

Contrasting Asia

By Simon Hopkins, CEO
Milltrust International Group
23 Nov 2011

Asia is a land of stark contrasts no better illustrated by visits to Tokyo and Cambodia by our teams over the past two weeks. Whilst Japan is mired in a public finance crisis which dwarfs that of Italy and the EU, and a disaffected youth rebels against a decade and a half of depression, Cambodia has emerged from a war-ravaged agrarian existence over the same time frame, and is now a land of opportunity and optimism.

Of course this is a very small and poor nation with a deeply tragic recent history, but our investor delegates on this trip were astounded at the breadth of opportunities in a country where historically inward investment has been the preserve of the DFIs. Now, private enterprise is attracting investment across agriculture, tourism, and infrastructure projects as well as consumer products and financial services as growth and a demographic shift is beginning to take effect (albeit from a low base) helped by a very youthful population which bodes well for the future. And, despite a regime that still engenders some resentment as the have and have nots are patently leagues apart in this small country, their stance has been to actively seek foreign investment with minimum restriction and a very favorable tax regime.

Whilst Transparency International has always ranked the country low on its lists of places to do business, the advent of a new Korean-sponsored Stock Exchange and a professionally staffed Securities and Exchange Commission are just two examples of how the accountability and governance regime is changing as the administration wakes up to the benefits of international engagement.

Incidentally, the great archaeological treasure of Angkor Wat is forecast to attract more than two million people per year in the coming years. This is about 14 percent of the population of the country and will continue to be a huge driver of the economy in the future.