E-COMMERCE IN CAMBODIA

2024

A Comprehensive Overview on
The E-commerce Landscape in Cambodia
Addressing Challenges, Initiatives and Opportunities

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FOREWORD BY PROFITENCE

Welcome to our 2024 E-commerce Report, a comprehensive analysis charting the remarkable evolution of Cambodia's digital marketplace. Building on the foundation of our previous studies, this year's report arrives at a pivotal moment, as Cambodia navigates its journey towards **LDC graduation and deeper global integration**.

The post-pandemic landscape has brought about a **significant normalization of consumer behaviours**, solidifying E-commerce as a cornerstone of our economy. This report delves into these shifting trends, providing **crucial insights for businesses, policymakers, and consumers** alike. We've expanded our research, conducting a **national consumer** survey to capture the nuances of this evolving market.

This year, we have **broadened our scope** to encompass a wide array of critical segments, including government regulation, market overviews, and detailed analyses of **12 distinct industries, from banking and finance to media and entertainment**. This comprehensive approach allows us to provide a holistic view of the Cambodian E-commerce ecosystem, highlighting the competitive landscape and key drivers of growth.

At PROFITENCE, we firmly believe that data transparency and collaboration are essential to fostering a thriving digital economy. This report is part of our sincere effort to bring all relevant stakeholders under 'one platform', encouraging an open exchange of insights, knowledge, and market intelligence. We invite businesses, policymakers, and industry leaders to share more data and insights, helping to create a more informed, dynamic, and innovative ecosystem. Market insights are not readily available in Cambodia. Reports like ours aim to bridge this gap to the best of our ability.

Our study, enriched by extensive consumer surveys and expert interviews, provides actionable recommendations tailored to the Cambodian context, addressing both opportunities and challenges faced by businesses and policymakers. We are deeply grateful for the continued support of the Ministry of Commerce, whose commitment to promoting digital trade has been instrumental in this endeavour. We also extend our sincere thanks to our industry experts and sponsors, whose invaluable contributions have made this report possible.

Looking ahead, we are committed to continuously improving our research and insights, ensuring that each report builds upon the last. This is just the beginning — we thrive on learning, refining, and enhancing our approach to better serve the evolving needs of Cambodia's digital economy.

As Cambodia embraces the opportunities of the digital age, we hope this report serves as a valuable resource, guiding stakeholders in navigating the complexities of the E-commerce landscape and contributing to the nation's continued economic development. We are excited to witness the ongoing transformation of Cambodia's digital economy and remain committed to supporting its growth.

Mr. CHOWDHURY Subhadeep

Founder and Director | **PROFITENCE (Cambodia) Co., Ltd.**

FOREWORD BY MINISTRY OF COMMERCE

Cambodia's digital economy is undergoing a profound transformation, driven by rapid advancements in technology, increasing consumer adoption of digital platforms, and concerted efforts to strengthen the regulatory and institutional landscape. At the core of this transformation is E-commerce, which has emerged as a key enabler of economic growth, enhancing business competitiveness, expanding market access, and fostering new opportunities for enterprises of all sizes.

The expansion of Cambodia's E-commerce sector reflects the country's broader commitment to digital transformation, as outlined in the Pentagonal Strategy Phase I and the Digital Economy and Society Policy Framework 2021-2035. Significant progress has been made in recent years, with improvements in digital payments, logistics, and consumer trust mechanisms. These advancements have strengthened the foundations of a robust E-commerce ecosystem, enabling businesses—particularly micro, small, and medium-sized enterprises (MSMEs)—to engage more effectively in domestic and international markets.

As Cambodia continues to deepen its digital integration, the evolution from E-commerce to a broader digital trade ecosystem will be instrumental in ensuring long-term economic resilience and global competitiveness. The transition towards digital trade will play a critical role in ensuring a smooth graduation from Least Developed Country (LDC) status in 2029.

Strengthening digital trade frameworks, addressing regulatory gaps, and enhancing digital infrastructure will be essential to securing Cambodia's position in the evolving global digital economy. The Cambodia Digital Trade Policy currently being formulated will further enhance E-commerce adoption by both businesses and consumers, providing a clear strategic direction to foster innovation, improve digital readiness, and create an enabling environment for sustainable digital trade growth.

The Ministry of Commerce is also taking decisive steps to become more fit-for-purpose in supporting Cambodia's E-commerce and digital trade ambitions. By strengthening its institutional capacity, the Ministry aims to provide more dedicated and targeted support to the industry, ensuring that businesses and consumers alike can fully leverage the opportunities presented by digital transformation.

The 2024 E-commerce Report provides a comprehensive analysis of Cambodia's E-commerce landscape and outlines key considerations for the expansion of E-commerce and digital trade. In this regard, I would like to commend PROFITENCE for their valuable contributions in producing this comprehensive overview, which will serve as an important reference for policymakers, businesses, and development partners seeking to advance Cambodia's E-commerce agenda.

I encourage all stakeholders to thoroughly engage with the insights presented in this report. The Ministry of Commerce remains fully committed to supporting this initiative, and I invite all parties to join in our collective efforts to build a robust and inclusive digital future for Cambodia.

CHAM Nimul

Minister of Commerce **I Ministry of Commerce, Cambodia**

Disclaimers

The information contained in this report is provided for informational purposes only and does not constitute, nor should it be construed as, professional advice from PROFITENCE. This report has been prepared based on publicly available data, consumer surveys conducted online, and insights from industry experts within a specific timeframe, and should not be viewed as an exhaustive or definitive analysis. The survey results presented in this report reflect the opinions and insights of the respondents and do not represent the entire market share or generalize the views of all potential consumers. All projections, market assessments, and conclusions presented in this report are based on the author's understanding of the market and should not be considered as guarantees or assurances of future performance or outcomes. This report includes a moderate usage of AI, applied with diligent care, followed by fact-checking to ensure accuracy. Legal information related to E-commerce in Cambodia is cited from accredited legal sources, but PROFITENCE makes no representations or warranties regarding the accuracy, reliability, or completeness of the data presented. Neither PROFITENCE, nor any of its affiliates, agents, or third parties involved, shall be held responsible for any errors, omissions, or any loss or damage arising directly or indirectly from the use of, or reliance on, the information in this report. Users of this report are advised to conduct their own research and seek professional guidance before making any business decisions.

EXECUTIVE SUMMARY [1/2]

Cambodia's E-commerce growth in 2024 is driven by increased internet penetration, widespread adoption of digital payments, and evolving consumer behaviors post-pandemic, coupled with innovative solutions from industry players. Nevertheless, improving nationwide inclusivity will require advancements in infrastructure , strengthened regulations, localized strategies, and enhanced consumer education.

1 Cambodia's E-Commerce Landscape

Key Drivers: Rapid digital payment adoption, a tech-savvy youth population, rising smartphone penetration, and strong government support are accelerating Cambodia's E-commerce expansion.

Challenges: Insufficient logistics, underdeveloped digital infrastructure, and low digital literacy — particularly in rural areas — restrict market access, reduce operational efficiency, and slow E-commerce adoption in Cambodia.

Opportunities: Cambodia's E-commerce sector is set for growth through global market expansion, increasing domestic demand, cross-border trade, foreign investment, and advancements in digital infrastructure and payment systems.

Regional Outlook: With ASEAN's E-commerce market projected to grow by USD 216 billion by 2025, Cambodia must enhance trade facilitation, infrastructure, and regulatory frameworks to remain competitive and achieve seamless regional and global integration.

2 Industry Insights

Banking & Finance: Increased QR payments and cross-border agreements have accelerated the sector's growth.

Insurance: Insurance accessibility has advanced through apps, chatbots, and E-commerce, while fraud protection reinforces industry stability.

Telecommunication: Cybersecurity, service diversification, online partnerships, and fraud prevention has strengthened the sector.

Food and Grocery Deliveries: Increasing digital adoption and urbanization drive demand for food and grocery delivery.

Logistics : Digital investment and regulatory reforms have enhanced efficiency, despite high costs and limited infrastructure.

Ride-hailing & Transportation: Localization and pricing shape ride-hailing, while online transportation rises with digital adoption and travel demand.

Consumer Electronics: Quality assurance, authenticity and refund/return policy are critical to gain trust for online purchases.

Online Education: Government support and digital platforms enhance online learning, but rural gaps persist.

Healthcare: Health tech adoption remains low, limiting its impact on resource gaps.

Fashion: Fashion's dominance in online purchases is driven by digitally-engaged youth and influencer-mediated consumer trends.

Media and Entertainment: Paid subscription demand remains limited, with a strong reliance on free localized content via social media.

Beauty and Cosmetics: Self-care trends, social media, and imports boost online sales, backed by a growing middle class and better digital access.

EXECUTIVE SUMMARY [2/2]

3 Moving Forward

Core Recommendations for the Private Sector:

1. **Tailor Solutions**: Customize digital payment and E-commerce platforms to align with local consumer preferences, enhancing trust.

2. **Develop Secure Systems:** Invest in secure, scalable digital systems with enhanced cybersecurity and data protection.

3. **Enhance Payment Options:** Upgrade and adopt modern payment gateways and digital wallet solutions.

4. **Improve Logistics:** Invest in and enhance last mile delivery solutions.

Core Recommendations for the Government:

1. **Simplify Taxes & Incentivize:** Establish Tax & Incentives: Simplify taxes, offer targeted E-commerce incentives.

2. **Regulatory Efficiency:** Streamline approvals via existing bodies.

3. **Trade Access:** Harmonize policies for seamless cross-border trade.

4. **Digital Infrastructure:** Expand broadband infrastructure, build secure systems, and modernize payments.

5. **Partnership Funding:** Drive infrastructure via public-private collaboration.

Table of Content

1 – Bank and Finance, Insurance, Food & Grocery Delivery, Telecommunication, Logistics, Ride-hailing/Transportation, Consumer Electronics, Online Education, Healthcare, Fashion, Beauty and cosmetics, Media and Entertainment

E-commerce Overview

E-commerce Definition

Global Market Overview

Regional Market Overview

Cambodian Market Overview

Cambodian E-commerce Marketplaces

E-COMMERCE **DEFINITION**

WTO Work Programme on Electronic Commerce definition (1998)
“The production, distribution, marketing, sale or delivery of goods and service by electronics means”

E-commerce
Definition for measurement purposes (OECD, 2009)
“The sale or purchase of a good or service, conducted over computer networks by methods specifically designed for the purpose of receiving or placing orders”

Digital Trade
Handbook on Measuring Digital Trade
IMF, OECD, UNCTAD and WTO, 2023
“All international trade that is digitally ordered and/or digitally delivered”

Domestic E-commerce
“The domestic sale or purchase of a good or service, conducted over computer networks by methods specifically designed for the purpose of receiving or placing orders”

Digitally ordered trade
=
International E-commerce
“The international sale or purchase of a good or service, conducted over computer networks by methods specifically designed for the purpose of receiving or placing orders”

Digitally delivered trade
“All **international** trade transactions that are delivered remotely over computer networks”

International transactions that are both digitally ordered and digitally delivered

- The definition of E-commerce has transitioned from a broad, technologically-focused concept (WTO, 1998) to a more specific, transaction-oriented one (OECD, 2009), emphasizing online sales and purchases for measurement purposes.
- "Digital Trade" (2023) significantly broadens the scope beyond E-commerce by including not just digitally ordered transactions, but also digitally delivered services and intangible goods, reflecting the growing importance of cross-border data flows and digital service delivery.

Source: WTO, OECD, ARISE Plus, PROFITENCE’s Analysis

GLOBAL MARKET OVERVIEW

Top 5 Countries by E-Commerce Market Size in 2024 (in USD)

1. China: 1.46 trillion
2. USA: 1.22 trillion
3. Japan: 169.4 billion
4. UK: 129.7 billion
5. Germany: 98.3 billion

In 2024, E-commerce represented over **20% of global retail sales**.

Asia holds a dominant **48% share** of global retail E-commerce market.

Top Global E-Commerce Marketplaces by GMV, 2024

Taobao / TMALL: USD **1.4 Trillion**

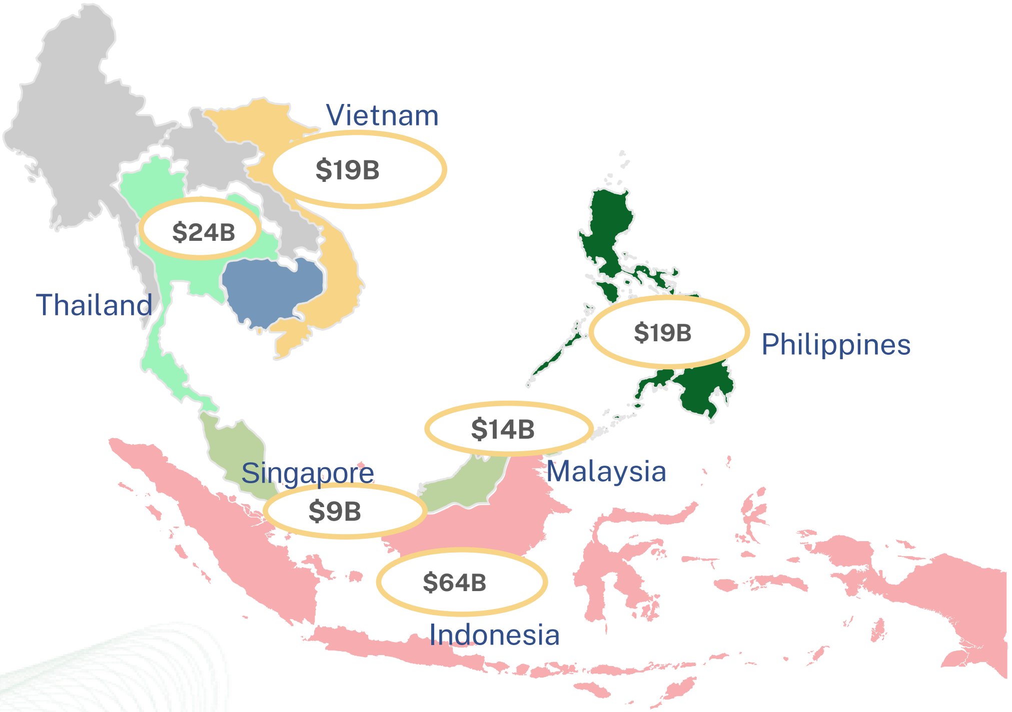
amazon: USD **435.7 Billion**

JD.COM: USD **249.9 Billion**

Source: Statista, digitalcommerce360, PROFITENCE's Analysis

REGIONAL MARKET OVERVIEW (Southeast Asia)

Southeast Asia E-commerce Sales (NMV)[1], 2024f *(in billion USD)*



More than 70% of Southeast Asia's E-commerce market is concentrated in Indonesia, Thailand, Vietnam and the Philippines.

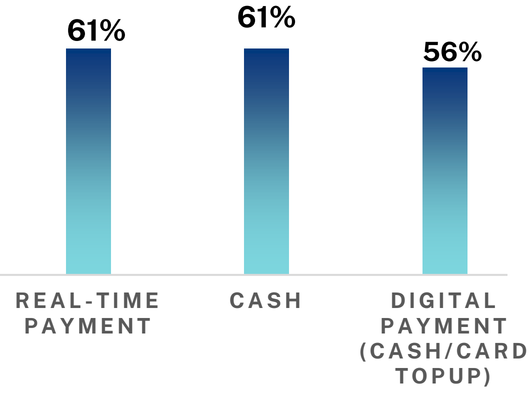
- The E-commerce market in ASEAN is forecasted to grow by 52% over the period 2022-2025 from USD 142 billion in 2022 to USD 216 billion in 2025.
- The biggest markets in terms of value and growth potential include **Indonesia**, **Thailand**, **Vietnam**, and **the Philippines**, with **Singapore** still a key hub for high-value transactions and logistics.
- Continually **rising internet access** and the **growing middle class** will continue to fuel the E-commerce boom as they are more open to spending it online.
- The E-commerce market in Southeast Asia is dominated by **electronics,** which accounts for 34% of sales, followed by **beauty, personal care, and health,** which accounts for 16%, and fashion, which accounts for 15%.
- **Indonesia is Southeast Asia's largest E-commerce market by far**, followed by Vietnam, Thailand, and the Philippines in regional market share.

1: Formal channels only, based on forecasted share of regional 2024 sales.

Source: Source of Asia, PROFITENCE's Analysis

REGIONAL MARKET OVERVIEW (Southeast Asia)

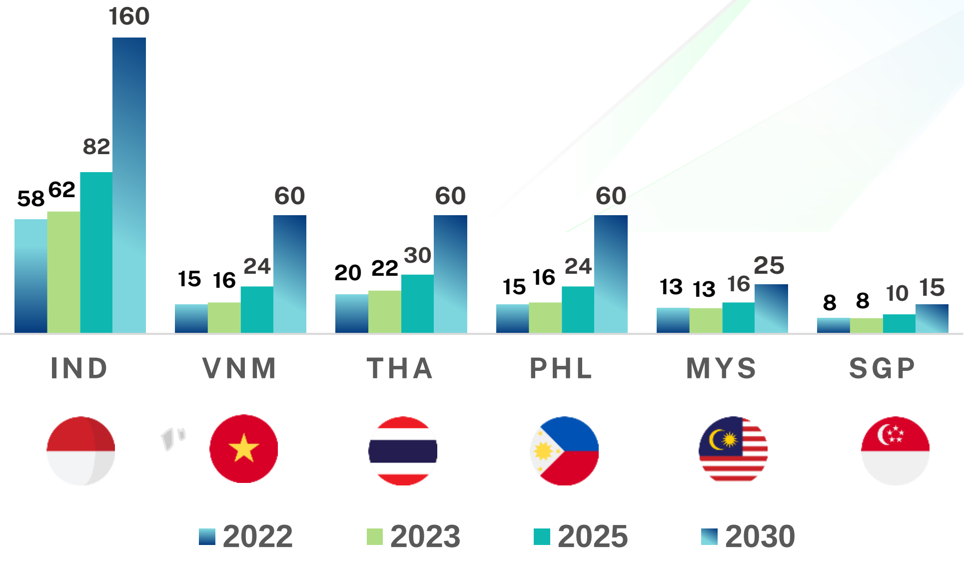
Top 3 Preferred Payment Methods in SEA



- **Real-time digital payments and e-wallet** usage in SEA have surged, rivaling cash in popularity.
- The total digital payment transaction value in SEA crossed **USD 247 billion in 2023** and is projected to reach **USD 417 billion by 2028**.
- By 2025, digital payments are forecasted to reach **91% usage of the total E-commerce payments**.

SEA E-commerce Market Volume, 2021-2030

(spending in billion USD)



Southeast Asia's E-commerce market is projected to grow **more than double by 2030**, led by Indonesia, while Vietnam, Thailand, and the Philippines follow with strong growth driven by digital adoption and rising consumer demand.

Growing Live Commerce in Southeast Asia

- **Social E-commerce**, including live shopping, is rapidly growing in Southeast Asia. The market is projected to expand by **20%-30%,** reaching **USD 125 billion** by **2027**.
- **Live commerce** has gained significant traction across Southeast Asia, driven by consumers' desire for deals and product reviews. The **focus** remains primarily on **fashion** and **beauty** categories.

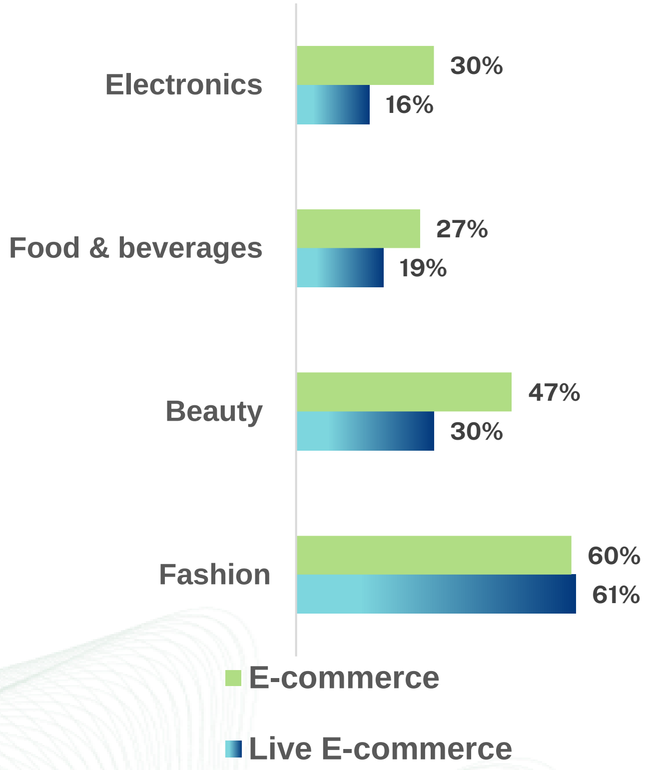
Shopee Tik Tok Laz

- Platforms like **Shopee, TikTok Shop, and Lazada** dominate the space, with Shopee holding the largest market share at **48%.**

Source: Statista, KVYTechnology, trade.gov, Cube Asia, PROFITENCE's Analysis

REGIONAL MARKET OVERVIEW (Southeast Asia)

Top Products Purchased via Live Commerce & E-Commerce in Southeast Asia, August 2024



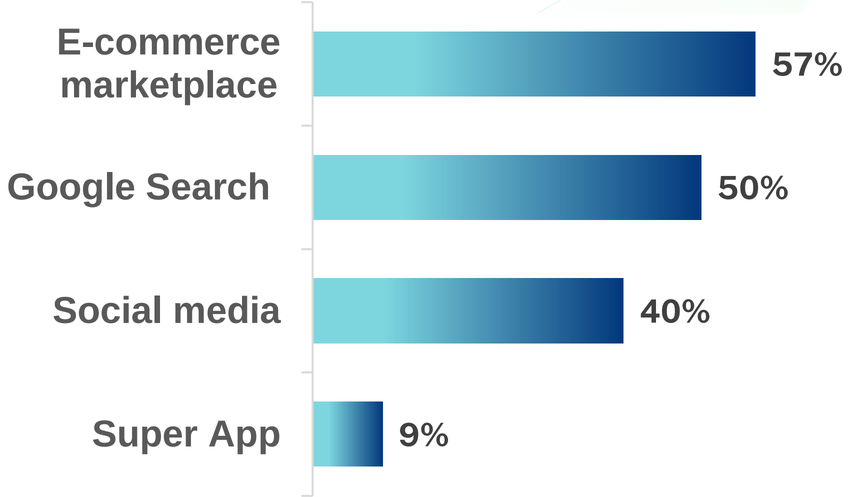
Fashion and beauty perform well in live commerce, with fashion equally popular in both channels.

Electronics and food sectors prioritize traditional E-commerce for its reliability and detailed specifications, resulting in lower live commerce adoption despite its growth.

Brands should prioritize live commerce for fashion and beauty, E-commerce for electronics and food, and integrate both to enhance trust, convenience, and competitiveness.

Key Channels for E-Commerce Discovery in Southeast Asia

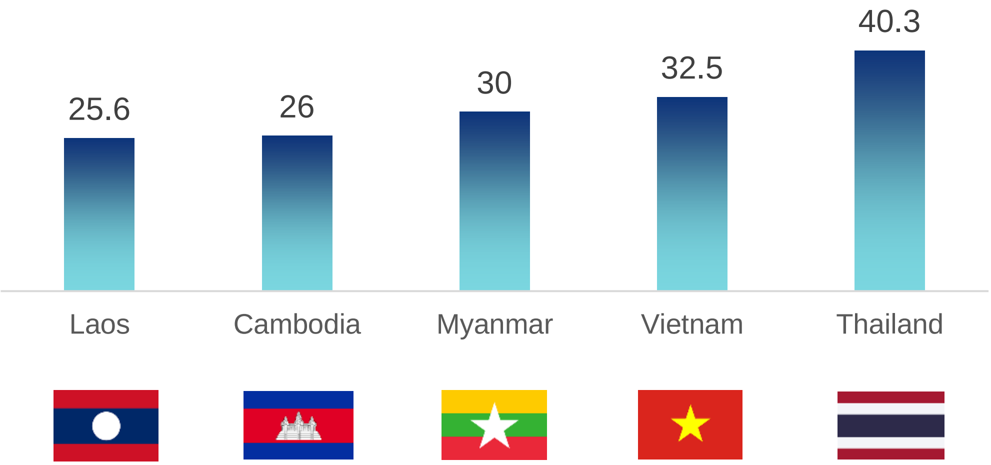
To discover new products, consumers in Southeast Asia predominantly use:



Source: Statista, KVYTechnology, trade.gov, Industry Expert Interview, PROFITENCE's Analysis

KEY DRIVERS OF E-COMMERCE (Southeast Asia)

Median Age of CLMVT Countries, 2024 *(in years)*



2nd youngest population in the region, Cambodia's tech-savvy youth are increasingly comfortable shopping on online platforms.

Growth in Digital Payment and Cashless Transactions

Rising cashless transactions in Cambodia are driven by increased **QR code** usage.

The National Bank of Cambodia reports Bakong Payment System processed **USD 54.8 billion across 175.3 million transactions** in H1 2024.

Internet and Mobile Phone Penetration

20 Million Internet Subscriptions (Mobile/Fixed)

21.9 Million Mobile Phone Subscriptions

Source: TRC[1], TRC[2], CambodiaInvestmentReview, Statista, PROFITENCE's Analysis

CAMBODIA E-COMMERCE MARKETPLACE

Key Platforms and Players		
Cambodia Trade	Khmer24	Facebook Market Place
Cambodia Trade is a government-backed platform that focuses on promoting Cambodian-made products both locally and internationally. It is ideal for those who want to support local businesses and buy authentic Cambodian goods.	One of Cambodia's largest online listing platforms. It allows individuals and businesses to list a wide array of products and works as a classified site, and you can easily find both new and used items at affordable prices.	Facebook Marketplace is a popular platform in Cambodia for buying and selling within local communities. With its large user base, sellers can easily connect with nearby buyers, offering everything from home appliances to clothing and gadgets.
CAMBODIATRADE	**Why shop at?** khmer 24	**Why shop at?**
• Promote local businesses • Authentic Cambodian-made products • Global shipping options	• Extensive product categories • Great for finding second-hand deals • Local and business sellers	• Simple, familiar interface • Easy to connect with local sellers • Variety of items available

- In 2024, the **E-commerce market** in Cambodia is projected to reach approximately **USD 1.12 billion**. Looking ahead, the market is expected to grow at a compound annual growth rate (CAGR) of 9.98% from 2024 to 2029, **potentially reaching a volume of USD 1.81 billion by 2029.**

Future of Marketplaces

☑ **Global Market Expansion for Cambodian Products:** Global market access for Cambodian products will expand through the MoU between Cambodia's Ministry of Commerce and Alibaba Group, enabling direct sales on Alibaba's platform.

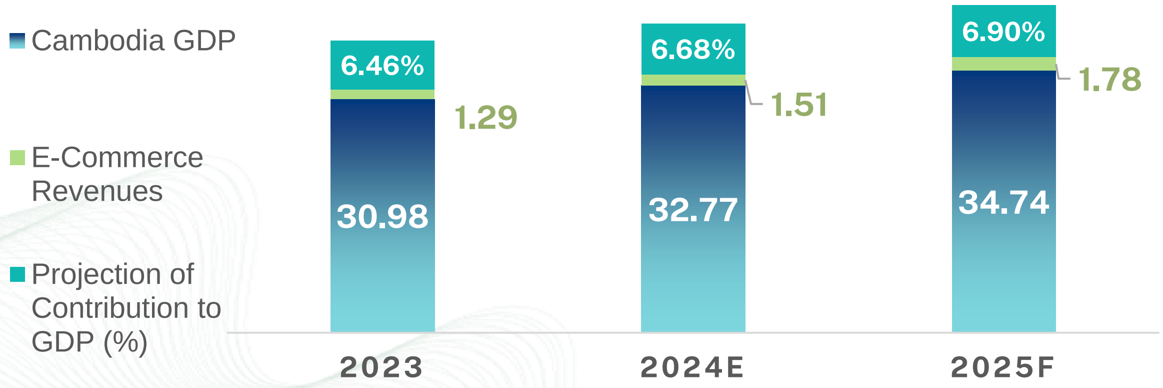
☑ **Expanded Global Market Access for Local Consumers:** Cambodian consumers will gain broader access to global markets, while the E-commerce sector advances with Taobao's direct delivery launch on November 2024.

Source: AngkorTimes, Industry Expert Interview, PROFITENCE's Analysis

E-COMMERCE CAMBODIAN MARKET OVERVIEW

E-Commerce Revenue, 2020-2025 *(in billion USD)*

Projection of E-Commerce Contribution, 2023-2025 *(in billion USD)*



- The **ASEAN E-Commerce** Market Revenue is expected to reach USD **116.4 billion in 2024** with an expected annual growth rate of 10.41%.
- Cambodia's E-commerce market is in its early stages, contributing **12-13% of ASEAN's total E-commerce revenue**, with strong growth potential as digital adoption accelerates.
- Cambodia's emerging E-commerce market accounts for only **4-5% of GDP**. In contrast, E-commerce contributes up to 25% of GDP in mature ASEAN markets like Thailand and Malaysia,

Source: DEBC, OECD, Statista, PROFITENCE Analysis

SWOT **ANALYSIS**

S STRENGTHS

Rapid Digital Penetration: A growing number of Cambodians have access to smartphones and the internet, driving online consumer engagement.
Young, Tech-Savvy Population: The predominantly young demographic is quick to adopt digital platforms and online shopping.
Supportive Government Policies: Recent initiatives and strategies (e.g., the E-commerce strategy 2023–2030) as well as public–private partnerships are actively fostering the sector's growth.
Rising Social Media Usage: High levels of social media engagement facilitate social commerce and brand awareness.

W WEAKNESSES

Underdeveloped Logistics: Distribution and delivery networks, particularly in rural areas, remain insufficient for fast and reliable service
Payment Trust Issues: Many consumers still prefer cash-on-delivery over digital payments due to low trust in online transaction systems.
Regulatory and Infrastructure Gaps: While policies are emerging, inconsistent enforcement and infrastructural limitations pose challenges.
Digital Literacy Variances: Despite high overall internet penetration, disparities in digital skills can hinder E-commerce adoption among certain segments.

O OPPORTUNITIES

Untapped Market Potential: With a rising middle class and increasing disposable income, there is significant room for market expansion.
Cross-Border E-Commerce: Regional trade agreements and growing integration in Southeast Asia open opportunities for cross-border sales.
Foreign Investment & Innovation: Enhanced digital infrastructure and supportive policy frameworks attract both local and international investors.
Expanding Digital Ecosystem: Continued improvements in digital payment systems (e.g., initiatives like Bakong) and growing tech solutions can further boost consumer confidence.

T THREATS

Intense Regional Competition: Established E-commerce platforms from neighboring countries may intensify competition for market share.
Cybersecurity Risks: Increased online transactions raise concerns over data breaches and fraud, which could affect consumer trust.
Economic and Regulatory Uncertainty: Volatile economic conditions and potential shifts in regulatory frameworks could disrupt sector growth.
Infrastructure Limitations: Continued gaps in logistics and rural connectivity may hamper consistent service delivery.

Source: UNCTAD, Google, DataReportal, United Nation, PROFITENCE's Analysis

PESTEL ANALYSIS

Political

- The Royal Government of Cambodia has achieved a **92% implementation rate** of measures included in the action matrix of the UNCTAD eTrade Readiness Report conducted in 2016.
- Ministry of Commerce hosted the **first Digital Trade Forum & Expo** and **signed MOU with Alibaba** to enhance national E-commerce and global promotion of Cambodian products.

Technology

- **Widespread adoption of e-wallets and digital payments** has encouraged greater E-commerce activity in Cambodia.
- The **entry of cloud providers** like Alibaba Cloud and AWS has driven innovation, competitiveness, and efficiency through cloud computing and big data analytics, reducing costs.

Economical

- **Rising disposable incomes** are driving increased online spending in Cambodia, making it a key E-commerce market.
- In 2024, per capita income is expected to surpass USD 2,000, an 8% increase from 2023, with **economic growth projected at 6.6%**, according to the Ministry of Economy and Finance.

Environmental

- Food delivery and ride-hailing services have **addressed environmental impact** through carbon footprint fees, introducing electric tuk-tuks and opting out of cutlery.
- However, the sector's rapid growth has significantly **increased single-use plastic waste**.

Social

- Cambodia's **young, tech-savvy population** is the main driver of E-commerce, fueled by increasing mobile use and social media.
- Consumers now prioritize **convenience and a wider product range**, sustaining momentum in E-commerce purchases, while traditional in-person shopping preferences persist.

Legal

- The **dual licensing system** according to E-commerce law 2019 requires companies to complete commercial and tax registration with the **Ministry of Commerce**.
- Additionally, an online certificate and domain registration must be obtained from **the Ministry of Posts and Telecommunications**.

Source: Ministry of Commerce, KiriPost, UNDP, DFDL, UNCTAD, PROFITENCE's Analysis

SOCIAL COMMERCE IN CAMBODIA

Facebook and TikTok have reshaped Cambodia's sales and advertising landscape, **empowering businesses and driving online commerce** for both big corporations and local SMEs. However, **regulatory frameworks** are needed to ensure **consumer protection and payment security** for building trust and sustainable growth.

Mainly Dominated by Facebook for Online Sales

Facebook remains Cambodia's leading platform, with **11.65 million users, reaching 69% of the population** in 2024.

It serves as a **primary channel for online purchases**, particularly in fashion and beauty, driven by live sales and business pages..

Growing Tiktok Adoption for Promotion

In 2024, TikTok reached **9.96M users (90% of Cambodian adults)** with 41% YoY ad reach growth. The businesses in Cambodia have noticeably **shifted ad budget from Facebook** to Tiktok, leveraging the creative tools for **edutainment marketing**.

However, **absence of Live Sales and TikTok Shop features** in Cambodia limits direct E-commerce, pushing businesses to use Telegram for customer interactions..

Significant Roles of Local Influencers and Celebrities

Local influencers and celebrities are pivotal in Cambodia's social commerce, where authentic reviews build consumer trust.

Leveraging **influencer partnerships, authentic testimonials, and loyal customer incentives** are necessary to drive engagement and sales in Cambodia's social commerce landscape..

Necessary to Regulate for both buyers and sellers

Unregulated social commerce **undermines pricing and tax compliance, harming legitimate E-commerce platforms**.

Cash On Delivery reliance, logistics, trust, and digital literacy remain hurdles for Cambodia's social commerce.

Strengthening legal protections and consumer education will ensure sustainable growth and market integrity.

Source: datareportal, Industry Expert Interview, PROFITENCE's Analysis

Government Regulations

SUMMARY OF GOVERNMENT INITIATIVES

A summary of relevant government policies, legal framework and initiatives to promote the digital economy and E-commerce in Cambodia are listed below:

2020-2021

Please refer to our previous report:

https://profitence.asia/page/2022.html

2022

- MoC has signed MOU with Swisscontact to initiate a project entitled 'SeT4SME'
- Draft Personal Data Protection Law
- Cambodia Goes Digital: CamDX
- Draft Cyber Security Law
- CamDigiKey: Easy yet Secure Mobile Authentication Service
- "CamDL" Elevates Cambodia's Fintech Sector
- Government has started to implement E-commerce VAT and update system for taxpayers
- Cambodia Digital Government Policy 2022-2035
- Cambodiatrade.com to promote E-commerce and prepare to export local products to foreign markets

2023

- The Digital Technology Strategic Plan 2023-2027
- ASEAN launches negotiations of world's first regional Digital Economy Framework Agreement (DEFA)
- FinTech Development Policy (2023-2028)
- Government Pentagonal Strategy Phase I (2023-2028)

2024

- Cambodia Launches National Single Window for Trade Facilitation
- Draft Cambodia Digital Trade Policy
- Draft Cambodia E-commerce Trustmark Scheme
- Establishment of Trade Policy Advisory Board (TPAB)
- Cambodia Trade Policy Framework Towards 2030 (CTPF)
- EU-German Gate (2024-2028)
- Cambodia Launches Tourist App with KHQR Payments
- MAFF, MPTC to Integrate Ministry into Document Verification via "Verify.gov"
- New Government E-Invoicing System to Boost Digital Economy
- Bakong Expands to More Asian Countries
- Cambodia Introduces Digital Platform for Informal Business Registration
- Cambodia Launches First Digital, Media, and Information Literacy Framework
- Cambodia Digital Skill Development Roadmap (2024-2035)
- Draft Inter-Ministerial Prakas on the Code of Conduct for Intermediaries and E-Commerce Service Providers

GOVERNMENT **INITIATIVES** [1/4]

Year	Government Initiatives, Policies and Legal Frameworks	Key Objectives
2022	MoC has signed MOU with Swisscontact to initiate a project entitled '**SeT4SME**' for trade and E-commerce development	A two-year project (2021-2022) for the Alliance, implemented by Swisscontact in partnership with the Ministry of Commerce (MoC). This project aims to support Cambodia in improving its trade performance and driving inclusive growth in the country by enhancing trade facilitation implementation with more transparency in trade practices and reduced time and cost of cross-border e-trade. It will also support the interphase of the GDCE Customs Clearance System and Cambodia Post CDS system for faster clearance of low-value shipment. (Source: Swisscontact)
2022	Draft Personal Data Protection Law	Prepared by the Ministry of Post and Telecommunications, the Draft Law on Personal Data Protection outlines rules, principles, and mechanisms for regulating the collection, use, and disclosure of personal data. Its primary goal is to protect individuals' privacy rights while promoting the lawful and responsible handling of personal information. (Source: Kiripost)
2022	Cambodia Goes Digital: CamDX	CamDX is a unified yet decentralized data exchange layer between information systems that offers a standardized and secure way to provide and consume services. CamDX ensures confidentiality, integrity, and interoperability between a multitude of different data exchange parties. (Source: CamDx.gov)
2022	Draft Cyber Security Law	Ministry of Post and Telecommunications (MPTC) announced that it had drafted a comprehensive law on cybersecurity. This draft law has established principles, measures and mechanisms to govern and uphold the cybersecurity of all critical information infrastructure, in line with regional and global trends. (Source: AccessNow)
2022	CamDigiKey: Easy yet, Secure Mobile Authentication Service	CamDigiKey is an electronic Know Your Customer system operated by Cambodia Data eXchange (CamDX), a decentralized platform developed by Techo Start-Up under the Ministry of Economic and Finance following a 2022 MoU. (Source: KhmerTimes)
2022	Online Platform "CamDL" Elevates Cambodia's Fintech Sector	The Ministry of Economy and Finance's CamDL initiative is a blockchain network that provides a platform for the public to develop and test blockchain solutions for community and business challenges (Source: KiriPost)
2022	Government has started to implement E-commerce VAT and update system for taxpayers	The implementation is in response to the revenue collection strategy 2019-2023. Registered taxpayers who receive digital goods/services or E-commerce activities from a non-resident, whether the non-resident has registered for VAT or not, will need to pay 10 percent VAT to the GDT on behalf of the non-resident under a VAT reverse charge mechanism. (Source: Phnom Penh Post)

GOVERNMENT **INITIATIVES** [2/4]

Year	Government Initiatives, Policies and Legal Frameworks	Key Objectives
2022	Cambodia Digital Government Policy 2022-2035	This policy, led by the Ministry of Post and Communication, aims to build a smart government based on the use of digital infrastructure and technology as an ecosystem for modernizing and reforming the governance system in a transparent and credible manner, with the goal of developing an inclusive digital economy and society. (Source: MPTC)
2022	Cambodiatrade.com to promote E-commerce and get ready to export local products to foreign market	The platform is launched by MoC enabling artisans, retailers, social enterprises, and manufacturers to make the transition from conventional business operators to global entrepreneurs. It has spawned out of a public-private initiative and brought onboard a myriad of pandemic-hit micro-, and small-and-medium enterprises (MSMEs) with over 1,000 local products on display. (Source: Phnom Penh Post)
2023	The Digital Technology Strategic Plan 2023-2027	Lead by Ministry of Interior, the plan seeks to improve efficiency, public service, and national security through digital technology in the 4.0 industrial revolution. Key strategies include training human resources, building infrastructure, strengthening cybersecurity, fostering innovation, improving public services, and implementing technology governance. (Source: The Phnom Penh Post)
2023	ASEAN launches negotiations of world's first region wide Digital Economy Framework Agreement (DEFA)	The ASEAN Economic Ministers launched negotiations for the ASEAN Digital Economy Framework Agreement (DEFA**)**, set to be the world's first major region wide digital economy agreement. Its successful implementation could double the value of the regional digital economy to US$2 trillion by 2030, boosting competitiveness in digital trade. (Source: Fulcrum)
2023	FinTech Development Policy (2023-2028)	This policy enforces measures to promote financial inclusion by expanding fintech solutions to promote financial stability, supporting the expansion of digital payments and online financial services essential to the growth of E-commerce. (Source: b2b-Cambodia)
2023	Government Pentagonal Strategy Phase I (2023-2028)	The national strategy launches in 2023, emphasizing "Technology" as a core priority, and reinforces a framework that integrates policies to strengthen the digital economy and E-commerce landscape in Cambodia. (Source: Royal Government of Cambodia)

GOVERNMENT **INITIATIVES** [3/4]

Year	Government Initiatives, Policies and Legal Frameworks	Key Objectives
2024	Cambodia launches National Single Window to facilitate trade activities	Cambodia launched its National Single Window (NSW) on May 7, 2024, simplifying trade by allowing traders to submit standardized documents for import, export, and transit requirements through a single portal. The system streamlines applications for licenses, permits, and certificates and connects with Cambodian government bodies and the ASEAN Single Window for data exchange. (Source: HKTDC)
2024	Draft Cambodia Digital Trade Policy 2025-2030	The Digital Trade Policy 2025-2030 is designed to position Cambodia as a competitive player in the global digital economy. With a focus on digital inclusivity, the policy aims to bridge the digital divide and empower all sectors of society, from businesses to individuals, to harness the benefits of digital trade. (Source: KhmerTimes)
2024	Draft Cambodia E-commerce Trustmark Scheme	The Ministry of Commerce is currently developing a Cambodian E-Commerce Trustmark scheme, a visible marker that businesses can display to indicate their adherence to standards set by the Ministry of Commerce. This Trustmark aims to strengthen consumer confidence in online purchases. Source: EuroCham
2024	The establishment of Trade Policy Advisory Board (TPAB)	TPAB's key mandate is to guide trade strategies for Cambodia's sustainable growth and regional/global integration. Their responsivities: (i) reviewing trade policies and FTAs, (ii) analyzing trade potentials, (iii) advising on export markets, (iv) monitoring global trade trends, (v) and assessing domestic industrial capacity. (Source: KhmerTimes)
2024	Cambodia Trade Policy Framework Towards 2030 (CTPF)	The Ministry of Commerce has launched the CTPF 2030 initiative to address trade challenges, support Cambodia's LDC graduation by 2029, and stimulate economic growth. The plan focuses on enhancing the business environment, market access, and targeted sector development through six pillars: global trade integration, competitiveness, sustainable trade, digital trade, sector development, and LDC graduation preparation. (Source: Information.gov.kh)
2024	EU-German Gate (2024-2028)	The EU-German GATE project supports Cambodia's trade development by improving regulations and practices, aiming to boost inclusive and sustainable exports to the EU and regional markets. Its activities focus on enhancing trade readiness, trade facilitation, digital economy, and SME growth. (Source: GIZ)
2024	Cambodia Digital Skill Development Roadmap (2024-2035)	Ministry of Post and Telecommunications launches a roadmap to building a digitally skilled workforce through education and industry collaboration to enforce lifelong learning to strengthen Cambodia's digital economy. (Source: Ministry of Post and Telecommunications, Khmer Times)

GOVERNMENT **INITIATIVES** [4/4]

Year	Government Initiatives, Policies and Legal Frameworks	Key Objectives
2024	Cambodia launches tourist app enabling payments with KHQR	The National Bank of Cambodia launched the 'Bakong Tourists App,' allowing foreign tourists to make payments using the KHQR code at over 3.3 million retail outlets in Cambodia. Tourists can top up their accounts through business partners and pay by scanning the KHQR code. Source: KhmerTimes
2024	MAFF, MPTC to integrate ministry into document verification through “Verify.gov”	Verify.gov.kh, developed by Ministry of Post and Telecommunications, uses blockchain technology to authenticate documents, reducing fraud and streamlining verifications. In July 2024, the Ministry of Justice and MPTC launched "verify.gov.kh file verification" for digital verification of police clearance certificates, adopted by the Supreme Court and Prosecutor to improve document accuracy. (Source: MPTC).
2024	New government e-invoicing system aims to boost digital economy	The Ministry of Economy and Finance has soft-launched the "Cambodia E-Invoicing System," a digital platform for exchanging, validating, and transferring electronic invoices, eliminating paper-based invoicing and modernizing public financial systems. Developed by the General Department of Digital Economy the system serves as a centralized platform, marking a significant step in modernizing Cambodia's public financial systems. (Source: The Phnom Penh Post)
2024	Bakong Reaches More Asian Countries	Cross-border transactions between Cambodia and Asian countries are set to reach new heights as the country’s popular transaction system, Bakong, is now available across international borders. So far, Bakong has partnered with Malaysia, Thailand, Singapore, South Korea, and there is a possible collaboration with Japan in the future. (Source: Angkor Time)
2024	Cambodia Introduces New Digital Platform To Register Informal Businesses	Prime Minister Hun Manet signed a sub-decree on December 14, 2024, introducing a new digital portal for informal business registration at www.informal.digitaleconomy.gov.kh. The platform includes a mobile app, 'CAM-IE,' and outlines the registration procedures. The initiative aims to support informal economy workers voluntarily without imposing additional burdens. (Source: B2B Cambodia)
2024	Cambodia launched its first competency framework on Digital, Media, and Information Literacy to empower citizens in the digital age.	With technical support from UNESCO and in partnership with Sweden, the Ministry of Post and Telecommunications launched Cambodia’s first Digital, Media, and Information Literacy (DMIL) Competency Framework to promote digital literacy and achieve a vibrant, inclusive society by 2035, aligned with sustainable development goals. (Source: UNESCO)

LEGAL & TAXATION **REVIEW** [1/2]

CHALLENGES	
Legal Perspective	**Tax Perspective**
Licensing Requirements and Local Presence: E-commerce businesses must register with the MOC and need additional licenses from the MPTC. Foreign companies must have a local entity or rent office address to obtain these licenses.	**Unclear defined terms of some activities related to E-commerce activities:** While Sub-Decree 65 lists several activities under its scope, some are too broad and need clarification, especially for cross-border transactions.
Consumer Protection and Trust Issues: Despite legal safeguards like the Consumer Protection Law (2019) and draft regulations on data protection and cybercrime, Cambodia struggles with enforcement. This leads to issues like misinformation, counterfeit goods, and fraud, undermining consumer confidence in E-commerce.	**Limited Awareness of Non-resident suppliers- Simplified VAT Registration:** Many non-resident suppliers are unaware of the Simplified VAT registration requirement in Cambodia, especially if their sales exceed certain thresholds. This lack of awareness, compounded by challenges in informing them, means many enterprises have yet to comply with the VAT E-commerce rules, despite the simplified registration process.
The imbalance between the law and market participants: E-commerce in Cambodia has grown significantly, but it hasn't reached a level that justifies strict enforcement of the Consumer Protection Law and E-commerce regulations. Many businesses are small, unregistered, and often bypass legal requirements.	**Limited Awareness of Resident Taxpayers:** Many small and medium-sized enterprises (SMEs) in Cambodia lack awareness of the VAT E-commerce regulations, including the VAT reverse charge mechanism and its conditions.
Too big to follow: Global E-commerce platforms prioritize larger markets, so enforcement actions in Cambodia would impact the local market more than the companies, which are less dependent on Cambodia. These companies often ignore local licensing requirements due to the small market size.	

Source: DFDL

LEGAL & TAXATION **REVIEW** [2/2]

RECOMMENDATIONS

Legal Perspective	Tax Perspective
Promote incentives for incorporation: Cambodia could create tailored incentives for locally incorporated companies, offering them competitive advantages over foreign entities. This would encourage foreign companies to register in Cambodia, boosting local business growth and attracting investment.	**Continue developing and updating the VAT E-commerce FAQ and related regulations**: With those initiatives are in place, this will address challenges faced by taxpayers and non-resident suppliers. Regular reviews will ensure the content remains relevant and provides clear, up-to-date guidance for all stakeholders.
Enhance E-commerce enforcement: The government could introduce recognition programs, such as the MOC's Trust Mark certificate, to reward businesses that comply with laws and prioritize consumer protection, encouraging best practices in E-commerce.	**Continue Enforcement of Simplified VAT Registration**: Continue identifying non-resident suppliers reaching the simplified VAT registration threshold by collaborating with relevant authorities. Raise awareness among their networks in Cambodia—clients, affiliates, and stakeholders—about VAT obligations and their business impact.
Incentivizing Good Practices: Establishing a specialize authority for E-commerce licensing will improve coordination, enforce compliance, and address issues promptly, supporting sustainable E-commerce growth.	**Promote the obligation awareness**: The General Department of Taxation should continue training internal authorities and improve the online filing platform for VAT returns (both for local taxpayers and non-resident taxpayers) to reduce issues faced by taxpayers and streamline the process.
Public-private partnership: A public-private partnership with global E-commerce platforms can enhance consumer protection, cybersecurity, and digital literacy, fostering cooperation and encouraging compliance. The MPTC's collaboration with YouTube is a prime example of this approach.	**Internal monitoring by the GDT:** Promote awareness of VAT E-commerce obligations by continuing to host workshops (both physical and online) to educate stakeholders on regulations and their practical application.

Source: DFDL

Research Methodology

Research Methodology

Survey Sample Split and Coverage

RESEARCH **METHODOLOGY**

3 different methodologies were utilized in collecting and consolidating information for the E-Commerce 2024 Report.

1 Secondary Desk Research

- A dedicated team of in-house research experts reviewed and consolidated insights from the past 12 months or more, including:
  - Ministry reports
  - Economic analyses
  - Scholarly articles
  - Websites
  - Newspapers
  - Industry Trend Analysis and Social Listening via Social Media Platforms
- These sources were reviewed in both English and Khmer.

2 End-Users Survey

- Questionnaire design and coordination was conducted with our survey partner, MRTS, on consumer insights.
- Disseminated the online and face to face surveys with **1,100 respondents nationwide.**
- Data was cleaned and analyzed.
- Analysis and reporting.

3 Industry Experts Interviews

- Semi-structured discussion guide design.
- Interviewee screening.
- 30 – 45 minute face-to-face interviews.
- Analysis and reporting.

SURVEY **SAMPLE SPLIT** AND **COVERAGE**

Gender

49.86%

50.14%

Employment Status

51.41% Full Time

8.45% Part-time

2.45% Freelancer

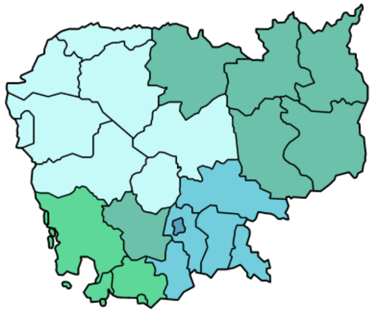
19.62% Self-employed

14.62% Student

2.82% Unemployed

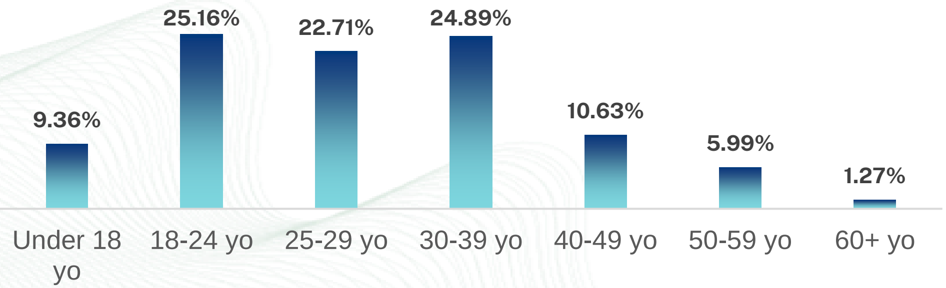
0.64% Retired

Geographical Coverage by Natural Regions

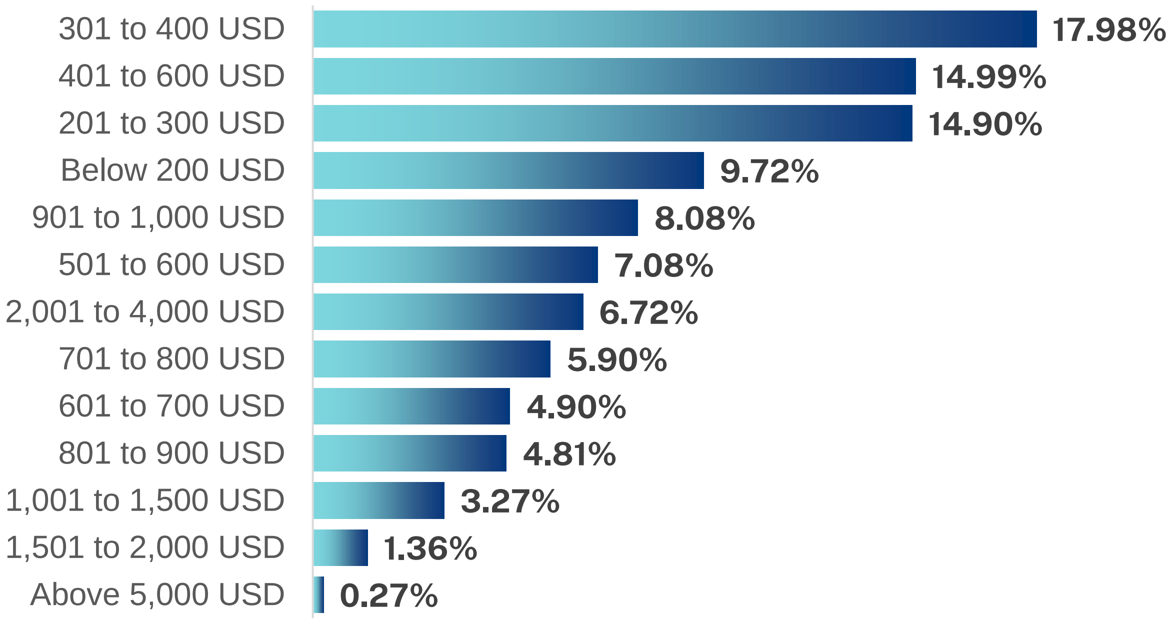


Capital	34.79%
Plain	13.71%
Tonle Sap	30.61%
Coastal	9.36%
Plateau and Mountain	10.26%

Age Groups



Monthly Income



Online Purchases and Social Commerce

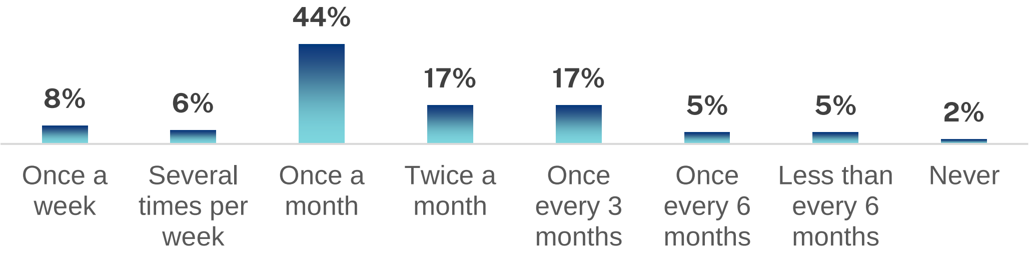
Online Purchase Behaviors & Preferences

Perceptions on Social Commerce

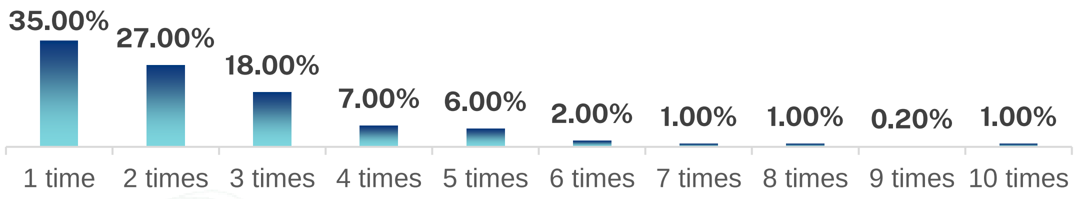
ONLINE PURCHASE **BEHAVIORS** AND **PREFERENCES** [1/2]

- Most consumers shop online **once a month**, spending **$11–$50 per month**, with a conversion rate of **1 in 10 browsing's**.
- **Promotions, convenience, and low prices** drive purchases, while **fraud, product quality, and delivery fees** remain primary concerns.

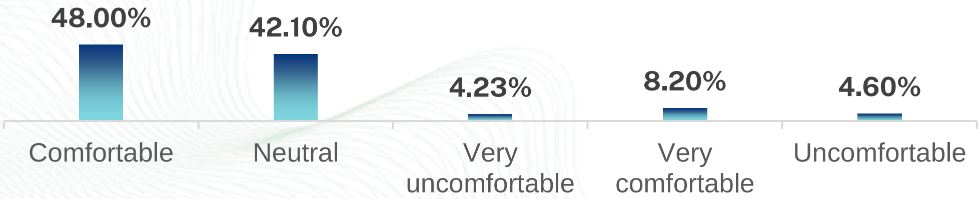
Online Purchases Frequency



Conversion Rate: Purchases per 10 Browsing Sessions



Consumer Readiness for Online Purchases



Key Factors Influencing Online Purchases

Promotion & Discounts
23%

Convenience
20%

Cheap Price
14%

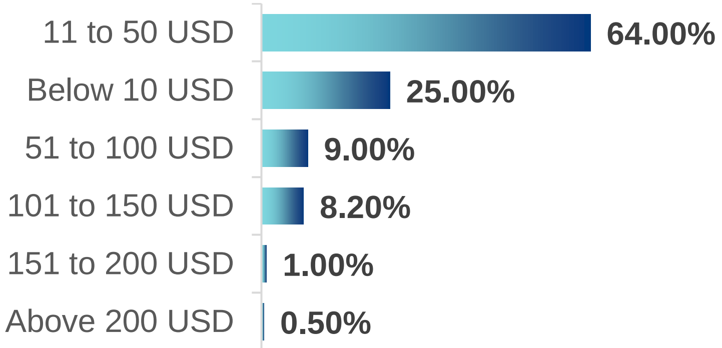
Main Consumer Concerns in Online Purchasing

Fraud & Scams
23%

Product Quality
20%

Extra Delivery Fees
14%

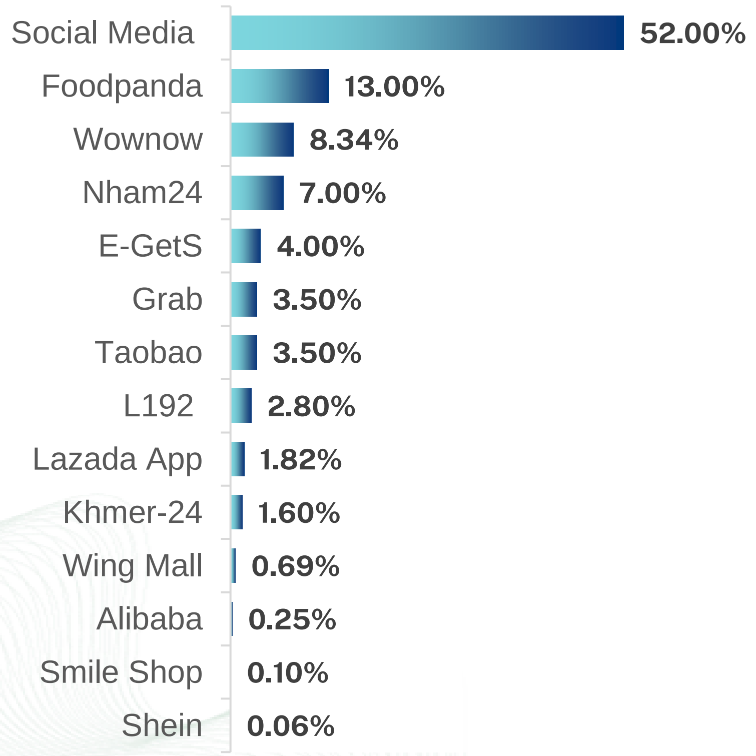
Spending on Online Purchase per Month



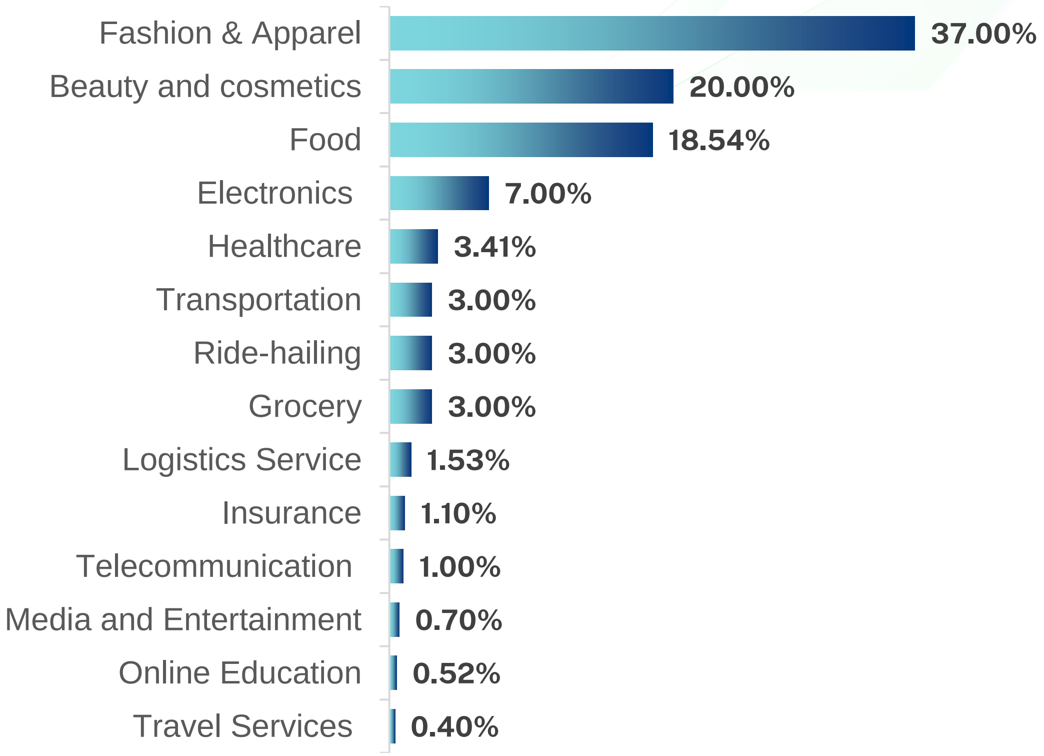
ONLINE PURCHASE **BEHAVIORS** AND **PREFERENCES** [2/2]

- **Social media** is the dominant purchasing channel, with **Foodpanda as the most used platform**, followed by **Wownow and Nham24**.
- **Fashion & apparel, beauty & cosmetics and food** dominates online purchases

Main Online Purchase Channels



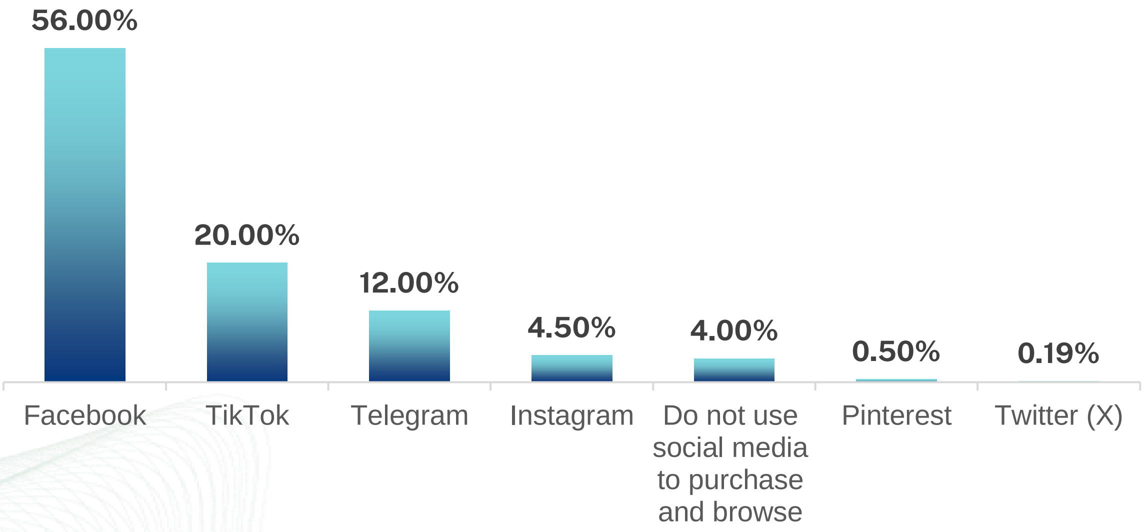
Most Often Purchased Items Online



PERCEPTIONS ON SOCIAL COMMERCE

- **Facebook** is the most used social media for online purchases, followed by **TikTok and Telegram.**
- **Promotions and convenience** drive purchases, while **quality, authenticity, fraud, and payment security** remain key concerns in purchasing from social media.

Social Media Platforms Used for Shopping and Browsing



Key Factors Influencing Purchase from Social Media

Promotion & Discounts **23%**

Saving Time **13%**

Cheap Price **14%**

Wide Variety of Choice **12.4%**

Convenience **22%**

Main Concerns for Social Media Purchases

Quality & Authenticity **19%**

Fraud & Scams **11%**

Payment Security **10%**

Delayed Delivery **7.5%**

Fake Advertisements **6.94%**

Industry Focus

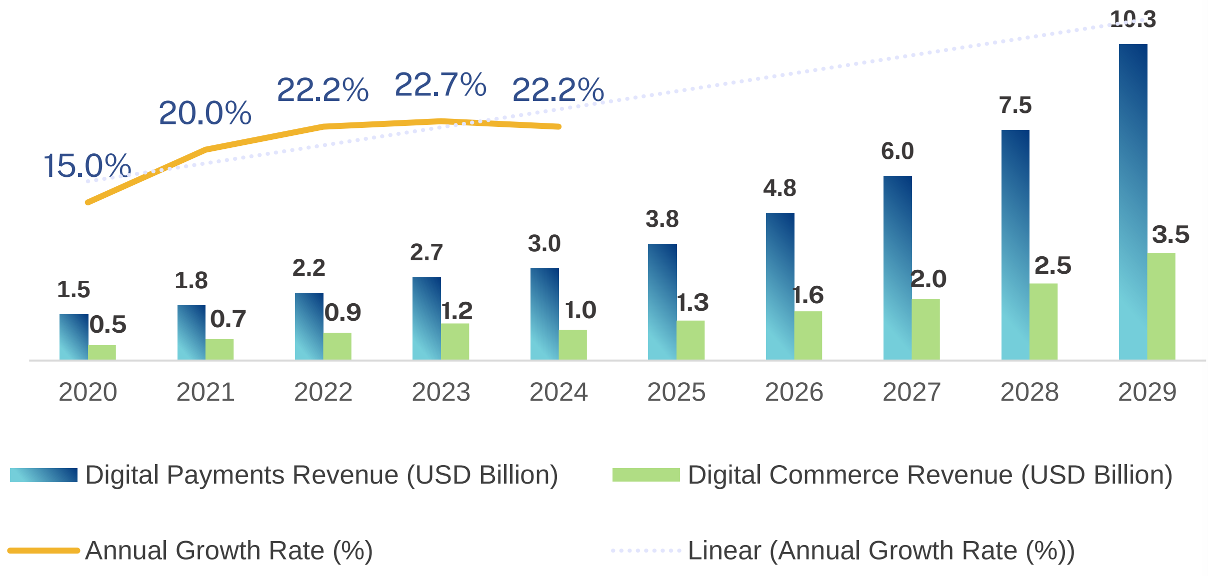
Note: It is important to note that the data presented reflects the opinions and responses of survey participants only. As such, these results may not be fully representative of the broader market.

Industry Focus

Banking And Finance

INDUSTRY **OVERVIEW** | **BANKING** AND **FINANCE**

Digital Payments & Digital Commerce Revenue, Cambodia, 2022-2024



Cambodia's **digital payments market** is projected to grow **25.9% (CAGR 2025-2029)**, reaching **USD 10.3 billion** by 2029.

Meanwhile, the **digital commerce** market is expected to expand 25% (CAGR 2025-2029), reaching **USD 3.54 billion by 2029**.

- The National Bank of Cambodia (NBC) has **enhanced financial inclusion and Khmer riel adoption** through the **Bakong**, a central bank digital currency (CBDC) initiative and **KHQR**, a unified QR payment system.
- By 2023, Bakong transactions **grew 2.7x to USD 200.9 million**, while QR payments increased sevenfold, boosting riel usage.
- In 2024, the usage of KHQR payments has noticeably increased **enabling seamless cross-bank payments**.
- The FinTech sector in Cambodia has experienced rapid growth, with increasing transaction values indicating **a shift toward digital financial services** that complement E-commerce.
- Cambodia's digital payment sector witnessed substantial growth in **2023**, characterized by 33 licensed providers, 19.7 million e-wallet accounts, and transaction values exceeding **USD 75.8 billion**, representing 2.4 times the national GDP. This **18%** annual increase underscores the sector's strong potential for exponential expansion. While official 2024 data is pending release by NBC, unofficial reports suggest a **continuation of this significant growth trajectory**, indicating further market acceleration.

Source : NBC, Statista[1], Statista[2], KiriPost, Industry Expert Interview, PROFITENCE's Analysis

INDUSTRY **ANALYSIS** | **BANKING** AND **FINANCE**

Key Insight

- **QR payment expansion and cross-border agreements** propelled Cambodia's banking growth in 2024, while E-commerce expansion drives bank collaborations for **payment integrations and BNPL loans**.

Rise of QR for Online and Offline Payments

QR code payments have gained growing public confidence and widespread adoption , supported by **601.3 million transactions, and 3.3 million KHQR-accepting merchants nationwide,** according to NBC's annual report in 2023.

Bakong's Growing Momentum

In 2024, Bakong **enhanced cross-border payments** by integrating with **Alipay+** and partnering with **Malaysia's Maybank and South Korea's JB Financial Group**.

The **Bakong Tourist mobile payment system** was also launched in 2024, **enabling cashless payments for tourists** at 4.5 million merchants in Cambodia.

Accelerated Growth of Digital Finance

In 2024, **financial integration accelerated** with bank and E-commerce collaborations, including ABA Bank with Grab and Foodpanda, and Move by LM Car with Wing Bank, driven by a projected **34.4% rise in digital investment**, reaching **8.76 million users by 2027**.

Buy Now, Pay Later: A Promising Shift in E-Commerce

Buy Now Pay Later (BNPL), an interest-free installment loan, has **gained traction in Cambodia, driven by the rise of E-commerce and digital payments.**

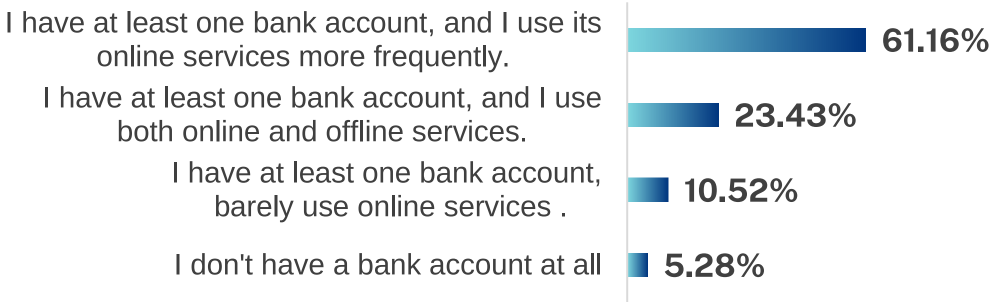
The banks in Cambodia have leveraged BNPL and instant loans by integrating into their services**, forming E-commerce partnerships** to expand digital lending.

Source: NBC, KhmerTimes, Money & Banking Online, Yuanta Securities (Cambodia), Aquarii, Industry Expert Interview, PROFITENCE's Analysis

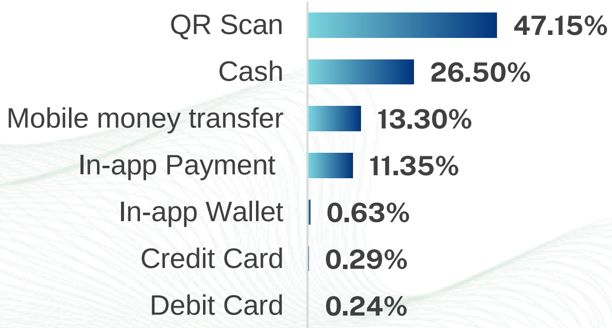
SURVEY **RESULTS** | **BANKING** AND **FINANCE**

- Digital payment adoption rises in 2024, with **60% active online banking users and QR scans as the most used method**, driven by **convenience, speed, and security**.
- **ABA** is the most used bank for online purchases, followed by Acleda and Wing.
- **Security, user-friendliness and seamless payment** are prioritized in choosing financial services.

Bank Account Ownership & Usage



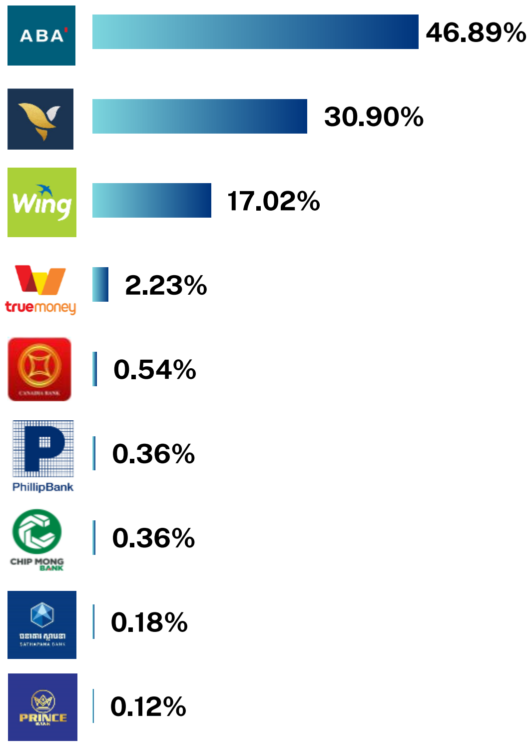
Payment Method Usage



Top 3 Reasons to Use the Method

Convenience	**27.16%**
Speed	**21.3%**
Safety	**20.52%**

Bank Or Payment Gateways Used for Purchasing Online



5 Main Considerations to Choose

Security	20.9%
User-Friendliness	18.5%
Fast and Seamless Payment	14.12%
Helpful Customer Service	10.87%
Wide Acceptance	9.71%

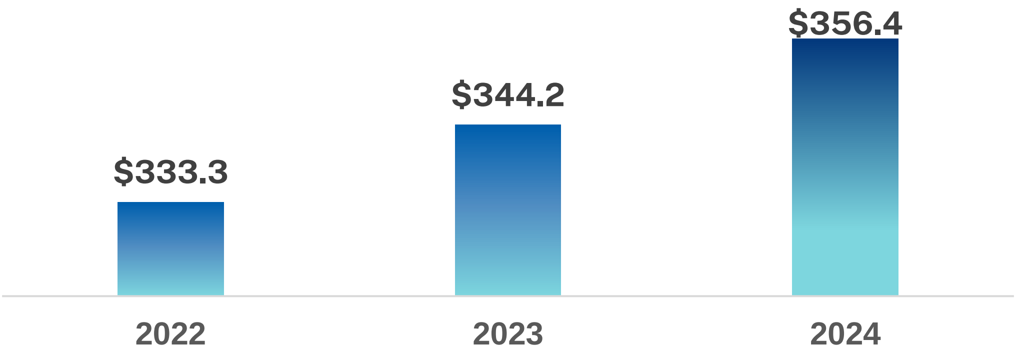
** Please note: Survey results are based on respondent data and may not precisely reflect overall market share.*

Industry Focus

Insurance

INDUSTRY **OVERVIEW** | INSURANCE

Gross Premium Income of Insurance Market, 2022-2024 *(in million USD)*



Cambodia's insurance market saw **a modest 3.5% increase** in 2024, with gross premium income reaching **USD 356.4 million**. There is an **insurance density of USD 21 per capita**.

Gross incurred claims reached **$79.7 million in 2024, an 18.9% increase** from $67 million in 2023.

- Cambodia's insurance sector continues to expand, with total claims reaching **USD 79.7 million in 2024, an 18.9% increase** from USD 67 million in 2023. The industry holds over USD 1 billion in total assets.
- Despite economic headwinds such as inflation and private debt increases the insurance industry has shown resilience with a 3.5% growth in gross premiums, reaching $356.4 million in 2024.
- Cambodia's **insurance penetration rate stands at 1.16% of GDP as of 2023**, significantly below the ASEAN average of 3.4%. There is substantial growth opportunity given the **government's ambitious target to reach 5.5% penetration by 2030.**
- The industry continues to grapple with cultural attitudes and low awareness, necessitating continued efforts in public education to drive adoption and capitalize on the market's potential.

Source: IRC Annual Report, PhnomPenhPost, Asia News, Industry Expert Interview, PROFITENCE's Analysis

INDUSTRY **ANALYSIS** | INSURANCE

Key Insight

- **Initiatives for information accessibility and awareness** are taken by the insurance industry players, through mobile apps, chatbots, E-commerce partnerships, and rural-focused content. **Establishing fraud protection measures and the governance framework for insurance companies** by NRC, further strengthen industry stability and reliability.

Innovative Digitally for Accessibility

In 2024, Prudential launched a **Telegram Bot** to enhance customer access to insurance services through a familiar platform. Meanwhile, AIA, Manulife, and Forte introduced their **mobile apps** for streamlining policy management, claims processing, and overall user experience.

Strategic E-commerce Collaboration

Insurance providers have **collaborated with online commerce platforms** to **expand their market reach**.

Prudential has forged a strategic partnership with Foodpanda to extend services, whereas Manulife teamed up with Grab and Bookmebus to **enhance visibility** through joint promotional offers.

Fraud Protection to Strengthen Industry

In 2024, the insurance regulatory body of Cambodia, IRC introduced **anti-fraud guidelines** to protect insurers and policyholders and a **governance framework** to strengthen oversight, ensuring market stability and reliability.

Increased Rural Friendly Approaches

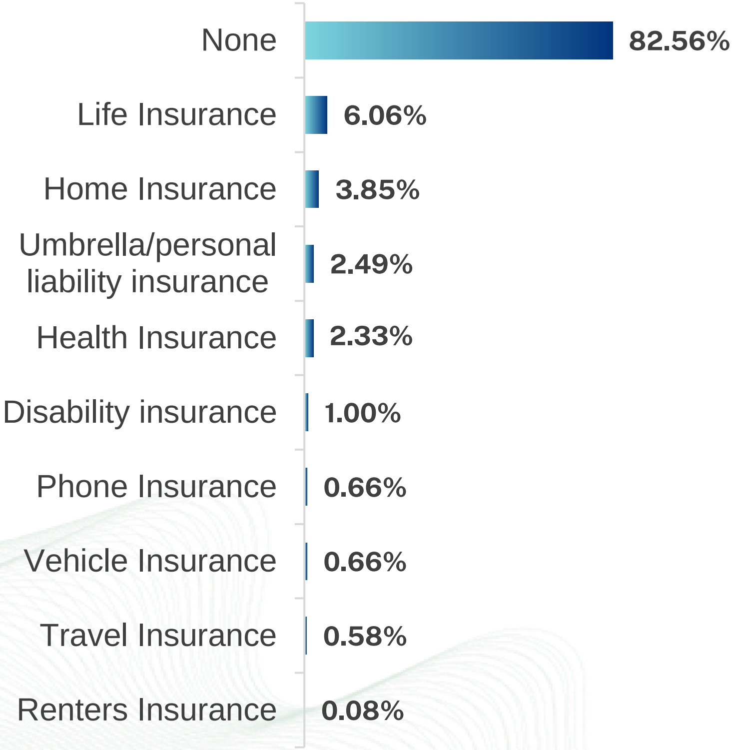
Insurance companies leverage **rural-friendly contents**, incorporating user testimonials and financial and digital literacy initiatives to **enhance engagement, build trust**, and drive adoption in rural communities.

Source: IRC, CambodiaInvestmentReview, Prudential, AIA, Manulife, PROFITENCE's Analysis

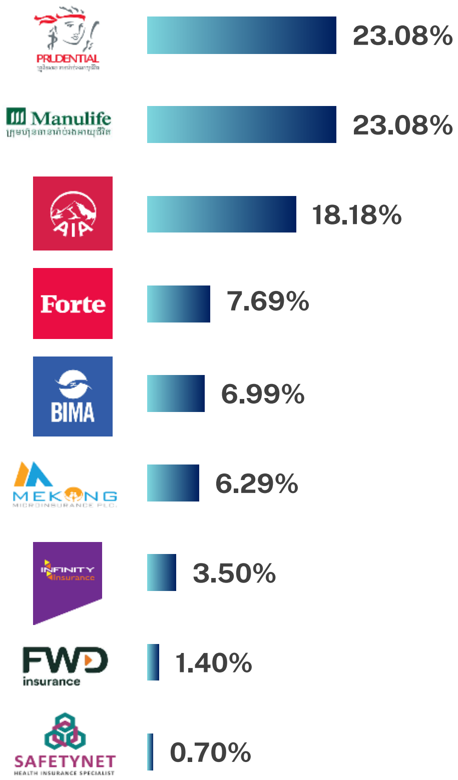
SURVEY **RESULTS** | INSURANCE

- Insurance adoption remains low, with **only 17.44% of respondents** holding a policy.
- **Prudential, AIA, and Manulife** are the leading insurance providers.
- **Insurance agents and branch offices** are preferred for buying insurance policy. **ABA and Acleda** are the preferred payment methods for premium payments.

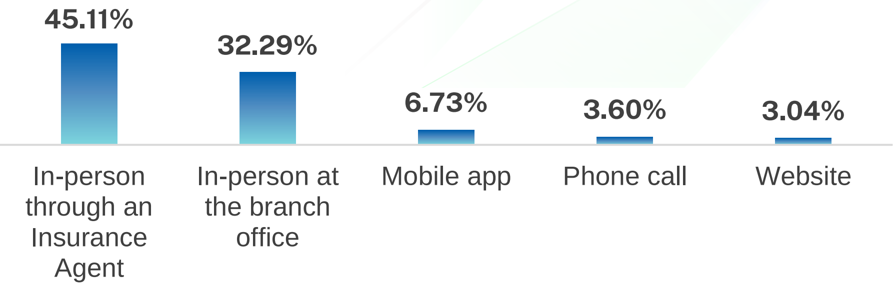
Insurance Usage



Insurance Brand Usage*



Preferred Ways of buying insurance



Payment Methods for Insurance Premium

ABA Bank **29.63%**

Cash **17.9%**

ACLEDA Bank **27.78%**

Bakong **3.09%**

Wing Bank **11.73%**

True Money **1.23%**

** Please note: Survey results are based on respondent data and may not precisely reflect overall market share.*

SURVEY **RESULTS** | INSUANCE

- **Convenience** is the main concern in buying insurance followed by **price and comprehensive policies**.
- **Trust, limited understanding, and low awareness** hinder online adoption of insurance, while **a simple interface, security, and clear communications** enhance confidence.
- **Facebook** is the primary source for insurance information.

Top 5 consideration when buying insurance

- Convenience **31.58%**
- Price **16.17%**
- Transparent & Comprehensive Policies **14.29%**
- Information & Resources **9.77%**
- Customer Support **9.4%**

Top 5 channels to learn about insurance company

- Facebook **40.6%**
- Families, Friends and Colleagues **14.67%**
- TikTok **10.63%**
- Youtube **9.56%**
- Telegram **5.51%**

Top 5 Concerns for Purchasing Insurance Online

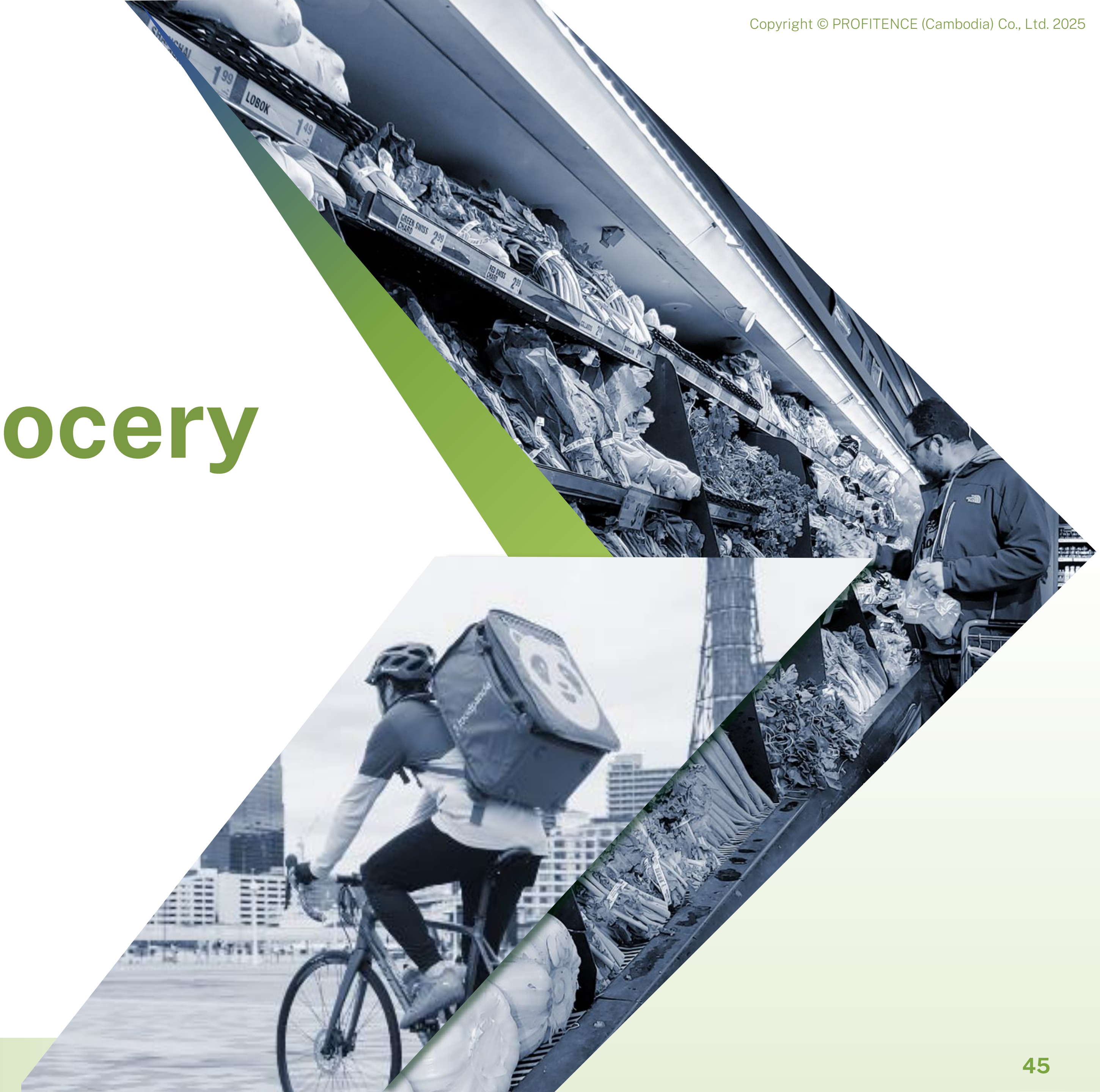
- **Trust Issues**
- **Lack Understanding**
- **Limited Awareness**
- **Prefer F2F**
- **Security & Privacy**

Top 5 Triggers to Purchase Insurance Online

- Simple User Interface **17.56%**
- Security & Privacy **14.98%**
- Testimonials **13.58%**
- Comprehensive policies **13.12%**
- Personalized Options **9.6%**

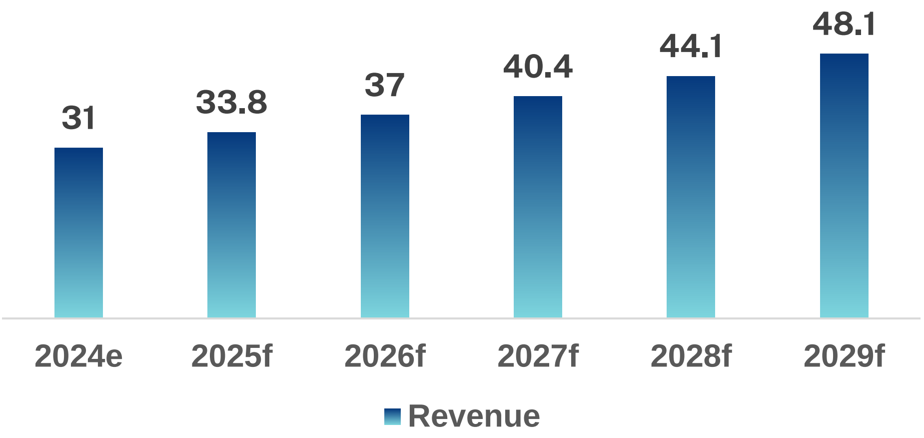
Industry Focus

Food & Grocery Delivery



INDUSTRY **OVERVIEW** | FOOD DELIVERY

Revenue of Food Delivery in Cambodia, 2024-2029, *(in million USD)*



The food delivery industry has gained momentum, the top four food delivery platforms which make up a majority of the market boast a **combined estimated daily orders of 53,000 orders** and an **est. annual revenue of USD 31 million.**

The total revenue of food delivery is projected to reach **USD 48.1 million by 2029**.

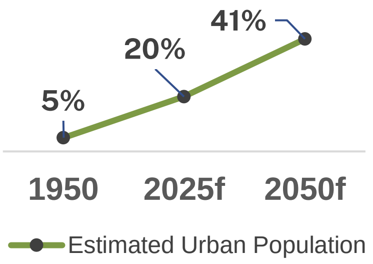
- In 2024, the food delivery industry is concentrated in Phnom Penh, despite expansion into other provinces.
- Foodpanda remains the dominant player, leveraging its **established reputation and strong customer preference**. Nham24, E-GetS and Wownow follow in market-share, in that order.
- Grabfood, along with other competitors, works to capture market share by offering **exclusive deals, frequent promotions, and forming strategic partnerships** with restaurants.
- The late 2024 announcement of Grab's integration with Nham24 signals a potential shift in the competitive landscape.
- **Teenagers aged 14 to 19 and young adults** are the most frequent users, attracted by the convenience and tech-savviness of food delivery, supported by the **growing youth population.**

Source: Statista, KhmerTimes, Industry Expert Interview, PROFITENCE's Analysis

INDUSTRY **ANALYSIS** | FOOD DELIVERY

Key Insight

- **Convenience** is crucial in encouraging frequent orders from Cambodian customers, offering **exclusive deals tailored to local tastes** as well as providing **easy and secure payment** options that improve the overall experience.



Driven by Urbanization

Anticipated urbanization will drive higher food delivery demand as consumers prioritize efficiency and convenience, with **affordable meal options, attractive promotions and free delivery** offered by platforms addressing this need.

Meeting Demand with Exclusivity and Accessibility

Food delivery apps use **exclusive offers** to create a unique appeal for customers. , while features like **nearby restaurant displays and easy reordering** enhance convenience and reduce disappointments.

Increased In-app Payment Integration

Integration with online payment gateways such as ABA Pay **simplifies and enhances convenience** for the payments on food delivery apps, **reducing card payment usage** which initially has fraud concerns among the customers in Cambodia.

Balance between Franchise Chains and Local Outlets

The food delivery industry is **dominated by international chains** like Domino's, Starbucks, and Pizza Hut, while efforts are made to **lower entry barriers** for local merchants, catering to the demand for **traditional Cambodian cuisine and street food.**

Source: UN Population Division, KhmerTimes, E-conomySEA, ABA Bank, Industry Expert Interview, PROFITENCE's Analysis

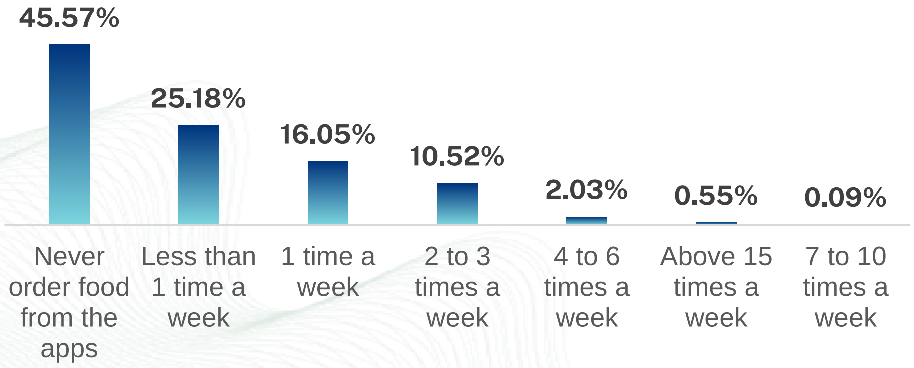
SURVEY **RESULTS** | FOOD DELIVERY

- Most consumers prefer **dining in** over food delivery. The majority of food delivery app users order once a week or less.
- **Foodpanda** is the mostly used platform, followed by **WowNow and Nham24**.
- **Fast and on-time delivery, food variety, and promotions** are the key factors influencing platform choice..

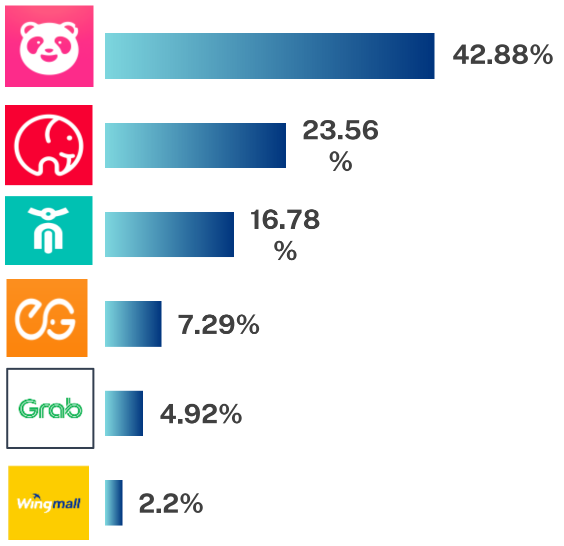
Food Purchase Habits

- Dine-In **48.34%**
- Take Away **26.57%**
- Food Delivery apps **22.42%**
- Social Media **2.06%**
- Phone Calls **0.74%**

Food Delivery App Usage Frequency



Mainly Used Food Delivery Apps*



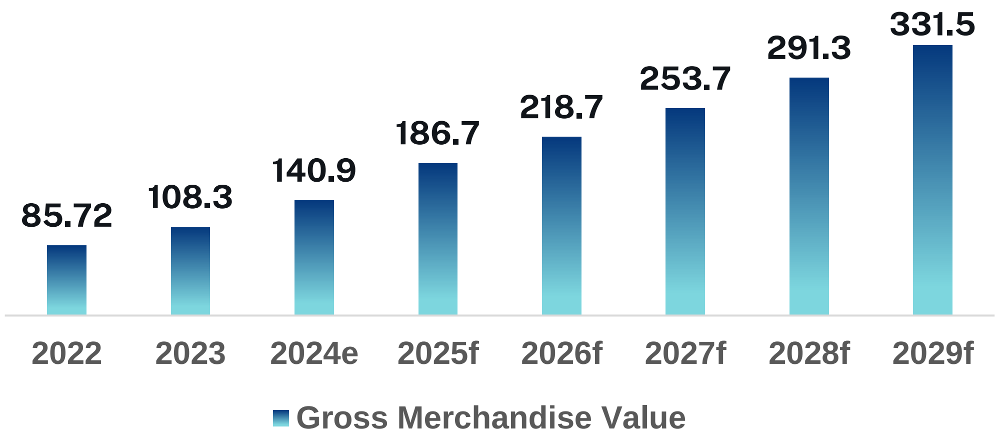
Consideration in Choosing Food Delivery Apps

- **Fast and On-time Delivery** **34.23%**
- **Variety of Food Options** **15.59%**
- **Promotion & Discount Offers** **15.41%**
- **Reasonable Delivery Fees** **10.24%**
- **Easy to Use the app** **4.7%**

** Please note: Survey results are based on respondent data and may not precisely reflect overall market share.*

INDUSTRY **OVERVIEW** | GROCERY DELIVERY

Revenue of Grocery Delivery, Cambodia 2022-2029, *(in million USD)*



Despite a strong preference for in-store shopping, grocery delivery adoption in Cambodia is rising, with **growing sales and basket size**.

The market is expected to grow at a **15.43% CAGR 2025-2029)**, reaching a projected volume of **US$331.50m by 2029**.

- Grocery delivery in Cambodia faces key challenges with **fluctuating food prices, a strong preference for shopping at wet markets**, and **reluctance to pay delivery fees**.
- The adoption of online grocery delivery is growing among younger urban consumers for household items and dry groceries, driven by the **convenience of eliminating the need for travel**.
- Delivery apps **expand partnerships** with a diverse range of supermarkets, convenience stores, and local grocers to attract more customers and drive online grocery orders.
- The **inability to physically inspect fresh produce** is a key barrier to online grocery adoption in Cambodia.

Source: Statista, Eurocham, Industry Expert Interview, PROFITENCE's Analysis

INDUSTRY **ANALYSIS** | GROCERY DELIVERY

Key Insight

- **Traditional wet market preference and price sensitivity** continue to hinder online grocery adoption, despite **increasing use to purchase beverages, personal care and household items**, especially among young customers who enjoy digital shopping experience.

Rising Online Shopping Adoption among Young Consumers

Online browsing and purchasing of personal care and household products become **favorable among young shoppers**, with a significantly higher adoption of digital payments than older generations.

Driving Orders through Incentives

Delivery apps partner with stores and supermarkets to offer **exclusive deals, promo codes and free delivery** on minimum purchases, encouraging consumers to shop for groceries online and boosting order frequency.

More Orders for Dried Foods and Fruits

The demand for dried and canned foods via online platforms has risen as consumers prioritize convenience of home delivery. This shift reflects changing purchasing behaviors driven by **digital adoption and evolving lifestyle preferences**.

Less Preferred to Purchase Fresh Groceries

Most grocery shoppers prefer **physically inspecting fresh produces** such as, vegetables, meat, and fish to check freshness and quality.

Delivery app-partnered supermarkets are often seen as **less fresh and more expensive** than wet markets.

Source: Eurocham, Industry Expert Interview, PROFITENCE's Analysis

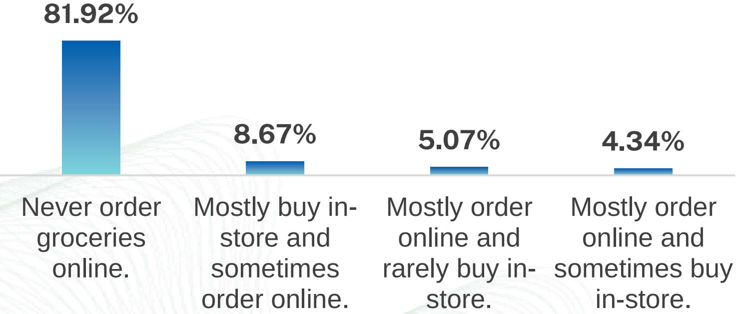
SURVEY **RESULTS** | GROCERY DELIVERY

- Consumers prioritize **convenience and fair price**, yet online adoption remains low with **82% never ordering**.
- **Foodpanda** leads as the most ordered platforms, while **social media and direct seller contact dominate purchases**.
- **Dried and canned food, personal care & household cleaning items, and fruits** are the most ordered via online platforms.
- **Quality assurance, freshness, and reasonable pricing** are key to increasing adoption.

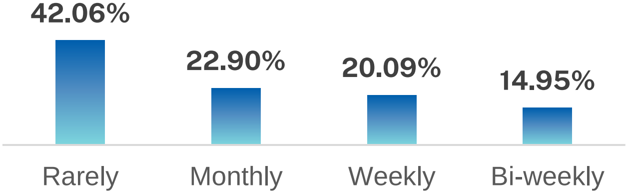
Top 5 Considerations on where to Buy Groceries

- Convenience **22.4%**
- Reasonable Price **19.95%**
- Product Quality **17.96%**
- Freshness **12.68%**
- Variety of Choices **11.72%**

Grocery Shopping Habits



Online Grocery Usage Frequency



Top 5 Online Platforms to Buy Groceries*

- Social Media **33.72%**
- Direct Contact **24.08%**
- Foodpanda **11.93%**
- Nham24 **10.55%**
- Wownow **7.8%**

5 Most Purchased Groceries Online

- Personal Care **13.85%**
- Fruits **13.11%**
- Dried and Canned Food **12.46%**
- Laundry & Cleaning **10.82%**
- Instant Tea & Coffee **10.82%**

Top 5 Encouragement to Purchase Groceries Online

Guaranteed Quality & Freshness	**19.79%**
Reasonable Price	**18.31%**
Reliable Delivery Time	**13.2%**
Wider Variety	**12.82%**
Promotion & Discount	**11.5%**

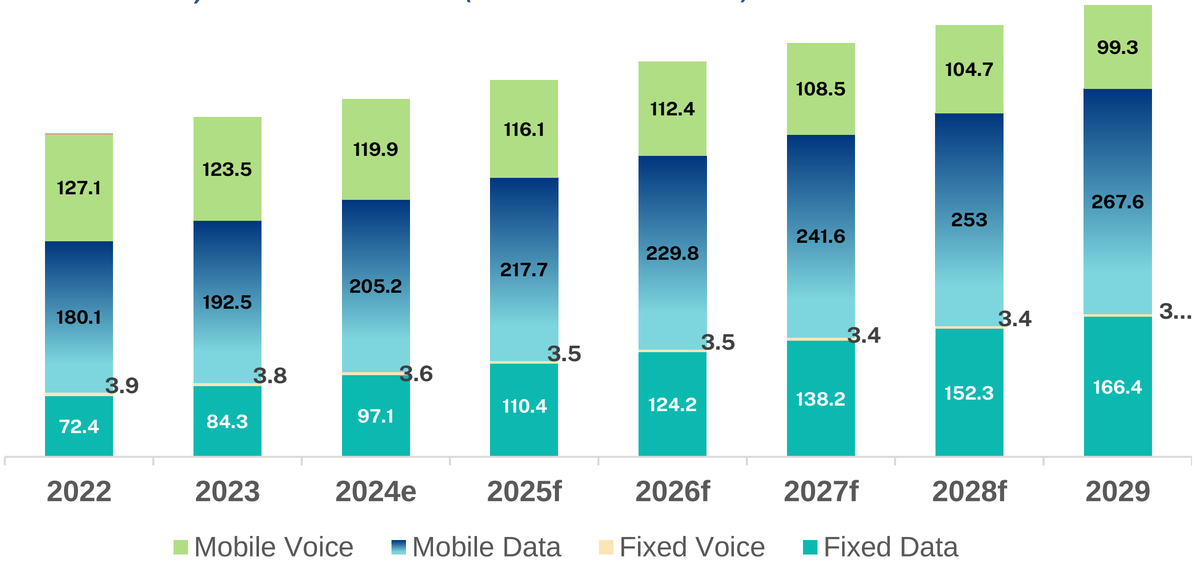
** Please note: Survey results are based on respondent data and may not precisely reflect overall market share.*

Industry Focus

Telecommunications

INDUSTRY **OVERVIEW** | **TELECOMMUNICATIONS**

Revenue of Communication Services, Cambodia, 2022-2024 *(in million USD)*



Cambodia's communication services market generated **USD 425.8 million in 2024**, with a projected **4.64% CAGR** (2025-2029), reaching **USD 536.9 million by 2029**.

- In 2024, Cambodia's telecom sector continues to grow, with **mobile subscriptions reaching 21.9 million — a 3.9% increase from 2023**.
- Internet subscriptions have reached **20 million in 2024**, expanded by 1.75%. With widespread reliance and rising smartphone ownership, the **mobile data sector generated $205.2 million in revenue** in 2024
- To address **growing public concern over online scams and fraud**, the Ministry of Post and Telecommunication has partnered with telecom operators to **enhance online safety and enforce stricter regulatory measures**.
- MPTC's *Prakas N0. 82 on Telecommunications Quality of Service* is implemented to impose obligations on operators to improve the quality of their telecommunications services and networks, a testament of the Ministries commitment protecting consumer interests.
- Telecom operators in Cambodia are **actively enhancing digital connectivity**, with Smart Axiata's notable expansion in 2024 by adding 475 Base Transceiver Stations, bringing the total to over 4,000 sites nationwide to improve coverage, capacity, and reliability.

Source: TRC, CambodiaInvestmentReview, Statista, PROFITENCE's Analysis

INDUSTRY **ANALYSIS** | TELECOMMUNICATION

Key Insight

- Cambodia's telecom sector in 2024 has advanced with **cybersecurity measures, diversified services, online partnerships, fraud prevention, and imminent 5G expansion**.

Public Private Partnership for Cyber Security

To combat online scams and frauds, the Ministry of Posts and Telecommunications (MPTC) collaborates with telecom operators to **enhance cybersecurity with safeguarding systems** to protect online child abuse , and ensure a safer online environment for all Cambodians.

Strict Measures to Identify SIM Cards

The Telecommunication Regulator of Cambodia (TRC) has implemented stricter **regulations on SIM card sales and activations** to curb violations by mobile operators and vendors. These measures aim to **prevent illegal activities, including fraudulent bank account registrations and social media profile misuses.**

Initiated Collaboration and Integration with E-Commerce

Smart Axiata has expanded its digital ecosystem through E-commerce partnerships such as **exclusive promo codes for Move and Passapp ride hailing apps**, and the **Work & Learn data package** for EBS and Onesala online learning platforms.

Meanwhile, Metfone accelerates **digital TV transformation** with the launch of its **proprietary paid streaming platform, TV360**.

Upcoming 5G to Boost Digital Infrastructure

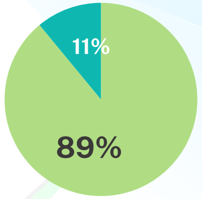
The Ministry of Posts and Telecommunications (MPTC) prioritizes **digital infrastructure development, with a near-future 5G rollout planned** to accelerate digital transformation, improve connectivity, and stimulate economic growth.

Source: CambodiaInvestmentReview, Smart Axiata, KiriPost, Khmertimes,B2B Cambodia, PROFITENCE's Analysis

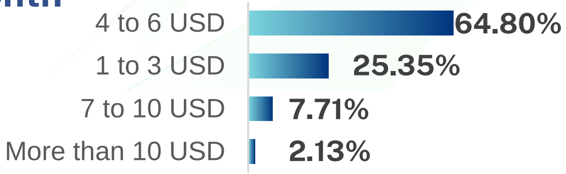
SURVEY **RESULTS** | TELECOMMUNICATION

- **Smart** is the most used telecom provider, and **55% of respondents use it as their main service**.
- Most consumers top-up their mobile service with **banking apps**, followed by scratch cards.
- **Mobile data usage dominates Wi-Fi with 89%,** used for internet access.
- **77% of users are satisfied or highly satisfied**, with their current telecom services.
- Most spend **4 to 6 USD per month** for mobile data service. **Internet speed, network quality, and call quality** are mainly considered in choosing telecoms..

Internet Usage



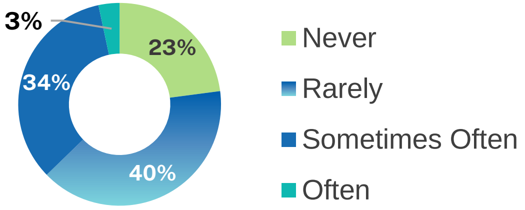
Spending on Mobile Data Per Month



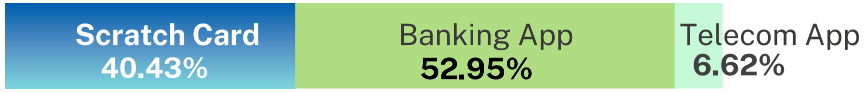
Top Telecom Service Providers*

Smart	metfone	cellcard
55.54%	27.31%	17.16%

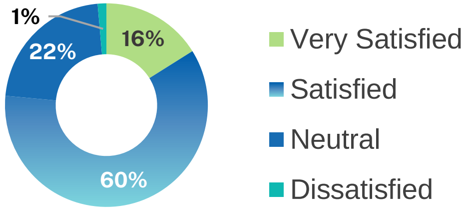
Facing Connectivity Issues



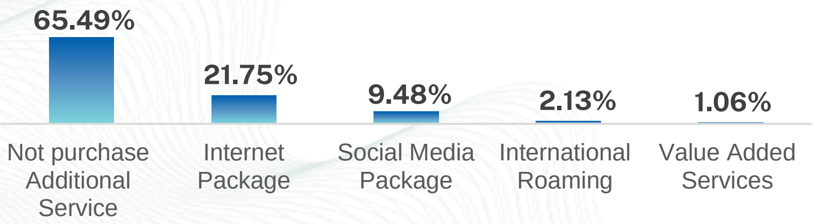
Mobile Top-up Methods



Satisfaction on Current Telecom Service



Purchasing Additional Telecom Service



Main Considerations to Choose Telecom Service

Internet Speed	32.8%
Coverage and Network Quality	21.17%
Phone Call Quality	20.76%
Reasonable Price	14.96%
Customer Service	8.75%

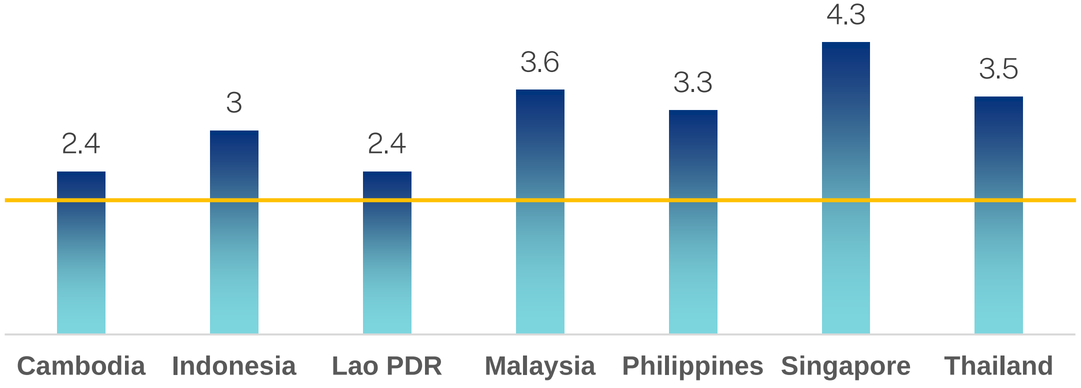
** Please note: Survey results are based on respondent data and may not precisely reflect overall market share.*

Industry Focus

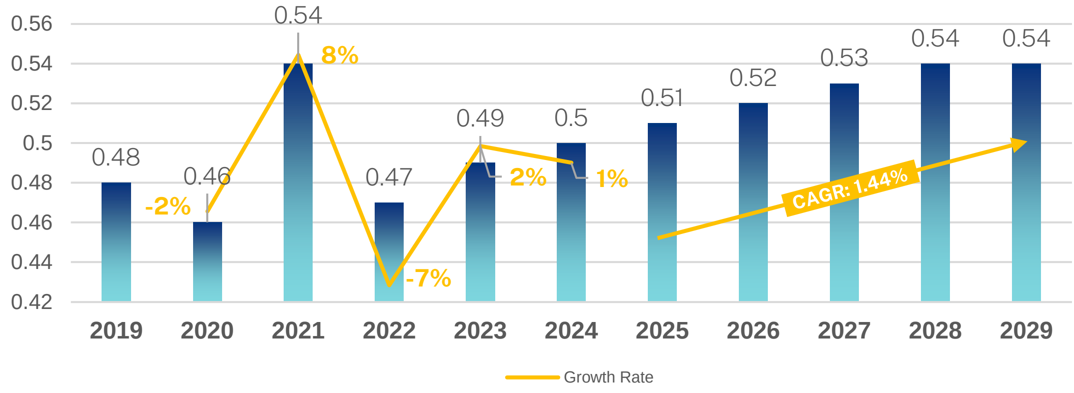
Logistics

INDUSTRY **OVERVIEW** | LOGISTICS

ASEAN Logistics Performance Index (LPI), 2023



Third-party Logistics (3PL) Revenue, 2019-2029 *(in billion USD)*



1: The World Bank Logistics Performance Index (LPI) is the weighted average of the country scores on the six key dimensions; efficiency of clearance processes, quality of trade and transport infrastructure, ease of international shipments, tracking and tracing, and timeliness.

- Cambodia's logistics performance (general logistics industry) continues to remain well **below neighboring countries** as outlined by an **LPI score[1] of 2.4**, according to the World Bank.
- The costs of cross-border logistics (not specific to E-commerce) are high, primarily driven by **inefficient customs procedures and increasing warehousing and transportation costs**.
- The 3PL market is growing, but shows signs of being **overcrowded with an influx of foreign players**. Revenues are projected to reach **0.51 billion USD in 2025,** and expected to grow at an **annual growth rate of 1.44%.** The market is projected to reach a volume of **0.54 billion USD by 2029.**
- Domestic logistics, including **last-mile deliveries have significantly improved** but require the support of reliable third-party logistics in order to serve growing E-commerce demands. However **quality control, and inventory management** remain concerns.
- The integration of e-logistics continues to dominate, with consumers increasingly ordering products from countries like China and Thailand through platforms such as Lazada and Alibaba. Mobile apps and various e-payment methods are now standard among delivery companies.
- Progress in implementing cross-border paperless trade measures is streamlining digital trade processes, **significantly enhancing efficiency and reducing logistical friction** through improved data exchange. Initiatives like **the Cambodia National Single Window** are centralizing trade-related data, while advancements in **Cambodia Post's e-customs clearance** are accelerating parcel processing. These efforts aim to create a **more seamless and transparent trade environment**, fostering greater participation in regional and global digital commerce.

Source: Statista, World Bank, GDCE, Cambodia Post, Profitence Research and Analysis

INDUSTRY **ANALYSIS** | **LOGISTICS**

Key Insight

- Cambodia's E-commerce logistics sector faces significant challenges, including **high transportation costs, limited warehousing infrastructure, and inefficient last-mile delivery**.
- However, **increasing investment in digital tracking, third-party logistics (3PL) providers, and regulatory reforms** are improving efficiency. **Streamlining customs processes and enhancing logistics infrastructure** will be crucial to supporting the rapid expansion of Cambodia's E-commerce ecosystem.

DHL Dominates Cross-Border Express Delivery

There are **26 official courier companies** that engage in cross-border express delivery.

DHL dominates 60% of the market among 26 courier companies, with over 90% of its deliveries serving the B2B sector.

Dissuading Costs of Transportation and Warehousing

Transportation costs in Cambodia often surpass the original value of packages, posing a major challenge for E-commerce. **Hidden fees, including customs duties, last-mile surcharges, and handling costs**, further inflate delivery expenses.

These inefficiencies highlight the need for **improved logistics infrastructure and more transparent pricing mechanisms.**

Service Quality Outranks Discounts

Service quality has growing precedence over discounts – logistics companies need to invest in tracking, customer service & delivery accuracy in order to retain and grow their customer base.

Quick Commerce Adoption

Consumers in Cambodia are **increasingly favoring rapid delivery options**, with a significant number willing to pay extra for same-day or next-day services.

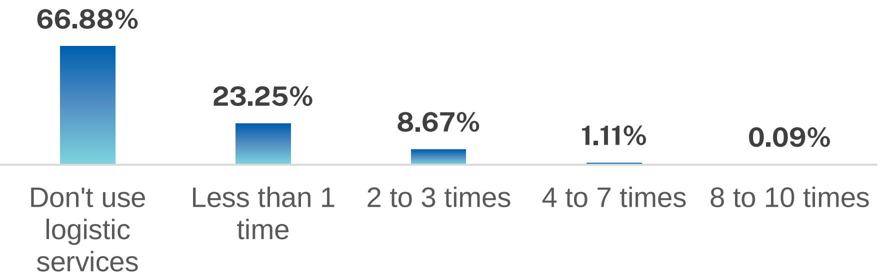
Companies like J&T Express & ZTO Express are setting up **small-scale fulfillment hubs** to improve delivery times and efficiency.

Source: ERIA, Industry Expert Interviews, PROFITENCE's Analysis

SURVEY **RESULTS** | LOGISTICS

- Consumers prioritize **reliability and on-time delivery** when choosing logistics services.
- **Physical branches remain preferred**, with **low digital adoption** via mobile apps. **In-town delivery under 1 hour and cross-province within 2 days** are ideal, with **a high willingness to pay for speed** among most respondents.
- **Vireak Buntham** dominates the logistics industry, preferred by **nearly half of respondents**

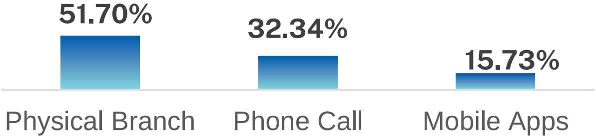
Logistics Service Usage Frequency per Month



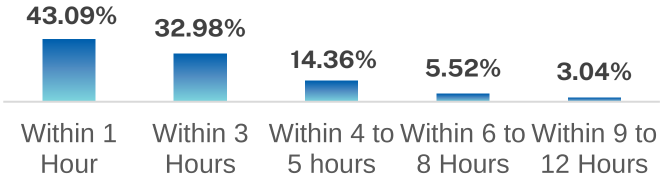
Top 5 Considerations to Choose Logistics Services

Reliability	19.8%
Fast & On-Time Delivery	15.96%
Reasonable Fees	14.61%
Proximity	14.16%
Easy to Use the App	9.04%

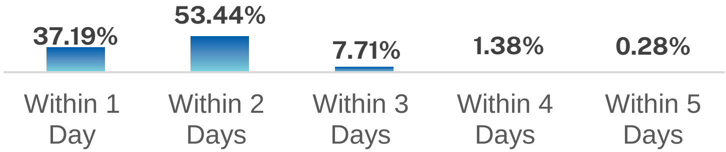
Logistics Service Channels



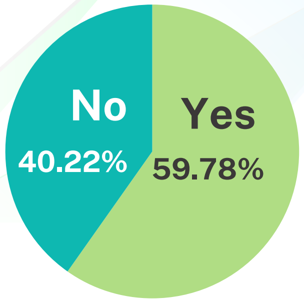
Acceptable Delivery Time (in Town)



Acceptable Delivery Time (Cross Province)



Willingness to Pay Extra for Faster Delivery



Top 3 Preferred Logistics Services*

VET	44.63%
J&T	29.12%
ZTO	5.92%

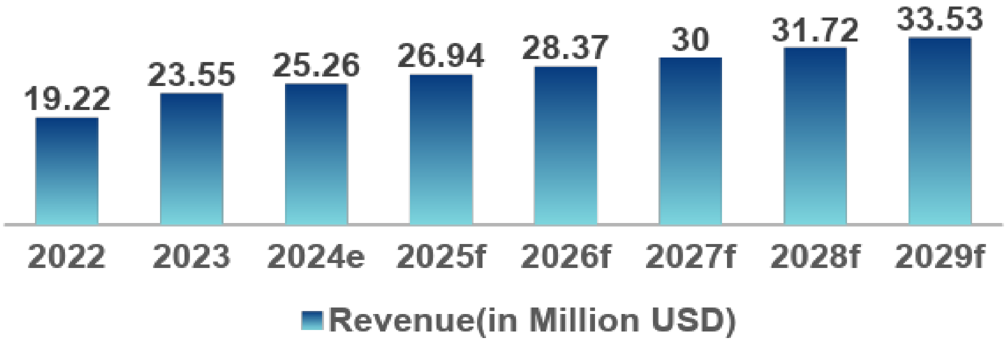
** Please note: Survey results are based on respondent data and may not precisely reflect overall market share.*

Industry Focus

Ride-hailing & Transportation

INDUSTRY **OVERVIEW** | RIDE-HAILING

Revenue of Ride-hailing Market in Cambodia, 2022-2029 *(in million USD)*



Despite a strong preference for personal transportation, particularly motorbikes, Cambodia's ride-hailing market has demonstrated steady growth.

The market is expected to grow at **5.62% CAGR, reaching USD 33.53 million in revenue** and **3.74 million users by 2029**, with user penetration rising to **20.8% and USD 8.69 ARPU[1]**.

- Ride-hailing apps in Cambodia has become more competitive in 2024, driving customer acquisition through **weekly discounts (including early morning discounts) and special promotions for festivals and events**.
- **Electric vehicles** (tuktuks and cars) are being integrated into ride-hailing apps to promote eco-friendliness.
- Grab and Passapp continue to dominate the market, however new entrants like Maxim and LMCar (Move) have intensified competition by **offering low base fares and favorable driver commission rates**.
- The ride-hailing market in Cambodia remains an attractive investment due to **the lack of floor pricing and minimal regulations, allowing players to leverage on pricing** (including surge among others) to maximize revenue during peak demand.
- **Payment gateways** with banks are integrated in the ride-hailing apps and **in-app wallets** are provided to provide a seamless and convenient experience for both riders and drivers.

1: ARPU – Average Revenue Per User

Source: Statista, KiriPost[1], KiriPost[2], KhmerTimes, Industry Expert Interview, PROFITENCE's Analysis

INDUSTRY **ANALYSIS** | RIDE-HAILING

Key Insight

- **Localization and competitive pricing** are prioritized by the ride-hailing players to shift local preferences on personal transportation, leveraging **frequent weekly promotions and special event-based discounts** to attract and retain customers.

Enhancing Strategies for User Acquisition

Increased competition in ride-hailing drives the adoption of **localized features, frequent promotions, lower base fares, and loyalty rewards** to stay competitive and attract diverse customers.

Adopted to Local Behaviors and Preferences

Grab, an international ride-hailing player, has started featuring a Go-Now option, to **allow bookings without prior pin locations**, aligning with local preferences already addressed by apps like PassApp and TADA.

EV Adoption in Ride-Hailing

Cambodia's National Policy on EVs (2024–2030) aims to cut carbon emissions through tax incentives, **reducing import duty from 30% to 10%,** and regulatory reforms easing EV registration while phasing out older fuel vehicles. However, expanding EV-based ride-hailing beyond Phnom Penh requires significant infrastructure improvements, particularly nationwide charging stations.

Increased In-App Payment Integrations

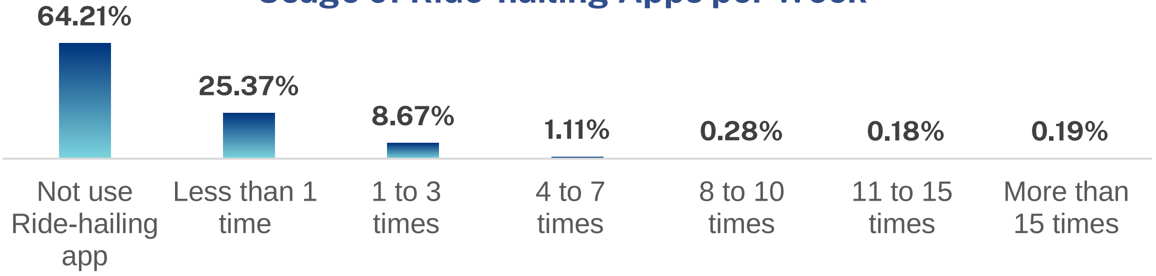
In 2024, payment integration with local banks and ride-hailing apps has boosted Cambodia's digital payment trend, improving user experience and convenience. For drivers**, in-app banking integration has expanded access to finance, enabled faster payments, and promoted financial literacy**, fostering better money management and greater inclusion.

Source: Grab, KiriPost, Industry Expert Interview, PROFITENCE's Analysis

SURVEY **RESULTS** | RIDE-HAILING

- Convenience, price, and safety encourage ride-hailing adoption, though usage remains low due to a preference for using own vehicles, especially motorbikes.
- Most users book rides with the apps 1–3 times per week, with PassApp as the top choice and Grab as the primary competitor.

Usage of Ride-hailing Apps per Week



Top 5 Reasons to Use Ride-hailing apps

Convenience
27.37%

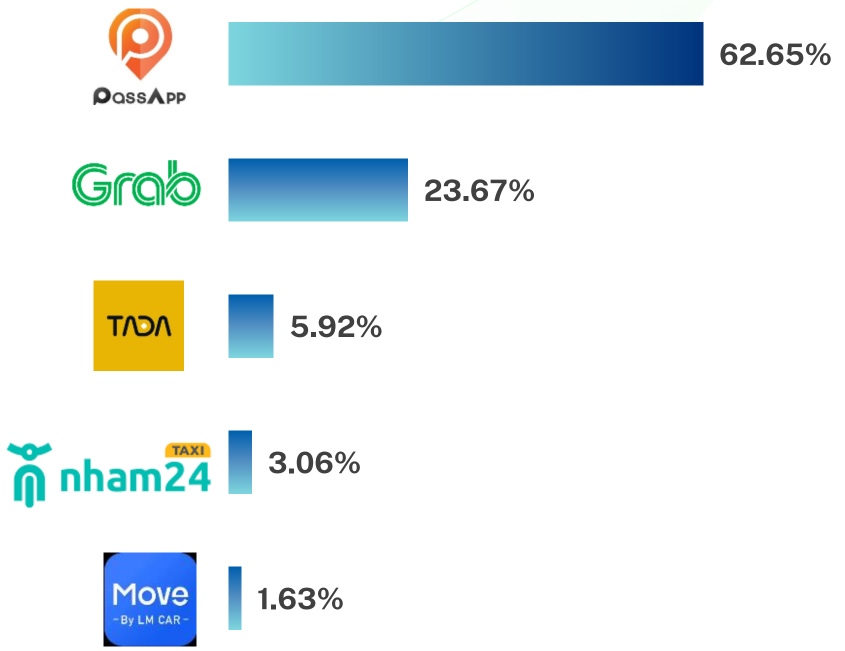
Reasonable Price
24.09%

Safety & Security
19.03%

User-friendly Interface
12.46%

Familiarity
8.06%

Preferred Ride-hailing Apps



** Please note: Survey results are based on respondent data and may not precisely reflect overall market share.*

INDUSTRY **ANALYSIS** | TRANSPORTATION

Key Insight

- **Digital adoption plus increased local and regional travel** are the main drivers for the growing online transportation platforms, which offer seamless payment process, integrated ecosystem partnerships with hotel and tour operators.

Adoption Driven by Digital Payments

Increased digital payment use among local travelers drives adoption of online transportation platform with **convenient payment options** for a seamless booking experience.

Strategic Travel Ecosystem Collaborations

Online transportation platforms have **established partnerships with other tourism businesses,** hotels and tour operators, to leverage on the ecosystem it has already built.

Growing Competition among New Entrants and Existing Players

RedBus's entry in 2024 intensifies competition in Cambodia's online transport sector, with **frequent discounts plus cashbacks** for user acquisition.

The established platforms such as BookMeBus partnered with PassApp to provide **ride promo codes**, while CamboTicket collaborated with Wing Bank for **payment-based discounts**.

Strong Social Media Influence

Social media influencers plays crucial role for growing local and regional travel by **showcasing popular and lesser-known destinations** through vlogs and photos, offering travel guidance.

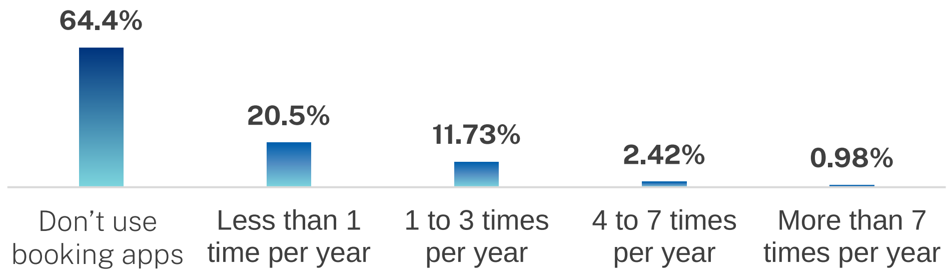
Hence, **sharing booking links** via their social media platforms encourage their followers to book their travel services via online platforms.

Source: Kiripost, B2BCambodia, redBus, Industry Expert Interview, PROFITENCE's Analysis

SURVEY **RESULTS** | TRANSPORTATION

- App-based booking remains limited, as most prefer personal vehicles, direct contact, or private rentals over digital platforms.
- Vireak Buntham mobile app is the most widely used for transportation booking.
- Consumers prioritize convenience, fair pricing, and safety when arranging transport.

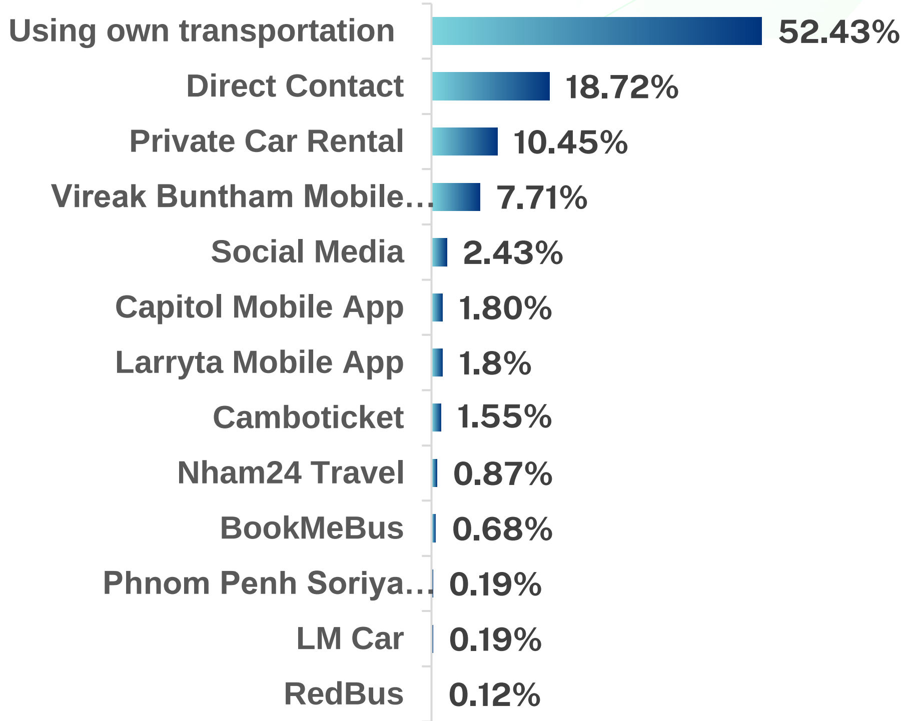
Online Transportation Booking Usage Frequency per Year



Top 5 Considerations when Arranging Transportation

Convenience	23.79%
Reasonable Price	17.52%
Safety & Security	15.19%
Flexibility	11.92%
User-friendly Interface	8.99%

Transportation Arrangements for Provincial Travel*



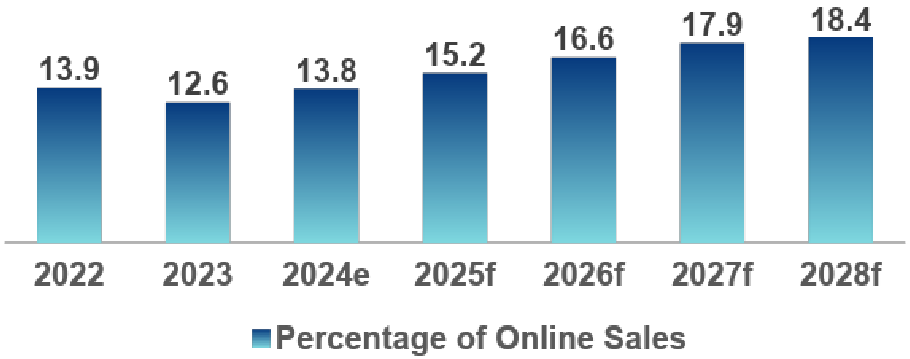
** Please note: Survey results are based on respondent data and may not precisely reflect overall market share.*

Industry Focus

Consumer Electronics

INDUSTRY **OVERVIEW** | CONSUMER ELECTRONICS

Online Sales Contribution, 2022-2028 *(in %)*



A **modest increase** in online sales indicates that Cambodian consumers are **gradually gaining confidence** in purchasing electronics through E-commerce platforms and social media, despite a continued preference for in-person shopping.

- Imports of electrical and electronic equipment reached **USD 1.951 billion** in 2024, a **23.7% increase** from the previous year, according to General Department of Customs and Excise.
- Telephony[1], valued at **USD 604.6 million in 2024**, is the largest segment of the consumer electronics market in Cambodia, driven by the **growing adoption of smartphones**.
- While online purchasing of consumer electronics is still limited in Cambodia, the market is expected to grow steadily as **consumer confidence and E-commerce infrastructure** improve, increasing access and convenience.

1: The Telephony segment includes devices such as smartphones, feature phones, and landline phones. This segment is driven by the increasing demand for mobile devices that enable communication and provide access to the internet.

Source: Statista, GDCE, PhnomPenhPost, Industry Expert Interview, PROFITENCE's Analysis

INDUSTRY **ANALYSIS** | CONSUMER ELECTRONICS

Key Insights

- **Quality assurance** plays a key role in building Cambodian customers' confidence in purchasing electronic products from online marketplaces by ensuring **consistent product standards, addressing concerns about authenticity, and offering hassle-free returns or refunds**.

Two Leading Platforms

Nham-24 and SmileShop offer **the widest range of electronics**, leveraging partnerships with local merchants, authorized distributors, and international suppliers.

Trust Building is Critical

Offering **trusted brands and clear refund/return policies** builds customer trust, drives online electronics sales, ensures product quality, and encourages repeat purchases.

ABA Pay as Predominant Payment Method

60% of customers prefer using ABA Pay for purchasing consumer electronics on online platforms, due to its quick processing, and streamlined payment steps.

Lack of Stock due to Limited Inventory of Local Merchants

Online platforms experience out-of-stock issues as local merchants maintain smaller inventories to **avoid unsold stock and inventory costs.**

Utilizing **cloud warehousing** and **accessible logistics hubs** could help address these challenges..

Source: Industry Expert Interview, PROFITENCE's Analysis

SURVEY **RESULTS** | CONSUMER ELECTRONICS

- Most consumers still favor purchasing electronics at physical stores.
- **Smartphones are mostly purchased items online**, followed by audio devices and kitchen appliances.
- Quality and authenticity are key concerns, while competitive pricing drives online electronics purchases.
- Warranty and fast navigation are the main areas to improve with online platforms to attract more electronics purchases.

Top 5 Channels Most Used to Buy Electronic Devices*

In-Store	**84.13%**
Social Media	**7.47%**
Khmer24	**1.2%**
Foodpanda	**1.11%**
Nham24	**0.65%**

Top 3 Most Purchased Electronic Devices Online

Smartphones	**26.13%**
Audio Devices	**19.51%**
Kitchen Appliances	**9.06%**

Top 5 Concerns

Quality & Authenticity	**24.55%**
Defection or Damage	**13.19%**
Lack of Warranty & Customer Support	**12.75%**
Sellers 'Reputation	**11.45%**
Fraud & Scam	**11.35%**

Top 5 Triggers

Reasonable Price	**25.91%**
Convenience	**20.77%**
Promotion & Discount	**19.49%**
Variety of Choices	**11.6%**
Warranty & Customer Support	**6.85%**

Top 3 Things to Improve for Online Platforms

Warranty	**18.54%**
Fast Navigation	**12.79%**
Convenient Usage	**10.28%**

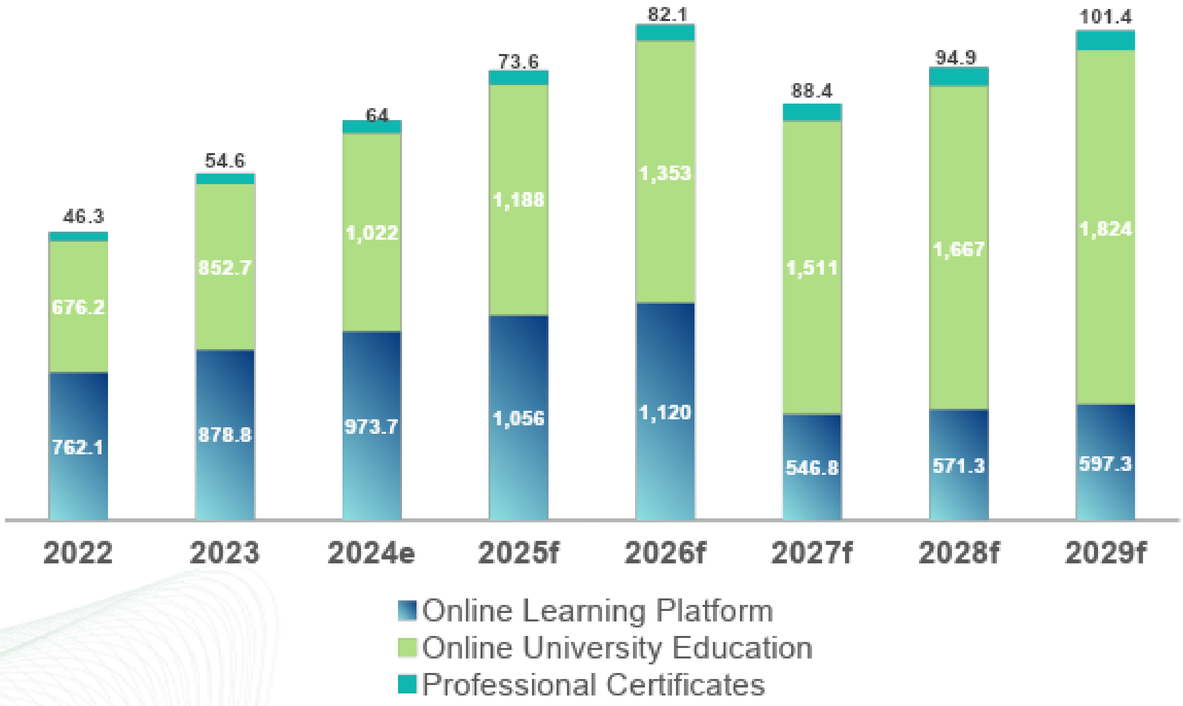
** Please note: Survey results are based on respondent data and may not precisely reflect overall market share.*

Industry Focus

Online Education

INDUSTRY **OVERVIEW** | ONLINE EDUCATION

ASEAN's Online Education Market Revenue, 2019-2029 *(in million USD)*



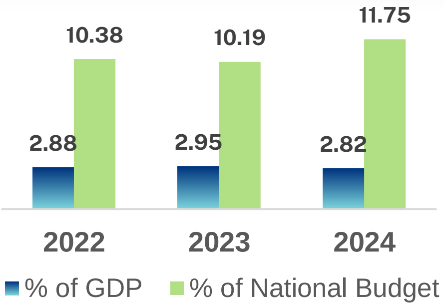
- There is a notable **lack of specific quantitative data on online education in Cambodia.** However, insights into emerging trends can be inferred from the experiences of other ASEAN countries.
- Cambodia's online education market is projected to reach **USD 2,318 million by 2025**, growing at a 2.13% CAGR to USD 2,522 million by 2029. **ARPU is expected at USD 61.30**, with users reaching 46.4 million and penetration at 8.3%. in 2025.
- The revenue of the online education sector is projected to decline as the **post-pandemic recovery reduces reliance on online learning**, easing the urgency for digital education solutions.
- Hybrid learning has gained traction in 2024, especially in higher education, with **increased integrated online courses by educational institutions** to enhance traditional methods, enabling more flexible, tech-driven education.

Sources: Statista, MOEYS, E-School Cambodia, CDRI, World Bank, Swisscontact , PROFITENCE Analysis

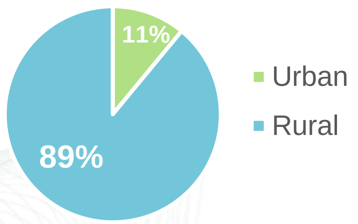
INDUSTRY **ANALYSIS** | ONLINE EDUCATION

Key Insights

- **Quality** Online education is rapidly transforming Cambodia's high school landscape, driven by **government initiatives, homegrown platforms, and increasing digital integration.** However, **infrastructure gaps remain a critical challenge**, particularly in rural areas.



Cambodia Education Spending, 2022-2024 *(in % GDP)*



Cambodia Public Schools Split, 2023 *(in % GDP)*

Government-Led Digital Initiatives

MoEYS advances digital education through **model schools, local content servers, and partnerships** with Meta, UNICEF, and World Education.

Initiatives like **the Khmer Digital Literacy Programme (KDLP) and the Digital Literacy Initiative (DLI),2024-2025** further equip students with essential digital economy skills.

The government allocates **3% of GDP** to education, with projected increases reinforcing its commitment to digital learning.

.

Infrastructures still remain a challenge

With **89% of public schools located in rural areas, limited internet access and inadequate digital infrastructure** hinder the effectiveness of online education, widening the digital divide.

Empowering High School Students Through Online Education

High schools are central to Cambodia's online education growth with **increased utilizing digital platforms by students** to strengthen exam preparation and enhance their competitive advantage.

Home Growth Platforms continue to be the leading players

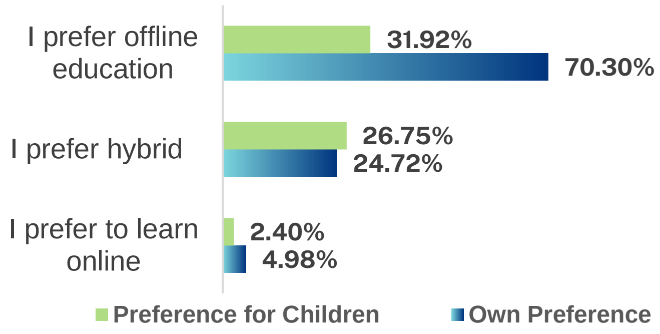
E-School Cambodia and Dureseka (e-learning platform by Ministry of Youth Education and Sports) lead Cambodia's online education, offering localized content with personalized language and prioritized materials. Aligned with curriculum.

Sources: Statista, MOEYS, E-School Cambodia, CDRI, World Bank, Swisscontact, PROFITENCE Analysis

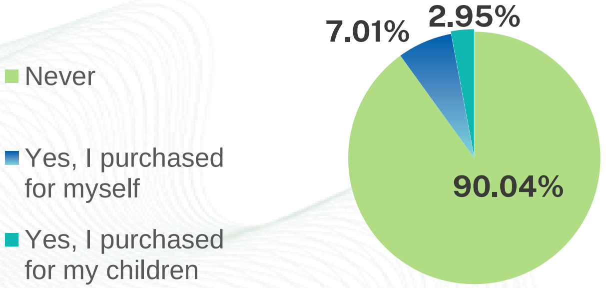
SURVEY **RESULTS** | ONLINE EDUCATION

- Most prefer offline learning, with few purchasing online courses in the past two years. On the other hand, A considerable segment of parents are willing to adopt hybrid learning for their children.
- Local online course subscriptions have increased, indicating growing awareness and usage.
- QR payments are the most used method for online course payments.

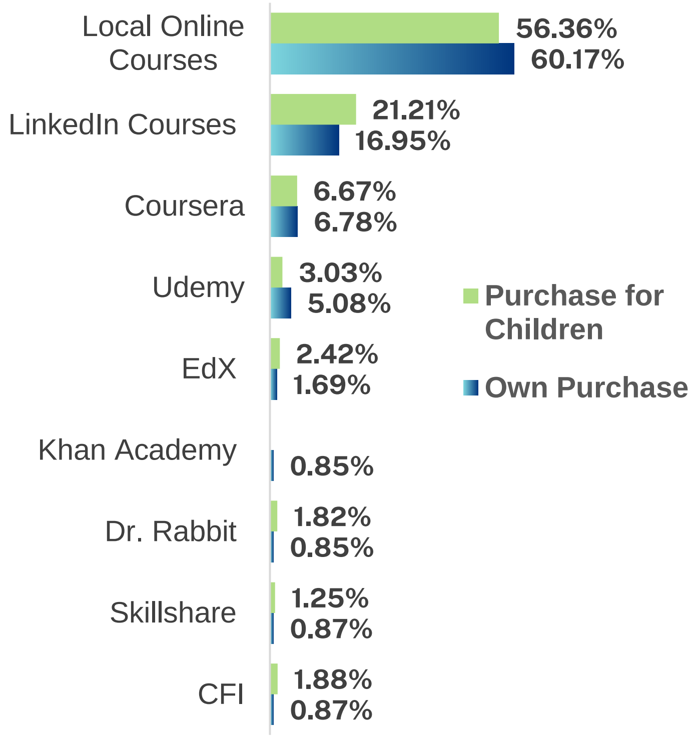
Preferred Learning System



Purchasing Online Courses within the Last 2 years



Online Courses Purchased within the Last 2 years*



Payment Method Used to Purchase Online Courses

Cash	**24.41%**
Debit/ Credit Card	**3.15%**
QR Code	**63.78%**
Direct account-to-account transfer	**4.72%**

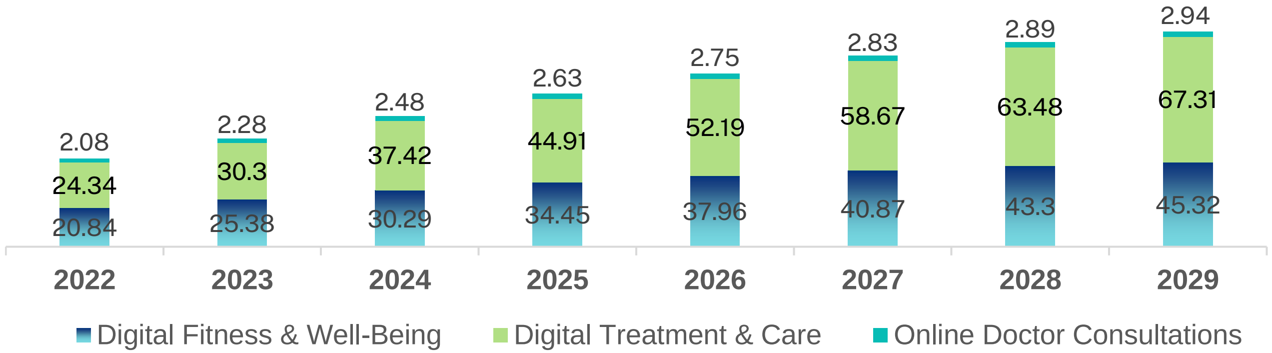
** Please note: Survey results are based on respondent data and may not precisely reflect overall market share.*

Industry Focus

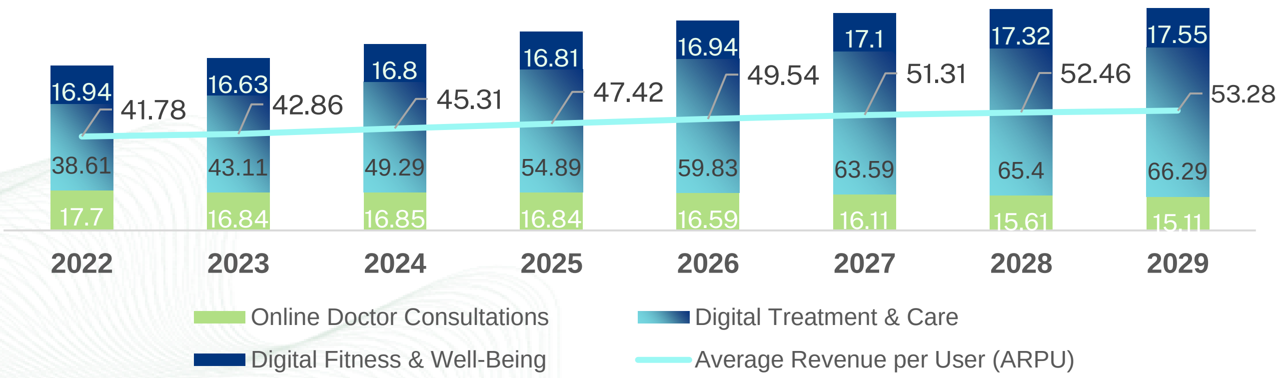
Healthcare

INDUSTRY **OVERVIEW** | HEALTHCARE

Revenue in Digital Health Categorized by Markets, 2019-2029 *(in million USD)*



Average Revenue per Users Categorized by Markets, 2019-2029 *(in USD)*



- The Digital Health market in Cambodia is expected to experience significant growth, with projected revenue reaching **USD 81.99 million in 2025**. Over the period 2025-2029, the market is anticipated to expand at a compound **annual growth rate (CAGR) of 8.97%**, culminating in an estimated market volume of **USD 115.60 million by 2029**.

- Additionally, the average revenue per user (**ARPU) is forecasted to be USD 47.42,** reflecting the increasing adoption of digital health solutions in the country.

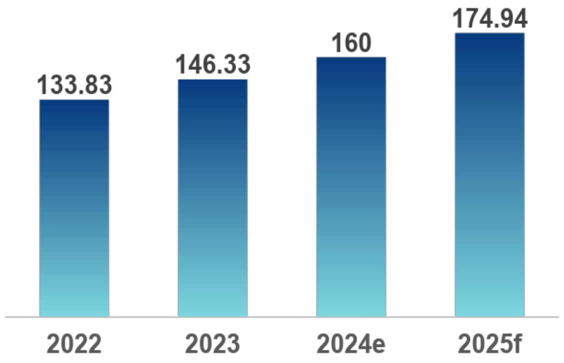
- Despite the positive outlook, challenges such as **limited infrastructure in rural areas and the need for increased digital literacy** among healthcare providers and patients may impact the pace of digital health adoption.

Sources: MISTI, World Bank, Statista, CEIC, PROFITENCE Research and Analysis

INDUSTRY **ANALYSIS** | HEALTHCARE

Key Insights

- Cambodia's healthcare system is at a turning point, with **rising health expenditures failing to offset persistent resource shortages**. As demand outpaces supply, **health tech solutions are becoming critical in bridging gaps in accessibility and service delivery**.



Cambodia: Health spending per capita, 2022-2025 *(in USD)*

Low resources and Increasing spending as the drivers

Despite rising health spending, Cambodia faces a **severe resource gap, with just 0.7 hospital beds and 0.21 physicians per 1,000 people. High out-of-pocket expenditure (64% of total health spending)** further burdens low-income households and limits access to care.

This gap presents a **critical opportunity for health-tech firms** to **reduce costs for patients, enhance accessibility, and improve service delivery** through innovative, cost-effective solutions.

Growing Prevalence of Digital Health and Health-Tech

Cambodia's digital health expansion is reinforced by the National Council of Science, Technology & Innovation (NCSTI) and Ministry of Industry, Science, Technology & Innovation (MISTI) 's 10-year Health Technology Roadmap, built on three key pillars:

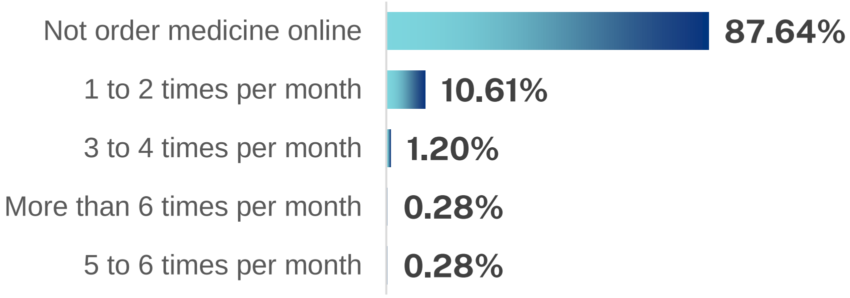
- **One Health Integration** – Connecting **human, animal, and environmental health** for a holistic approach.
- **Policy & Governance** – Establishing regulatory frameworks for effective health tech adoption.
- **Research & Innovation** – Enhancing knowledge-sharing and technological advancements.

Source: MISTI, World Bank, Statista, CEIC, PROFITENCE's Analysis

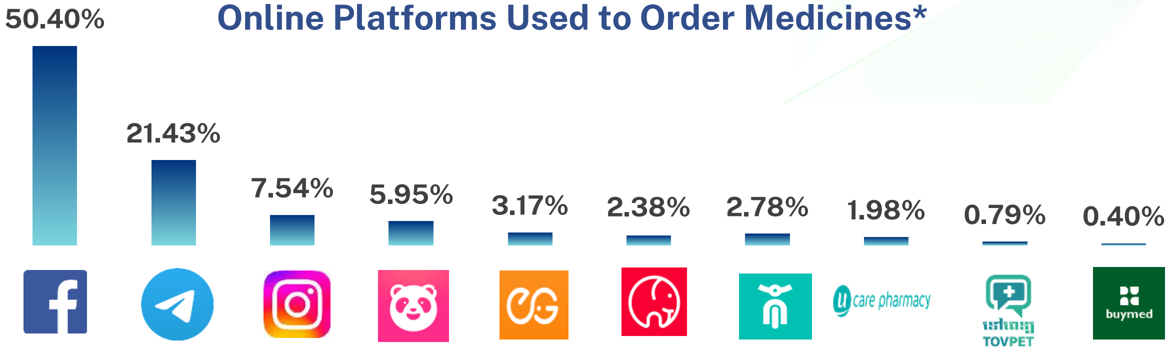
SURVEY **RESULTS** | HEALTHCARE

- Facebook leads as the primary healthcare platform, followed by Telegram.
- 87% of consumers have never purchased medicine online, indicating low adoption rates.
- Online health consultations have limited uptake, with nearly 90% of consumers inactive in the past year.
- MeetDoctor is the leading healthcare platform among a few adopters after Facebook and Telegram.

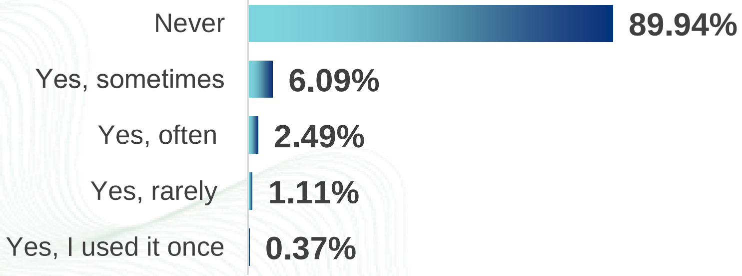
Ordering Medicine from Online Platforms



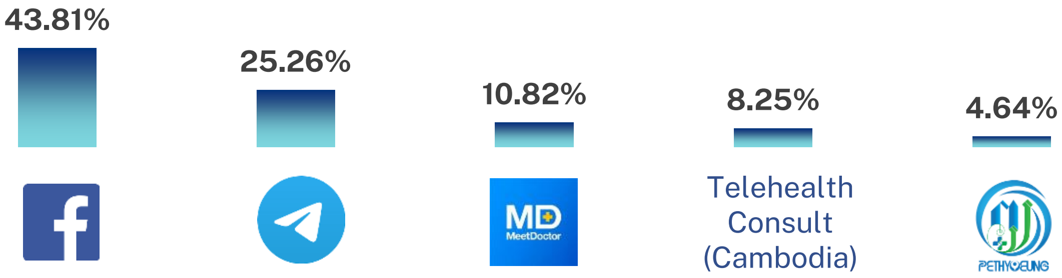
Online Platforms Used to Order Medicines*



Online Health Consultations in the Last 1 Year



Platforms Used For Health Consultations*



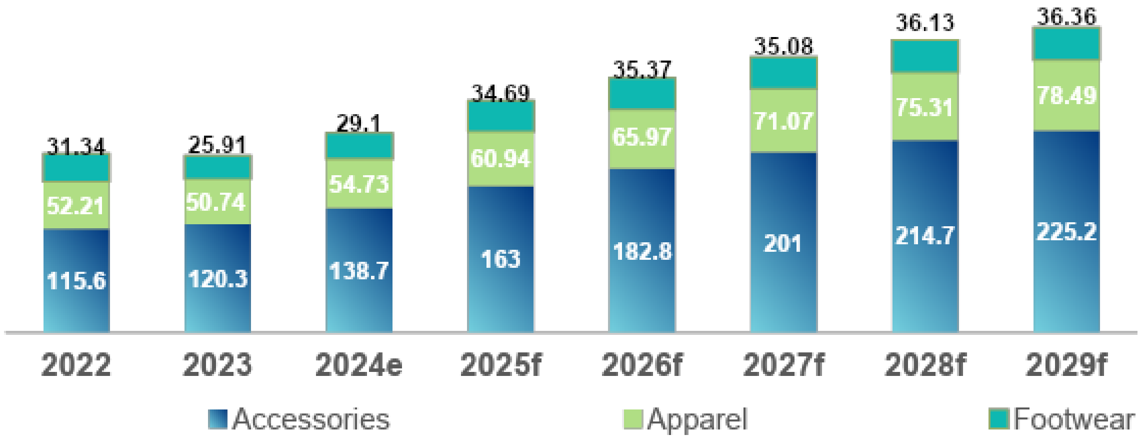
** Please note: Survey results are based on respondent data and may not precisely reflect overall market share.*

Industry Focus

Fashion and Apparel

INDUSTRY **OVERVIEW** | **FASHION** AND **APPAREL**

Revenues by Fashion Products in Cambodia, 2022 to 2029, *(in million USD)*



- **Accessories** dominated Cambodia's fashion sales with **USD 138.7 million in 2024**, projected to reach **$225.2M by 2029**.
- The market revenue of the fashion industry is projected to grow at a **7.11% CAGR** (2025-2029), reaching **$340M by 2029.**

- **Offline sales dominate with 83.1%** of total revenue in 2024, while **online sales (16.9%) will expand in upcoming years**, driven by **increased digital adoption and evolved consumer behavior.**
- **Cost-efficient labor, favorable trade agreements, and increasing apparel demand** drive online fashion sales.
- **Young adults (18-34)** dominate online fashion shopping, heavily influenced by social media, celebrity culture, and fashion influencers.
- The **Average Revenue Per User** in Cambodia's E-commerce fashion market is estimated at **USD 205.6**, reflecting the increasing purchasing power of Cambodian consumers
- Rising demand for **eco-friendly fashion** in Cambodia creates opportunities for brands to expand through sustainable products

Source: Statista, International Trade Administration, Industry Expert Interview, PROFITENCE's Analysis

INDUSTRY **ANALYSIS** | **FASHION** AND **APPAREL**

Key Insights

- **Rising urbanization, middle-class expansion, omnichannel adoption, and youth demand** fuel Cambodia's online fashion growth. **Social media sales dominate**, driven by local celebrities and influencers.

Urbanization & Growing Middle Class

Rapid **urbanization** in Cambodia, with a rising **middle class** and more high-income consumers, is fueling the growth of the fashion industry.

The **middle-class population** has grown significantly, contributing to increased demand for trendy fashion.

Local fashion and apparel retailers in Cambodia have expanded **omnichannel strategies**, integrating online and offline operations for a seamless shopping experience. The fashion brands have enhanced their digital presence while retaining physical stores for in-person engagement.

The youth population (Gen Z and Millennials) is one of the main drivers of fashion E-commerce, particularly for online platforms that cater to trendy and affordable clothing.

Social Commerce Boom

Social media remains a vital marketing tool and sales channels for fashion and apparels.

Platforms like **Facebook Live** and **Instagram Stories, TikTok** are used to hold promotions and sell products in real-time.

Influencers and Livestream Shopping

Influencers and **local celebrities** are integral to driving sales in Cambodia's fashion E-commerce market.

The use of influencers in campaigns is expected to grow as they help brands reach younger audiences.

Source: Statista, DHL, Industry Expert Interview, PROFITENCE's Analysis

SURVEY RESULTS | FASHION AND APPAREL

- Facebook and TikTok dominate fashion purchases, with the majority buying less than once per month, followed by those purchasing one to two times monthly.
- Convenience, time savings, and low prices drive online clothing purchases while sizing and quality of ordered clothes are the key concerns of consumers.
- Customer support and seamless navigation will enhance the shopping experience in online platforms.

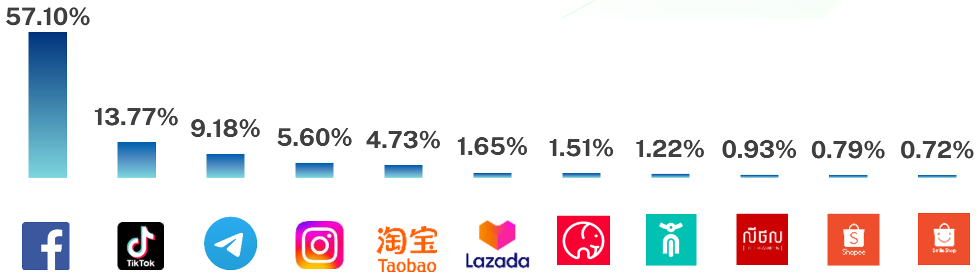
Top 5 Triggers to Purchase Clothings Online

Convenience	25.65%
Time-Saving	23.53%
Cheaper Prices	17.12%
Variety of Choices	14.82%
Promotion & Discount	14.46%

Top 5 Concerns in Purchasing Clothings Online

Size and Fitting	27.39%
Poor Quality	26.35%
Extra Delivery Fees	10.87%
Uncertainty about Brand	10.83%
Delayed Delivery	10.59%

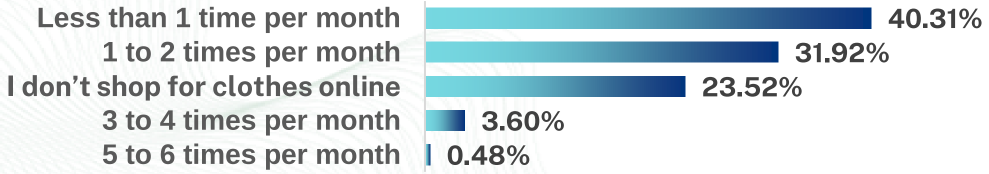
Online Platforms to Purchase Clothings



Top 5 Suggested Improvement for Online Platforms

Better customer support	Convenient platform navigation	More shipping options	Speed of navigation/Fast Loading Speed	Refund + Return options
13.44%	12.44%	10.71%	10.33%	9.84%

Online Fashion Purchase Frequency



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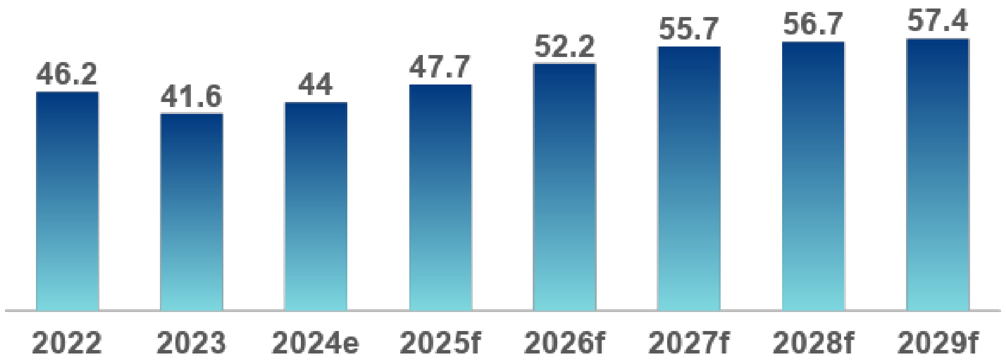
Industry Focus

Beauty and Cosmetics

INDUSTRY **OVERVIEW** | **BEAUTY** AND **COSMETICS**

Online Sales Revenue Percentage of the Cosmetics Market in Cambodia, 2022-2029 *(in percent)*



- Online revenue share of cosmetic reached **44% in 2024** and is projected to rise up to **57.4% by 2029**, highlighting the sector's accelerating digital shift..
- The overall Cambodia's cosmetics market generated **USD 116.9 million** in 2024. The market is expected to grow at a **3.25% CAGR** (from 2025 to 2030).

- Cambodia's cosmetics market has grown rapidly in 2024, driven by **middle-class growth, evolving consumer preferences, and rising demand for premium products**.
- While the cosmetics market remains heavily reliant on imports, **both online and offline sales** of international brands continue to **rise**.
- **Customer preferences** show a shift towards **natural** and **organic products**, driven by **younger, eco-conscious consumers** who value sustainability and transparency.
- As cosmetics become an integral part of **modern consumer lifestyles**, the sector maintained a strong momentum in 2024.
- **Increased skincare awareness** among young Cambodians has accelerated market growth, creating new opportunities for beauty and cosmetic brands**.**
- **Strengthening the enforcement of cosmetic standards** is crucial to curbing counterfeit products and ensuring consumer safety, industry integrity, and market trust

Source: Statista, Beauty Connect Asia, Industry Expert Interview, PROFITENCE's Analysis

INDUSTRY **ANALYSIS** | **BEAUTY** AND **COSMETICS**

Key Insight

- Cambodia's growing **middle class** and **rising interest in cosmetics**, fueled by **imported brands** and **social media**, are driving **market growth**, while **improved internet connectivity**, **digital payments**, and **logistics** make **online shopping** more **accessible across urban and rural areas**.

Driven by Economic Growth and Self-Care Trends

Rapid urbanization, accompanied by **rising incomes of consumers**, is creating conditions for the cosmetics industry to develop.

Self care routines are increasingly prioritized by the consumers in Cambodia, driving demand for cosmetics, spa, and beauty services.

Young Population and The Role Social Media

With over **65% of Cambodia's population under 35,** the young demographic is a key driver of cosmetic trends.

Social media platforms like Facebook and Instagram are essential in shaping purchasing decisions, increasing brand awareness, and setting trends, which in turn accelerates demand for both local and imported products.

Increase international products and brands

International cosmetic brands have recognized the potential and invested heavily in the Cambodian market. **There is a particular preference for Korean and Japanese products, largely driven by social media trends.** Many established brands, such as L'Oréal and Estée Lauder have also entered the Cambodian market, bringing high-end products to suit people's diverse needs.

Facial Cleansers and Sunscreens Lead the Market

Cambodian consumers favor skincare products, with **facial cleansers leading the market at 45.82%, followed by sunscreens at 27.49%.**

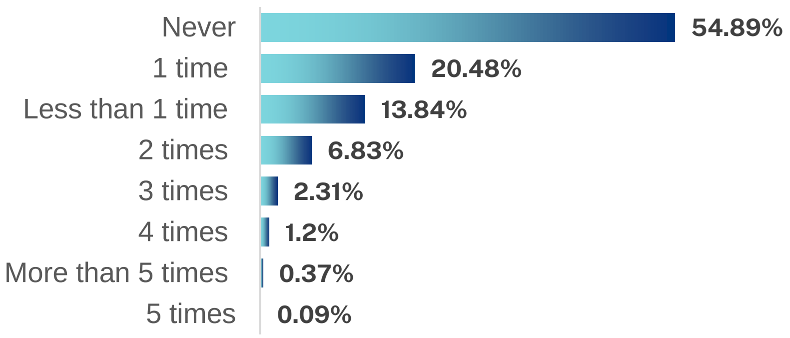
Additional Insights: With improvements in internet connectivity, digital payments, and logistics, online shopping in this segment is expected to become more accessible and convenient for consumers across both urban and rural areas.

Source: Beauty Connect Asia, Statista, KiriPost, Industry Expert Interview, PROFITENCE's Analysis

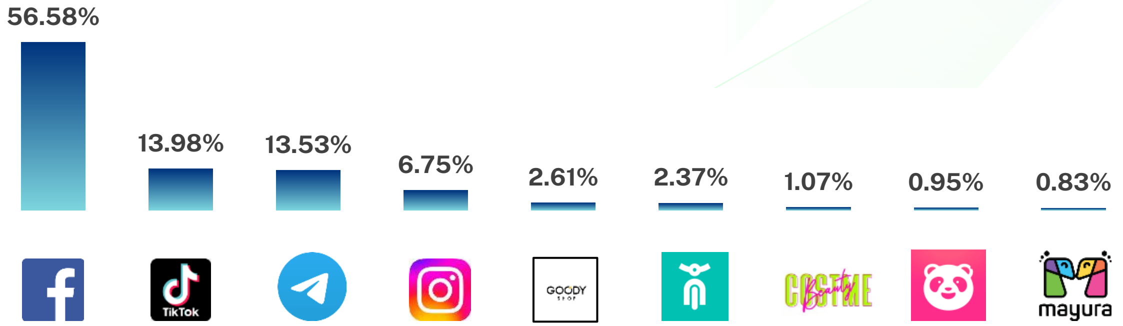
SURVEY **RESULTS** | BEAUTY AND COSMETICS

- Facebook, Telegram, and TikTok are the main online purchase channels for beauty products, with most shoppers buying once a month.
- Fair pricing, convenience, and promotions influence online beauty product purchases, while quality, authenticity, and expiration dates are key concerns.

Online Beauty Product Purchase Frequency per Month



Online Platforms to Purchase Beauty Products*



Top 5 Triggers to Purchase Beauty Products Online

Reasonable Price	Convenience	Promotion & Discount	Variety of Choices	Personalized recommendations
22.42%	**20.96%**	**16.16%**	**13.99%**	**8.78%**

Top 5 Concerns in Buying Beauty Products Online

Product Quality	Authenticity	Expiration date	Allergens/ Ingredients	Price
24.01%	**22.2%**	**16.18%**	**13.06%**	**12.34%**

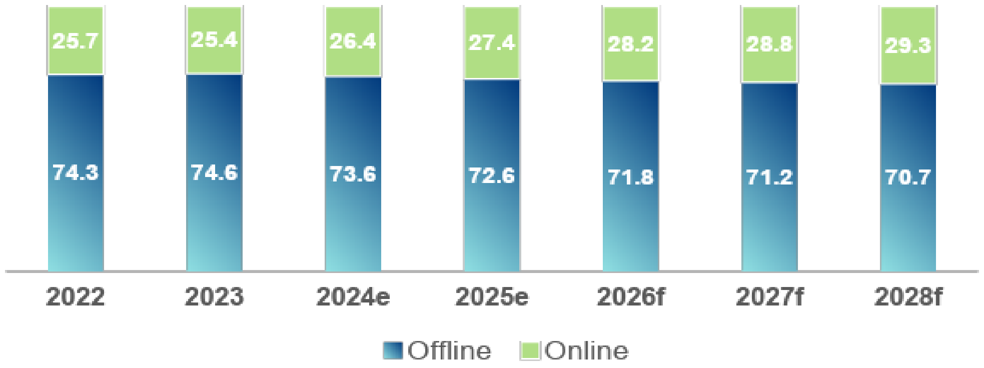
** Please note: Survey results are based on respondent data and may not precisely reflect overall market share.*

Industry Focus

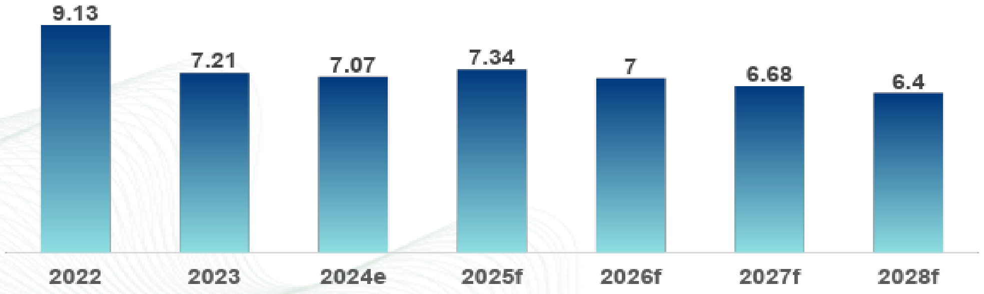
Media and Entertainment

INDUSTRY **OVERVIEW** | MEDIA AND ENTERTAINMENT

Cambodia: Revenue Share based on share channels, 2017-2028 *(in percentage)*



Cambodia: Average Revenue Per Users, 2017-2029 *(in USD)*



- Cambodia's media market is projected to reach **USD 555 million by 2025**, with TV & Video leading at USD 200.1 million. However, **rapid digital adoption** is reshaping the industry, with expected digital media share, 29% of revenue by 2029, reflecting **shifting consumer and advertising trends**.
- As digital platforms rise, t**raditional broadcasting and print media** face **declining viewership, revenue challenges**, and increased government scrutiny as **business advertisements shift to social media.**
- **Affordable streaming, social media, and digital platforms** have reshaped media consumption in 2024, reducing ARPU and accelerating the **decline of subscription-based cable TV** in favor of cost-effective digital alternatives.

Source: ADB, Data Reportal, BBC, Statista, PROFITENCE Research and Analysis

INDUSTRY **ANALYSIS** | MEDIA AND ENTERTAINMENT

Key Insight

- Cambodia's **media and entertainment landscape is undergoing a digital revolution**, with **social media, localized content, gaming, and influencer-driven engagement** reshaping consumer behavior and industry dynamics.

Social media for everyday media consumption

With social media penetration reaching **68.4% of Cambodia's population** (over 11 million users), according to Data Reportal; increased digital connectivity drives significant shifts in communication, commerce, and content consumption

Gaming Industry on the Rise

Cambodia's gaming market, with **2 million gamers and steady growth** with estimated revenue of 39.02 million.

Mobile gaming, dominates, the gaming landscape of Cambodia, contributing $39.02 million.

Shift Toward Localized Content

Localized digital contents are highly favored by the consumers in Cambodia , reflecting a rising demand for entertainment and information aligned with **local culture, languages, traditions, and social dynamics**.

Low Adoption of Subscription-Based Video-on-Demand (SVoD)

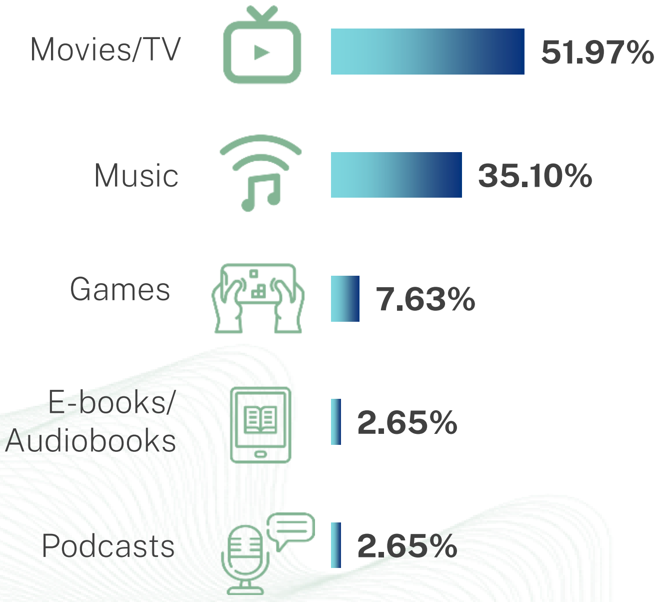
With the projected average revenue per user (ARPU) of USD 1.32 in 2025, Cambodia has the **lowest SVoD adoption in Asia-Pacific**, favoring **free, ad-supported, and local content**, limiting global platform penetration.

Source: ADB, Data Reportal, BBC, Statista, Xsolla, PROFITENCE's Analysis

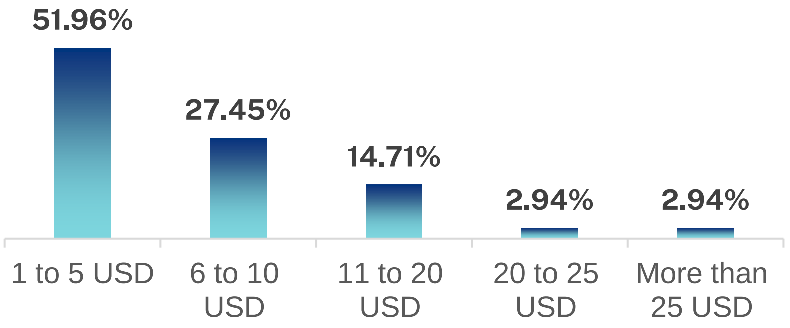
SURVEY **RESULTS** | **MEDIA** AND **ENTERTAINMENT**

- Movies, TV, and music are the top entertainment categories consumers are most willing to spend on.
- The majority of consumers refrain from digital subscriptions, opting for free platforms or unauthorized alternatives.
- Netflix and YouTube Premium lead in subscriptions, while local platforms like Sastra Film, Sabay, and Pleng remain less popular.

Willingness to Spend on Digital Entertainments



Spending on Digital Entertainment Subscriptions (Among subscribers only)



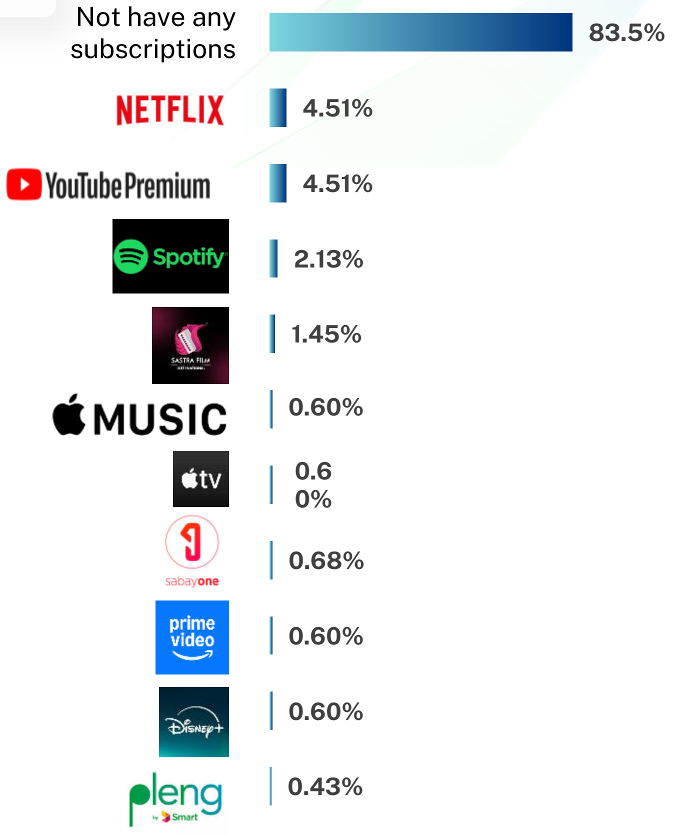
Main Reasons for Not Subscribing

Sufficient with Free Platforms
56.9%

Prefer Free Unauthorized Alternatives
16.74%

Not Willing to Spend Extra Fees
9.36%

Digital Entertainment Subscriptions



** Please note: Survey results are based on respondent data and may not precisely reflect overall market share.*

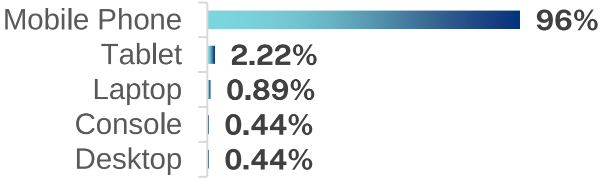
SURVEY RESULTS | MEDIA AND ENTERTAINMENT (GAMING INDUSTRY)

- Mobile gaming dominates, with 96% choosing to play. Mobile Legends is the most popular games in Cambodia, followed by PUBG Mobile and Free Fire.
- Despite high awareness of local games, player engagement remains low, underscoring the need for enhanced graphics, gameplay, and storytelling to drive adoption.

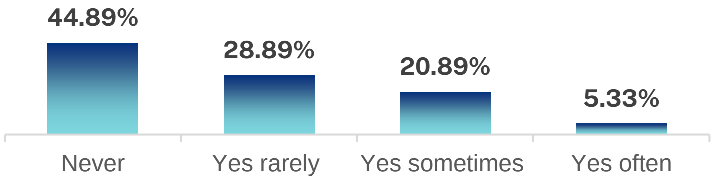
Most Popular Online Games

Mobile Legends Bang Bang	52.79%
PUBG Mobile	15.25%
Free Fire	13.2%
Clash of Clans	6.16%
League of Legends	2.93%
FIFA Mobile	2.93%

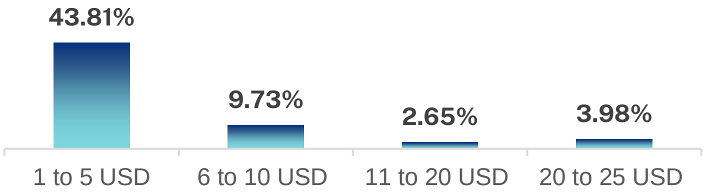
Devices to Play Online Games



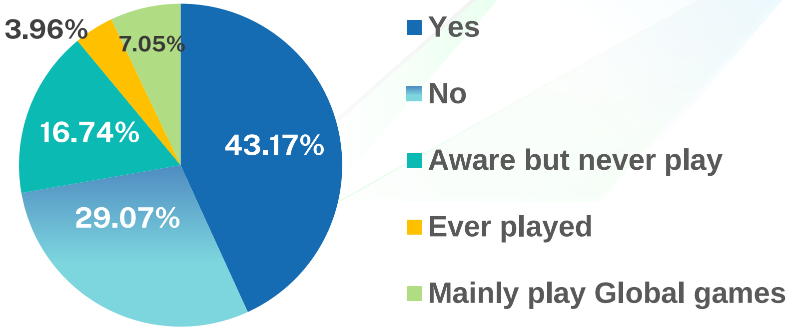
Making In-game Purchases



Spending on In-game Purchases Per Month



Familiarity to Locally Developed Games



Improvements for Locally Developed Games

Graphics & Visual Design **27.39%**

Gameplay Mechanics **24.38%**

Storylines **18.2%**

** Please note: Survey results are based on respondent data and may not precisely reflect overall market share.*

Competitor Landscape

INSURANCE

LOGISTICS

PAYMENT GATEWAYS/BANKS

FASHION & APPAREL

FOOD AND GROCERY DELIVERY

MARKETPLACE

SOCIAL COMMERCE

TELECOMMUNICATION

BEAUTY & COSMETICS

RIDE-HAILING

HEALTH TECH

ONLINE EDUCATION

MEDIA AND ENTERTAINMENT

*This is not an exhaustive list. It is inclusive of both international and domestic enterprises that offer services in Cambodia, but may not have physical locations.

Moving Forward

- Digital Trade And The Future Of E-commerce
- Leaving No One Behind: Addressing Challenges of E-commerce In Rural Areas
- Conclusion & Recommendations

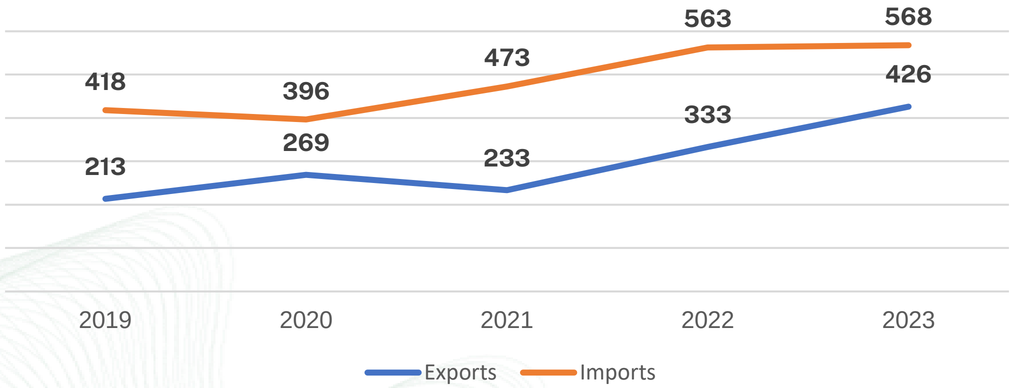
DIGITAL **TRADE** AND **THE FUTURE** OF E-COMMERCE

ASEAN E-commerce market is projected to generate USD 116.4 billion by 2024, with an annual growth rate of 10.41%.

ARPU[1] of 592.8 USD in 2024.

Digital spending was 6% of consumer spending in 2021.

Digitally Deliverable Services, 2019-2023 *(in million USD)*



- Cambodia's E-commerce market is still developing but experiencing rapid growth. Increasing consumer expenditures indicate a **rising appetite for digital trade**.
- The ASEAN E-commerce market is projected to reach USD 116.4 billion by 2024, presenting a **major opportunity for Cambodia to integrate further into regional and global digital markets**.
- Despite this momentum, Cambodia's **digitally-deliverable services[2] account for a small share of ASEAN's trade**, with imports at USD 568 million and exports at USD 426 million in 2023 — less than 1% of total ASEAN imports and exports in this segment.
- Future growth depends on closing the gap between Cambodia's digital market and ASEAN's established E-commerce networks **through better infrastructure, regulations, trade facilitation, and digital payments**.
- Successful Implementation of regional agreements like DEFA have the potential to add another USD 6 billion to the digital economy.

1: ARPU – Average Revenue Per User

2: Digitally Deliverable Services – According to the OECD, digitally deliverable services are those services that can be delivered electronically over the internet, including financial, insurance, telecommunications, computer and information services, and other business services

Source: WTO, Statista, ITA, PROFITENCE's Analysis

LEAVING NO ONE BEHIND

Addressing challenges of E-commerce in rural areas

Enhancing digital literacy, adopting hybrid 'phygital' models, building community trust, and raising awareness to drive adoption are necessary to attain E-commerce growth in the rural areas of Cambodia.

Utilizing E-commerce to Strengthen Agricultural Supply Chains

The Royal Government views **agricultural modernization** as a priority. E-commerce emerges as a way to **improve supply chain efficiency, create new markets**, and **ensure fair prices** for farmers, capitalizing on increased mobile and internet penetration in rural areas.

Introduce Phygital for Rural Engagement

A **hybrid "phygital" model**, inspired by StoreKing from India, is necessary for rural E-commerce growth by leveraging **sales agents as digital facilitators and physical touchpoints**, addressing inventory challenges and building consumer trust through product displays and demonstrations.

Critical to improve connectivity infrastructure

Public-private collaboration is essential to enhance digital infrastructure and drive E-commerce growth, as **74% of Cambodia's rural population faces poor internet connection**.

Need to raise awareness and digital literacy

Driving rural E-commerce adoption in Cambodia requires **raising awareness of its benefits, enhancing digital literacy, and ensuring consumer protection.**

Educating communities on **safe transactions, secure payments, and reliable logistics** will foster trust and long-term engagement in online marketplaces.

Source: CambodiaInvestmentReview, StoreKing, Industry Expert Interview, PROFITENCE's Analysis

RECOMMENDATIONS [1/2]

Taxation Clarity and Benefits

- Establish transparent tax policies with simplified procedures and incentives tailored to E-commerce businesses.
- Recommend to establish transparent tax policies with simplified procedures and incentives tailored to E-commerce businesses. Consider providing taxation breaks / grants to international ecommerce players to set up shop in Cambodia and process payments locally in lieu of smaller addressable Gross Merchandise Value (GMV).

Unified Government Approach

- Leverage existing inter-ministerial mechanisms such as the Digital Economy and Business Committee (DEBC) and mechanisms created for the implementation of the digital trade policy, to streamline regulatory approvals and support E-commerce development, avoiding the creation of redundant structures.

Cross-Border E-Commerce

- Develop clear pathways by harmonizing trade policies and customs procedures, and foster international partnerships to expand market access. A unified cross-border approach as well to grow international market access - which currently is somewhat fragmented. Enhancing the last mile delivery should be a focus to bridge the urban-rural gap.

Robust Technology Framework

- Invest in secure, scalable digital systems with enhanced cybersecurity and data protection measures to support high-volume transactions.

RECOMMENDATIONS [2/2]

Digital Infrastructure Development

- Improve nationwide broadband connectivity, focusing on rural and underserved areas, to ensure widespread digital access. Improvement in QoS (Quality of Services), considering rolling out 5G Network will accelerate the growth of the Digital economy.

Facilitate Digital Payments

- Upgrade modern payment gateways and digital wallet solutions to make online transactions more convenient and secure. Also considering to issue 'Digital Bank' Licenses which can contribute to the development of a robust digital payment infrastructure, which is essential for E-commerce growth.

Local Adaptation

- Customize digital payment and E-commerce solutions to align with local consumer habits and preferences, enhancing user trust.

Investment in Infrastructure

- Encourage government funding and public-private partnerships (PPP) to build essential digital and physical infrastructure, including logistics networks and urban broadband improvements.

RESOURCE BANK

Ministries

- Ministry of Commerce
- Ministry of Economy and Finance
- Ministry of Information
- Ministry of Industry, Science, Technology and Innovation
- Ministry of Post and Telecommunications

E-commerce Affiliated Associations

- Cambodia Women Entrepreneurs Association
- Cambodia Association of Finance and Technology
- The Association of Banks in Cambodia
- Young Entrepreneur Association of Cambodia
- Cambodia Logistic Association
- E-Commerce Federation Association of Cambodia

Chambers of Commerce

- American Chamber of Commerce in Cambodia (AmCham Cambodia)
- European Chamber of Commerce in Cambodia (EuroCham Cambodia)
- Cambodia International Chamber of Commerce (CICC) and Cambodia-China Councils Association for Economic Development (CAFED)
- Cambodia Chamber of Commerce
- International Business Chamber of Cambodia (IBC)
- The Italian Business Chamber Cambodia (ItaCham)

Government Websites

- General Department of Taxation
- Techo Startup Center
- Startup Cambodia
- Business Registration
- Registration Service
- Khmer Enterprise
- ថ្នាលធុរកិច្ច
- Cambodia Trade
- Digital SME Accelerator
- Startup program
- Registration Service
- Commerce Cambodia iTrade Bulletin
- Go Digital Cambodia
- CamDx
- CamDigiKey
- Digital Platform for Onboarding the Informal Economy
- Consumer Protection Competition and Fraud Repression Directorate-General (CCF)
- Government Verification Services
- Cambodia National Single Window

Document Resource Bank

- Resource Bank

The Resource Bank will be regularly updated to reflect the latest developments and insights from both the public and private sectors.

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Our 2024 report offers an in-depth exploration of Cambodia's rapidly evolving E-commerce sector, marking our most comprehensive study to date. This essential resource provides critical insights for both the private sector and Cambodia's public agencies. We analyze key trends in consumer behavior, the impact of technological advancements, and the economic factors driving digital growth. Businesses will gain actionable strategies to optimize their online operations, while the public sector will find valuable data to inform policy and support sustainable digital economic development. This report serves as a strategic roadmap, empowering stakeholders to navigate the complexities of the Cambodian E-commerce landscape and contribute to its continued expansion. As part of our broader commitment to advancing digital trade in Cambodia, we are also actively engaged in digital trade policy development.

To read more about what we do, visit profitence.asia

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