items in the Savan Seno Special Economic Zone (SEZ-Savan Park). Mr Thongloun stressed that the institute should select areas of study that could be applied to real situations and were useful to the government in implementing its macroeconomic development plan. "We don't need to investigate a number of research topics all at once because the results won't produce anything particularly useful. We should specify the most relevant topics for analysis that will contribute to the recommended direction of macroeconomic development," the premier advised. He also suggested that studies in the fields of agriculture, industry and carbon trading were especially useful for Laos and said it was necessary to partner with foreign experts to carry out specific research together. This year, the institute is expected to continue research in the field of poverty assessment and to seek sustainable solutions, as well as come up with suggestions for the sustainable development of the energy and mine sectors. The institute also carries out research into slash and burn cultivation, deforestation and timber exports. It is currently creating a master plan for the sustainable management of tourism in Vangiang and investigating other topics related to the government's socioeconomic development plans.

The National Institute for Economic Research comprises four research centres and an office. It employs 102 officials including nine with doctorate degrees, 38 with Master's degrees, and 22 who have bachelor degrees. Over the past years, it has carried out important economic research for the government, such as analysing the main aspects of the macroeconomy and various challenges. The institute has also worked with other partners to create a green growth strategy in Laos and successfully created a structure for the price of goods and a policy on financial stability in collaboration with the Japan International Cooperation Agency.

Source : <http://annx.asianews.network/content/research-institute-needs-branch-out-pm-advises-112454>

## Laos to review progress of smart city scheme



*Laos News | 21 January, 2020*

The Lao government is expected to kickstart the planned construction of 'Amata Smart and Eco City' in Luang Namtha and Oudomxay provinces after a project agreement was signed in 2018. A memorandum of understanding on a feasibility study of the development of a smart city was signed by the government and Thailand's Amata Corporation. Amata Corporation, an industrial city developer, is set to partner with provincial authorities in Luang Namtha and Oudomxay to kick off the project. The project area covers 70 sq km which the company

plans to enlarge to 200 sq km. At a recent meeting on the development and management of special and specific economic zones (SEZs), Deputy Prime Minister and Minister of Planning and Investment, Dr Sonexay Siphandone, called upon officials in charge to get the project under way. The call was made after several planned projects were not implemented in accordance with the signed agreements, mainly due to a lack of funding. In his briefing on last year's achievements at SEZs in Laos, the Head of the SEZ Promotion and Management Office, Mr Champa Khamsouksay, said the office will continue to evaluate the practical implementation of the MOU that was signed to push forward the concession agreement. He said the SEZ office will continue to cooperate with provincial authorities and various SEZ authorities across Laos to follow up the progress of planned projects. The government believes that the project will comply with its direction on investment promotion, domestic production and development along the Laos-China railway route. It is also expected to contribute to overall socio-economic development and create job opportunities for local people, as well as benefiting small and medium-sized enterprises surrounding planned projects. Under the agreement, Amata will receive land concessions to develop Namor district in Oudomxay province and Luang Namtha district in Luang Namtha province into a smart city and logistics hub. This is in line with the government's policies on the sustainable and environmentally-friendly modernisation of communities and

strengthening of local livelihoods. Amata will be responsible for conducting economic and technical feasibility studies and seeking funding sources and is expected to find Lao and foreign investors to take part in the development project. Under the suggested development plan, in the first phase the developer would turn Nateuy village near the Laos-China railway and four other villages on 800 hectares of land into a logistics hub. This would serve as a regional centre to link with regional and international ports like Laem Chabang in Thailand and Hai Phong in Vietnam. In the second phase, the developer would transform Luang Namtha district into a modern city comprising 14 villages over 3,700 hectares. Advanced technology would be incorporated to attract overseas investors and ensure that the project develops effectively, according to the project development plan. The SEZ office is now preparing to review and update the MOU implementation of the 'Smart and Eco City' in order to move forward with the concession agreement.

Source : <http://annx.asianews.network/content/laos-review-progress-smart-city-scheme-112388>

## Export value over \$5 bn in over three months



*Myanmar News | 21 January, 2020*

Export value has reached over US\$5 billion in three and a half months of this fiscal year, exceeding over US\$1 billion compared to the same period of last year, according to the figures from the Commerce

Ministry. From October 1 to January 10 in the current 2019-2020 FY, export value reached US\$5.061 billion while last year's amount was US\$4.009 billion. So, this year's amount exceeded US\$1.052 billion. Myanmar's major export items are agro products, animal, marine, forest, mining, CMP and other products. Myanmar mainly imports capital goods, industrial raw materials, personal goods, CMP raw materials etc. In order to reduce trade deficit and improve trade surplus, the ministry of commerce is taking measures such as adopting national export strategic plans, relaxing the procedures, encouraging the private sector, getting GSP and extending export market. In 2018-19 FY, the total trade value reached 34.979 billion US dollars, exceeding its target by 3.8 billion US dollars, according to the Commerce Ministry.

Source: <https://elevenmyanmar.com/news/export-value-over-5-bn-in-over-three-months>

## Ten train coaches from South Korea arrives in Thilawa Port



*Myanmar News | 21 January, 2020*

The second batch of ten air-spring train carriages from South Korea bought by the Myanmar Railways (MR) under a US\$45 million loan from EXIM Bank of South Korea are arrived at Thilawa Port on January 18. The coaches and spare parts are now sending to Myitnge train carriage factory. They will be used in Mandalay-Myitkyina railroad, according to Ministry of

Transport and Communications. They will be attached to a dining car and a brake van manufactured by the factory. The new train carriages can house 33 passengers each and will be run in Mandalay-Myitkyina railroad in early March. The MR received a US\$45 million loan from South Korea under Economic Development Cooperation Fund (EDCF) to buy 100 air-spring coaches and the first batch of ten new train carriages arrived in Yangon on January 7. The MR signed a contract with Dawonsys Company from South Korea to buy 100 new train carriages on December 5, 2018. Myanmar has development projects including Yangon circular railroad upgrading project and Yangon-Mandalay railroad upgrading project with loans from Japan and South Korea. Moreover, Myanmar and Japan will cooperate to construct Hanthawaddy International Airport, according to the ministry. Myanmar will use US\$2.7 billion loan from Japan International Cooperation Agency (JICA) to upgrade Yangon-Mandalay railroad with a five-year plan from 2018 to 2023.

Source: <https://elevenmyanmar.com/news/ten-train-coaches-from-south-korea-arrives-in-thilawa-port>

## Maintaining exports critical to cement industry this year



*Vietnam News | 21 January, 2020*

HÀ NOI – Maintaining exports would be critical for the cement industry amid rising production output

and anticipated sluggish domestic sales this year. According to Nguyen Quang Cung, President of the Viet Nam Cement Association, two new cement projects would go into operation this year, one in Tân Thang Commune, the central province of Nghe An with a capacity of 2-2.5 million tonnes per year, and one in Bim Son Commune, Thanh Hóa Province with a capacity of 4.6 million tonnes. This would give the domestic cement industry total production capacity of more than 100 million tonnes, while local demand was estimated at around 70 million tonnes. “Maintaining exports would be critical for the cement industry this year,” Cung said. The Ministry of Construction forecast that cement sales would increase by around five per cent to reach 103 million tonnes in 2020, around 70 million tonnes of which would be sold to the domestic market. According to Cung, domestic cement sales were anticipated to remain sluggish this year due to stagnant construction of infrastructure projects and the slowdown of the property market. The association also predicted a five per cent growth rate for the cement industry in 2020. Regarding exports, Cung said that cement export volume would be around 34 million tonnes this year but fall to 25 million tonnes in 2021. “The lower cement export forecast in 2021 is based on expectation that domestic sales would increase,” Cung said, adding that reducing cement exports would be important in the long run because of the Government’s policy not to encourage exports of fully processed resources. To cope with increasing pressure, Cung said cement producers

should apply advanced technologies in production to enhance quality and added value while reducing environmental production, which would significantly help boost competitiveness. Vietnamese cement was also facing rising pressure in international markets due to increasing production in China and Thailand, according to the ministry. The ministry urged domestic firms to monitor the cement market and adjust their production plans accordingly to keep prices from falling. In addition, cement firms should also work out long-term development strategies. FiinGroup predicted that cement demand would increase by around five per cent per year till 2030. An excess of supply over demand would continue until a balance was reached in 2028, the company forecast. Statistics from the Import-Export Department under the Ministry of Industry and Trade showed that cement sales reached more than 99 million tonnes in 2019, up two per cent over 2018. Domestic sales accounted for 66 million tonnes. Nearly 34 million tonnes were exported last year for nearly US\$1.4 billion, \$148 million higher than in 2018 and a record high. It was the second consecutive year Viet Nam saw cement exports to hit a new record. - VNS

Source : <https://vietnamnews.vn/economy/571389/maintaining-exports-critical-to-cement-industry-this-year.html>

## Foreign investors ready to invest big in Vietnam housing



Vietnam News | 21 January, 2020

The urbanization phenomenon in today's fast-paced world is inevitable, especially in emerging economies. Vietnam's population has grown rapidly from 66 million in 1990 to 96.5 million in 2019. This makes Vietnam the third most populous country in Southeast Asia after Indonesia and the Philippines. Whilst the birth rate is low at 2.09, migration from the countryside to urban areas is the key process driving urban population growth. The rural population is attracted to urban areas by employment opportunities, better standard of living, educational facilities, infrastructure, need for status, etc. The World Bank expects Vietnam's urban population to grow by 2.4% per annum until 2025, the highest in Southeast Asia. Like other developing nations, Vietnamese cities face an imbalance between the supply of available housing and satisfying the actual demand. This is a marked change from 10 years ago, when the median household size in urban Vietnam was between two and three generations. In order to provide for its inhabitants, a growing city is expected to cater to their basic needs, starting with affordable housing. According to JLL, the total supply of completed apartments in Ho Chi Minh City and Hanoi as of the fourth quarter (Q4) of 2019 reached 201,707 units and 224,179 units respectively in all segments, equating to the rate of 17 apartments/1,000 people. "This rate is relatively low right now, we should focus on the mass housing

market as this is the segment with real demand", according to Mr. Stephen Wyatt, Country Head of JLL Vietnam. However, the supply of premium and luxury apartment seems abundant, especially when you take into consideration projects under construction. With this, we estimate that Ho Chi Minh City could have close to three prime apartments per 1,000 persons, close to the average in Bangkok, Kuala Lumpur and Manila, but higher than Jakarta. The government is seeking ways to encourage developers to undertake more affordable housing projects to meet the housing needs of the city. While the general definition for affordable housing includes components such as usable area, price, reasonable occupying expenses, the key factor for this segment, in our opinion, pertains to the size of the habitable units, provision of basic amenities, cost and location of the project. Especially, when it comes to pricing, the rate per square meter should be below USD1,200. The report 'The opportunity lies in building homes, 2016' by JLL shared some developers in Ho Chi Minh City stated that they were making EBITDA margins of 25-30% on prime and mid-end residential projects. Affordable and mid-end residential projects are likely to sell reasonably well given affordability levels. Furthermore, the supply growth in these segments is much lower than premium projects so competition for buyers will be less intense. Cities today face the issue of

diminishing land availability, exaggerated land and real estate price due to population surge, over-burdened and defunct basic infrastructure services, lack of access to basic facilities, and environmental degradation and loss. Land fund remains a major hurdle for most investors. For residential and commercial projects, foreign investors often search for "clean" land (i.e. compensation completion, site clearance, land use fees have been paid, land use right is in place, and good planning). However, those assets are rare as the Vietnamese realty market is still immature and quite local. JLL observes that there are hundreds of million dollars waiting to be poured into the market in most segments of real estate. There has been a rise in inquiries on affordable housing in Vietnam from countries such as Japan, Korea, Singapore, with an increasing number of groups from mainland China. While many are interested, not so many can overcome the initial challenges that come with doing business in an emerging market. In addition, the Vietnamese real estate market is tightly held and open market offerings in this high-growth, high-potential sector are rare. The accessibility to good assets is quite limited. Foreign developers that are new to the market should consider partnering with local groups on joint ventures. Establish joint ventures with local partners to enter the market. This have become popular among foreign developers who have strong



financial capacity and track record, joining forces with local developers who own land and have strong connection with the local community. Investors' interest in the affordable sector did not appear out of thin air, it was largely fueled by consumers' ongoing demand to buy apartments to live. Most affordable residential projects launched in the past few years have witnessed strong and consistent sale. Over the next two decades, Vietnam will be in a demographic golden age. Employment in manufacturing and services has increased. A quarter of the population is aged between 10 and 24; the median age is around 30. The Millennial population will be the main drivers for affordable housing in the next few years, especially projects that are within proximity to industrial zones and are connected to major traffic points. This demographic is ready to pay a little extra to get mid-end perks, like better connection to the CBD and live-play-work facilities such as schools, hospitals and parks. While affordable housing development is critical to alleviate the pressures on cities, designing and implementing these housing solutions across the country need a lot of support from the government. Legislation is, of course, an available option. Measures being floated include quotas to ensure that a certain percentage of units in any development are affordable, and more relaxed planning regulations. In the coming time, we expect the approval process to accelerate, and the

residential market still has the potential for strong growth.

Source : [https://english.vov.vn/economy/foreign-investors-ready-to-invest-big-in-vietnam-housing-](https://english.vov.vn/economy/foreign-investors-ready-to-invest-big-in-vietnam-housing-409122.vov)

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