

Seminar in Laos and Cambodia: Promoting Export to Japan

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Masayuki SHIBATA

Member of Association of International Trade Business Advisers
Member of Manufactured Imports and Investment Promotion Organization
(MIPRO) of Trade/Investment Advisers

I had an opportunity to give some lectures on promoting export to Japan. The seminar was held in Laos and Cambodia, co-organized by ASEAN-Japan Centre, Ministry of Industry and Commerce, Lao PDR, and Ministry of Commerce of Kingdom of Cambodia. It was my first visit to both countries and I was very excited to go there.

The trip to Vientiane was longer than I have expected. The flight hour to Ho Chi Minh is 6 hours, 30 minutes from Ho Chi Minh to Phnom Penh, and 90 minutes from Phnom Penh to Vientiane. However, it took more than 12 hours to get to Vientiane due to flight delays in some airports. Overall, it caused only an hour delay in my schedule. Although Vientiane is not so far from Hanoi, I felt very far away more than I thought. It takes 20 minutes by car from the airport to the hotel in the city. A friend of mine who has been to Cambodia told me that the sunset in Cambodia is very beautiful. Unfortunately, I could not make it in time for the sunset.

Next day, I visited some local companies. The landscape of Vientiane from the car window is well-poised peaceful town. Only a few tall buildings can be seen in the town, and 3 to 4 stories of historical buildings stand side by side. As the same as Vietnam, the influences from French colonial period remain in the landscape of the architecture. The road is wider than the old town in Hanoi, but it does not seem like they are not in good maintenance condition unlike Ho Chi Minh City. Compared with the cities in Vietnam, there are less numbers of motorcycle and more cars are on the street. There is a heavy traffic jam during the rush-hours in the morning and the afternoon. By the way, typical office hour in Laos starts at 7:30 am and close at 4 p.m. Everyone gets up early!



Considered as a big city over there



A building in front of the hotel

My first visiting company was a silk company. The president of the company is a woman who has a lot of ideas and produces variety of unique items. She does not have a textile facility in her company; she asks individual manufacturers in the village to make the projected products. There is a specialist in each district and they undertake operation and management. Thus, the quality management such as production of goods and management of artisans, and the quality of the final products are strictly supervised from them.

You can see their high quality product management from their products. The president of this company says that the Lao economy is still in the process of development, so she is hoping that more weavers in the village can get a job through her project. They are considered to be a NPO in Japan, but she also has a good ability to be a business woman as well.

The next company, they import textile from Thailand and women in the village make the final products. Their products are sold in Laos and export to Germany and Japan. Lot number is not big, and the company gets capital supports from overseas. The manager of the company joined the seminar in the next day.

The next, I visited to a coffee chain-store after I had my very delicious Lao style Pho for lunch. The president of the company told me a very interesting story about his business. In the beginning, he was growing coffee beans individually and selling it as raw beans. However, he failed his business because of fluctuation in the international market of the coffee. After that, he decided to shift his business and opened coffee-chain stores where his roasted beans can be used. Based on these coffee-chain stores, he starts developing resort areas in Laos as well. This company has also joined FOODEX. This company received some contacts from Japanese major food firms, but it was difficult to make a contract with them at that time. The raw coffee beans are significantly affected by

international market price, and major food firms usually have branch offices all over the world. Therefore, it is very hard for individual and small business sectors like his company to have a business in the market.

In the last, I visited to a silk company (which also functions as a museum). Here, in the traditional architecture, Lao women use a traditional weaving machine to weave the silk. Small detailed designs are nicely decorated on weaving. The president of this company teaches children how to weave traditional Laos silk in order to keep their traditional weavings in the future. They also receive support from the Japanese embassy. A daughter of the president of the company guided us in their building. She also came to my seminar the next day.

I only visited 4 companies at this time. I felt the companies in Laos are still very small scale. Most of the textile products are covered by domestic industries. Yet, their product quality is quite high. A lot of import products from China can be found in the market.



Variety of silk products



Coffee chain-store in Laos



Traditional weaving machine

The next day, the seminar started from 8:30 am and explained demands of high quality products in the Japanese market and strict observance of delivery time. The co-organizer of this seminar, Ministry of Industry and Commerce Lao PDR also shows a great expectation of exporting to Japan. Even after the seminar, I received a lot of questions which conveys a sense of their enthusiasm. The seminar was successful; the photo of the seminar was covered on the front-page of the next day's Vientiane Times.



Hotel which serve as a seminar venue



Atmosphere of seminar venue

We had a lunch meeting after the seminar, and later, move to the city center market. There are only a few shopping malls in Vientiane, which consists of the first basement level to the 3rd floor. However, the empty tenant spaces can be seen in the 2nd floor and there is no tenant in the 3rd floor. This is because all necessary products such as daily goods, stationeries, books, electronic products, fish, meat, vegetable, fruits... are available in the market; that is why people are not so interested in the shopping mall yet. The traditional market is usually crowded with a lot of people around 6 am.



Crowds of people in the market



Market and shopping mall

Japanese automobiles have a predominant position in the car industry, especially Toyota cars. Japanese-brand TV is also placed at the hotel. Japanese industries had a late start to join the market in Vietnam compared with Korean and Taiwanese

industries. Therefore, we should not be late to join the market in Laos. Laos is a country which has abundance of hydroelectric energy and provides the most stable energy supplies in Southeast Asia. A characteristic of the nation is very calm, which is a good combination with Japanese people. Their English skills is not so good yet, but I believe that people in the companies I have visited, seminar attendants, and hotel staff have more English knowledge than I have expected. The populations of 6 million and many industries are small and medium sized domestic companies; however, they have a high potential to be our trading partner in the near future.

After my trip to Laos, I moved to Cambodia. The city in Cambodia is more crowded with people and cars than Vientiane. The number of motorcycles is not as much as Vietnam, but still, there are a lot of motorcycles in Cambodia. There is a green zone in the median strips of the road, and relatively new buildings of government offices stand side by side. It was so different from my image of Phnom Penh city.



Temple in Phnom Penh



Side street in Phnom Penh

The next day, I visited some companies. My first visiting company seems like a large company. The company was initially a construction company, but now they focus more on agriculture business. They have mango and rubber plantation, and have a partnership with a Singaporean fruits company. One of the Japanese staff from the company joined the meeting in the next day. Also, the secretary of the president is fluent in Japanese, so the meeting was held in Japanese, English, and Khmer languages. I received a lot of incisive questions on agricultural products as if we need a government-level meeting.

The next company is also exporting agricultural products. The president is still young,

but shows a strong willingness to export to Japan. Both companies' presidents have an enthusiasm for increasing employment opportunity in Cambodia through agricultural business. I could find one side of rapid development of Cambodia here. Japanese big shopping mall is planning to open in Phnom Penh city in this autumn.



Enthusiastic Meeting



Fresh mango

The last visit on this day was a beer factory. The factory was located in the suburb area of Phnom Penh city. There was a heavy traffic jam on the way and it was 3 pm when I have arrived there. There are approximately 250 product checking processes from material transportation and beer filling to packaging processes. They take some samples from each process and bring them to examine at the laboratory. The water used in the factory (ex. Water used for cleaning) is filtered at once, and discharged from the factory or used for sprinkler water in the factory. This shows how eco-friendly company they are. They have exported to Japan once before. If Japanese beer importing companies visit this kind of factory, they definitely feel this company is reliable as a business partner.



Beer factory

The next day, the seminar started from 9 am at the hotel I stayed at. The place was a full occupancy 30 minutes before the seminar started. I received a lot of questions during the seminar and after. At this time, I made my presentation mainly for apparel fashion industry; however, participants were not only textile industry but they were from a wide range of industries. It was a good idea that I talked about Japanese seasons,

geography, and market customs during my presentation.



Seminar in Phnom Penh

The seminar finished at 12 pm. Before my flight back to Japan at night, we visited to a shopping mall and a market as a market research of Phnom Penh city. It was a gorgeous shopping mall but there are not many people in the mall at that time. This might be just because of the time I visited there at 2pm. The prices of the products are not so cheap, and there are a lot of “made-in China” products. After that, we visited a Russian market. This kind of market is quite common in the city. However, in the Russian market, you can find souvenirs for foreigners and a range of products including vegetable, fruits, meat, fish, and other daily and apparel products in the narrow areas. The market is similar to the one in Vientiane in Laos, but there is one difference from them. In the Phnom Penh market, I was advised to carry my bag in the front, keep valuables in the front pocket and walk with my hand in the pocket to protect myself from thieves. Taking care of your belongings especially when you are traveling overseas is only common sense, but it seems Laos might be an exception.



Shopping mall

The time passes very quickly in this one week. I only visited Vientiane and Phnom Penh cities, so I cannot generalize what is “the current market trend in Laos and Cambodia.” However, both countries will definitely show more development in the near future as Phnom Penh has been already developing rapidly. Lao people are still not used to

talking with the foreigners. Yet, Japanese people in our generations would think they have etiquette and share common values between them.

Both countries are primarily Buddhist countries, and they respect their tradition and culture of their country. As Japan and other countries has experienced, it is not easy to develop while keeping traditions. This might be a wrong assumption from a developed country's perspective.

People I have talked at this time in both countries share the common thought. Many people strongly expect to increase the amount of export so that the employment opportunity would be expanded along with it. I hope that my seminar lives up to their expectations. It was a great experience to talk to many people and felt refreshing to leave for home.