

## Business

## In brief

**OnDemand branch to step up private tutoring**

THAI private tutoring company OnDemand Education plans to set up a branch in Cambodia next year to tap into the growing market for middle-class parents looking to prepare their children for admission into top universities, the *Bangkok Post* reported yesterday. OnDemand is seeking partners to do business in Cambodia and will provide tuition in Khmer and English using its own specially designed curriculum, it said.

POST STAFF

**BRICS agrees to speed up credit-rating agency**

THE BRICS nations agreed yesterday to fast-track the setting up of their own credit-rating agency to better cater to developing economies, rivalling existing ones based in Western countries. Indian Prime Minister Narendra Modi said they agreed to move ahead on the ratings agency, although there was no timetable announced for its formation. "To further bridge the gap in the global financial architecture, we agreed to fast-track the setting up of the BRICS credit rating agency," Modi said. AFP

**Thousands march over EU-Canada trade deal**

THOUSANDS of people demonstrated on Saturday in France, Spain and Poland against an EU-Canada free trade deal and a far more ambitious agreement with the United States. Activists charge that the Canada deal will set a dangerous precedent and open the way for a similar but far more sweeping pact with Washington, the Transatlantic Trade and Investment Partnership (TTIP). Around 1,000 people also marched in Warsaw and a few hundreds in Krakow. "We don't want TTIP, CETA," they chanted. Several thousands marched in the Spanish capital Madrid. Many shouted: "No to poverty, inequality and to TTIP." AFP

# Hotelier sees rooms for growth

## BUSINESS INSIDER

*Japan-based Starts Group recently announced plans to build a four-star hotel in Phnom Penh – part of the latest wave of Japanese investment into the Kingdom, which has seen a shift from manufacturing to the service sector. The Post's Cheng Sokhorrng spoke to Hirotaka Sekido, vice chairman of Starts Corporation Inc, about the company's decision to invest in Cambodia.*

**What potential did Starts see in the Cambodian market that led it to decide to establish a hotel here?**

The Starts Group has 33 offices in 21 countries. We are basically in real estate, helping customers to look for homes and offices, and also operate a construction company. We have more than 30 years experience and have established our brand in Thailand, Myanmar and Vietnam, as we saw the good potential in Asia as its economy keeps growing.

Similarly, based on our research, we saw fresh potential in Cambodia on the back of its growing GDP, about 7 percent this year. If we compare this to Japan in the 1970s, Japan had that level of GDP as well, but we are confident that Cambodia's growth will be faster than that of Japan. It will take Cambodia a shorter time to reach similar living conditions to Japan today.

We decided to invest in a hotel because we identified a trend of Japanese investors coming to Cambodia, and with direct flights now many investors will land in Phnom Penh. Our target clientele is Japanese and foreign investors, as well as Cambodians, and we will provide the same high level of hospitality to our customers as they would get in Japan.

**How promising are Cambodia's tourism figures?**

According to Japanese government figures, 193,330 Japanese tourists visited Cambodia in 2015, a decrease of 10.4 percent compared to 2014.

We still see a potential market, even if the amount of Japanese tourists decreased last year, as it will increase in the future with new direct flights and



Hirotaka Sekido, vice chairman of Starts Corporation, talks to the *Post* last week in Phnom Penh. HENG CHIVOAN

a lot of investment projects in Cambodia. In addition, Cambodia is a safe and secure destination compared to other countries, so it offers high potential for tourists and investment.

**Most Japanese investment in Cambodia to date has been in the manufacturing sector. What encouraged you to invest in the services sector?**

We carefully studied investment trends in Cambodia. We did not want to invest in exporting goods, but rather invest in serving those who had come here to invest, as the flow of FDI into Cambodia keeps increasing.

We saw a lot of challenges for us if we invested in manufacturing, as labour costs keep rising. Compared to

neighbouring countries like Vietnam, the salary rate is almost the same, but the level of quality and worker skills is still limited. So we preferred to invest in service and hospitality.

**What is your capital investment in the hotel project?**

Our total investment in the hotel project is more than \$50 million and we plan to begin operation in April 2018. We plan to call the hotel Emion – the same name that we use for one of our hotels in Japan. The hotel will provide jobs for 150 Cambodians.

**What investments does Starts Group have in Cambodia, and what other projects do you plan to invest in?**

Our business portfolio in Cambodia includes Starts Cambodia Corporation, a real estate company, Starts Cam (Cambodia) Corporation, a construction company and the Starts Hotel (Cambodia) Corporation, a hotel operator.

We will bring our companies to Cambodia step by step in the future, and after the hotel project, we are looking to start a maintenance and management service company. The target is for investors and condo owners in Cambodia. We will show them how the service works in our hotel first, then customers will be confident of our services. ■

*This interview has been edited for length and clarity.*

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