

ASEAN & Business Opportunity



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Experience :

- SVP – Sector Head Equity Investment Sector,
Financial Management Group
- SVP, Dept. Head -Overseas Branch Strategy Dept.
- General Manger, Singapore Branch
- General Manager, Mumbai Branch

Agenda



Potential of ASEAN



Business Opportunities



KTB and AEC













Cambodia



Potential of ASEAN

The population of ASEAN

Unit : Mio.

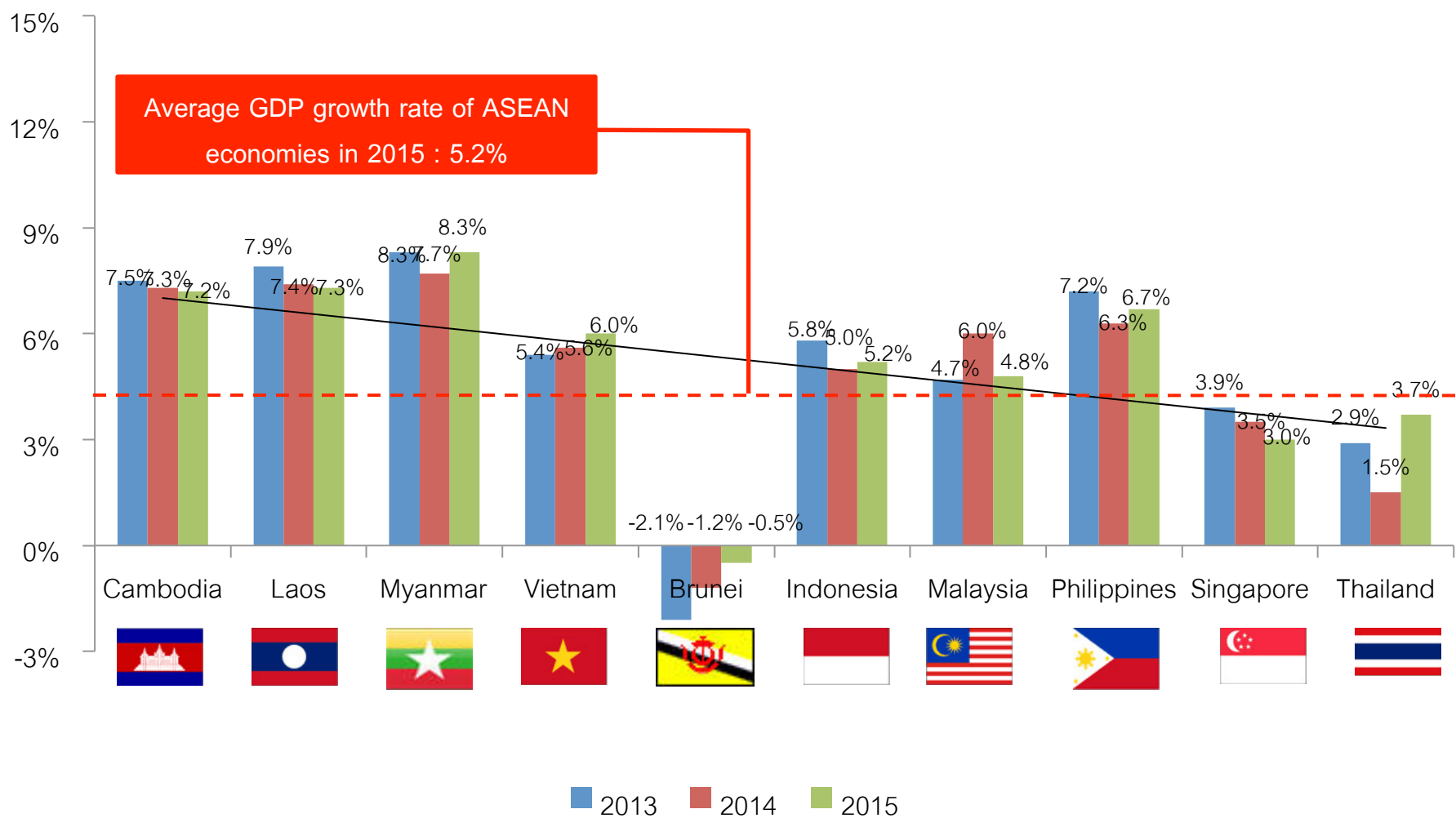
Country	2015 (Est.)	% Urban Population*
 Cambodia	15.7	20.7
 Laos	6.9	38.6
 Myanmar	56.3	34.1
 Vietnam	94.3	33.6
 Brunei	0.4	77.2
 Indonesia	256.0	53.7
 Malaysia	30.5	74.7
 Philippines	101.0	44.4
 Singapore	5.6	100.0
 Thailand	67.9	50.4

Enormous
room for
development

Source: CIA, World Fact Book

*Data as of July 2015

ASEAN economies have shown resilient growth performance










Source: Moody's

Income per capita of advanced economies shows a weak trend

GDP Per Capita of advanced economies

Unit : USD

Country	2013	2014	2015	% Gth (14/13)	% Gth (15/14)
 Canada	52,385	50,298	45,029	-4.0%	-10.5%
 France	44,098	44,423	38,458	0.7%	-13.4%
 Germany	46,181	47,662	41,955	3.2%	-11.9%
 Italy	36,025	35,959	30,594	-0.2%	-14.9%
 Japan	38,468	34,500	33,223	-10.3%	-3.7%
 UK	41,794	46,115	43,940	10.3%	-4.7%
 US	53,001	54,586	56,421	3.0%	3.4%

Source: Moody's











"GDP Per Capita of G7 decreased between 2013-2015 except US"

The continued growth of ASEAN is reflected in the improved GDP per capita

GDP Per Capita of ASEAN countries

Source: Moody's










Unit : USD

Country	2013	2014	2015	% Gth (14/13)	% Gth (15/14)
 Cambodia	1,010	1,092	1,168	8.1%	6.9%
 Laos	1,594	1,697	1,799	6.5%	6.0%
 Myanmar	1,113	1,270	1,292	14.1%	1.7%
 Vietnam	1,909	2,055	2,088	7.6%	1.6%
 Brunei	39,659	42,239	28,237	6.5%	-33.1%
 Indonesia	3,672	3,533	3,362	-3.8%	-0.6%
 Malaysia	10,457	10,803	9,557	3.3%	-11.5%
 Philippines	2,791	2,846	2,858	2.0%	0.4%
 Singapore	55,982	56,284	52,888	0.5%	-6.0%
 Thailand	5,670	5,445	5,742	-4.0%	5.4%

"GDP Per Capita of CLMV increased but slow down between 2014-2015"

Import - Export Volume

Unit : Baht

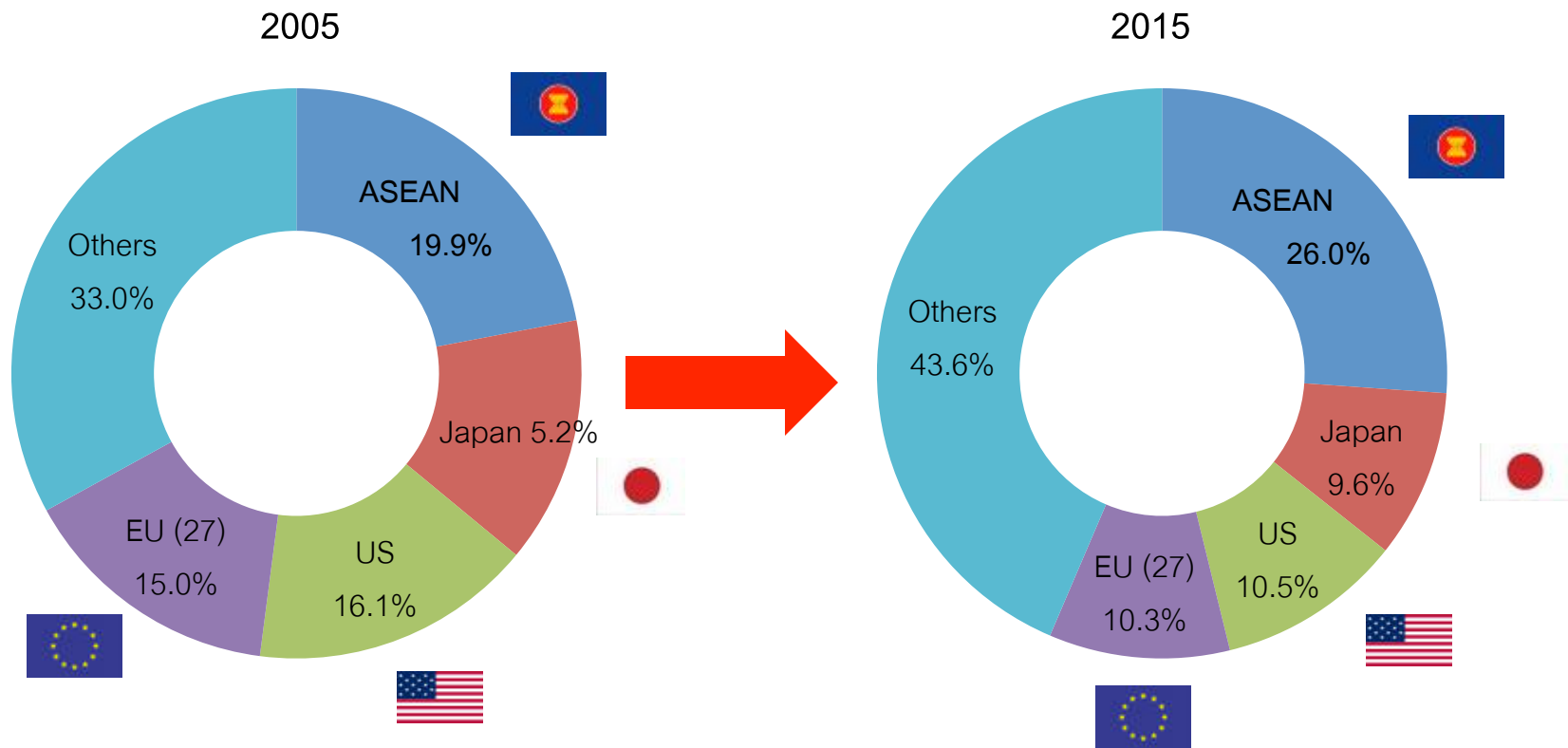
Country	Import (JAN-DEC 2016)	Export (JAN-DEC 2016)
 Cambodia	21,593,264,882	166,974,379,472
 Laos	50,291,273,993	142,843,022,176
 Myanmar	121,185,577,583	140,638,500,288
 Vietnam	137,847,972,039	300,844,267,667
 Brunei	24,280,164,243	3,558,485,492
 Indonesia	223,589,269,903	263,471,925,347
 Malaysia	406,033,171,004	342,470,258,839
 Philippines	80,388,411,037	202,735,122,762
 Singapore	242,928,391,477	293,463,816,814

Source : The Customs Department, Thailand

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Trading partners are changing significantly

ASEAN became Thailand's top export destination with 26.0% market share



Source: Ministry of Commerce, Thailand

ASEAN Connectivity



Source: กระทรวงคมนาคม

R1: Southern Economic Corridor (SEC)

Bangkok-Aranyaprathet-polyped-Pratabong-Phnom
Phen-Hochi Minh-Vong Tao

R2: East-West Economic Corridor (EWEC) 1,320 km

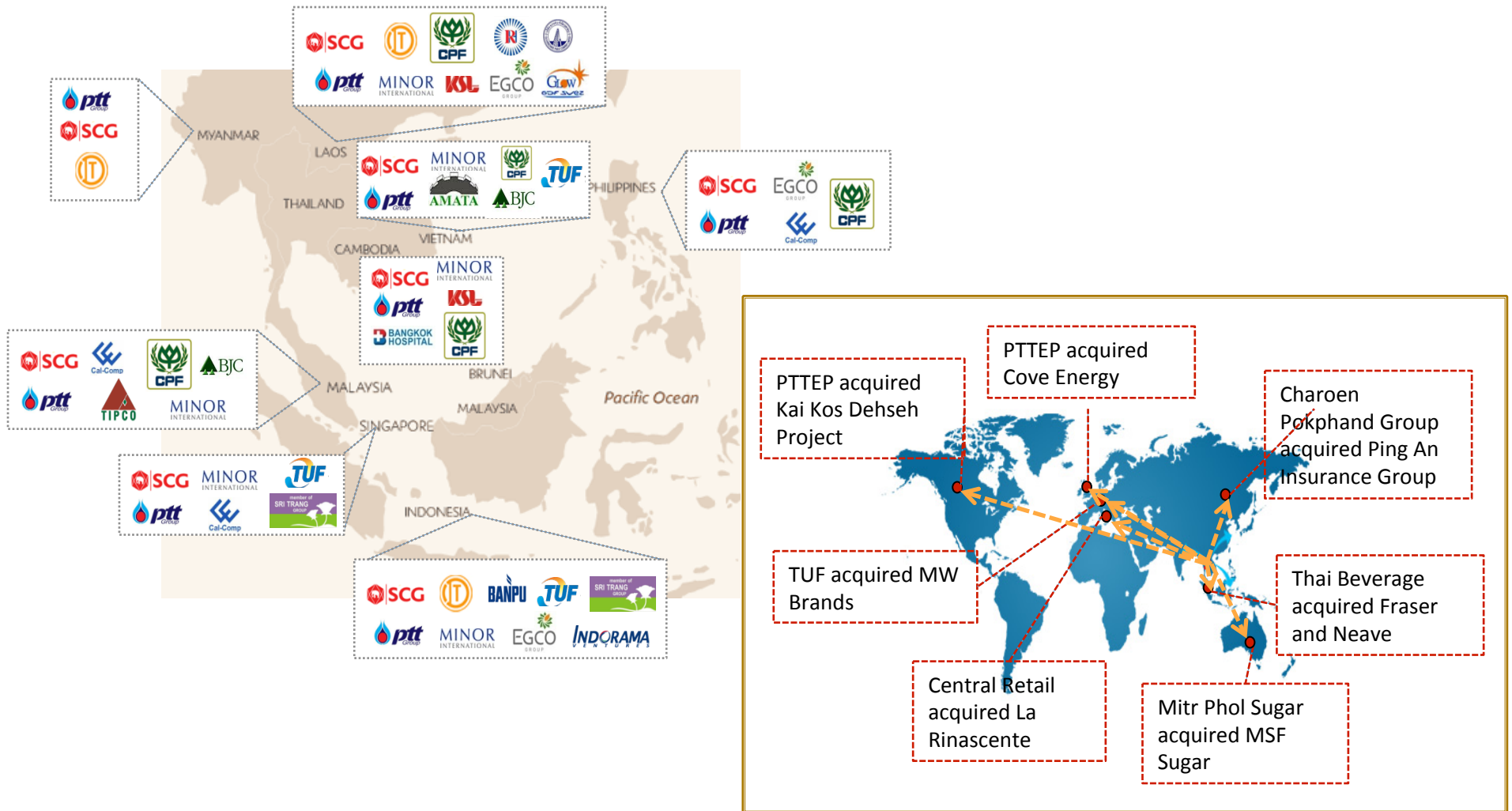
Malamang-Mae Sod -Tak -Sukothai -Phisanulok- Khon
Kaen- Mukdahan-savannakhet-Lao bao-Dong Ha-
Danung

R3: North-South Economic Corridor (NSEC)

R3A: Via Lao: Chiang Rai-Chiang Kong-Huay xai-Luang
Namtha- Bohan - Chiang Rung - Kunming

R3B: Via Myanmar: Chiang Rai- Mae Sai - Takelek -
Chiang Tung- Chiang Rung - Kunming

Thai companies continued invest abroad









Source: SET



Business Opportunities

Target Customers

- | | | |
|---|------------------------------------|---|
| 1 | International Trade |  |
| 2 | Border Trade |  |
| 3 | ASEAN Tourists |  |
| 4 | Local Retail Customers |  |
| 5 | Inbound FDI
(Foreign Investors) |  |
| 6 | Outbound FDI
(Thai Investors) |  |

Concerning Issues :

- Business fundamental/opportunities
- Business Partner
- Taxation
- Law
- Regulations
- Investment Privileges
- Culture/People/Language
- Infrastructure development
- Banking sector



Issue :

- **Starting a Business**
- **Dealing with construction permits**
- **Getting Electricity**
- **Registering Property**
- **Getting Credit**
- **Paying Taxes**
- **Trading across borders**
- **Enforcing Contracts**

Ease of doing business

Rank :

Country	2015	Change	2016
Singapore	1	-	1
Malaysia	18	-	18
Thailand	26	↓	49
Vietnam	78	↓	90
The Philippines	95	↓	103
Brunei	101	↑	84
Indonesia	114	↑	109
Cambodia	135	↑	127
Laos	148	↑	134
Myanmar	177	↑	167

Source : www.doingbusiness.org
















As of July 5th,2016

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KTB and AEC

ASEAN Regional Banks Network Coverage

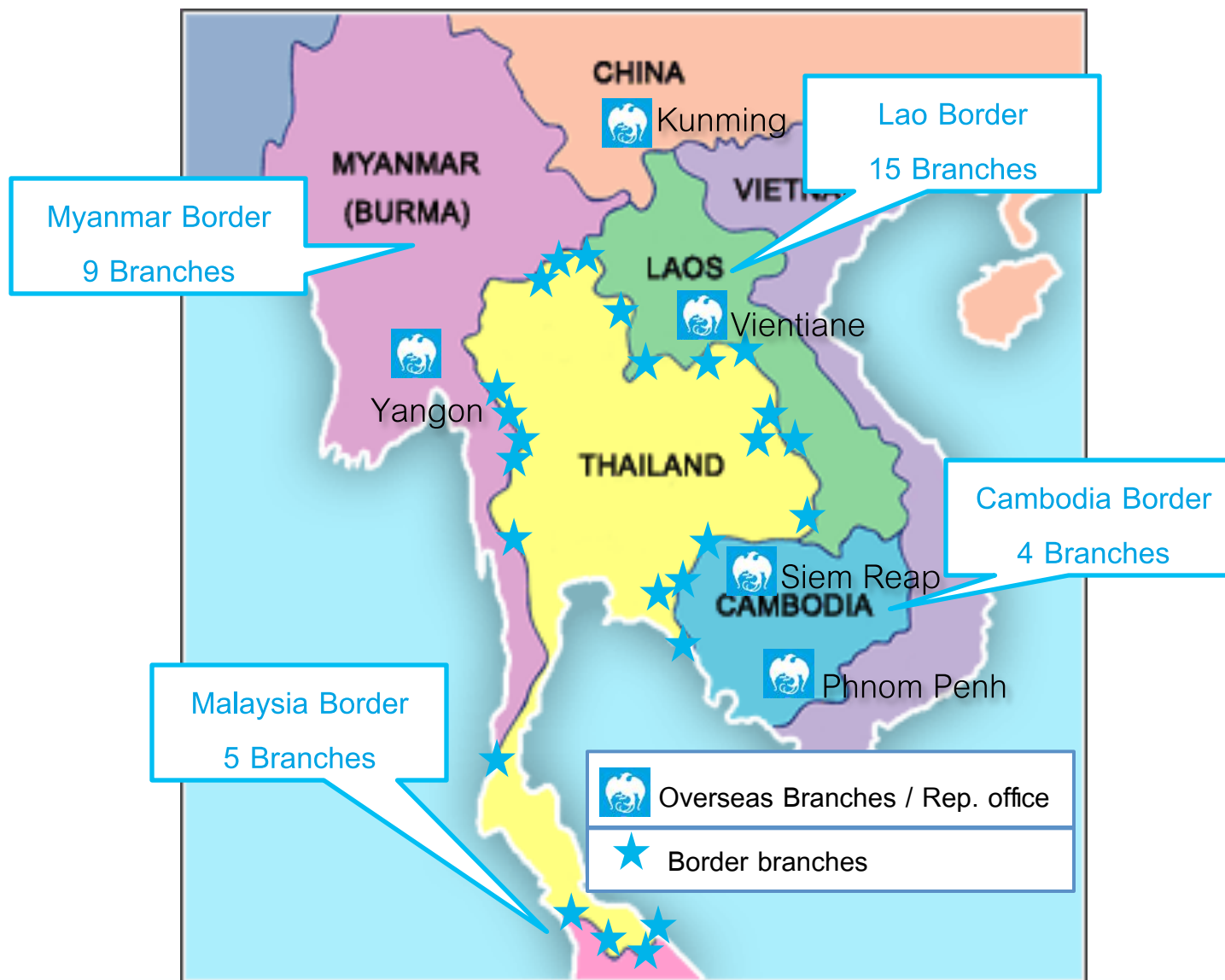
Country	 DBS	 UOB 大華銀行	 OCBC Bank	 Maybank	 CIMB
SG 	Blue	Blue	Blue	Blue	Blue
MY 	Blue	Blue	Blue	Blue	Blue
TH 	Blue	Blue	Blue	White	Blue
INDO 	Blue	Blue	Blue	Blue	Blue
PHP 	Blue	Blue	Blue	Blue	White
BRU 	Blue	White	Blue	Blue	Blue
VT 	Blue	Blue	Blue	Blue	Blue
LAO 	White	White	White	Blue	Blue
CAM 	White	White	White	Blue	Blue
MYR 	Blue	Blue	Blue	Blue	Blue

Thai Banks

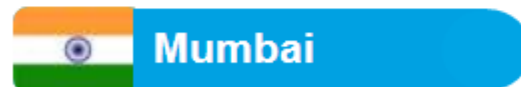
Country	 ธนาคารกรุงเทพ Bangkok Bank	 ธนาคารกรุงไทย KRUNGTHAI BANK	 SCB ไทยพาณิชย์	 ธนาคารกสิกรไทย KASIKORN BANK
SG 	1 Foreign Branch	1 Foreign Branch	1 Foreign Branch	
MY 	5 Subsidiary			
TH 	1,138	1,214	1,209	1,121
INDO 	3 Foreign Branch			1 Rep. Office
PHP 	1 Foreign Branch			
BRU 				
VT 	2 Foreign Branch		1 Foreign Branch	2 Rep. Office
LAO 	2 Foreign Branch	1 Foreign Branch	1 Foreign Branch	1 Subsidiary
CAM 	1 Foreign Branch	2 Foreign Branch	4 Subsidiary	1 Foreign Branch
MYR 	1 Foreign Branch	1 Rep. Office	1 Rep. Office	1 Rep. Office



KTB Branch network along border areas



KTB Overseas branches

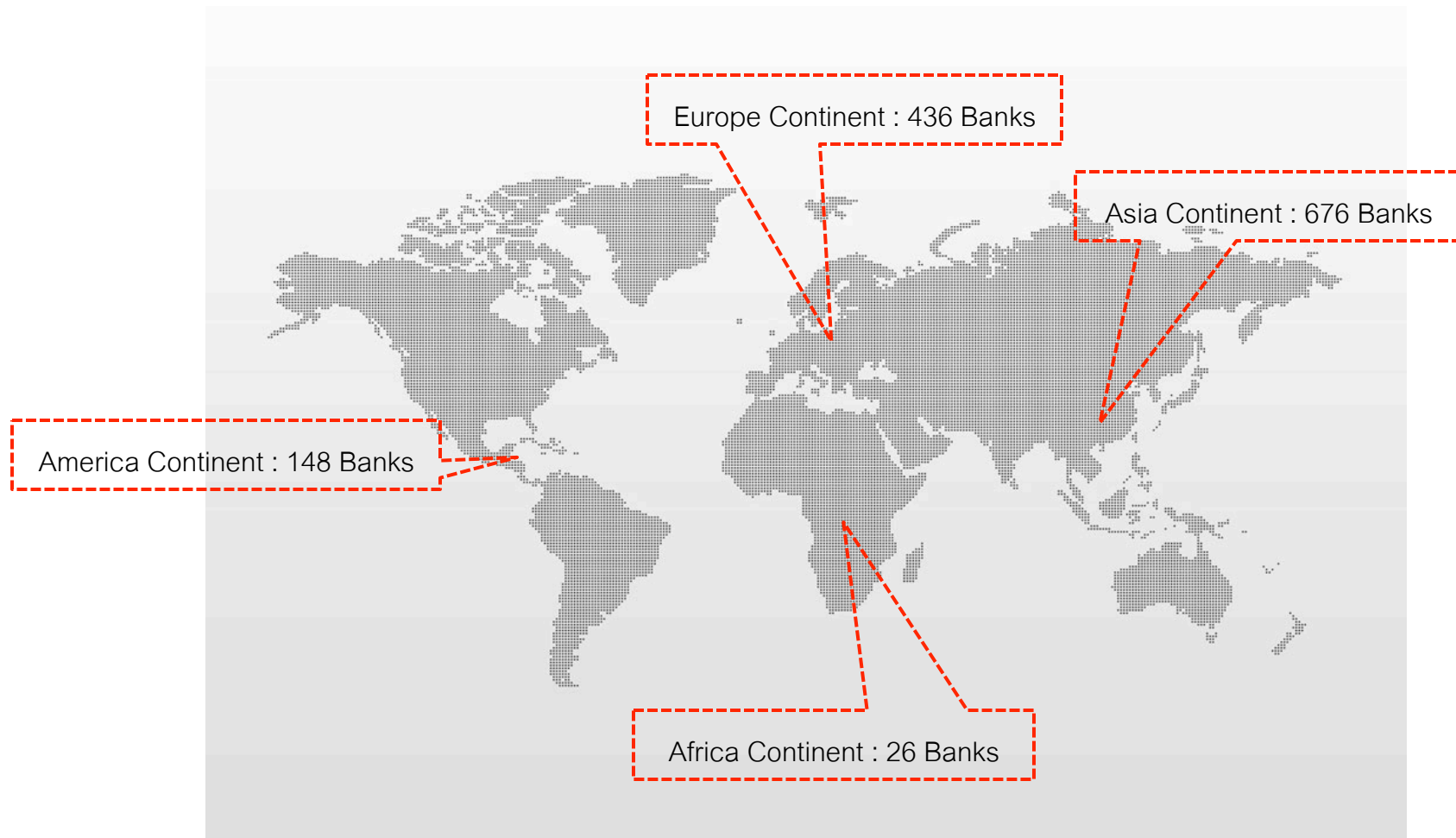


8 Overseas Branches and 1 Representative Office

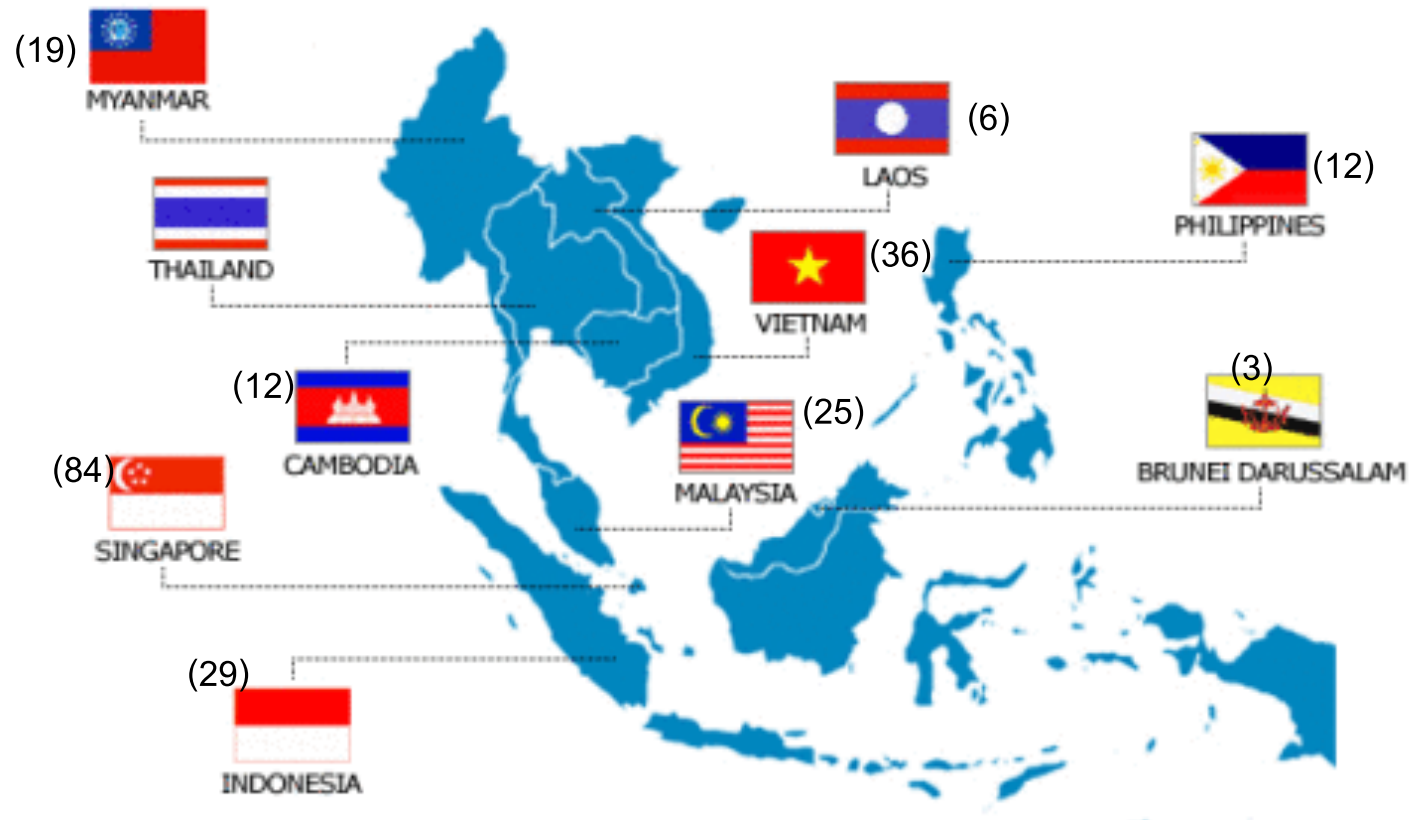


Correspondent banks

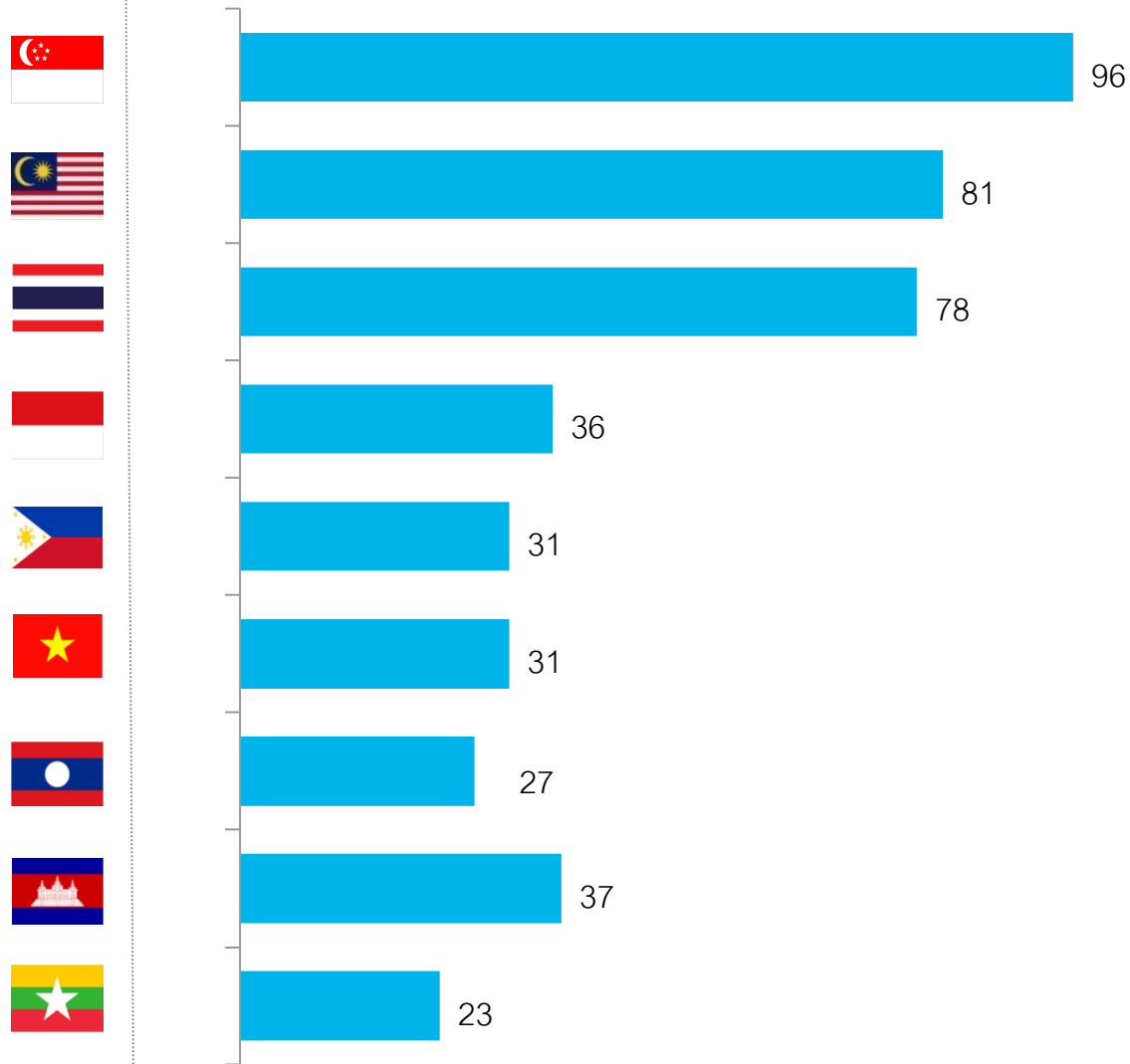
Currently, KTB has network with over 1,286 correspondent banks in 116 countries



Correspondent banks - ASEAN



Banking Penetration (Commercial Bank)



Source : Banking in ASEAN Pacific (EY 2015), ASEAN Statistical Yearbook

- **Credit Facility**
- **Trade Finance**
- **Remittance**
- **Deposit**
- **Foreign Exchange Service**





Cambodia

Cambodia : Economic Overview

Economic Highlight

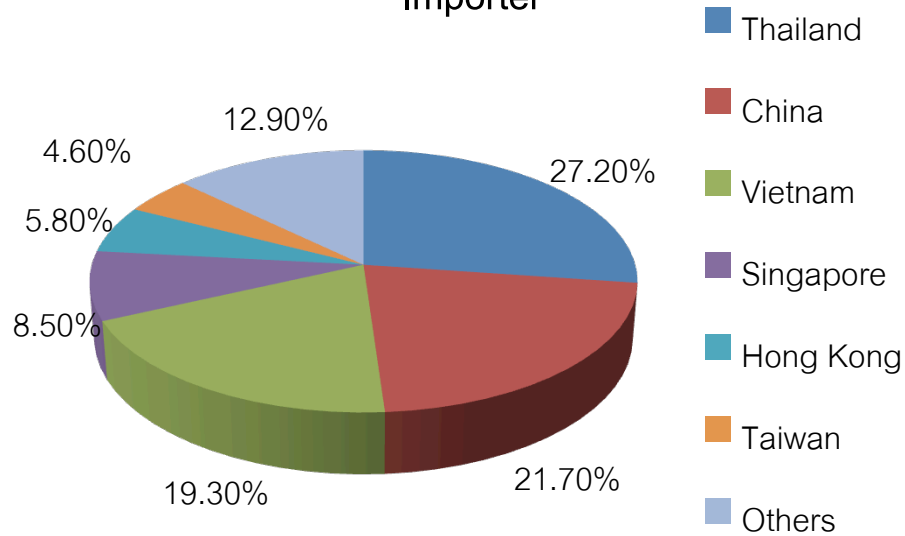
	2014	2015	2016	2017
GDP Growth	7.1%	7.0%	7.0%	7.1%
Inflation	3.5%	3.5%	2.5%	3.0%
Current Account Balance (Share of GDP)	-11.3%	-10.9%	-11.1%	-10.0%

- Cambodia has sustained high growth at an average 7.9% from 2000 to 2016
- Garments, construction, and services to drive economic growth in Cambodia in 2016 and 2017
- Cambodia needs to diversify economic further to create more good jobs and raise incomes

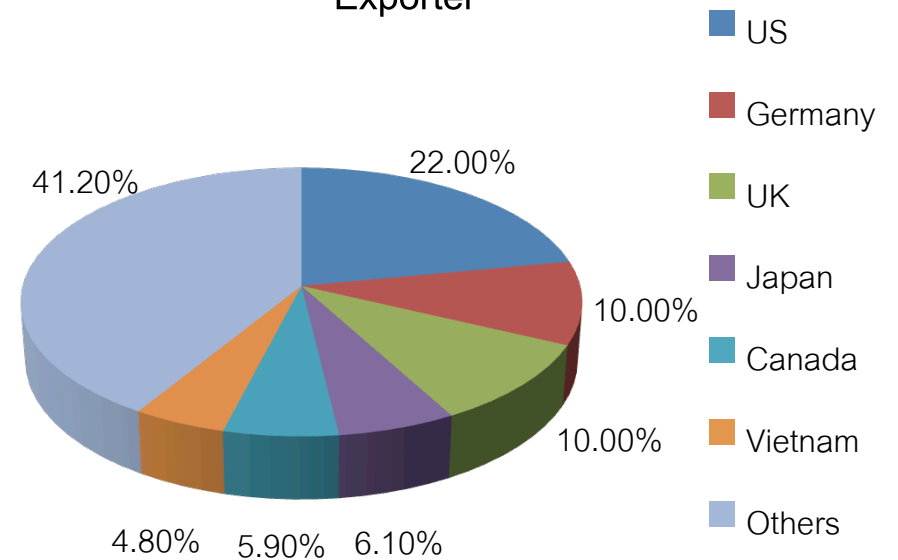
Source: Asian development outlook 2016

Cambodia : Economic Overview

Importer



Exporter



Top 5 Products imported by Cambodia

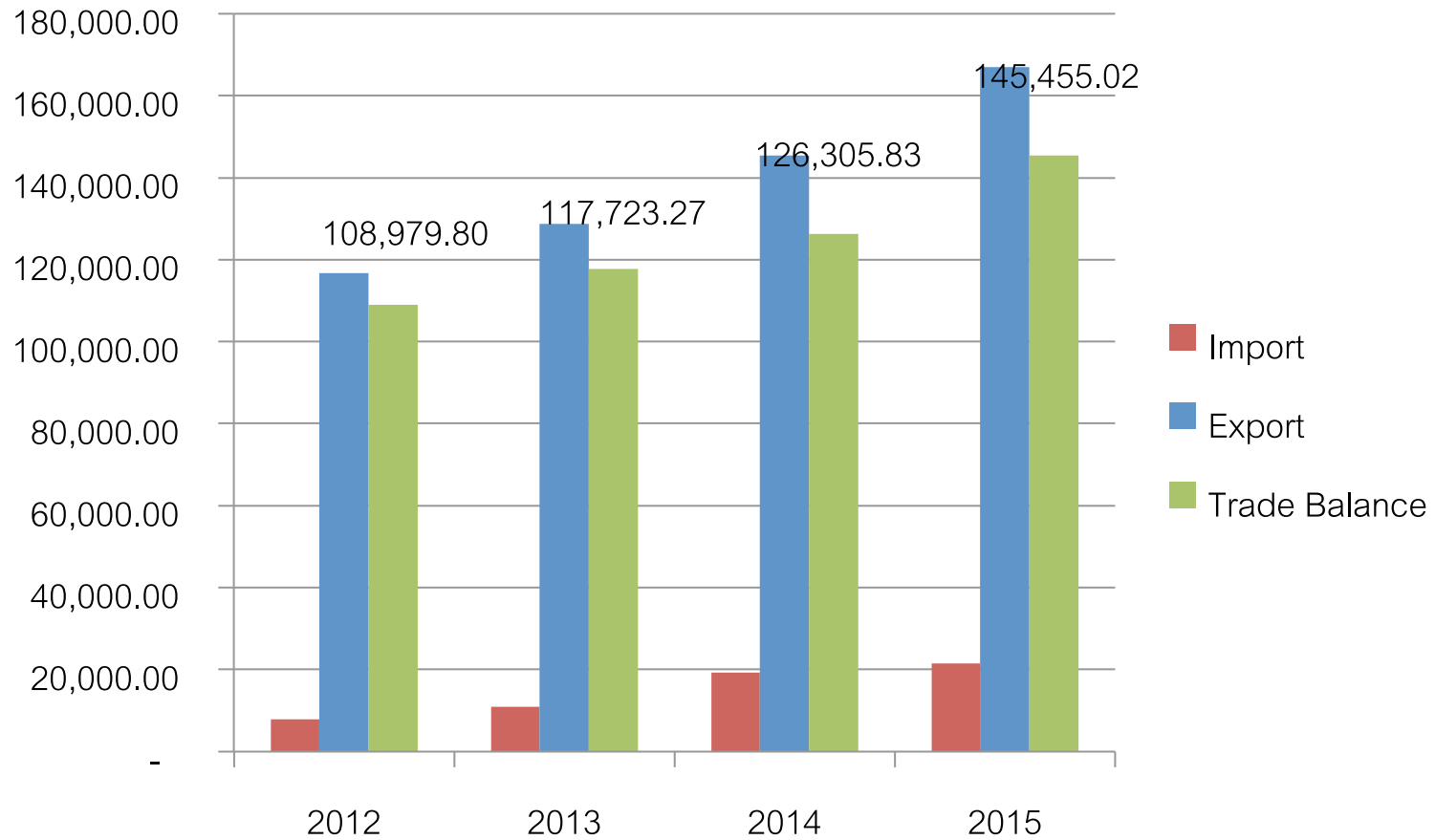
Light rubberized knitted Fabric (22.95%) Mineral Product (15.44%)
 Machines (13.22%) Foodstuffs (10.60%) Metals (6.60%) Chemical
 products (5.83%) Precious metals (3.28%)

Top 5 Products exported by Cambodia

Textiles (68.02%) Footwear and headwear (9.84%) Chemical
 products (5.51%) Vegetable products (4.94%) Machines (3.71%)
 Wood products (5.51%)

Trade Volume between Thailand and Cambodia

Unit : Mio.Baht

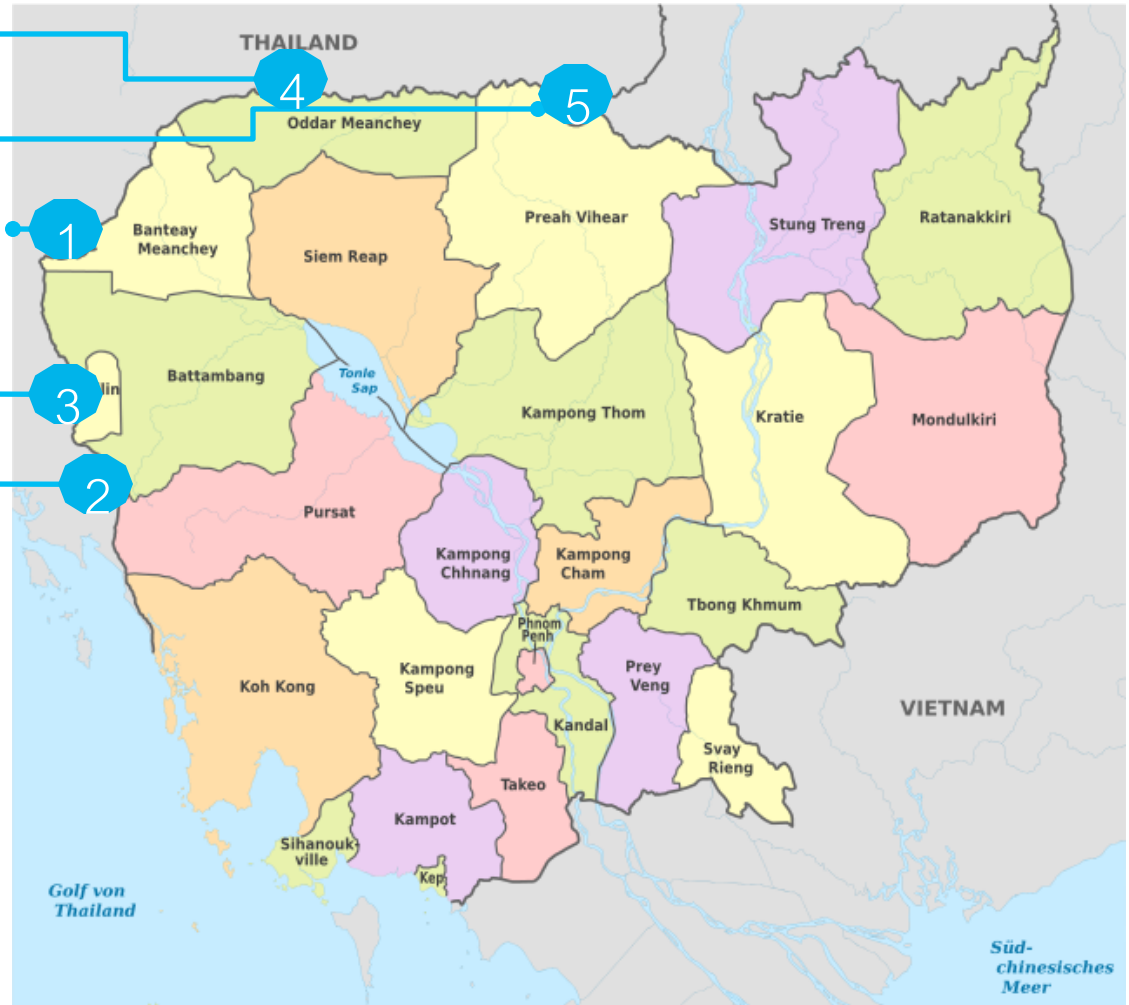


Source: Ministry of Commerce (Thailand)

Border Trade Volume : Thailand - Cambodia

- Surin –Oddar Meanchey 1,088.78 Mio.Baht
- Ubon – Preah Vihear 338.90 Mio.Baht
- Sa Kaeo - Banteay Meanchey 44,949.53 Mio.Baht
- Chanthaburi – Pailin 11,987.66 Mio.Baht
- Trat -Battambang 26,329 Mio.Baht

Total 84,694.36 Mio.Baht



Source: Ministry of Commerce, as of Dec. 2015

Why Cambodia ?

Reasons to Invest

- Open economy
- Sound Macroeconomic Environment
- Competitive Investment Incentives
- Government's strong support for private sector
- One Stop Service – Fast Track Investment Approval Process (28 days)
- Low Labour Cost
- Strategic Location

Best Prospects

- Tourism Infrastructure and Resorts
- Education
- Architecture, Construction, and Engineering Services
- Household Goods and Appliances
- Agribusiness and Food Processing
- Used Cars and Automotive Parts
- Power Generation Equipment
- Fast Food and Beverage Franchises
- Pharmaceuticals, Medical Supplies, and Medical Equipment
- Banking



Priorities and Restrictions



Priorities	General Restrictions	Restrictions for Foreign Investor
Agricultural and agro-processing	Manufacture of cultural items	Manufacture of cigarettes
Environmental protection	Wood-based products utilizing local log	Alcohol
Export-oriented industries	Toxic chemicals	Movie production
Industries that create employment	Psychotropic substances	Exploitation of gemstones
Special Promotion Zone	Narcotic drugs	Tiles and bricks made of clay
Physical infrastructure and energy	Weapon and ammunition	Rice mills
High-technology industries		Wood and stone carving
Provincial and rural development		Silk weaving
Tourism and related industries		

Interesting Area for Investment



Cambodia

1. Phnom Penh : Center of Investment and Trade
2. Sihanoukville : Tourism and service
3. Sawairiang : Textile
4. Battambang : Agricultural and agro-processing
5. Koh Kong : Service, Energy, Transportation
6. Siem Reap : Tourism and service

Potential Special Economic Zone (SEZ)



Cambodia

1. Phnom Penh
2. Kandal
3. Sihanoukville
4. Koh Kong
5. Poipet
6. Sri Sophon

Investment Incentives in SEZ



- Up to 9 years tax holiday
- 0% rate on Value-Added Tax
- Full Import Duty Exemption: raw materials, machinery, equipment
- No Export Tax
- Employment of foreign expatriate authorized up to 10% of all employees, staff and workers
- Permanent visa for families and investors
- Long term lease up to 50 year
- Free repatriation of profit

Infrastructure/Utilities in SEZ



- Internal roads in connection to public roads
- Dry port/bonded warehouse
- Telecommunications
- Electricity
- Industrial water supply
- Waste water treatment plant
- Dormitory and canteen

Investment in Cambodia

Banking System



Banking System



Cambodia

1. Commercial Banks : 37 Banks
 - 1) Local Bank : 14 Banks
 - 2) Subsidiary Bank : 10 Banks
 - 3) Foreign bank Branch : 13 Banks

2. Specialized Banks) : 7 Banks

3. Representative Offices : 4 offices

Payment Channel



Cambodia

Card Services

- ✓ ATM (681 ATMs nationwide)
- ✓ Debit Card
- ✓ Credit Card

Bill Payments

- ✓ Bank counters
- ✓ ATM
- ✓ Electronic Banking
- ✓ Mobile Banking

International Remittance

- ✓ Inward Remittance
- ✓ Outward Remittance



KTB's Product / Service

Phnom
Penh
Branch

Siem Reap
Province
Sub-Branch

Product	License	Available	Potential
Credit	√	√	√
FX Service	√	√	√
Trade Finance	√	√	
Remittance	√	√	√
Deposit	√	√	√



Contact Person



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Thank You