



# INVESTING IN CAMBODIA ▲

## CHANTHOL SUN

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Vice Chairman  
Council for the Development of Cambodia

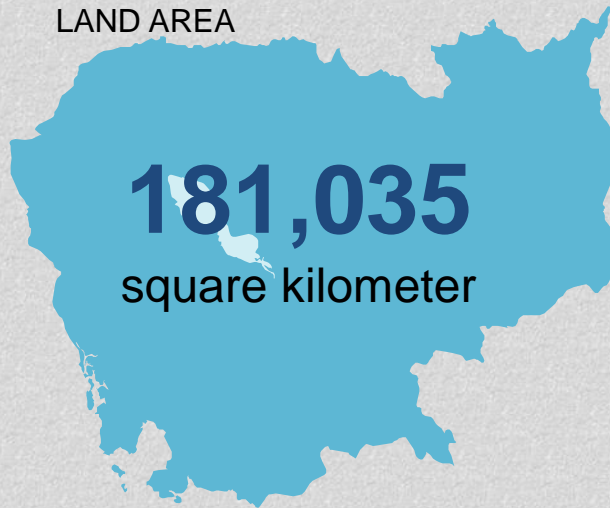




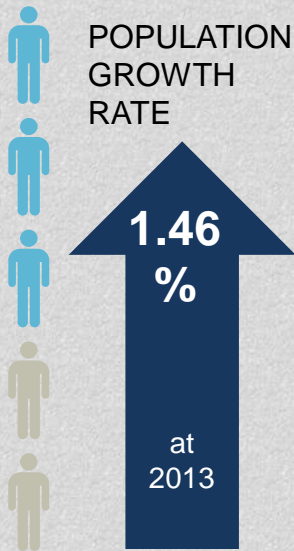
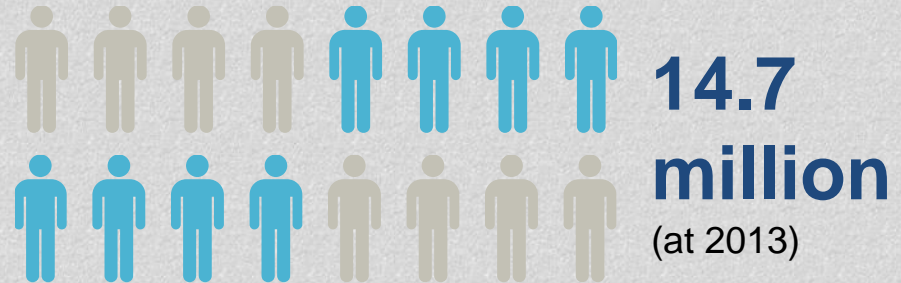
STRATEGIC LOCATION  
IN SOUTH-EAST ASIA

# CAMBODIA AT A GLANCE

LAND AREA



POPULATION



Stable macroeconomic environment

GDP growth : average **7.6%** per annum  
the last **10 years** (2005–2014 periods)

GDP per capita  
**\$1,220**  
(2015: Projection by MEF)

Exchange rate  
**US\$ 1 = Riel 4,049**  
(2015–H1, period average of )

Inflation rate **1.0%**  
(2015–H1, period average)

**B2** DEBT  
RATING

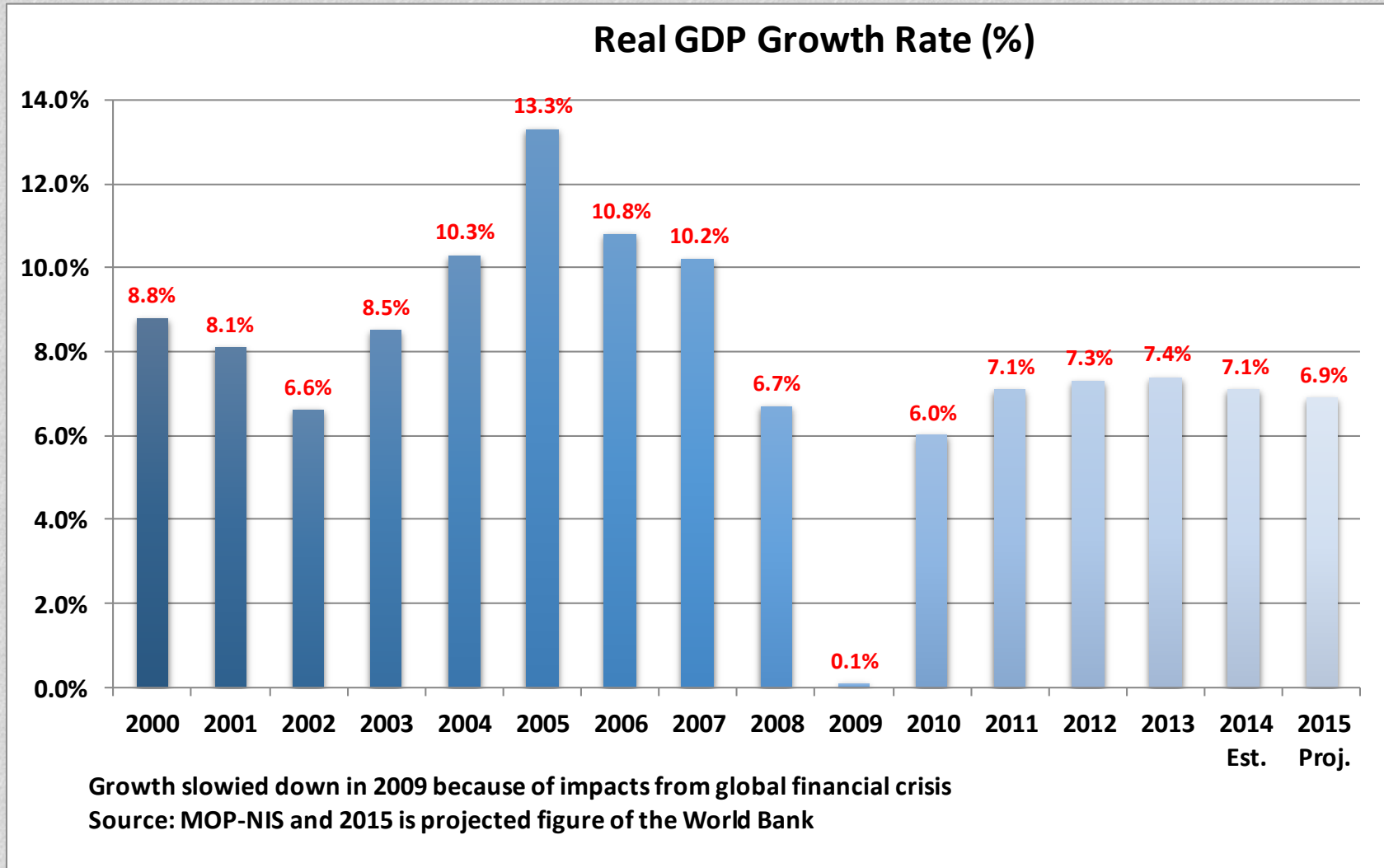
# REASONS TO INVEST IN CAMBODIA

- Macroeconomic Stability
- Pro-business Government
- Competitive Investment Incentives
- One-Stop Service Investment Promotion Agency
- Preferential Access to Regional & World Markets
- Investment Protection
- Efficient Infrastructure and Strategic Location
- Sound Financial Sector
- Abundant Resources, Labor, Land

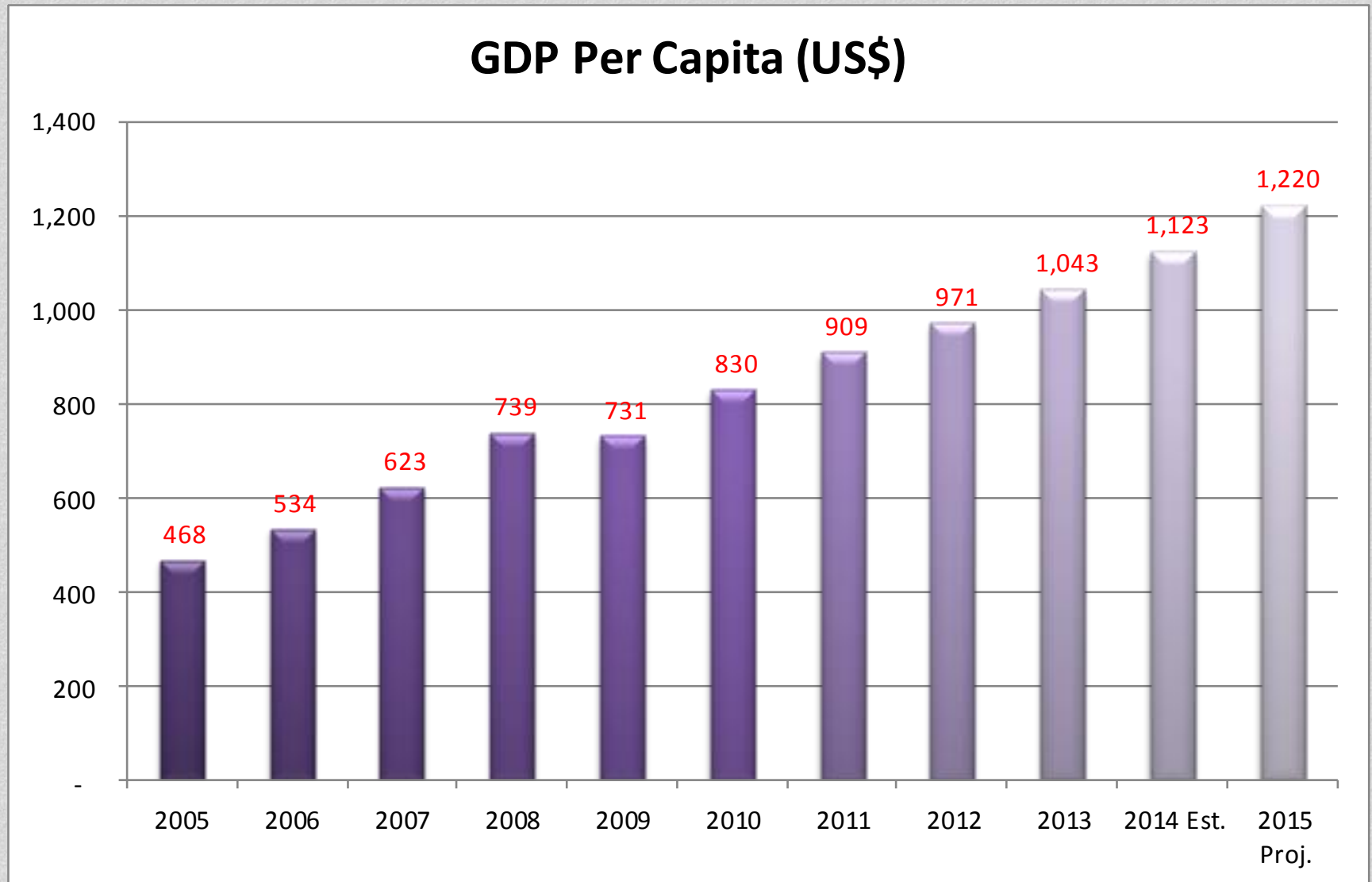
# MACROECONOMIC STABILITY

- GDP growth averaged 7.6% per annum the last 10 years (2005 – 2014)
- **Projected GDP growth for 2015 is 6.9% (World Bank)**
- Stable exchange rate
- Low inflation (**3.9% in 2014 and 1% in the first half of 2015**)
- Debt to GDP ratio 32.8% (at the end of 2013)
- Low budget deficit
- International reserves increased to US\$ 3.6 billion (2013) and rose to US\$ 4.4 billion (2014) – nearly 4 months of prospective imports
- **International reserves reached US\$ 4.7 billion in first half of 2015**
- It took 12 years to increase international reserves from US\$ 100 million to US\$ 1 billion (1994–2006) but it just took 2 years to increase from US\$ 2 billion to US\$ 3 billion (2006–2008)

# GROSS DOMESTIC PRODUCT (GDP)

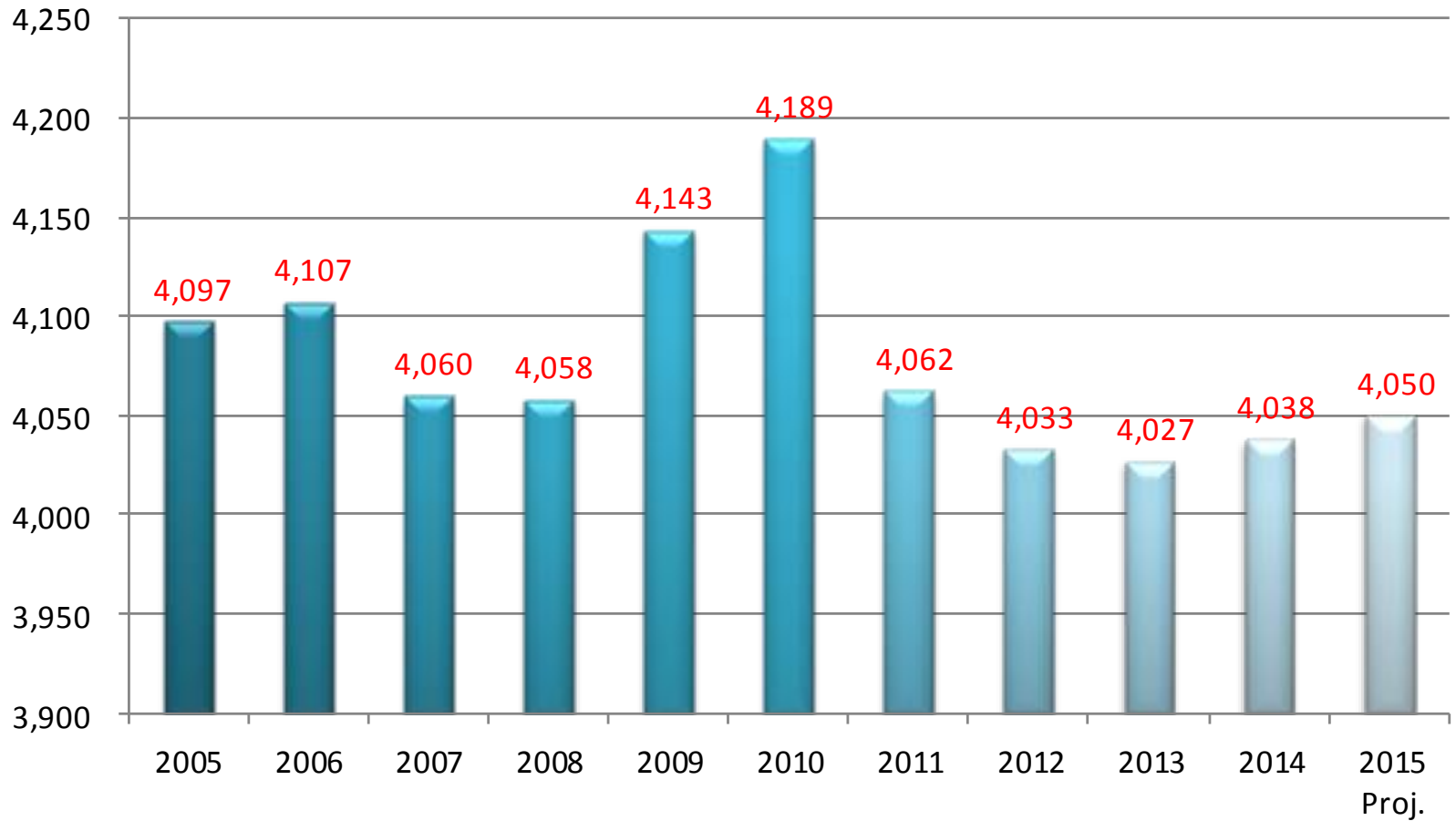


# GDP PER CAPITA GROWTH



# CURRENCY

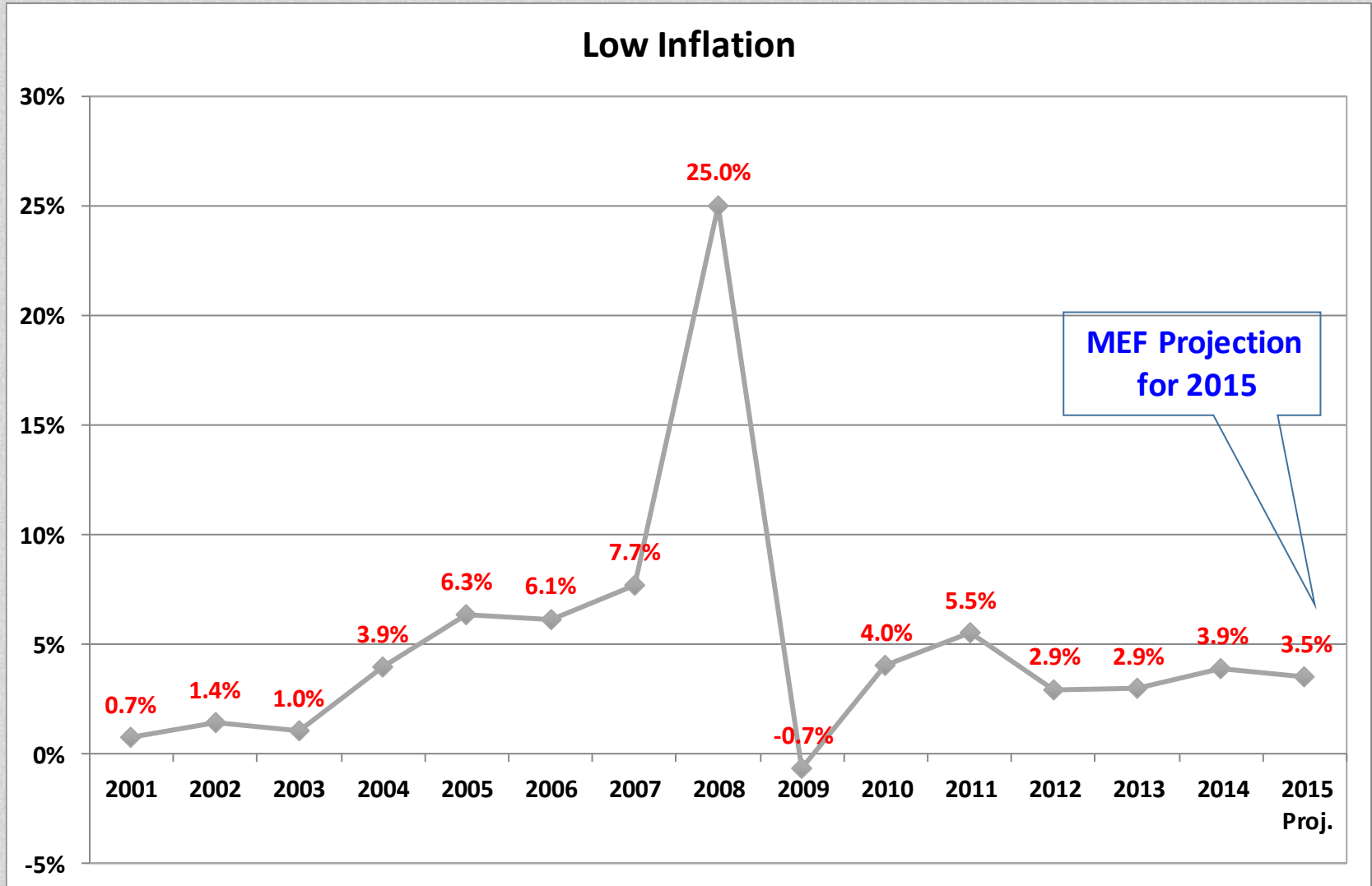
**Stable Exchange Rate  
(period average, Riels/US\$)**





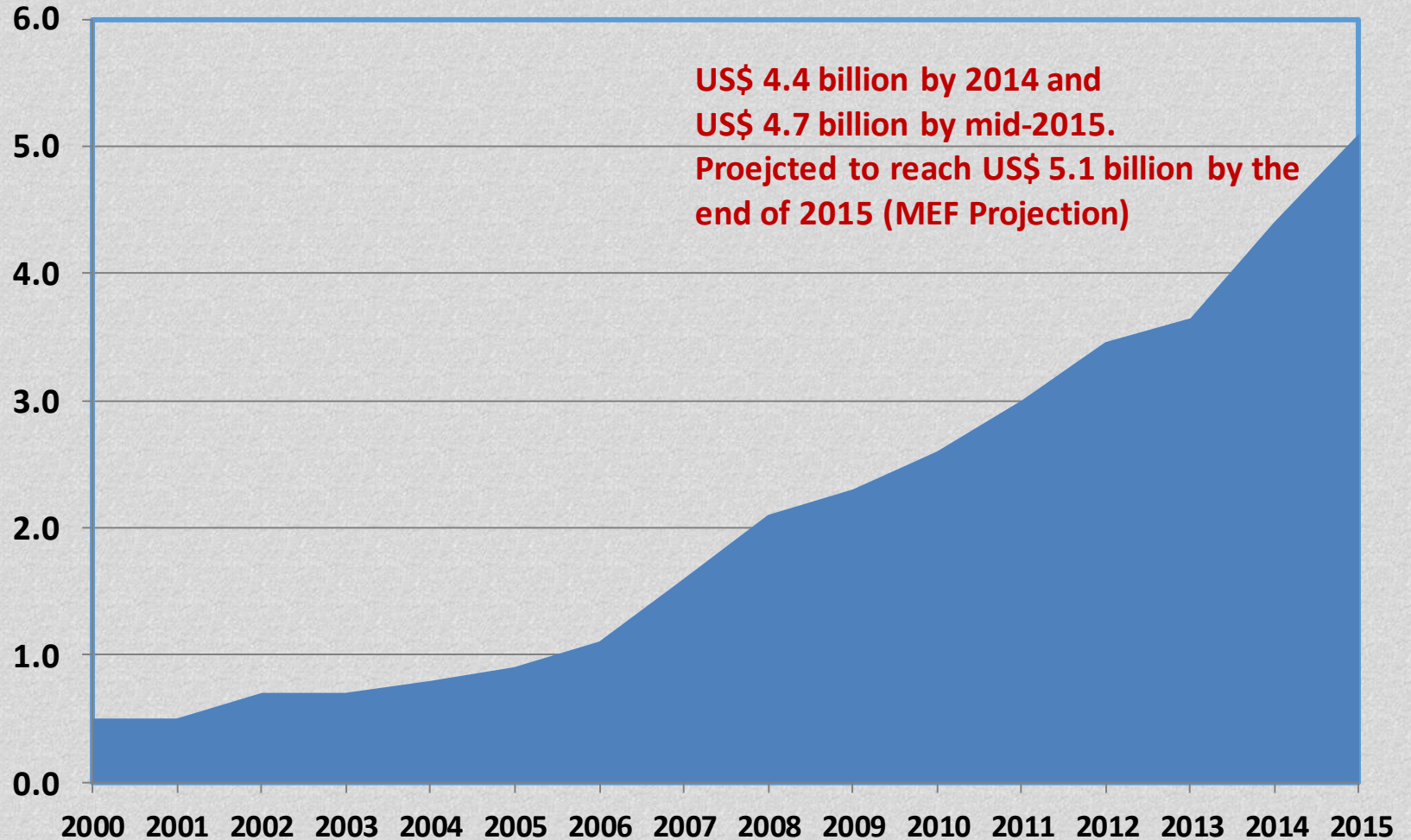
# INFLATION

(PERIOD AVERAGE)

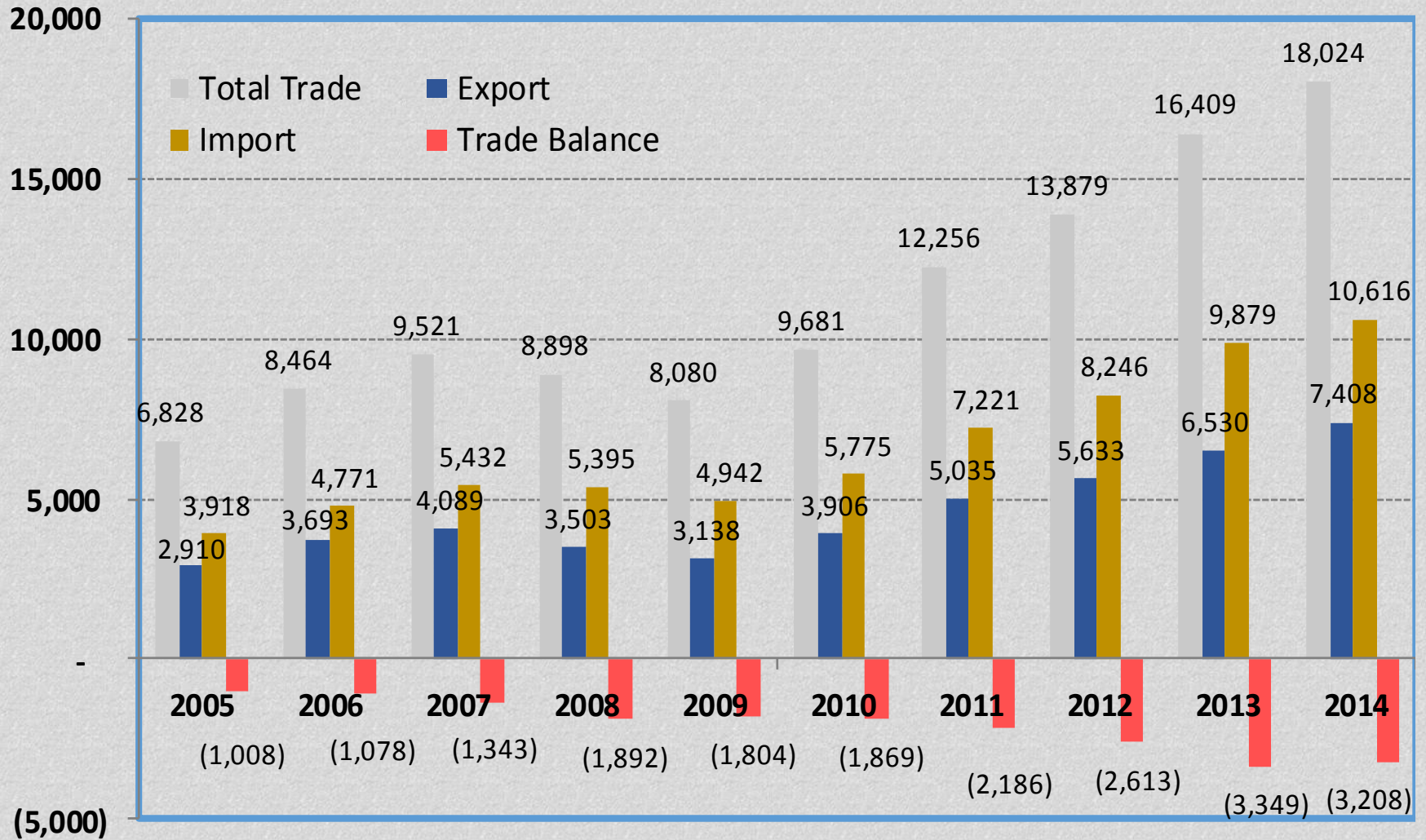


# FOREIGN RESERVES

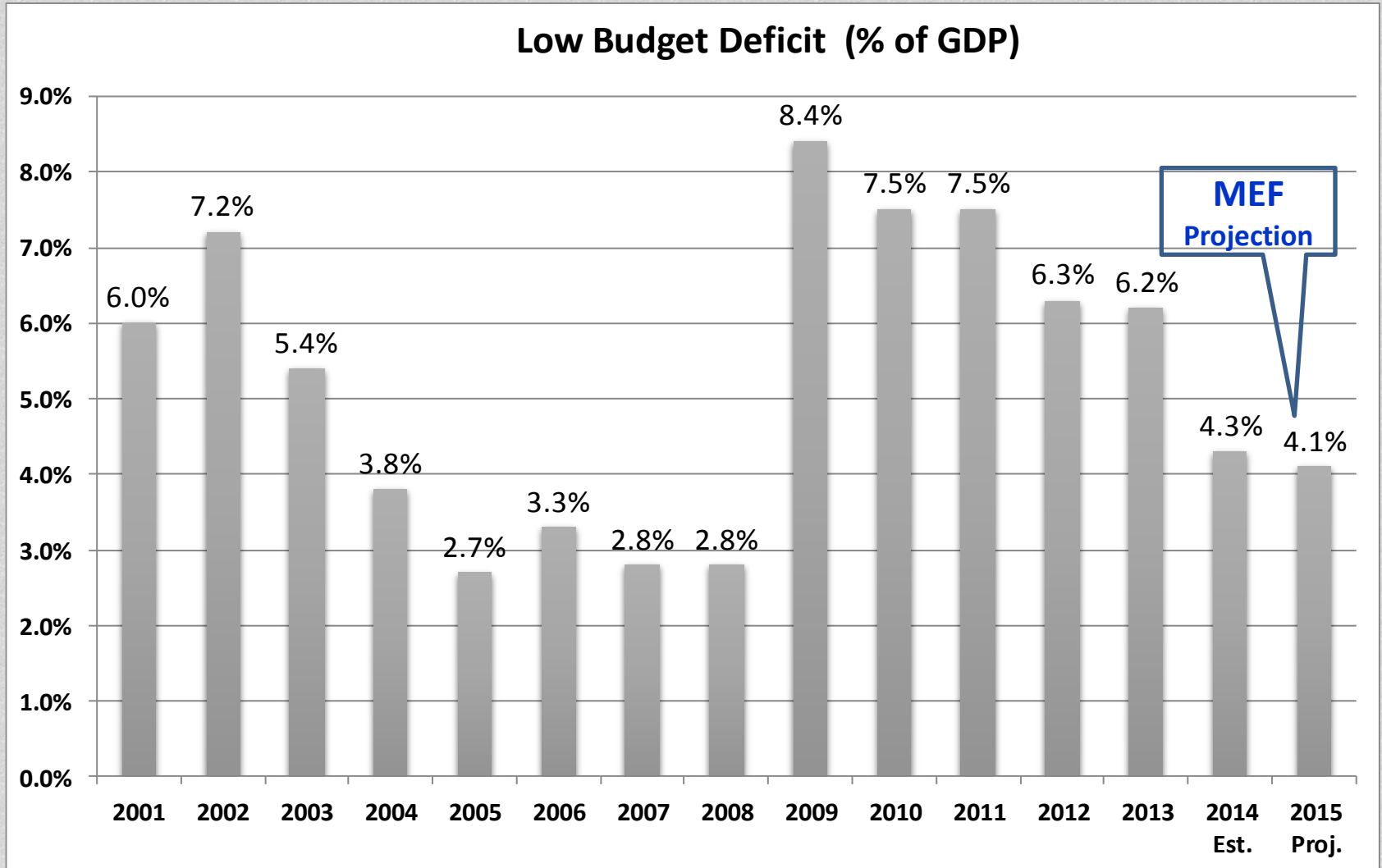
Foreign Reserves (US\$ Billion)



# TRADE VOLUME (US\$ MILLION)

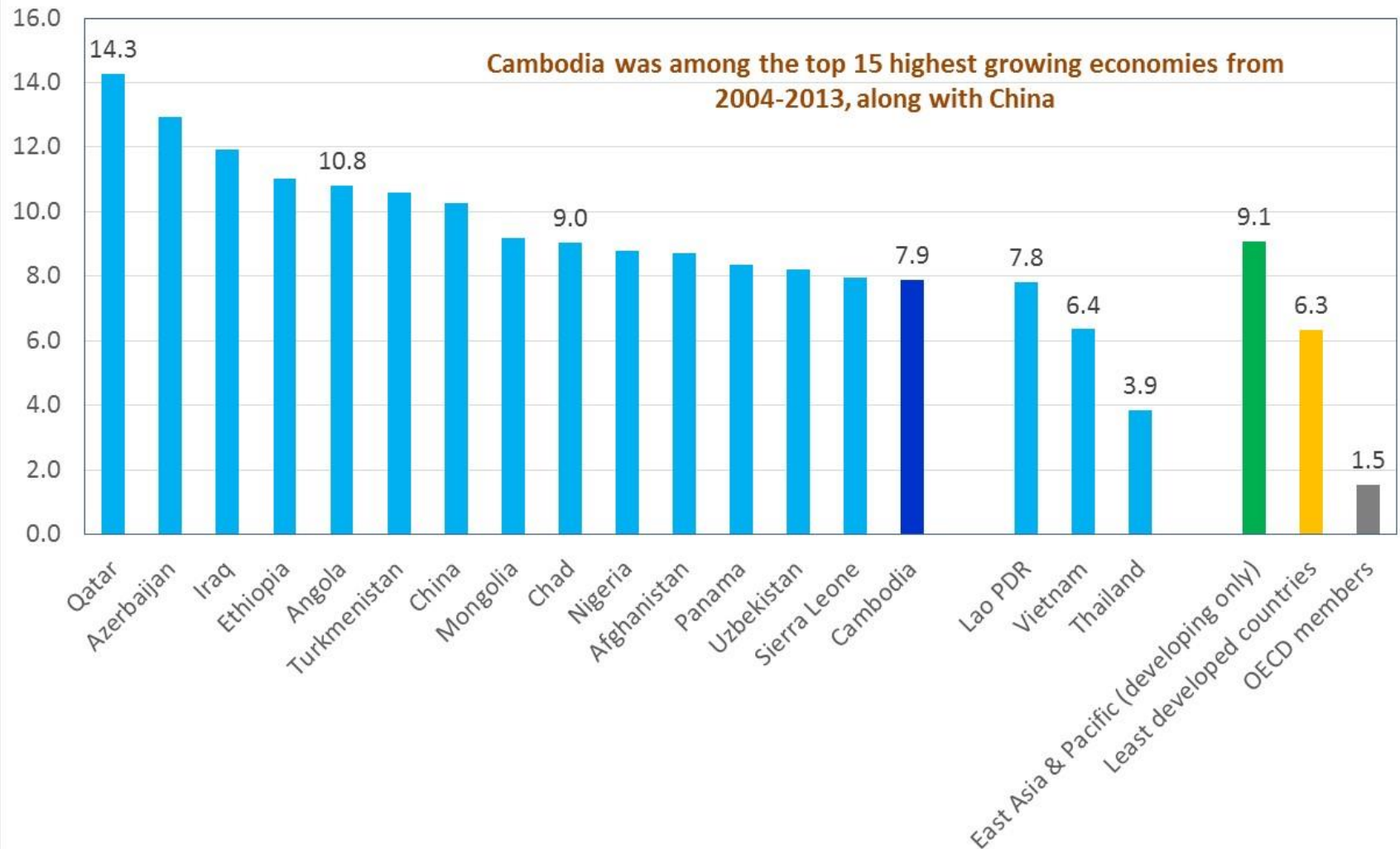


# BUDGET



# REMARKABLE ACHIEVEMENTS

(Average real GDP growth rate 2004-2013)



# PRO-BUSINESS GOVERNMENT

Government and Private Sector Working Groups

Government and Private Sector Forum

Private sector is an engine of economic growth

Easy access to relevant government officials

# GOVERNMENT PRIVATE SECTOR FORUM

#	Country	Total Score	#	Country	Total Score
1	Cambodia	94.50	14	Chad	58.50
2	Vietnam	91.75	15	Tonga	58.25
3	Romania	89.25	16	Vanuatu	57.75
4	Laos	88.75	17	Aceh	55.50
5	Albania	88.63	18	Timor Leste	50.20
6	Uganda	81.25	19	South Sudan	39.50
7	Liberia	78.00	20	CAR	38.75
8	Bangladesh	75.00	21	North Sudan	37.75
9	Ghana	72.00	22	Nepal	37.25
10	Pakistan	65.50	23	Cameroun	34.75
11	Zambia	64.75	24	Ethiopia	31.25
12	Belarus	64.25			
13	Sierra Leone	60.50			

World Bank Group: Support of structured public - private dialogue  
for private and financial sector development, 4/2009

# COMPETITIVE INVESTMENT INCENTIVES

- Corporate tax - 20%
- Tax holiday up to 9 Years
- Full import and export duty exemption (QIP Projects)
- No discrimination, no nationalization
- No local participation requirement
- No price control on any products or services
- No foreign exchange control
- No restriction on capital repatriation: free repatriation of profits & free remittance of royalty, interest, loan repayment, dividend, investment capital, etc.
- No trade restrictions
- Long-term land lease



# ONE-STOP SERVICE – CDC/CIB

Information and application

Evaluation and approval

Customs duty and tax exemption

Visa and work permit

Company registration

Investor after-care

# ACCESS TO WORLD MARKETS

Access to the U.S. market - 1996

Access to the E.U. market - 1996

Member of the Association of South-East Asian Nations (ASEAN) - 1999

Member of the World Customs Organization (WCO) - 2001

Member of the World Trade Organization (WTO) - 2004

Member of various regional trade agreements

# MFN/GSP MARKET ACCESS

- Australia
- Austria
- Belarus
- Belgium
- Bulgaria
- Canada
- China
- Czech Republic
- Denmark
- Finland
- France
- Germany
- Hungary
- Ireland
- Italy
- Korea
- Luxemburg
- Japan
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- ROK
- Russian Federation
- Slovakia
- Spain
- Sweden
- Switzerland
- UK
- USA

**MFN:** Most Favored Nation **GSP:** Generalized System of Preferences

# INVESTMENT PROTECTION AGREEMENTS

- Australia
- China P.R
- Croatia
- Cuba
- Czech Republic
- DPR of Korea
- Germany
- France
- Indonesia
- Japan
- Kuwait

- Lao PDR
- Malaysia
- Netherlands
- OPEC
- OPIC
- Pakistan
- Philippines
- ROK
- Singapore
- Switzerland
- Thailand
- Vietnam

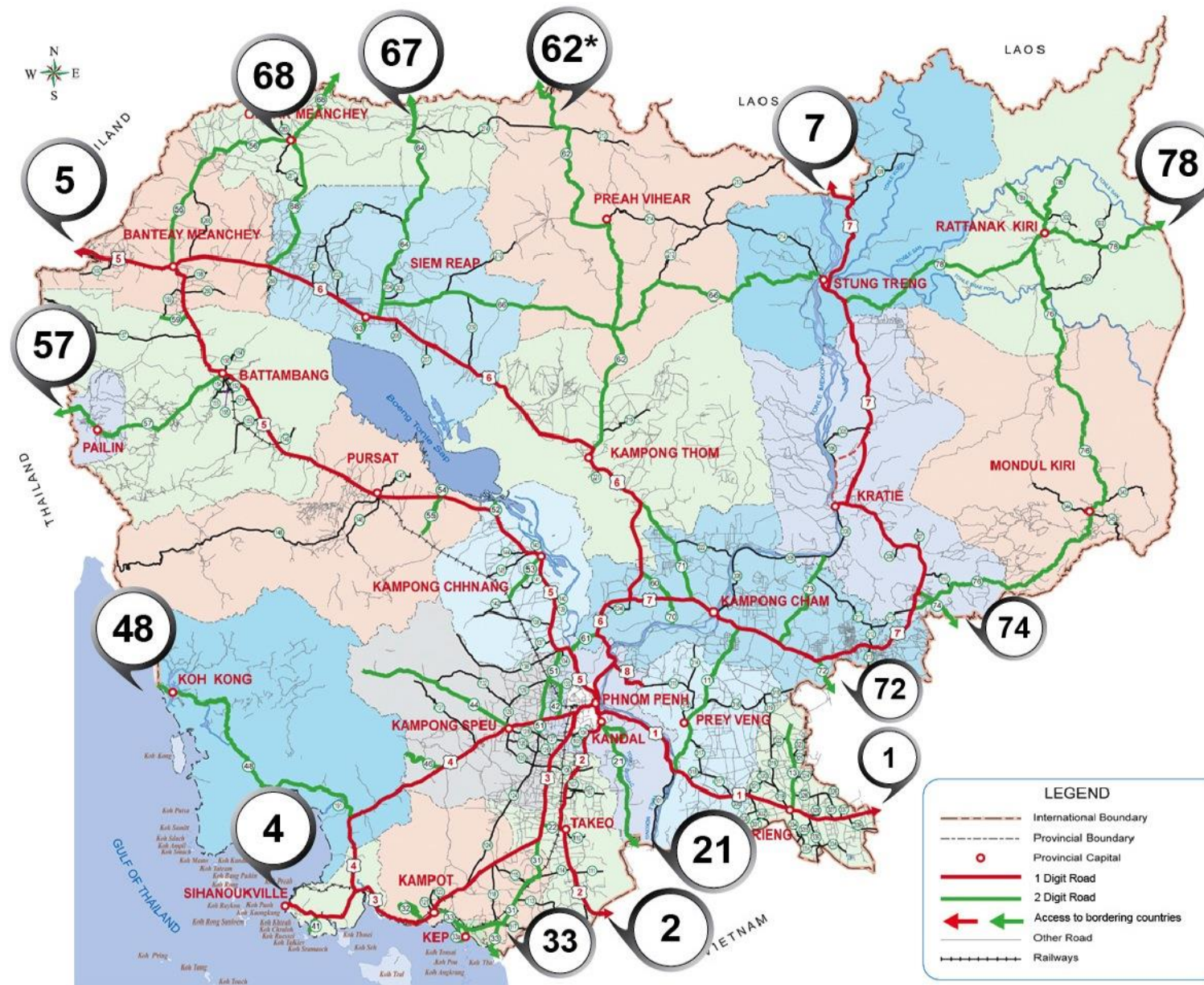
## In process :

- Algeria
- Bulgaria
- Egypt
- Lybya
- Myanmar
- Qatar
- Russia
- Ukraine
- UK
- USA
- Hungary
- Malta

# INFRASTRUCTURE & LOCATION

- Completed ASEAN highway linking Thailand, Cambodia, Vietnam
- Completed ASEAN highway linking Cambodia, Lao PDR, China
- Finished upgrading national road network
- Rehabilitating National Railways as part of Singapore – Kunming rail link
- Upgraded Sihanoukville Port (new general cargo terminal)
- Upgraded Phnom Penh Port / new container port
- Upgraded Phnom Penh, Siem Reap, and Sihanoukville Airports
- Finalized installing fiber optic cable across the country
- Construction of new power plants

# ACCESS TO BORDER CROSSINGS



## To Thailand

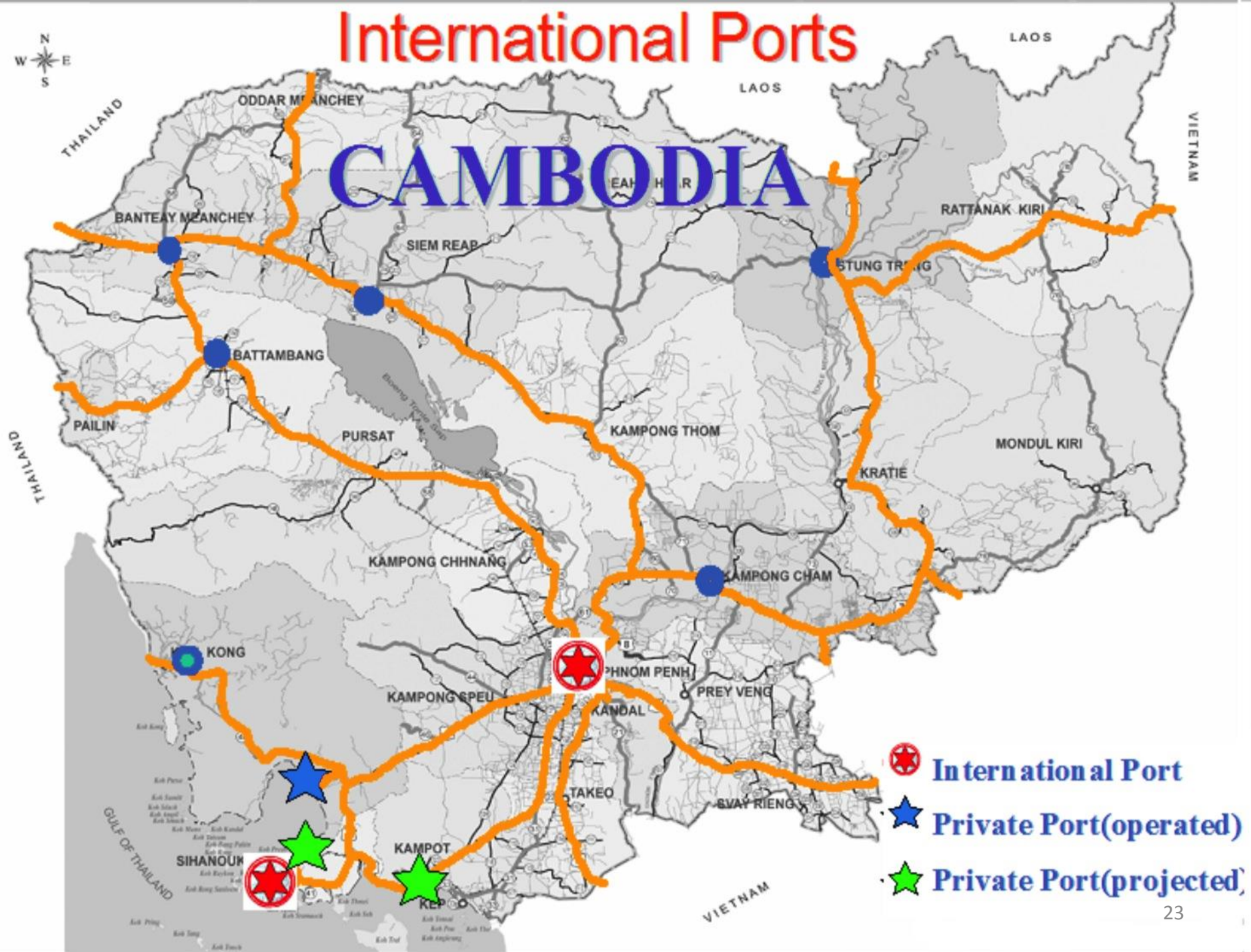
- NR-48
- NR-57
- NR-62
- NR-64
- NR-68

## To Vietnam

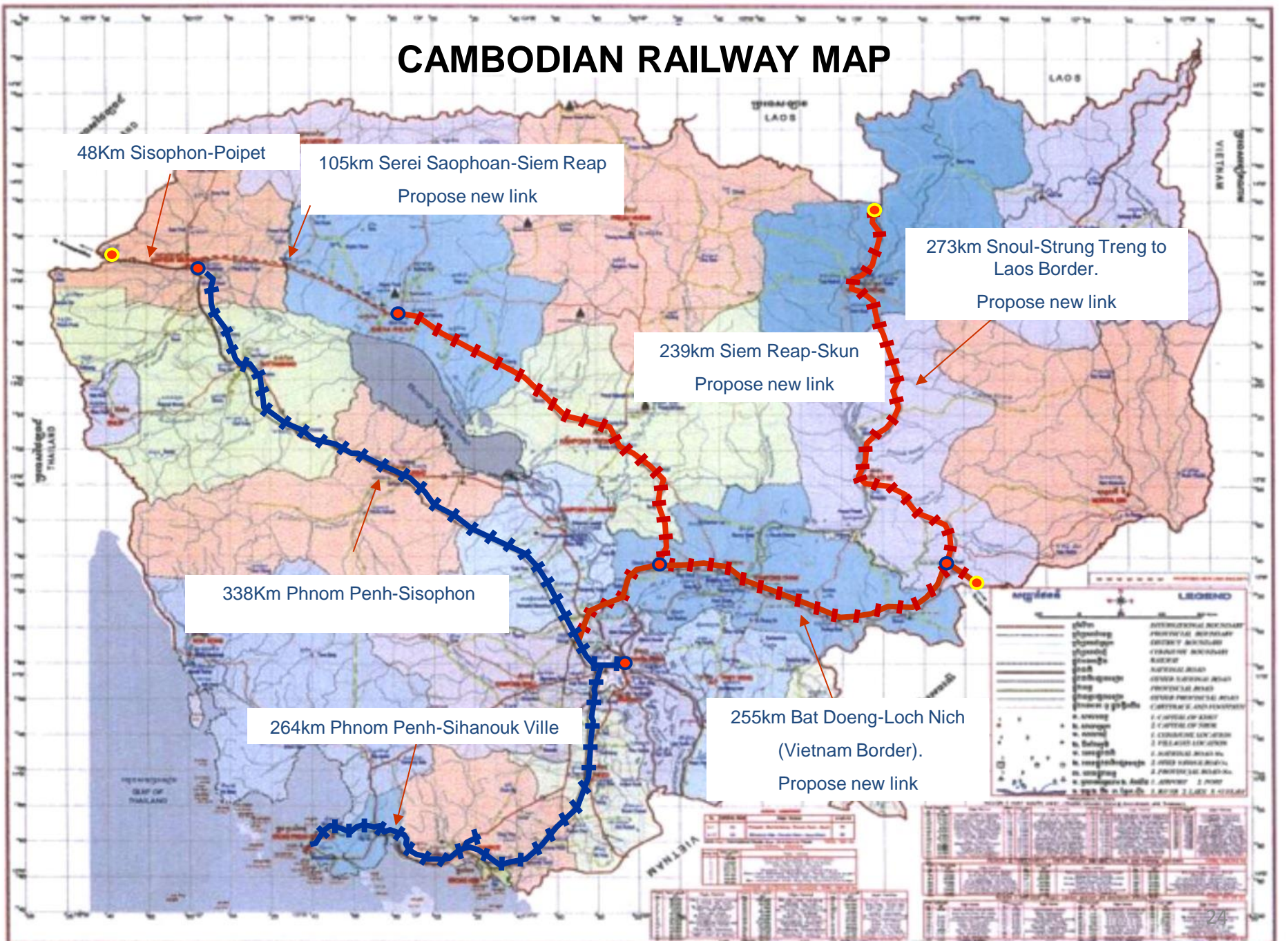
- NR-2
- NR-33
- NR-72
- NR-74
- NR-78

\* New Route N°

# International Ports



# CAMBODIAN RAILWAY MAP





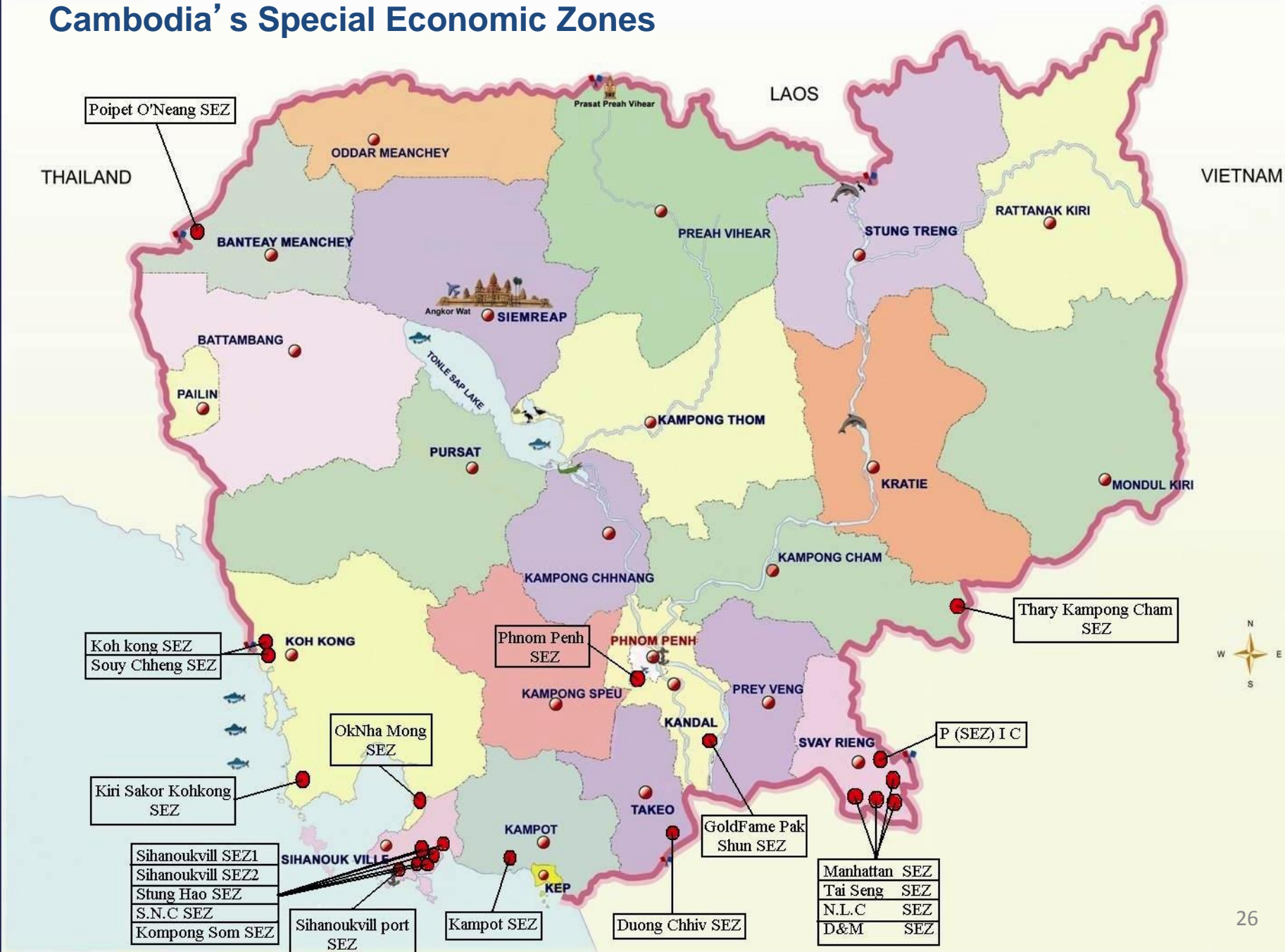
# SPECIAL ECONOMIC ZONES

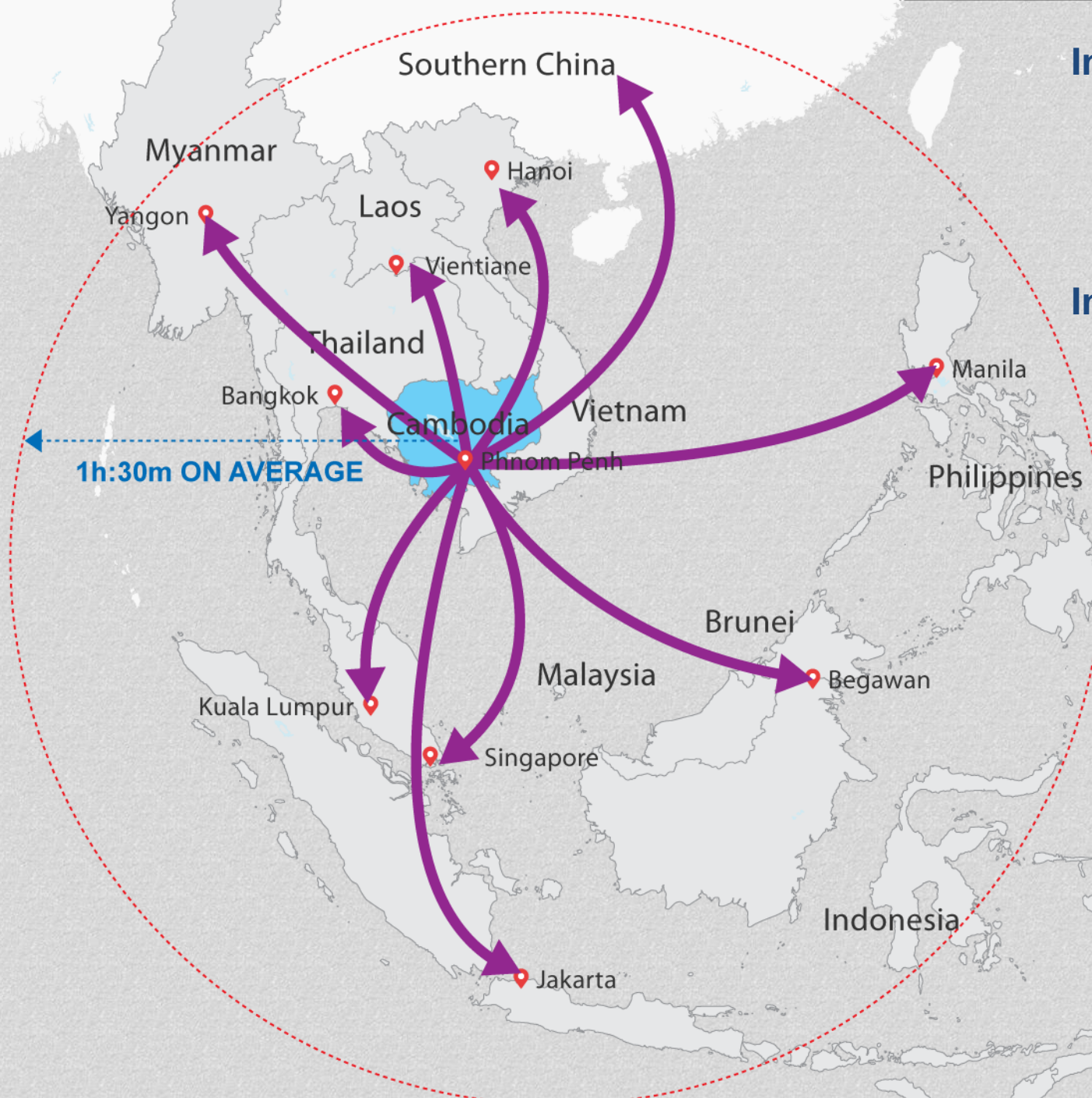
- 34 SEZs have been approved
- 11 SEZs are in operation
- 23 SEZs are being built
- Single Window for Import/Export Procedures
- Good Infrastructure



[ Photos: Phnom Penh Special Economic Zone ]

# Cambodia's Special Economic Zones





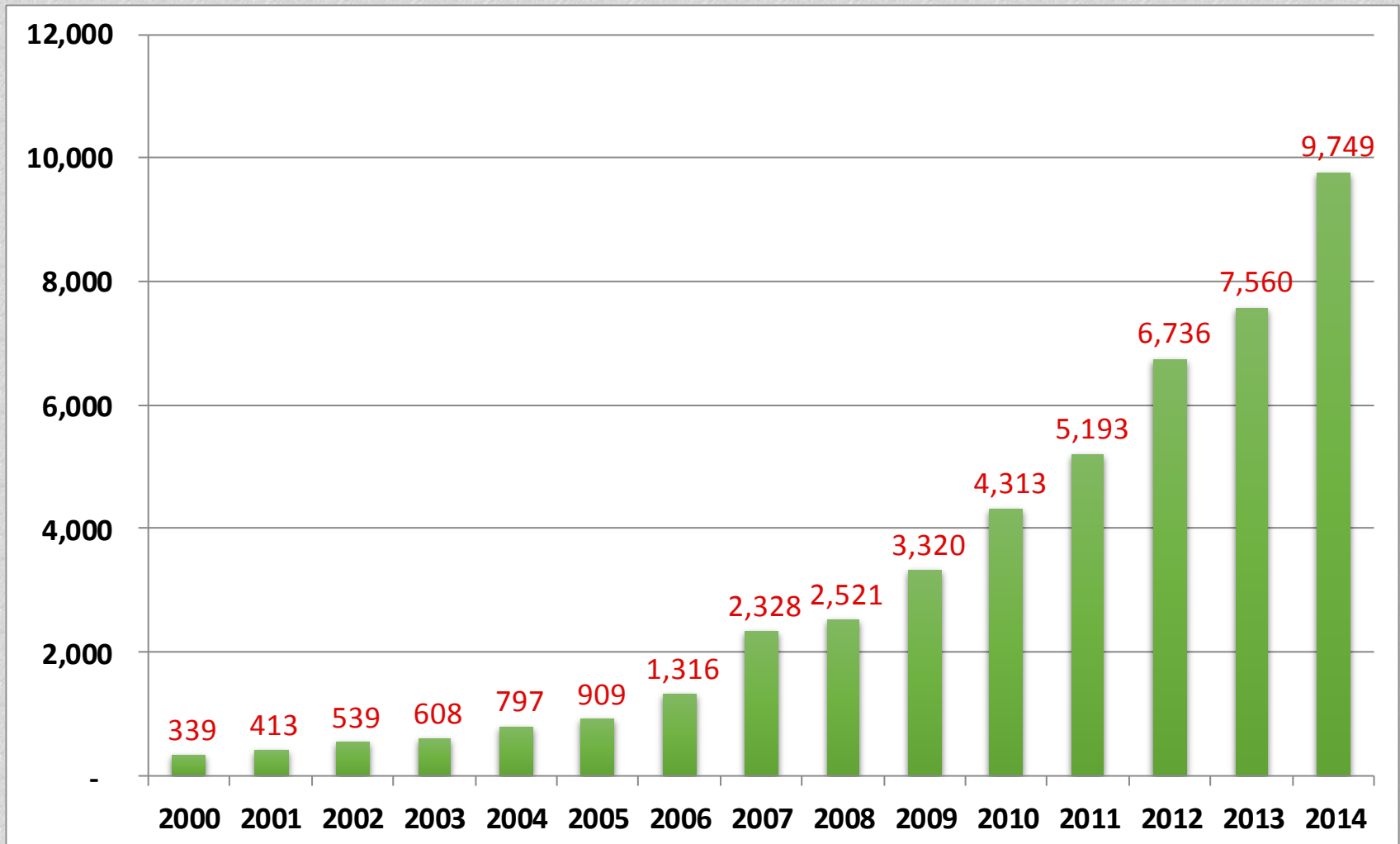
Invest in Cambodia  
and you have  
**14.7 million**  
customers

Invest in Cambodia  
and you have  
**623 million**  
customers at  
your doorstep

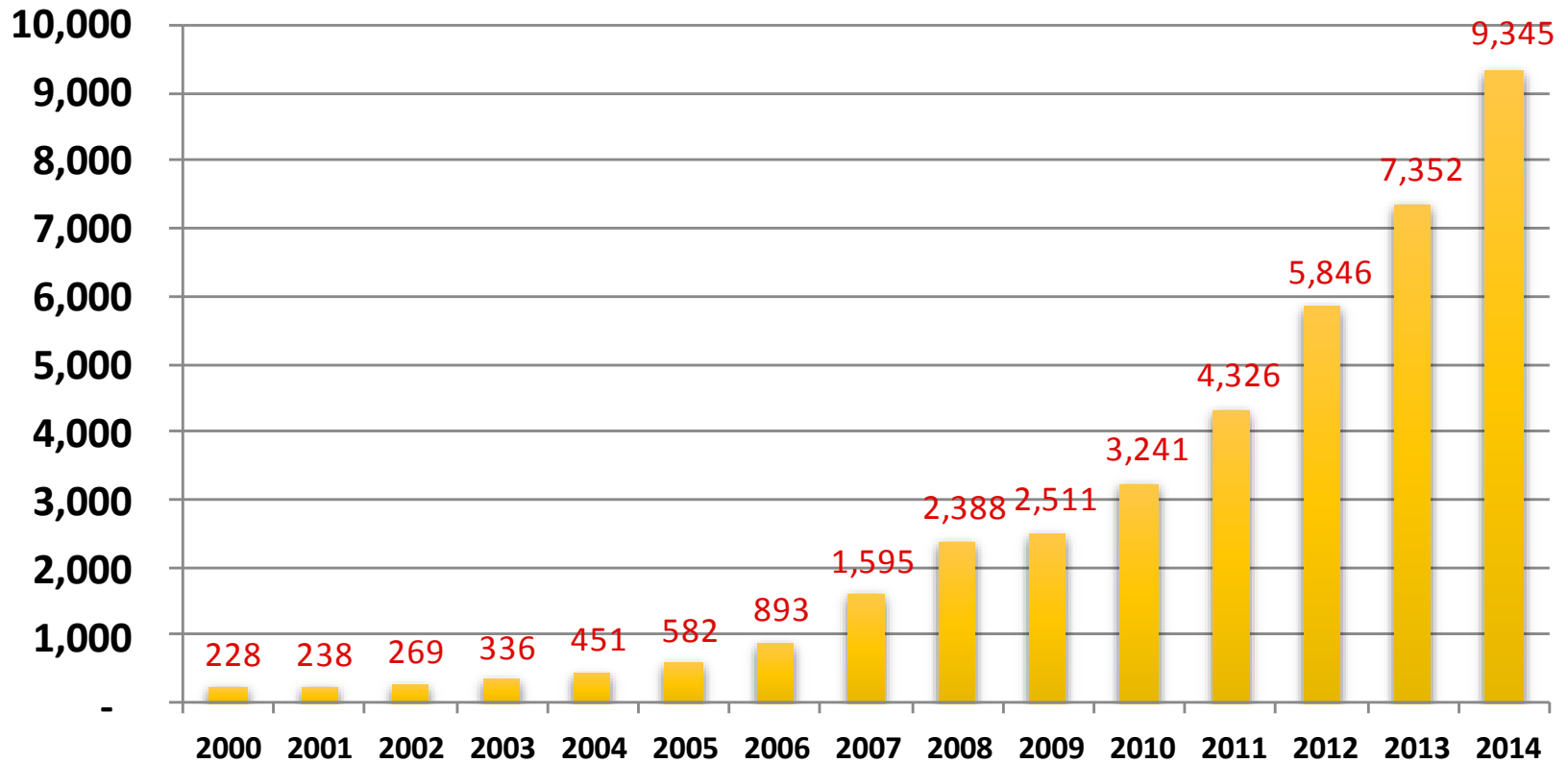
# SOUND FINANCIAL SECTOR

- 36 commercial banks (by the end of 2014)
  - a) 11 Foreign Branch Banks
  - b) 13 Locally Incorporated
  - c) 12 Subsidiary Banks
- 11 specialized banks (including the Rural Development Bank)
- 40 licensed-micro-finance institutions  
(7 deposit-taking micro finance institutions)
- 33 registered-micro finance operators
- 6 Non-life insurance companies
- 2 life insurance companies
- 1 re-insurance company
- Capital market laws
- Financial leasing law
- Low NPL rate: 2.2% (2014) – down from 2.7% in 2013
- Strong banking supervision - prudent reserve requirement level

# BANK DEPOSITS (US\$ MILLION)



# CREDIT TO PRIVATE SECTOR (US\$ MILLION)



Non-performing loans declined to 2.2% in 2014 from 2.7% in 2013

# STOCK EXCHANGE IN CAMBODIA

Officially launched on July 11, 2011

First trading on April 18, 2012

Joint venture between Cambodian and Korean exchanges

7 Underwriters registered

2 Dealers

4 Brokers

2 Investment advisories

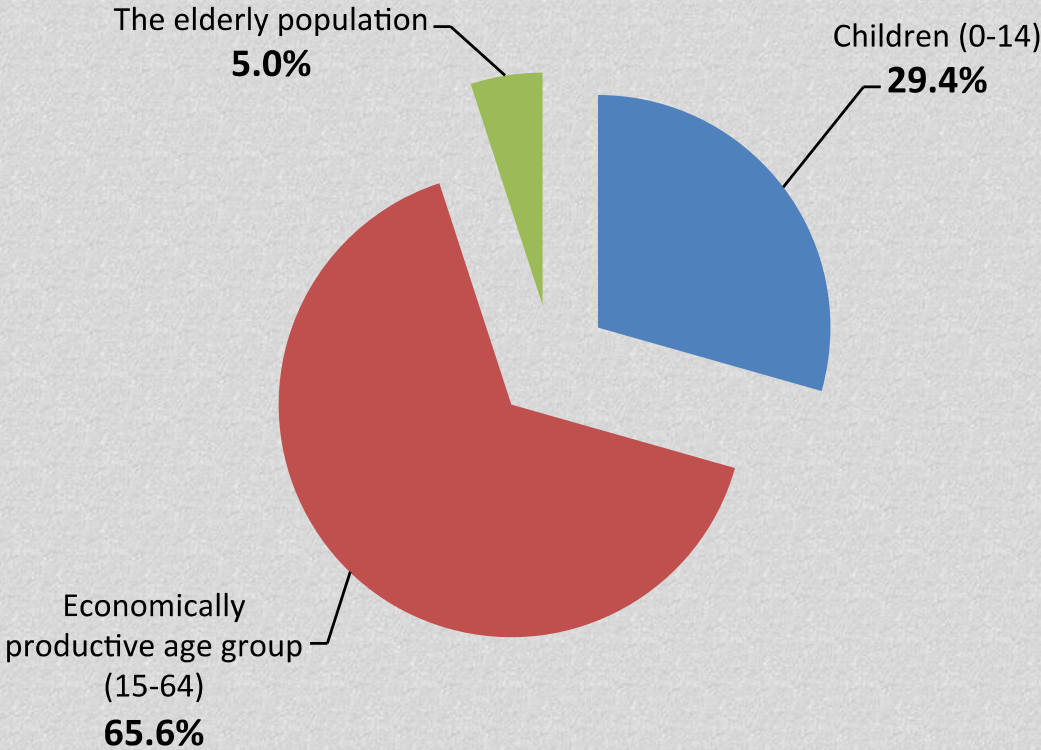
# ABUNDANT RESOURCES, LABOR, LAND

- Oil and gas
- Minerals (bauxite, carbonate rocks, natural gas, gold, iron, manganese, petroleum, phosphate, rock, salt, silica...)
- Great lake (Tonle Sap)
- Beaches (more than 400km)
- Monuments / Heritage Sites
- Abundant land
- Low labor cost & dynamic, young workforce

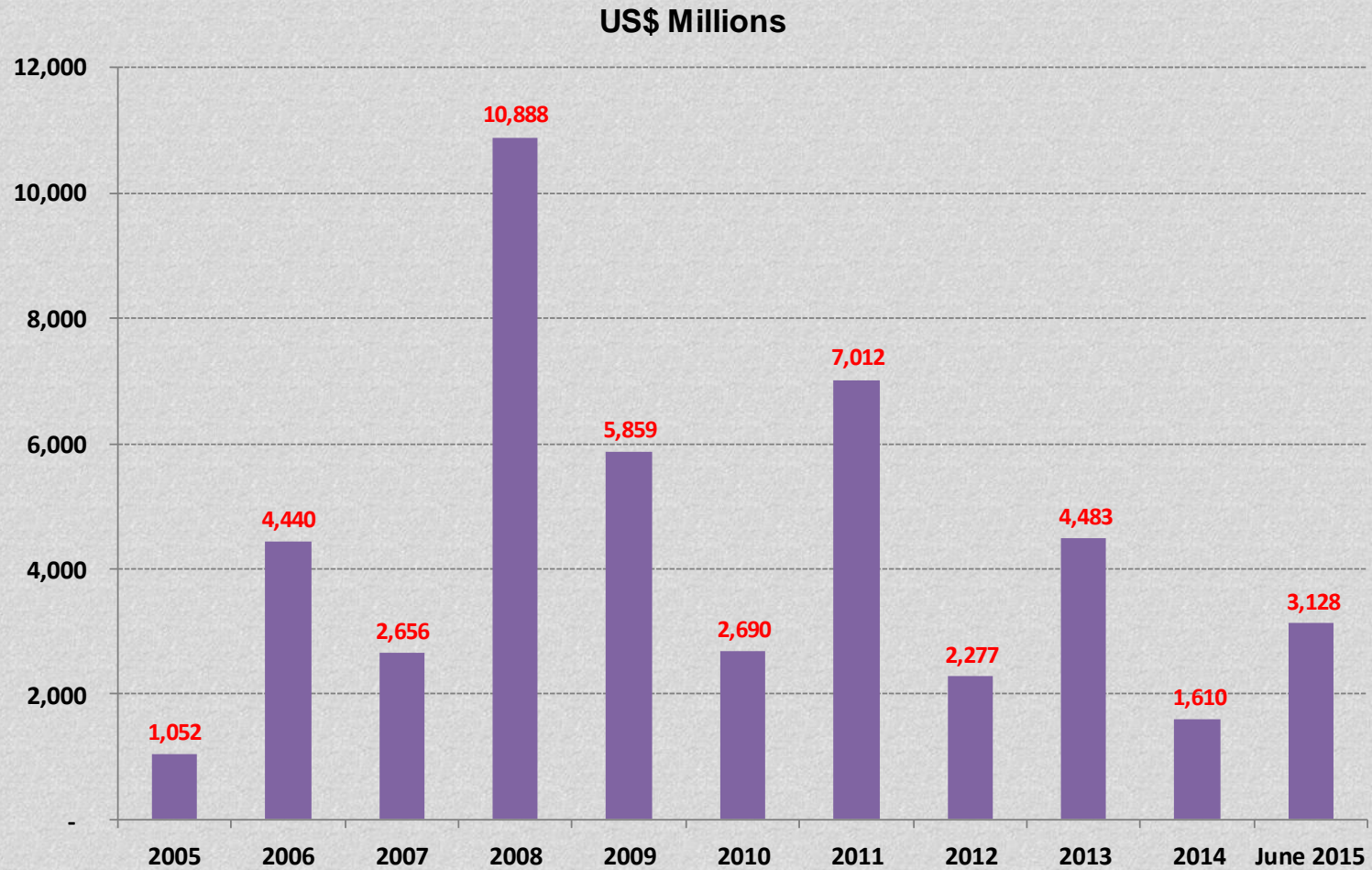


# POPULATION

Percentage of population by age group 2013



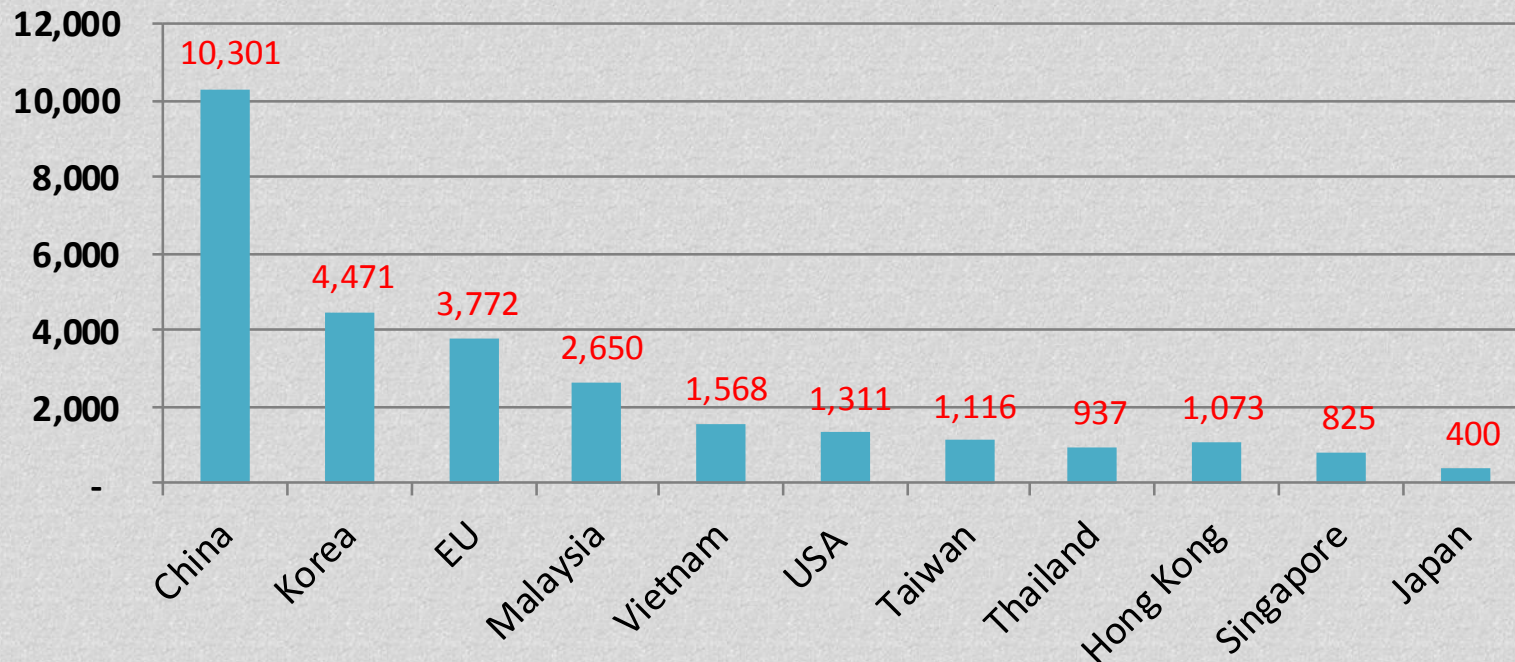
# INVESTMENT TRENDS



# APPROVED INVESTMENT BY COUNTRY

1994 – June 2015

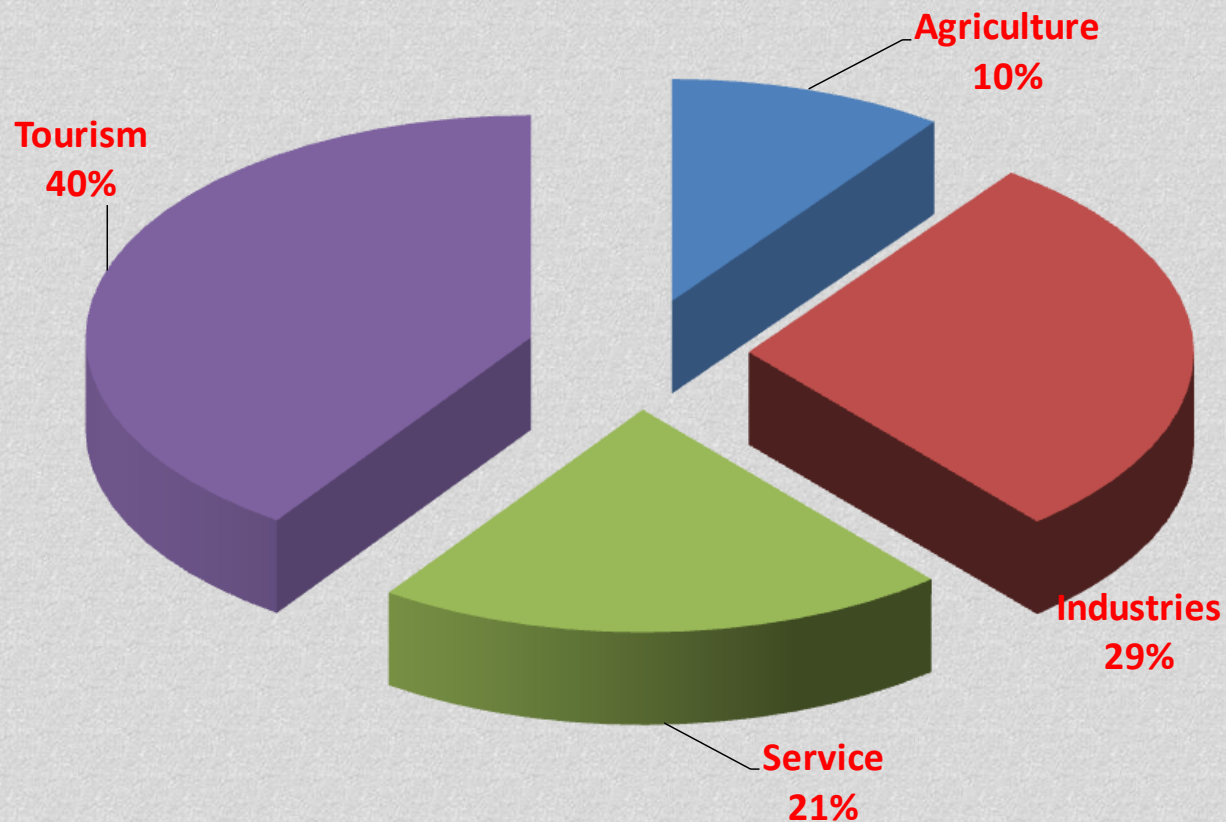
US\$ Million



# APPROVED INVESTMENT BY SECTOR

1994 – June 2015

Approved Investment by Sector



# INVESTMENT OPPORTUNITIES

- Agriculture and agro–industry
- Labor intensive industries
- Processing industry
- Tourism sector
- Transportation and logistic
- ICT
- Energy
- Oil, gas and mining
- Human resource development & education

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- One-stop service investment promotion agency
- Preferential access to regional & world markets
- Investment protection
- Efficient infrastructure and strategic location
- Sound financial sector
- Abundant resources, labor, land

# COUNCIL FOR THE DEVELOPMENT OF CAMBODIA

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

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