

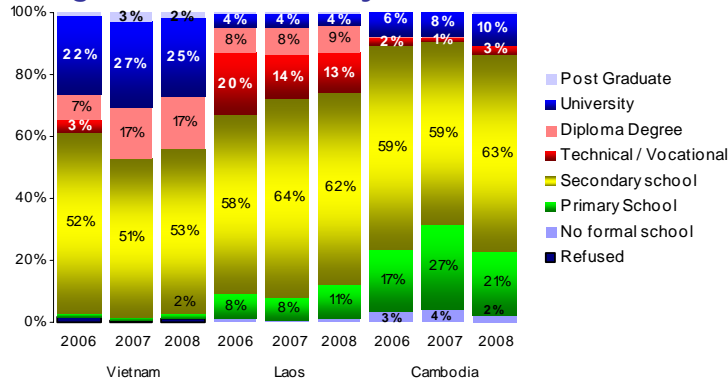
Some Consequences of the Indochina Economy



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The importance of education as a pillar of the economic development is gaining recognition across Indochina region. In this edition of I-TRAK™, we examine the relationship between income level and education level and how these two are affected by the economic situation.

A degree later or a salary now?



With a prospering economy over the past 3 years, individual salaries in Vietnam far surpass those in Laos and Cambodia. More than 50% of Laotians earn less than US\$50 a month; 1-in-2 Cambodian earn less than US\$100 a month while 40% of Vietnamese earn more than US\$150.

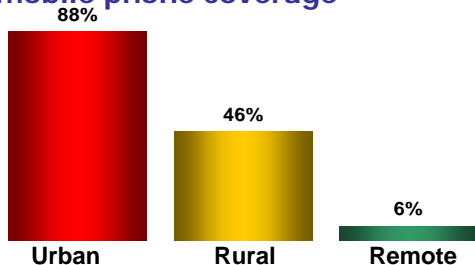
Across the Indochina region, the majority of children reach secondary school levels. In Vietnam the average education level is the highest, thanks to favorable social and economic conditions, directly impacting its educational environment. In Laos and Cambodia, people tend to leave after high school in order to join the work force to bring home an income, while in Vietnam, more people are likely to pursue their studies.

Meanwhile, in 2008, a lower portion of Vietnamese students went to university compared to 2007 while in Cambodian the interest for university steadily increases. For Vietnam, this is likely due to the growing inflation (YTD08, 20% versus 12% in 2007) which is forcing students into the work force.

Source: IRL In-house demographics 2006-2008

Research Design: random tracking survey of people aged 15 to 49 years old across the Indochina region. Survey was conducted from June 2005 to June 2008.

Laos mobile phone coverage



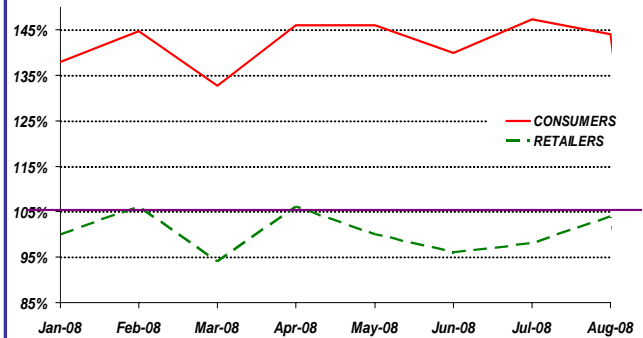
A first mobile phone was available in Laos in 90's decade. With a speedy trend it's currently reaching remote areas of Laos where there is no road access and initial infrastructures.

Population of 75% of rural and remote areas together will be interesting people to think of.

Encouraging people to attend school and utilize health facility is harder work then spreading mobile phone usage.

Source: IRL village survey 2008

Consumer Business Index Cambodia



Consumers

Confidence among consumers has clearly grown over the last year – employment has risen, driving an increase in household revenues, which has in turn led to better standards of living.

Confidence has slowed down last month, with the high inflation rate causing some uncertainty.

Retailers

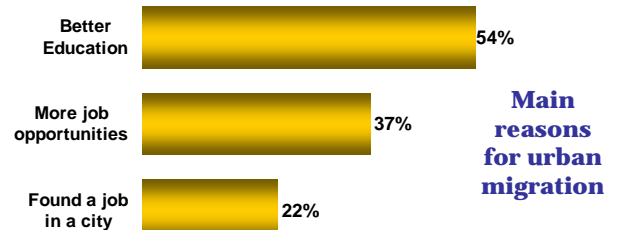
Overall, confidence among retailers has also increased though business forecasts are typically lower than consumers.

Retail owners have reported positive revenue growth and future seems to look bright: they believe in the quality of their products, they feel they better understand clients' needs and some intend to expand their activities.

Research Design: 2 questions for Consumers and SME relating to their overall confidence and key issues in their life & businesses. n=150 consumers, n=50 SMEs each wave.

Source: IRL I-TRAK CBCI Aug 2008

Urban lovers in Vietnam



Main reasons for urban migration

Work and Education opportunities are the key forces driving rural migration to cities.

Despite some aspects of urban living being a concern urban migrants (more disease & noise, less security), for the vast majority, the benefits of city life far outweigh the problems now and in the foreseeable future. As such, urbanization is expected to continue, changing Vietnam's demographic profile.

Urban migrants are also prepared to endure a higher cost of living in cities as they perceive that the quality of most essential services and products (food, housing, clothing) is better.



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