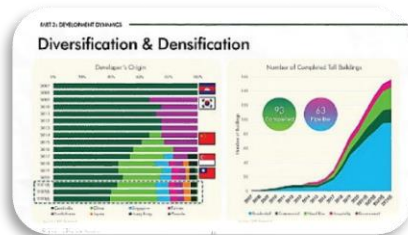


Highlight News / April 21/2021



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Real estate investments looking up



Cambodia News | 20 April, 2021

The real estate investment climate looks bright post-COVID for Cambodia despite fierce competition in some sectors and an oversupply of office space, according to real estate agency CBRE managing director James Hodge. Hodge recently hosted a webinar alongside Jay Cohen, the director of law firm Tilleke & Gibbons' Phnom Penh branch and the two discussed different avenues for investors hoping to make an impact in the Kingdom. Hodge said although Cambodia lags behind some of its neighbours in the level of development, the strong GDP growth the country experienced before the pandemic should resume once the dust settles. He said the tried-and-true practice of buying land and developing on it is still viable for larger investors, but the dynamics of the market are changing, leading to opportunities in other areas. As Cohen explained in detail, the ground-up approach is usually conducted by securing land with a Cambodian partner and creating a land holding company before establishing another company to develop the land. This is because foreigners cannot own land outright in the Kingdom. Looking outside the normal investment channels, opportunities exist in less crowded sectors than condominiums, offices and retail spaces. Hospitals, schools and industrial and logistics projects offer less competitive clutter. "The pandemic has created more demand particularly for health care and for education domestically," he said. He

also mentioned retirement housing, data centres and potentially student housing in the future as possible sectors to invest in. As a symbol of Cambodia's capacity to develop rapidly, Hodge pointed to Sihanoukville, which was transformed from a quiet tourist town and fishing village to a gaming hub and modernistic city in a short time. "Whilst this is an extreme example, it's a good indicator of quite a lot of the things that we're seeing in Cambodia and in particular how Cambodia is gearing itself up for resurgent growth after the Covid-19 pandemic recedes," he said. The infrastructure in Sihanoukville is equipped with smart technology which can monitor traffic and crime data and he said this may be replicated in new developments throughout Cambodia. "If the Kingdom can introduce this kind of smart infrastructure as a first step rather than going through the usual development path then potentially the capacity and resilience of that infrastructure can be much better than we might have seen and it can help Cambodia to grow even quicker," he said. Infrastructure upgrades throughout the Kingdom are apparent, he added, such as road upgrades and expressway routes connecting major points of interest, such as between Phnom Penh, Sihanoukville and Ho Chi Minh City. He also mentioned the rapid development of the third ring road around Phnom Penh as an example of development priorities taking place outside the city, as city land prices rise and developers seek more affordable options with a clearer path to solid returns. As the customer base for recent

development shifts from international customers to domestic buyers, affordable housing developments have experienced a rise in demand. Investors have two paths to choose, he said, by investing in affordable developments on the city outskirts, or pinning hopes on an increased demand for high-rise luxury units in the city once the economy recovers from the pandemic. Hodge also expects there to be a window for opportunistic investors to take over incomplete projects hampered by a lack of funding. Other factors affecting the real estate environment include de-dollarisation – a practice which could benefit investors if the riel can retain strong value – and the lack of institutional investors like Blackrock in the country – an absence which allows plenty of room for small and mid-scale investors. The ongoing crisis in Myanmar has also caused developers to look elsewhere after their prospects were erased when the country spiralled into turmoil. He said mitigating risk is important when considering investing in Cambodia and this can be done by having clear investment and operational models and ensuring a stable source of cash flow. In the retail sector, Hodge said the market doesn't need more development, rather it needs operational changes and diversification to better take advantage of the market. For those looking for assets to buy, Hodge recommended looking into the hotel and condominium sectors. In the condo sector, he said buyers can expect 20 to 30 percent discounts with softer lending terms.

Source : <https://www.khmertimeskh.com/50841583/real-estate-investments-looking-up/>

Cambodia predicts 70 percent drop in global tourist arrivals



Cambodia News | 20 April, 2021

Cambodia on Monday, forecasted that global tourist arrivals to the Kingdom in 2021 would drop by another 70 percent because of the continuing impact of coronavirus. The country's Ministry of Tourism stated in its report "For 2021, due to the prolonged impact of COVID-19, Cambodia's tourism is projected to continue to drop by another 60 percent to 70 percent". The statement added that the Southeast Asian country got 1.31 million global travelers in 2020, dropped 80 percent from 6.61 million in 2019. Tourism got a gross revenue of only \$1.02 billion in 2020, a decline of 79 percent from \$4.92 billion in the year before, it added, stating that the sector contributed only 3 percent to the country's gross domestic product, dropped from 12 percent.

Source : <https://www.khmertimeskh.com/50841600/cambodia-predicts-70-percent-drop-in-global-tourist-arrivals/>

President calls for nations to strengthen unity to address challenges



Laos News | 21 April, 2021

President Thongloun Sisoulith has called for friendly nations in the region and around the world which are suffering the same fate to strengthen their trust and unity to overcome the challenges they currently face.

Mr Thongloun made the call when speaking at the online Boao Forum for Asia Annual Conference 2021 held in Boao, south China's Hainan province, on Tuesday. China's President Xi Jinping delivered a keynote speech via video during the opening ceremony of the conference, which was attended by senior officials from China as well as heads of state and government from 29 countries. The Lao president also highlighted the need, not only to reinforce solidarity and consolidate relationships among nations, but also to strengthen global governance and create a brighter future for the world. According to the Lao Ministry of Foreign Affairs, this year's conference is themed "A World in Change: Join Hands to Strengthen Global Governance and Advance Belt and Road Cooperation". The conference aimed to strengthen solidarity and expand the fine tradition of cooperation in Asia, allowing leaders in the region to discuss plans in response to the Covid-19 pandemic. The Asia-Pacific region is suffering from the global health crisis and an economic slowdown. It is essential to jointly fight the virus outbreak and concentrate on economic recovery cooperation as well as address other issues occurring in the region. The Boao Forum for Asia Annual Conference 2021 is a landmark for Laos, allowing its top leader to discuss challenges and exchange views with other regional leaders, researchers, and policy makers on possible solutions to regional problems and enhanced cooperation on various issues, notably those relating to economic integration, ICT

infrastructure and Laos' transformation from a land-locked to a land-linked country. The Lao government has stated that the Belt and Road Initiative is playing a significant role in helping the land-locked country to develop its economy and address its geographic disadvantages. As a result of Belt and Road Initiative cooperation, the Laos-China railway linking Vientiane to the Chinese border is now under construction and scheduled for completion at the end of this year. The railway is not only the main railway line in Laos but also connects to China and other Asean countries and is designed to promote regional cooperation and connectivity. Convenient transport links will also boost trade, investment and tourist arrivals in the region. The forum, now celebrating its 20th anniversary, has not only played a unique role in pooling consensus and putting forward valuable "Boao proposals", but has also engaged countries in addressing global issues and promoting world development and prosperity, according to a Xinhua report.

Source : https://www.vientianetimes.org.la/freeContent/FreeContent_President_75.php

Maritime trade

drops by \$4.3 bln in H1



Myanmar News | 20 April, 2021

The value of Myanmar's maritime trade over the first half (1 Oct-2 Apr) of the current financial year 2020-2021 sank to US\$10 billion, a drastic drop of over \$4.3 billion as against the year-ago period, according to the Ministry of Commerce. While

maritime exports were valued at \$4.06 billion, imports have registered at \$6.116 billion. Compared to the same period in the 2019-2020 fiscal year, imports fell by \$2.78 billion, while exports reported a decrease of \$1.53 billion. Meanwhile, the value of trade through the border this FY was estimated at \$5.6 billion, a decrease of \$264 million as against a year-ago period. Myanmar witnessed a slump in exports and imports triggered by the coronavirus pandemic. Both sea trade and border trade dropped amid the coronavirus impacts and political changes. The neighbouring countries tightened the border security and limited the trading time to contain the spread of the virus. For maritime trade, disruption in the logistic sector, the suspension of some ocean liners and the pandemic-induced container shortage scaled-down the maritime trade somehow. "The lack of money in circulation due to the closure of private banks decreases economic efficiency," an exporter stressed. The country's total external trade touched a low of \$15.78 billion, which plunged from \$20.36 billion recorded in a year-ago period. Myanmar's sea trade generated \$26 billion from an overall trade value of \$36 billion in the last FY 2019-2020, the Ministry of Commerce's statistics indicated. Myanmar exports agricultural products, fishery products, minerals, livestock, forest products, finished industrial goods, and other products. At the same time, it imports capital goods, consumer goods, and raw industrial materials. The country currently has nine ports involved in sea trade. Yangon Port is the main gateway for

Myanmar's maritime trade. It includes the Yangon inner terminals and the outer Thilawa Port. — MM/GNLM

Source : <https://www.khmertimeskh.com/50841583/real-estate-investments-looking-up/>

FDI attraction not yet sustainable: Insider



Vietnam News | 20 April, 2021

Foreign direct investment (FDI) poured into Vietnam during the first quarter of 2021 increased compared to the same period last year despite complex developments of COVID-19, which was a relatively positive result but is not sustainable, an insider has said. In Q1, the country attracted US\$10.13 billion in FDI, up 18.5% year-on-year. Of the figure, US\$4.1 billion was disbursed, rising 6.5%. Nguyen Van Toan, Vice Chairman of the Vietnam Association of Foreign Invested Enterprises, told the Cong Thuong (Industry & Trade) newspaper that foreign investment is yet to be sustainable since growth was concentrated in March, with nearly US\$5 billion registered. He highlighted a liquefied natural gas-fuelled power plant worth US\$3.1 billion invested by Singapore in the Mekong Delta province of Long An. This major project was granted an investment registration certificate on March 19, providing a strong boost to FDI inflows in March and Q1 as a whole. In addition, most investment during the period still came from traditional partners like Singapore, the Republic of Korea, Japan, and China, while that from the US and Europe remained modest. Given this, there weren't any breakthroughs in FDI flows during the first three

months, he went on. Considerable improvements have been recorded in FDI disbursement, Toan noted, with disbursed capital increasing each year, from US\$12.5 billion in 2014 to US\$20.3 billion in 2019 and then US\$19.98 billion in 2020 despite the pandemic. However, he also pointed out that total registered FDI in Vietnam has to date reached US\$388.8 billion, but only US\$234.36 billion or 60.2% has been disbursed. Disbursed capital in Q1 accounted for just 40% of registered investment. It is disbursed capital, not registered capital, that shows FDI is flowing into the economy, according to Toan. To narrow the gap between registered and disbursed capital, he suggested, the Government, ministries, sectors, and localities should adopt more effective and stronger solutions in the time ahead.

Source : <https://vov.vn/en/economy/fdi-attraction-not-yet-sustainable-insider-851567.vov>

Economic institute forecasts 6.3%

GDP for Vietnam in 2021



Vietnam News | 20 April, 2021

Unveiling a macroeconomic update for the first quarter of the year in Hanoi on April 20, Dr. Pham The Anh, lead economist of the VEPR, stated that the target is likely to be achievable due to Vietnam's effective anti-coronavirus measures, and signs of global economic recovery following the easing of restrictions in many countries. Furthermore, the recent establishment of a new Party and State leadership is anticipated to create a dynamic

economic outlook for Vietnam throughout 2021 and ahead to subsequent years, said Dr. Anh. The VEPR report indicates that Vietnam enjoyed a GDP growth rate of 4.48% during the first quarter largely due to the Government's swift control of COVID-19 outbreaks which served to maintain economic performance. Meanwhile, economic expectations were also lifted thanks to the completion of the Free Trade Agreement and the Investment Protection Agreement between Vietnam and the European Union. Moreover, the high growth was largely driven by a rapid disbursement and accelerated implementation of key public investment projects alongside a wave of investment and trade shifting, helping to stabilise the macro environment and control inflation at an acceptable level. Despite this positive outlook, Dr. Anh warned that Vietnam is facing a range of challenges caused by an uncertain global economic environment. The recurrence of COVID-19, accompanied by blockade measures occurring in many countries which prolong supply chain failures, will ultimately cause business resilience to be weaker. In addition, various geopolitical conflicts between major economies could expose an open economy like Vietnam to plenty of unexpected risks. Internally, Dr. Anh urged the country to be cautious about risky factors such as a large fiscal imbalance, a low speed of infrastructure development investment, and low

management efficiency. The overall health of the banking-financial system also remains vulnerable in spite of improvements, whilst there is still a heavy dependence of growth on the foreign direct investment (FDI) sector, coupled with a lack of autonomy in terms of technology and raw materials within the manufacturing sector. When detailing solutions to these issues, the VEPR report examines social security policies and how they can be quickly implemented and target the right people. It emphasises that policy implementation must pay close attention to workers in the informal sector as they make up a large proportion of those impacted and are the most vulnerable to crisis. They would also be the hardest hit by issues and are the difficult to access through support policies. The report also recommends that support policies for businesses include those on tax breaks, be implemented quickly to meet the practical needs of businesses. With regard to integration, the report points out that in the year ahead the country's major markets, including the United States and China, are expected to enjoy a significant recovery which will present advantages for local exporters.

Source : <https://vov.vn/en/economy/economic-institute-forecasts-63-gdp-for-vietnam-in-2021-851682.vov>
