

Cambodia, Laos and Myanmar Business Forecast Report Q4 2013

<https://marketpublishers.com/r/C448DC0A861EN.html>

Date: September 2013

Pages: 51

Price: US\$ 1,195.00 (Single User License)

ID: C448DC0A861EN

Abstracts

Political Risks The Key Concern

Cambodia

Following the disputed general election result at the end of July, where preliminary results showing a Cambodian People's Party (CPP) victory were strongly rejected by the Cambodia National Rescue Party (CNRP), a period of political deadlock is at hand.

With bipartisan talks to investigate the disputed polls breaking down, and rumours swirling that the CNRP may boycott parliament, we have downgraded Cambodia's short-term political risk ratings to reflect the rise in uncertainty caused by the CPP's loss of dominance. For similar reasons, however, we have upgraded the long-term ratings, as a reduced concentration of power is a positive step towards strengthening the country's democracy.

That said, we believe that Cambodia's crucial tourism industry faces risks from the political instability arising from the deadlock. While we remain bullish on the Cambodian tourism industry and do not expect these developments to curtail growth, we cannot rule out a negative shock, particularly in the event that Prime Minister Hun Sen cracks down on protesters.

Laos

Investment flows into Laos remain strong despite concerns towards the government's decision in mid-2012 to bar new mining investment and its refusal to grant land concessions for certain agricultural purposes. We believe that the energy sector, and in

particular the hydropower sector, will continue to attract a majority of foreign investment into the economy going forward. Meanwhile, we also believe that Laos has the potential to become both a consumer and producer of electric vehicles, and Vientiane's decision to partner with the Japan International Cooperation Agency suggests that the country may witness an emerging presence of Japanese automakers going forward. Additionally, development of Laos' financial sector continues apace as the Laos Securities Exchange looks to increase the number of companies listed on the local bourse, and also expand the exchange's product offerings. That said, we expect the exchange to face an uphill task in meeting its objectives as financial education remains sorely lacking. Going forward, we expect to see a growing presence of foreign banks within the country as foreign investment continues to plough into the country and foreign investors maintain their preference for borrowing from non-domestic sources.

Myanmar

Myanmar's ongoing reform story continues to impress, and has largely met our expectations thus far. Key developments include a spate of important reforms, ranging from 2012's Foreign Investment Law to more recent achievements such as the Central Bank and Telecoms laws, which were approved in July and August, respectively. While the ability to pursue continued reforms will remain one of the key pillars of Myanmar's growth story going forward, we nevertheless note that the greater overarching theme to keep an eye on is still political stability, which should not be taken for granted. In particular, we note that 2015's general elections will provide a major test of the ruling USDP's resolve to allow Myanmar to develop into a full democracy, and that free and fair elections in the style of 2012's by-elections are far from guaranteed. While our core view assumes that reforms will continue to be on a solid footing beyond 2015, we stress that political risks are still a prescient concern for anyone looking to do business in Myanmar.

Contents

BMI Ratings

BMI Risk Ratings – Cambodia

BMI Risk Ratings – Laos

BMI Risk Ratings – Myanmar

BMI Risk Ratings – Asia Tables

Executive Summary

Regional Outlook

Domestic Politics

Why Is Economic Reform So Difficult?

Implementing economic reforms is often fraught with difficulties, meaning that the scope for rapid change is limited. The safest course of action lies with a gradualist approach.

Economic Activity

China's Changing Impact On Regional Manufacturing

China's endeavours to revamp its industrial structure and will be the primary driving force shaping Asia's manufacturing landscape going forward.

CHAPTER 1.1 POLITICAL OUTLOOK – CAMBODIA

Domestic Politics

Post-Election Wrangling Highlights New Political Era

Following the disputed general election result at the end of July, where preliminary results showing a Cambodian People's Party (CPP) victory were strongly rejected by the Cambodia National Rescue Party (CNRP), a period of political deadlock is at hand.

TABLE: CAMBODIA POLITICAL OVERVIEW

Long-Term Political Outlook

Addressing Corruption And Inequality Will Be Key To Stability

Cambodia's long-term political outlook largely depends on the ruling Cambodian People's Party (CPP)'s ability to address widespread corruption and income inequality, which have been fuelling public dissent against the government in recent years.

CHAPTER 1.2 ECONOMIC OUTLOOK – CAMBODIA

Economic Activity

Political Deadlock Poses Risk To Tourism

Cambodia's crucial tourism industry faces risks from political instability as post-election deadlock remains and threatens to spawn mass opposition-led protests.

TABLE: CAMBODIA - ECONOMIC ACTIVITY

CHAPTER 1.3: KEY SECTOR OUTLOOK – CAMBODIA

Industry Trends And Developments

Lowering Floor Could Lead To Bottoming Out

CHAPTER 2.1 POLITICAL OUTLOOK – LAOS

Domestic Politics

Political Repression May Reverse Foreign Aid Inflows

Laos has witnessed a surge in foreign financial aid and economic assistance of late and we believe that this development certainly stands to be a positive for the country.

TABLE: LAOS POLITICAL OVERVIEW

Long-Term Political Outlook

Growing Dissent Against LPRP Poses Risk Of Upheaval

Laos's long-term political outlook will depend heavily on how well the country balances the need to spur economic growth to achieve its millennium development goals and the need to address widespread corruption and dissent against the government.

CHAPTER 2.2 ECONOMIC OUTLOOK – LAOS

Economic Activity

Financial Market Expansion To Maintain Course

Development of Laos' financial sector continues apace as the Laos Securities

Exchange looks to increase the number of companies listed on the local bourse, and expand the exchange's product offerings.

TABLE: LAOS – ECONOMIC ACTIVITY

CHAPTER 2.3: KEY SECTOR OUTLOOK – LAOS

Economic Analysis

EVs, Hydropower To Benefit As Government Sharpens Reforms

Investment flows into Laos remain strong despite concerns towards the government's decision in mid-2012 to bar new mining investment and its refusal to grant land concessions for certain agricultural purposes.

CHAPTER 3.1 POLITICAL OUTLOOK – MYANMAR

Domestic Politics

Three Risks That Could Derail Political Reforms

Despite the fact that reform momentum is progressing in Myanmar amid a relatively harmonious political environment, BMI continues to believe that substantial risks are lurking.

Long-Term Political Outlook

Regime Change From Within?

Myanmar remains one of few Asian states to have withstood the tide of democratisation since the 1980s.

TABLE: MYANMAR POLITICAL OVERVIEW

CHAPTER 3.2 ECONOMIC OUTLOOK – MYANMAR

Economic Activity

Tourism Sector Highly Attractive Despite Classic Frontier Risks

Myanmar's burgeoning tourism industry is perhaps the lowest-hanging fruit among the country's impressive suite of opportunities over the short to medium-term, yet the numerous risks that apply to its overall development story mean that nothing in the former pariah state will be a sure bet.

TABLE: MYANMAR - ECONOMIC ACTIVITY

CHAPTER 3.3: KEY SECTOR OUTLOOK – MYANMAR

Industry Trend Analysis

Construction Boom Modest For Now

We believe that near-term construction growth in Myanmar could remain at levels close to 2012, based on our new 10-year forecasts for Myanmar's construction sector.

CHAPTER 4: BMI GLOBAL ASSUMPTIONS

Global Outlook

Lowering EM Growth Forecasts

TABLE: GLOBAL ASSUMPTIONS

TABLE: DEVELOPED STATES, REAL GDP GROWTH, %

TABLE: BMI VERSUS BLOOMBERG CONSENSUS REAL GDP GROWTH FORECASTS, %

TABLE: EMERGING MARKETS, REAL GDP GROWTH, %

I would like to order

Product name: Cambodia, Laos and Myanmar Business Forecast Report Q4 2013

Product link: <https://marketpublishers.com/r/C448DC0A861EN.html>

Price: US\$ 1,195.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service:

info@marketpublishers.com

Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click button on product page <https://marketpublishers.com/r/C448DC0A861EN.html>