Investment brief

Asia's emerging gems

Asia's emerging gems: Investment brief

Malaysia

Thailand

Vietnam

Disclaimer

"Asia's emerging gems" is published by PricewaterhouseCoopers (PwC) for distribution to its business associates. This publication includes information obtained or derived from a variety of publicly available sources. PwC has not sought to establish the reliability of these sources or verified such information. All such information is provided "as is" and PwC does not give any representation or warranty of any kind (whether expressed or implied) about the suitability, reliability, timeliness, completeness and accuracy of this publication. This publication is for general guidance only and should not be construed as investment advice or any other professional advice. Accordingly, it is not intended to form the basis of any decision and you are advised to seek specific professional advice on any transaction or matter that may be affected by this publication and/or before making any decision or taking any action.

ISBN 978-983-41238-1-9

Cambodia

Laos

Appendices

Foreword 4
Country facts & figures 5
Country economic performance 6

Malaysia 9

At a glance 10
Economic overview 11
Leading corporates 14
Investment overview 16
Fiscal stimulus packages 22
Tax brief 24
Market insights 27

Thailand 29

At a glance 30
Economic overview 31
Leading corporates 34
Investment overview 36
Fiscal stimulus packages 40
Tax brief 42
Market insights 45

Vietnam 47

At a glance 48
Economic overview 49
Leading corporates 52
Investment overview 54
Fiscal stimulus packages 59
Tax brief 60
Market insights 63

Cambodia 65

At a glance 66
Economic overview 67
Investment overview 70
Tax brief 71
Market insights 73

Laos

At a glance 76
Economic overview 77
Investment overview 80
Tax brief 81
Market insights 83

Appendices 85

Sources 86
Abbreviations 87
Glossary of ratings 89
List of charts 91
PwC contacts 94
Industry contacts 96
Acknowledgements 98

Foreword

Multi-faceted economies, culturally diverse and highly populated with vast potential. That is Southeast Asia, at a glance.

The region's potential is hard to ignore - strategically located at the centre of Asia Pacific, these economies are also driven by the phenomenal growth of China and India, as well as the dynamic demands of the region's large populace.

And with green shoots bringing a sense of optimism, more so to Asia which is poised for a strong recovery and sustainable growth, investors are looking towards the region for continued growth and opportunities. The Southeast Asian countries are at varying stages of development, each with a unique set of characteristics, ranging from socio-demographics to economic base, to investment drivers.

Given these robust developments, we believe you will find this publication useful in bringing you market insights across Malaysia, Thailand, Vietnam, Cambodia and Laos.

We hope "Asia's emerging gems" provides useful and refreshing insights on the investment opportunities in each of these countries. Even more so, we hope it makes you want to invest in this region.

Sincerely,

Johan Raslan
Executive Chairman
PwC Malaysia

Prasan Chuaphanich
Executive Chairman
PwC Thailand

September 2009

Country facts & figures

	Malaysia	Thailand	Vietnam	Cambodia	Laos
Population (mln)[1]	27.3	66.4	86.8	14.6	6.3
GDP (US$ bln)[1]	222.2	273.2	89.8	11.2	5.2
GDP per capita (US$)[1]	8,140.6	4,115.3	1,040.3	818.0	840.7
GDP growth (%)[1]	4.6	2.6	6.2	6.0	7.2
Inflation (%)[1]	5.4	5.5	23.1	19.7	7.6
Exchange rate (Home currency to US$1)[2]	3.52	34.06	17,798.0	4,164.0	8,517.5
Stock market closing index[2]	1,075.2	597.5	448.3	N.A	N.A
Market capitalisation (US$ mln)[2]	224,858	133,728	17,417	N.A	N.A
Equity market return[2]	7.8	10.1	10.8	N.A	N.A
Equity market price earnings ratio[2]	18.6	20.8	24.3	N.A	N.A
Long-term borrowings credit rating[2]					
- Standard & Poor's	A-	BBB+	BB	n.a	n.a
- Moody's	A3	Baa1	Ba3	n.a	n.a
EIU risk analysis[3]					
- Sovereign risk	BBB	BB	CCC	CCC	n.a
- Currency risk	BBB	BB	B	B	n.a
- Banking sector risk	BB	B	CCC	CCC	n.a
- Political risk	BBB	CCC	B	C	n.a
- Economic structure risk	BBB	BB	CCC	CC	n.a

n.a Not available
N.A Not applicable

Source:

[1] IMF, World Economic Database, April 2009
[2] S&P; Moody's ratings, Bloomberg (as at 30 June 2009)*
[3] EIU, Bloomberg (as at July 2009)*
* Please refer to glossary of ratings for definitions

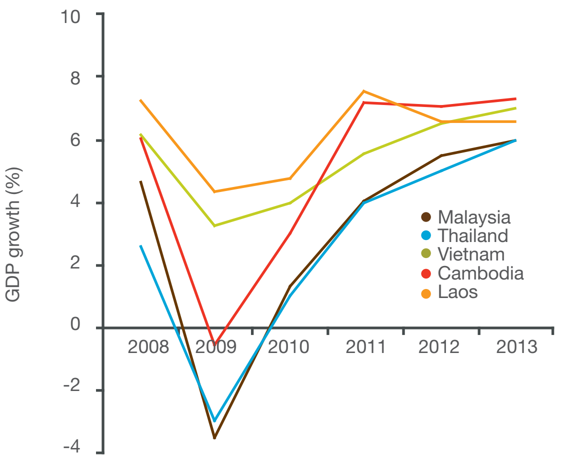
Note: All foreign currency conversion in this publication are using the 30 June 2009 closing rate

Country economic performance

Chart 1

Country's GDP growth

GDP growth across the region is expected to regain growth momentum from the second half of 2009 onwards, averaging 5.3%



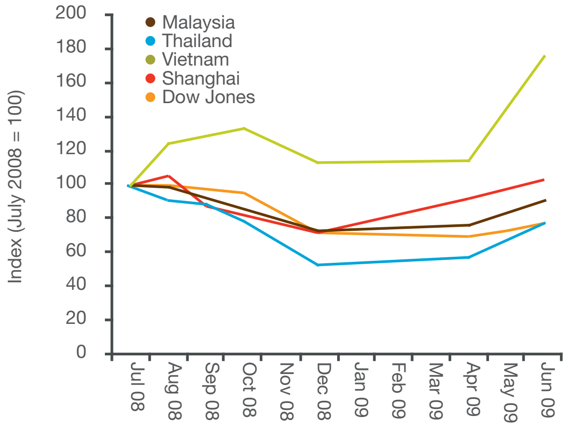
Source:

IMF, World Economic Outlook Database, April 2009

Chart 3

Country's stock market indices

Steady positive upward stockmarket trend from Q2 2009 onwards



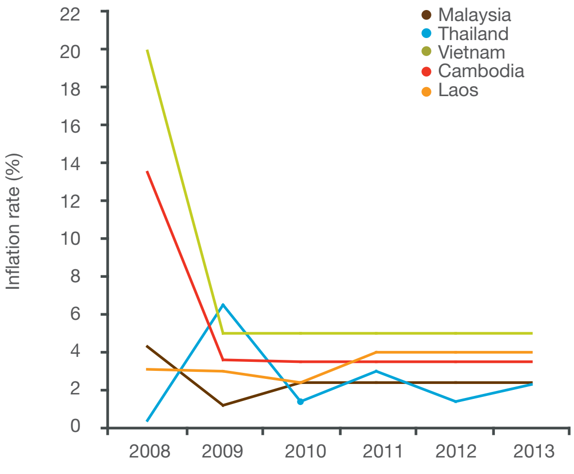
Source:

Bloomberg (June 2009)

Chart 2

Country's inflation rate

Inflation rates are expected to stabilise at a flat trend in the next 5 years, at below 6%



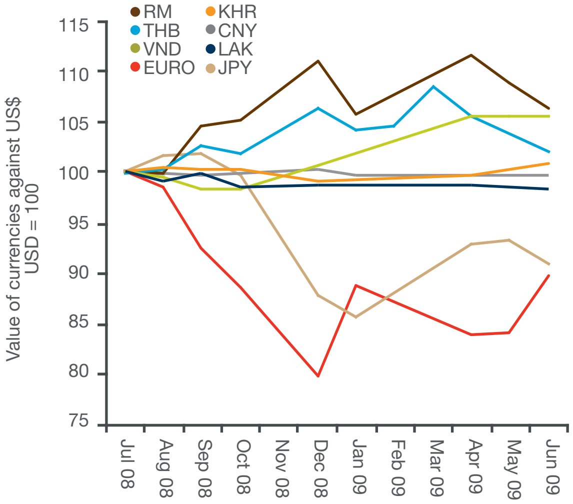
Source:

IMF, World Economic Outlook Database, April 2009

Chart 4

Exchange rate of country's currency against the US Dollar

Impact of the global financial crisis – volatile currency movements



Source:

Bloomberg (June 2009)

Chart 5

The PwC EM20 Index

Explores the attractiveness of various emerging markets as long-term investment destinations using econometric analysis and World Bank data. This country risk estimation model is based on factors such as political stability, regulatory effectiveness and the rule of law.

Manufacturing index

Country	2009 Rank	2008 Rank
Chile	1	9
Bulgaria	2	2
Malaysia	**3**	**13**
China	4	14
India	6	4
Thailand	**9**	**11**
Vietnam	**18**	**5**

Services index

Country	2009 Rank	2008 Rank
Slovakia	1	6
Chile	2	2
Malaysia	**5**	**9**
China	7	16
Thailand	**11**	**15**
India	13	20

Note: Vietnam, Cambodia and Laos are not in top 20 list

EM - Emerging Market

Source:

PwC, EM20 Index 2009 Interim Update: Balancing Risk & Reward, April 2009

Chart 6

World Bank: Ease of doing business

2008/09 Rank	2007/08 Rank	Countries
1	1	Singapore
2	2	New Zealand
3	3	Hong Kong, China
4	4	United States
5	6	United Kingdom
12	**12**	**Thailand**
23	**21**	**Malaysia**
93	**91**	**Vietnam**
122	129	Indonesia
133	132	India
145	**139**	**Cambodia**
167	**165**	**Laos**

Source:

World Bank, Doing Business 2010 Report, September 2009

Chart 7

UNCTAD: Most attractive location for foreign direct investment (FDI)

2008 Rank	2007 Rank	Countries
1	1	China
2	2	India
3	3	United States
4	4	Russia
5	5	Brazil
6	**6**	**Vietnam**
8	14	Indonesia
Top 30*	**11**	**Thailand**
	13	**Malaysia**
	15	Singapore

* Detailed UNCTAD ranking not available

Source:

UNCTAD World Investment Prospects Survey, 2007-2009 & 2008-2010

Chart 8

WEF: Global Competitiveness Index

2009 Rank	2008 Rank	Countries
1	2	Switzerland
2	1	United States
3	3	Singapore
4	4	Sweden
5	3	Denmark
24	**21**	**Malaysia**
29	30	China
36	**34**	**Thailand**
49	50	India
75	**70**	**Vietnam**
110	**109**	**Cambodia**

Source:

World Economic Forum, The Global Competitiveness Report 2009-2010, September 2009

PwC contacts

Malaysia

PricewaterhouseCoopers
Level 10, 1 Sentral
Jalan Travers
Kuala Lumpur Sentral
PO Box 10192,
50706 Kuala Lumpur, Malaysia

Tel: 60 (3) 2173 1188
Fax: 60 (3) 2173 1288

Email: pwcmsia.info@my.pwc.com
Website: www.pwc.com/my

Advisory Services
Transactions (Deals)

Datuk Mohd Anwar bin Yahya
Tel: 60 (3) 2173 1811
mohd.anwar.yahya@my.pwc.com

Assurance Services

Mohammad Faiz Azmi
Tel: 60 (3) 2173 0867
mohammad.faiz.azmi@my.pwc.com

Tax Services

Khoo Chuan Keat
Tel: 60 (3) 2173 1368
chuan.keat.khoo@my.pwc.com

Thailand

PricewaterhouseCoopers
15th Floor Bangkok City Tower
179/74-80 South Sathorn Road
Bangkok 10120, Thailand

Tel: 66 (0) 2 344 1000
Fax: 66 (0) 2 286 3456

Email: mekongwebmaster@th.pwc.com
Website: www.pwc.com/th

Advisory Services
Transactions (Deals)

Charles Ostick
Tel: 66 (0) 2 344 1167
charles.ostick@th.pwc.com

Assurance Services

Nangnoi Charoenthaveesub
Tel: 66 (0) 2 344 1381
nangnoi.charoenthaveesub@th.pwc.com

Tax Services

Thavorn Rujivanarom
Tel: 66 (0) 2 344 1444
thavorn.rujivanarom@th.pwc.com

Vietnam

Hanoi

PricewaterhouseCoopers
7th Floor Pacific Place
83B Ly Thuong Kiet, Hoan Kiem
Hanoi, Vietnam

Tel: 84 (4) 3946 2246
Fax: 84 (4) 3946 0705

Website: www.pwc.com/vietnam

Advisory Services
Transactions (Deals)

Paul Coleman
Tel: 84 (4) 3946 2246 (ext 1600)
paul.coleman@vn.pwc.com

Assurance Services

Nguyen Phi Lan
Tel: 84 (4) 3946 2246 (ext 1000)
nguyen.phi.lan@vn.pwc.com

Tax Services

Dinh Thi Quynh Van
Tel: 84 (4) 3946 2246 (ext 1500)
dinh.quynh.van@vn.pwc.com

Vietnam

Ho Chi Minh

PricewaterhouseCoopers
4th Floor Saigon Tower
29 Le Duan, District 1
Ho Chi Minh City, Vietnam

Tel: 84 (8) 3823 0796
Fax: 84 (8) 3825 1947

Website: www.pwc.com/vietnam

Advisory Services
Transactions (Deals)

Stephen Gaskill
Tel: 84 (8) 3823 0796 (ext 1600)
stephen.gaskill@vn.pwc.com

Assurance Services

Ian Lydall
Tel: 84 (8) 3823 0796 (ext 1000)
ian.lydall@vn.pwc.com

Tax Services

Richard Irwin
Tel: 84 (8) 3823 0796 (ext 4880)
r.j.irwin@vn.pwc.com

Cambodia

PricewaterhouseCoopers
123 Norodom Boulevard
Sangkat Tonle Bassac
Khan Chamcar Mon
Phnom Penh, Cambodia

Tel: 855 (23) 218 086
Fax: 855 (23) 211 594

Email: mekongwebmaster@th.pwc.com
Website: www.pwc.com/kh

Partner

Paiboon Tunkoon
Tel: 855 (23) 218 086
paiboon.tunkoon@th.pwc.com

Director

Senaka Fernando
Tel: 855 (23) 218 086
senaka.fernando@kh.pwc.com

Laos

PricewaterhouseCoopers
Units 1-3, 4th Floor
ANZ Vientiane Commercial Building
33 Lane Xang Ave.
Ban Hatsady, Chanthaboury
PO BOX 7003
Vientiane, Lao PDR

Tel: 856 (21) 222 718
Fax: 856 (21) 222 723

Email: mekongwebmaster@th.pwc.com
Website: www.pwc.com/lao

Partner

Paiboon Tunkoon
Tel: 856 (21) 222 718
paiboon.tunkoon@th.pwc.com

Director

Apisit Thiengtrongpinyo
Tel: 856 (21) 222 718
apisit.thiengtrongpinyo@th.pwc.com

pwc.com

ISBN 978-983-41238-1-9

© 2009 PricewaterhouseCoopers. All rights reserved. "PricewaterhouseCoopers" refers to firms of PricewaterhouseCoopers in Malaysia, Thailand, Vietnam, Cambodia and Laos or, as the context requires, the network member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity. CS02665