

# *INVESTMENT OPPORTUNITIES in Cambodia*

presented by

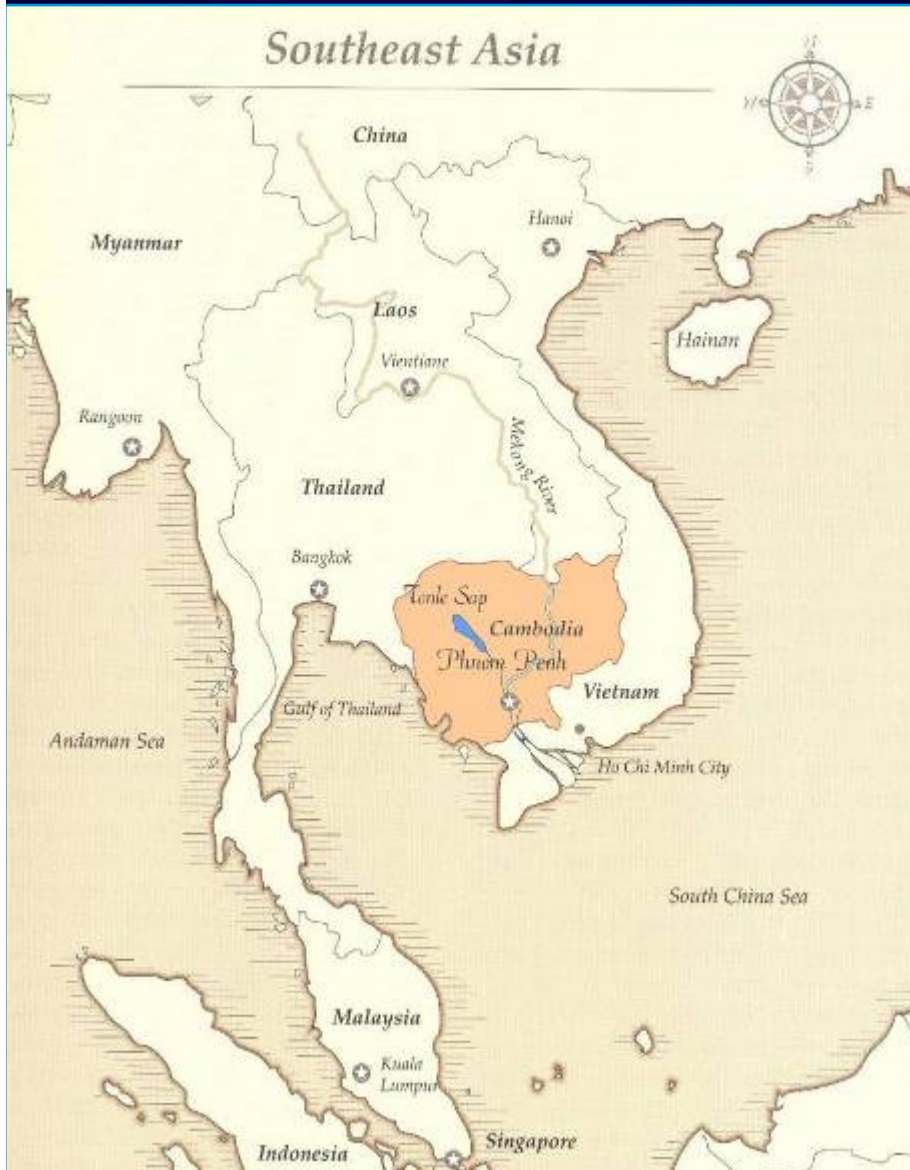
**Sok Chenda Sophea**

Minister attached to the Prime Minister

Secretary General

Council for the Development of Cambodia

# Key Indicators



- ❖ Land area : 181,035 sq.km.
- ❖ Population: 14.1 Million
- ❖ Labor force (young) : 7,053,398  
(Female: 3,608,345)
- ❖ Population growth rate : 1.54%
- ❖ GDP (2010) : 5.9%
- ❖ GDP per capita in 2010 : \$830
- ❖ Inflation (2010) : 4%
- ❖ Exchange rate: USD 1= 4062 Riels  
JPY 1= 49.67 Riels

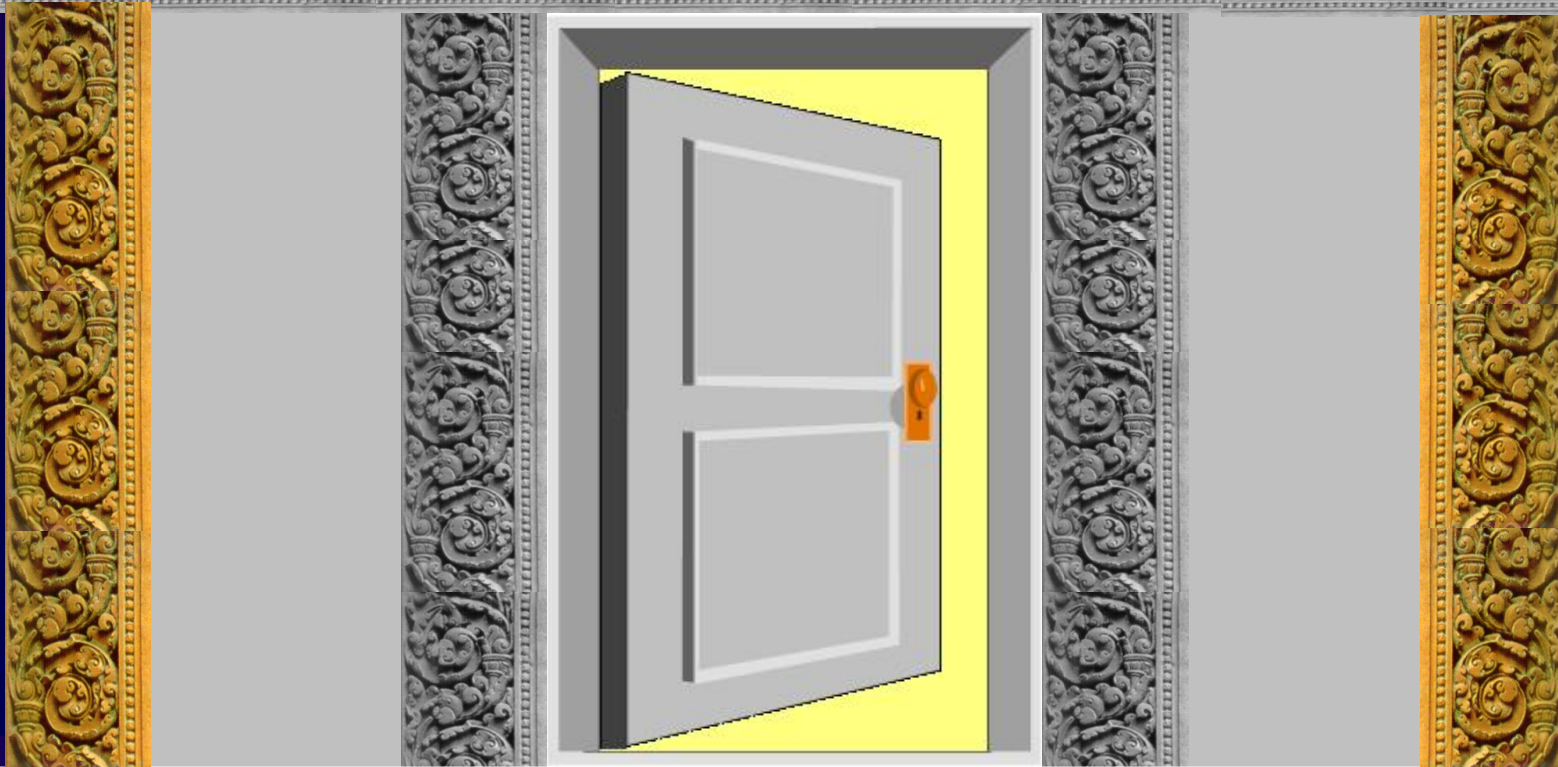
# Economic Performance



	2002	2003	2004	2005	2006	2007	2008	2009	2010
GDP per capita	331	356	402	468	534	623	738	731	830



# COUNCIL FOR THE DEVELOPMENT OF CAMBODIA



Business Friendly

Customer Servicing

ONE STOP SERVICE



# Council for the Development of Cambodia (CDC)

**Samdech Akka Moha Sena Padei Techo HUN SEN**  
**Prime Minister of the Kingdom of Cambodia**  
**Chairman**

**H.E. Mr. Keat Chhon, Deputy Prime Minister**  
**Minister of Economy and Finance**  
**1<sup>st</sup> Vice Chairman**

**H.E. Mr. Cham Prasidh,**  
**Senior Minister, Minister of Commerce**  
**2<sup>nd</sup> Vice Chairman**

**H.E. Mr. Sun Chanthol**  
**Senior Minister in charge of Special Missions**  
**Permanent Vice Chairman**

**H.E. Mr. Kong Vibol**  
**Secretary of State of Economy & Finance**  
**Vice Chairman**

**H.E. Mr. Sok Chenda Sophea**  
**Minister attached to the Prime Minister**  
**Secretary General**

**Trouble  
Shooting  
Committee**

**H.E. Mr. Sok Chenda Sophea**  
**Minister attached to the Prime Minister**  
**Secretary General CSEZB**

**H.E. Mr. Chhieng Yanara**  
**Secretary General CRDB**

**H.E. Mr. Suon Sittthy**  
**Secretary General CIB**

**H.E. Mr. Chea Vuthy**  
**Deputy Secretary General CSEZB**

**H.E. Mr. Leap Vanden**  
**Deputy Secretary General CRDB**

**H.E. Mr. Rith Vuthy**  
**Deputy Secretary General CRDB**

**H.E. Mr. Duy Thouv**  
**Deputy Secretary General CIB**

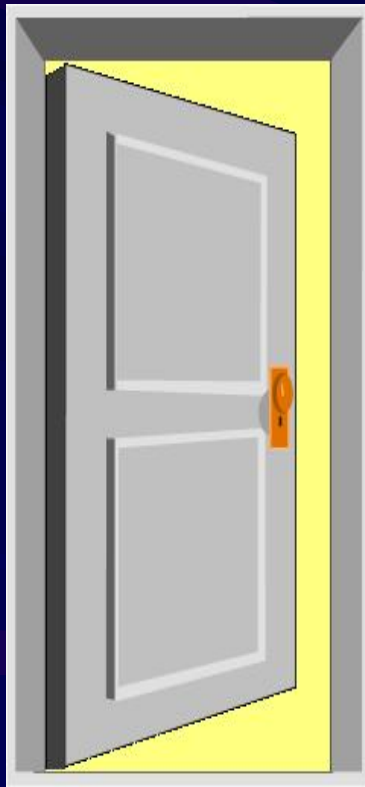
**H.E. Mr. An Sophanara**  
**Deputy Secretary General CIB**

**SEZ**

**ODA**

**GMS National Secretariat**

**FDI**



- ❖ Information & Application
- ❖ Approval
- ❖ Customs Duty & Tax Exemption
- ❖ Visa & Work Permit
- ❖ Company Registration

**A ONE STOP SERVICE**

# Licensing Authorities

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- ❖ Council of Ministers : CDC but needs approval from CoM for project with investment capital exceeding \$ 50 million, BOT, BOOT, BOO or BLT, long-term strategy, sensitive projects: negative impact on the environment and natural resource exploitation
- ❖ CDC : less than \$ 50 million
- ❖ Provincial Authorities : less than \$ 2 million

# Investment Approval





# Investment Incentives

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- ❖ 20% Corporate Tax
- ❖ Tax holidays: Trigger period +3years+n;  $6y < TH < 9y$
- ❖ Full Import Duty Exemption
- ❖ Repatriation of profit (withholding tax)
- ❖ Reinvestment of earning (special depreciation)

# Investment Protection

The Investment Law and Sub-decree contains a number of important guarantees for the investors:

- ❖ Equal Treatment of All Investors
- ❖ No Requirement of Local Equity Participation
- ❖ No Price Controls on Products or Services
- ❖ No Restriction on Forex Convertibility
- ❖ Free Remittance of Foreign Currencies Abroad

## Bilateral Agreement on the Promotion and Protection of Investments between the Kingdom of Cambodia and Other Countries

- |                  |                 |
|------------------|-----------------|
| 1. Australia     | 13. Malaysia    |
| 2. Austria       | 14. Netherlands |
| 3. China         | 15. N. Korea    |
| 4. Croatia       | 16. OPEC        |
| 5. Cuba          | 17. Pakistan    |
| 6. Czech         | 18. Philippines |
| 7. France        | 19. ROK         |
| 8. Germany       | 20. Singapore   |
| 9. Indonesia     | 21. Switzerland |
| 10. <b>Japan</b> | 22. Thailand    |
| 11. Kuwait       | 23. USA (OPIC)  |
| 12. Lao PDR      | 24. Vietnam     |

# Encouraged Investment Activities

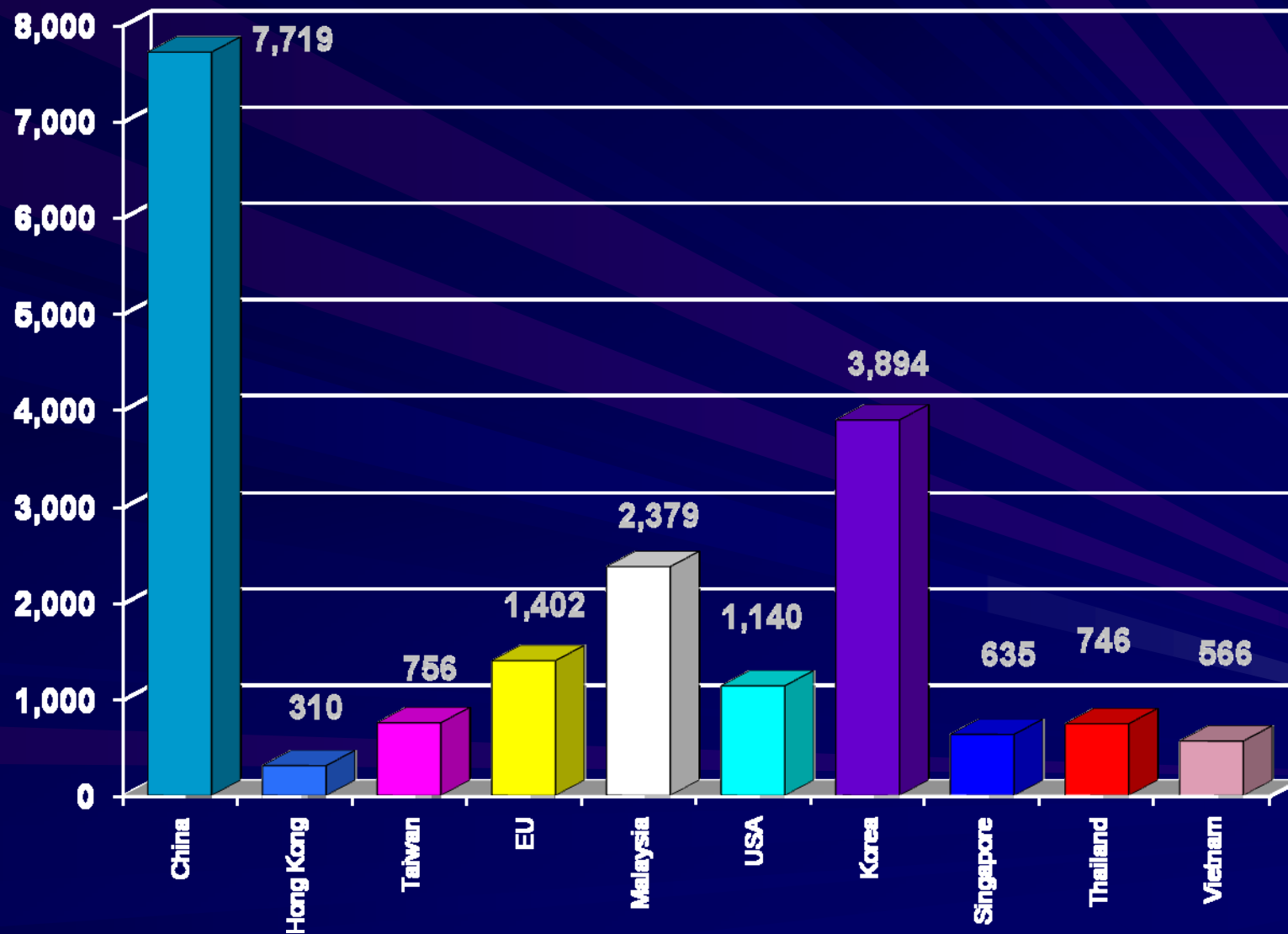
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- ❖ Agriculture and agro-industry
- ❖ Transport and telecommunications
- ❖ Energy and electricity
- ❖ Labor-intensive industries, processing and manufacturing;
- ❖ Tourism
- ❖ Human resource development
- ❖ Oil & Gas, Mining

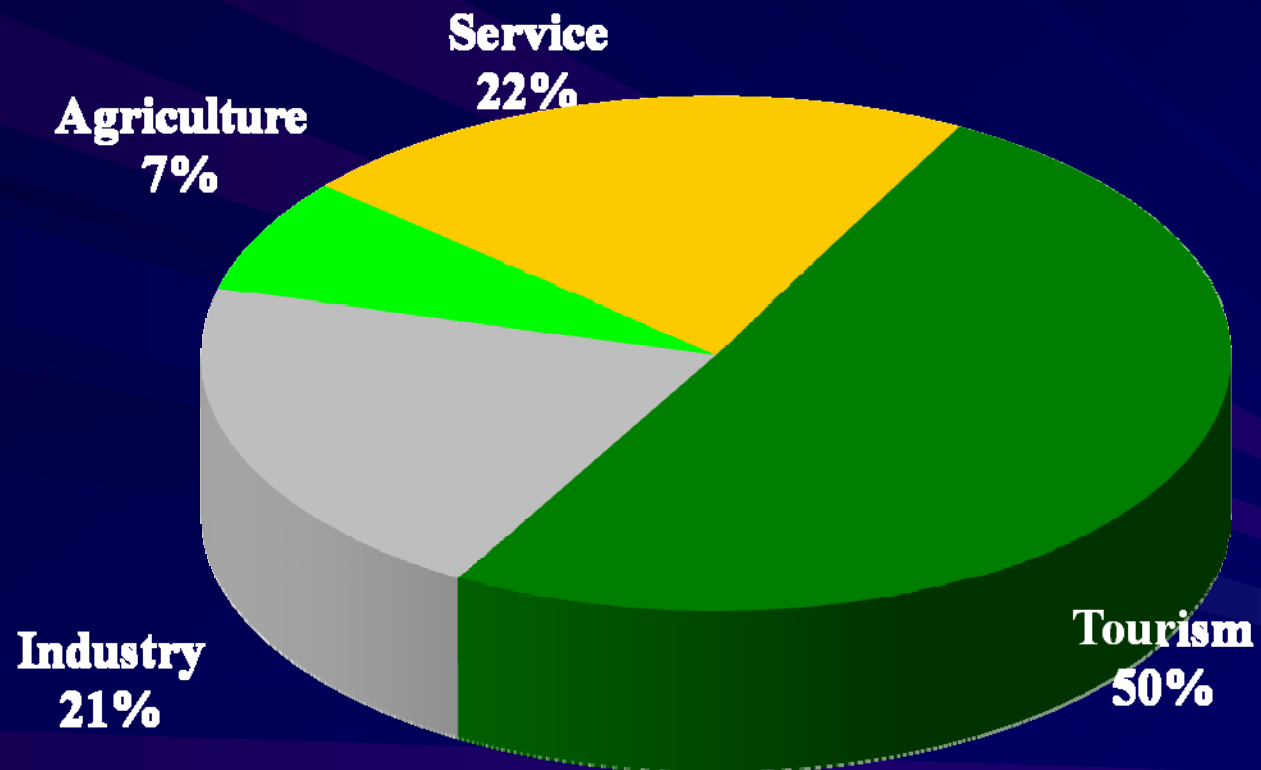


# Approved Investments by Country (1994- 2010)

US\$ Million



# Approved Investments by Sector 1994 – 2010



# Infrastructure: A definite prospect

- ❖ Priority for infrastructure
- ❖ Infrastructure rehabilitation
- ❖ Multilateral aid availability
- ❖ Decentralization
- ❖ Regional opportunities
- ❖ ASEAN & GMS integration
- ❖ Private Participation in Infrastructure (PPI): BOT, BOO, etc...



# Agro-business

- ❖ Basic agrarian economy
- ❖ Natural endowments:
  - ❖ Abundant land
  - ❖ Rich fishery resources

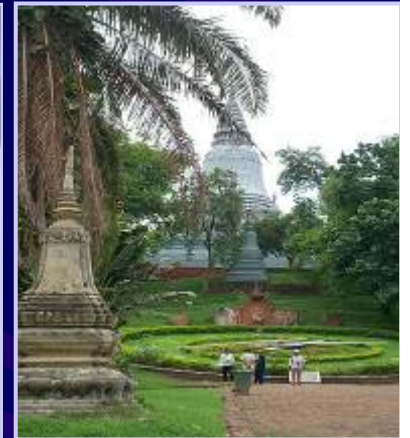


- ❖ Organic crops
- ❖ Value-added emphasis/
- ❖ Food processing
- ❖ New product development



# Tourism

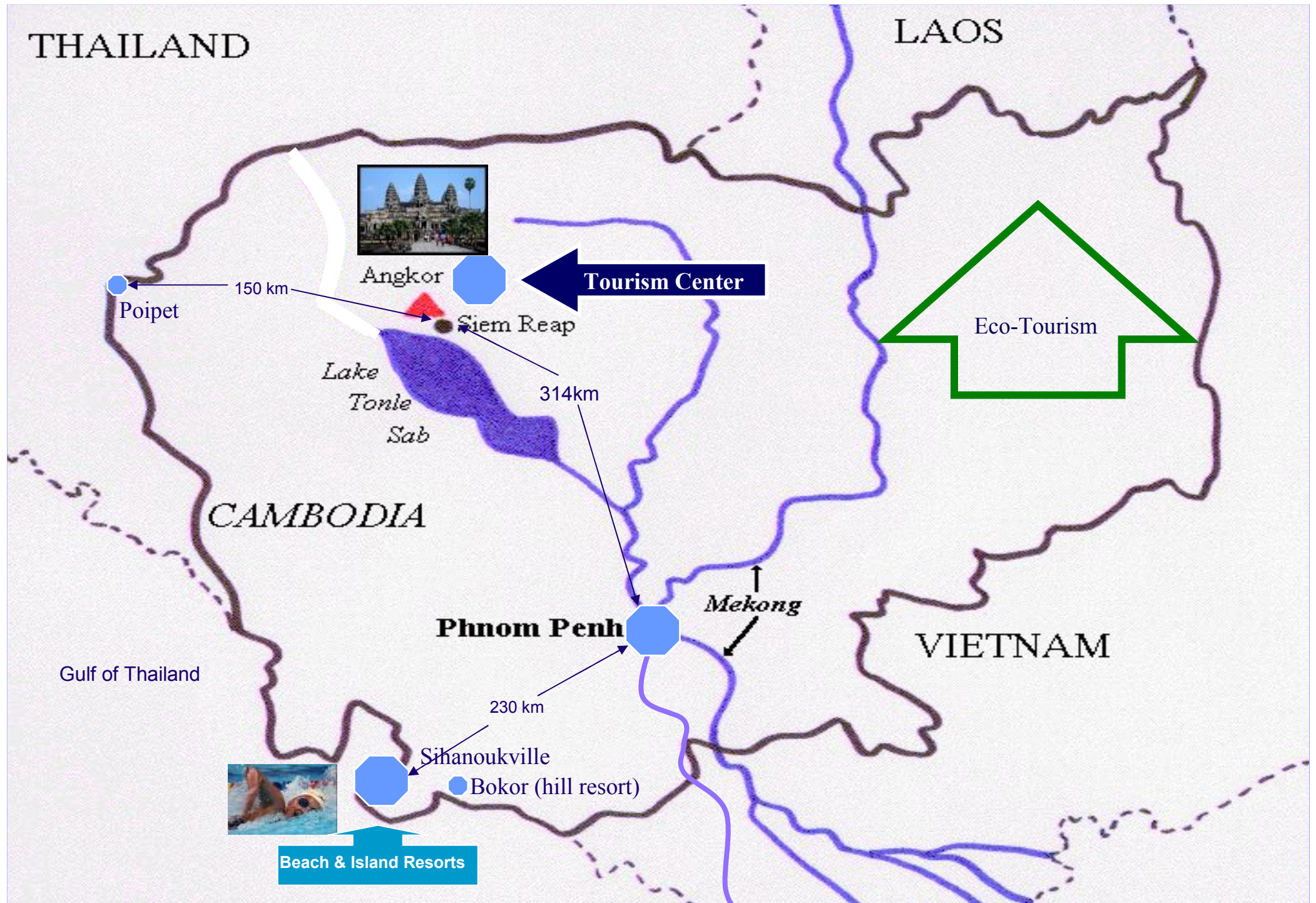
- ❖ World Heritage Monuments
- ❖ Open Sky Policy to Siem Reap
- ❖ Natural beauty - Beach - Islands
- ❖ Ability to attract “add-on” trips
- ❖ Novelty value





THAILAND

LAOS



CAMBODIA

VIETNAM

Gulf of Thailand

Phnom Penh

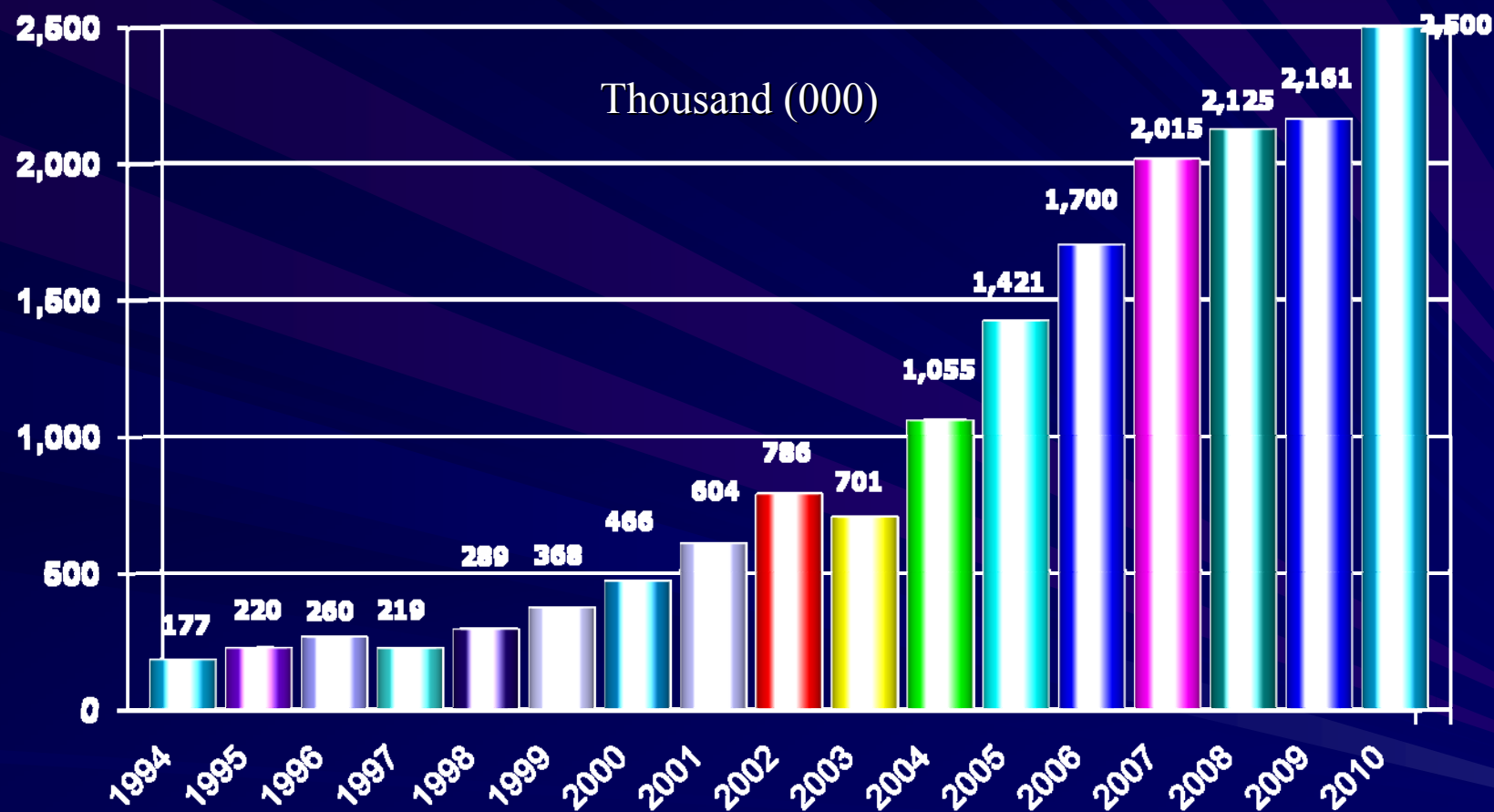
Mekong

Tourism Center

Eco-Tourism

Beach & Island Resorts

# Visitors to Cambodia



Visitor arrival from 2006 - 2010

YEAR	2006	2007	2008	2009	2010
Visitor Arrivals	1,770,041	2,015,128	2,125,465	2,161,577	2,508,289



# Japanese arrivals

Year	Number of Japanese Visitors	Total Visitors	Share (%)	Rank
2006	158,353	1,770,041	9.31	2 <sup>nd</sup>
2007	161,973	2,015,128	8.04	2 <sup>nd</sup>
2008	163,806	2,125,465	7.71	3 <sup>rd</sup>
2009	146,286	2,161,577	6.77	4 <sup>th</sup>
2010	151,795	2,508,289	6.05	4 <sup>th</sup>



# Top ten Markets

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❖ Vietnam

❖ France

❖ Korea

❖ UK

❖ China

❖ Thailand

❖ Japan

❖ Australia

❖ USA

❖ Taiwan

# Investment Opportunities

## ❖ Phnom Penh

- International Convention Center
- High-end hotel (Four Seasons, Hyatt, etc...) at the moment there are only Intercontinental Hotel and Raffles with approximately 500 rooms.

## ❖ Siemreap

- International Convention Center
- High-end hotel (Four Seasons, Hyatt, Sheraton, and Marriott, etc...) at the moment there are only Raffles, Le Meridien, Sofitel, Aman resorts and Orient Express, with approximately 700 rooms.
- Amusement park / recreational activities
- Golf course (there are three existing golf courses)

## ❖ Sihanoukville

- High-end hotel (Four Seasons, Hyatt, etc...)
- Golf Course

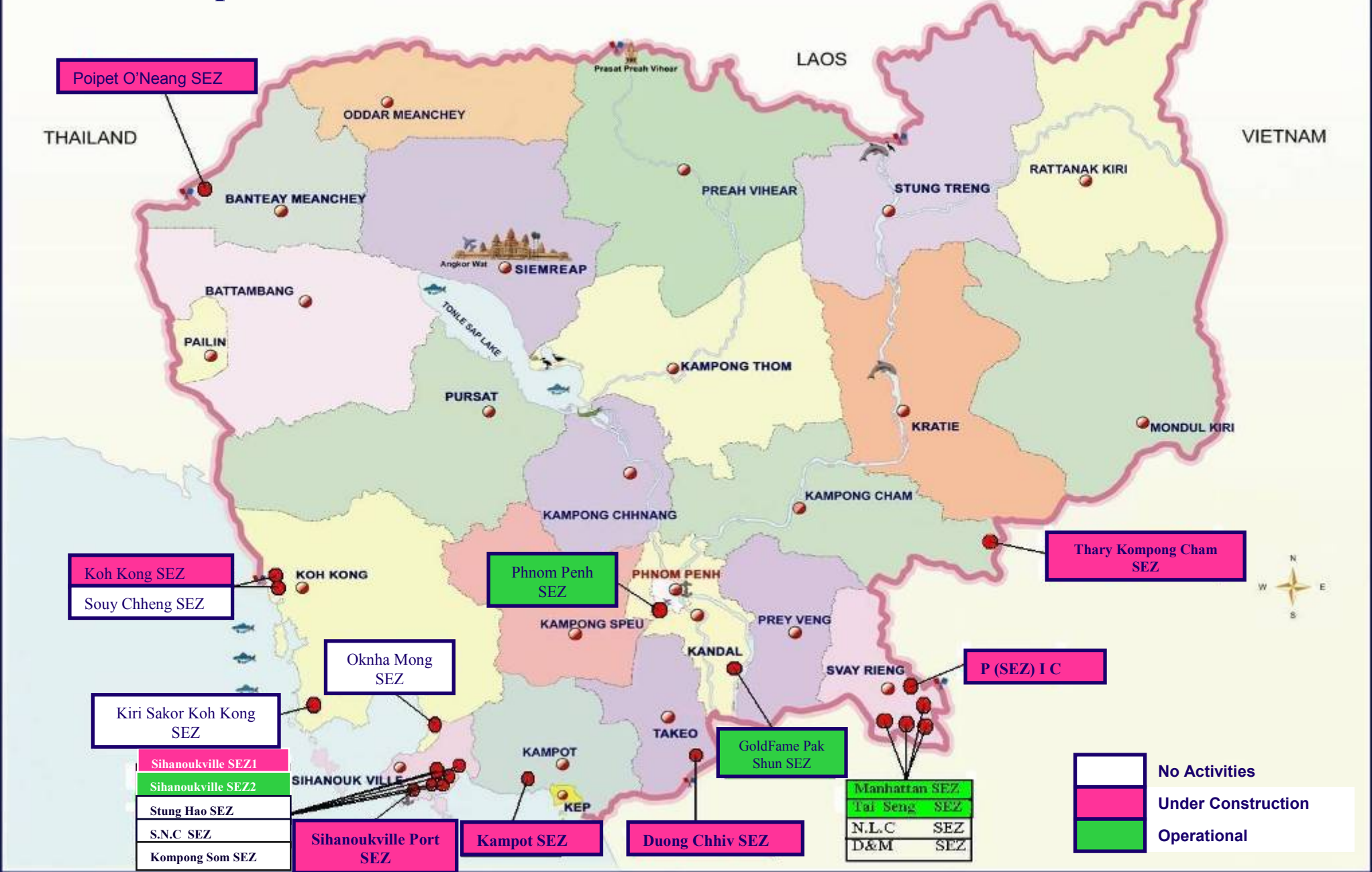
# Manufacturing & Export

- ❖ Competitive labor cost
- ❖ Tax incentives



- ❖ Market access
- ❖ Regional arrangement

# Cambodia's Special Economic Zones





# One Stop Service

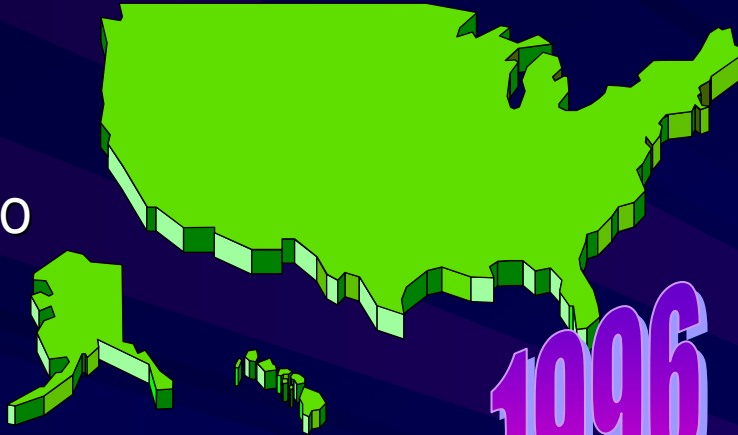
## Special Economic Zone Administration

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- ❖ Company registration and investment license
- ❖ Export/import permit
- ❖ Work permit and Labor books (both workers and expatriate)
- ❖ SEZA will provide on site immediate legal and administrative assistance

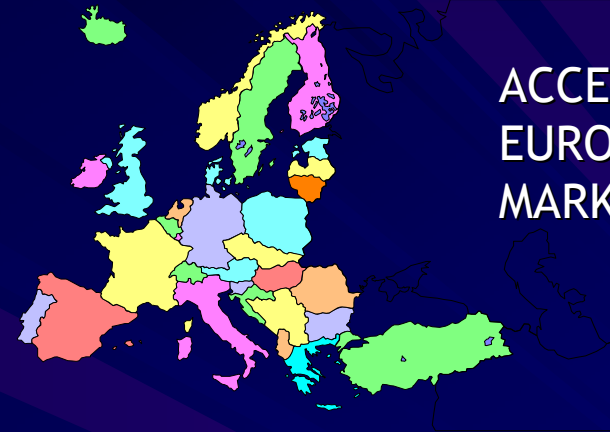
Cambodia has embraced the globalization process as part of its outward looking economic development strategy....

ACCESS TO  
THE U.S.  
MARKET



1996

ACCESS TO THE  
EUROPEAN  
MARKET



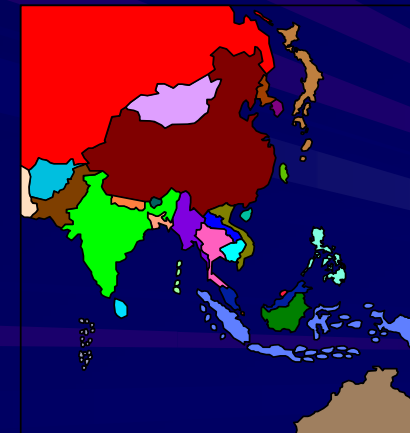
1996

JOINING  
WTO



2004

JOINING  
ASEAN

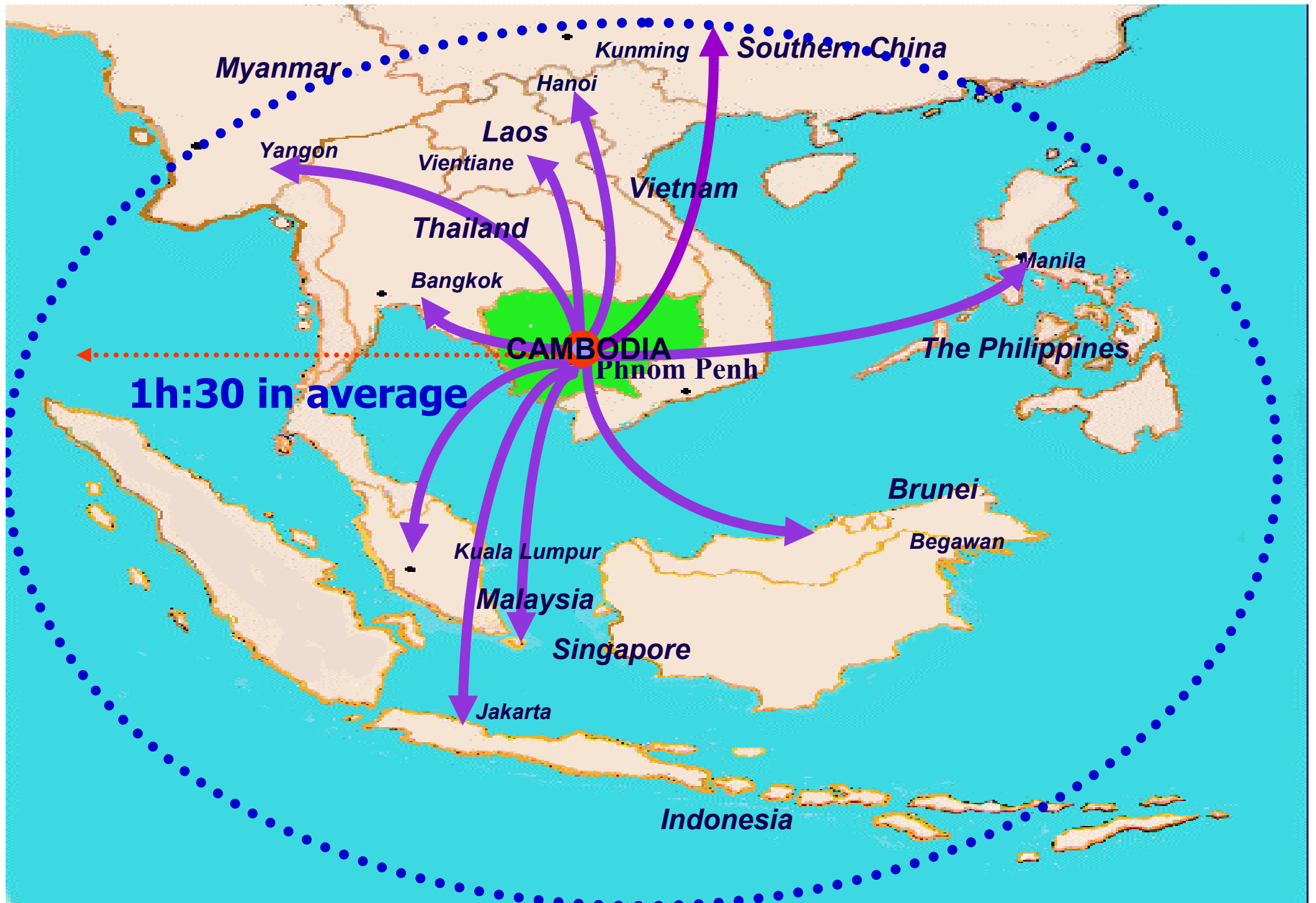


1999

# Reasons to invest in Cambodia

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- ❖ Open economy
- ❖ Sound Macroeconomic Environment
- ❖ Competitive Investment Incentives
- ❖ One Stop Service – Fast-Track Investment Approval Process (28 days)
- ❖ Low Labor Cost
- ❖ Strategic Location
- ❖ Preferential Trading Status
- ❖ Access to ASEAN and World Markets









**Thank you**

[www.cambodiainvestment.gov.kh](http://www.cambodiainvestment.gov.kh)