



Investment Environment and Opportunities in Cambodia

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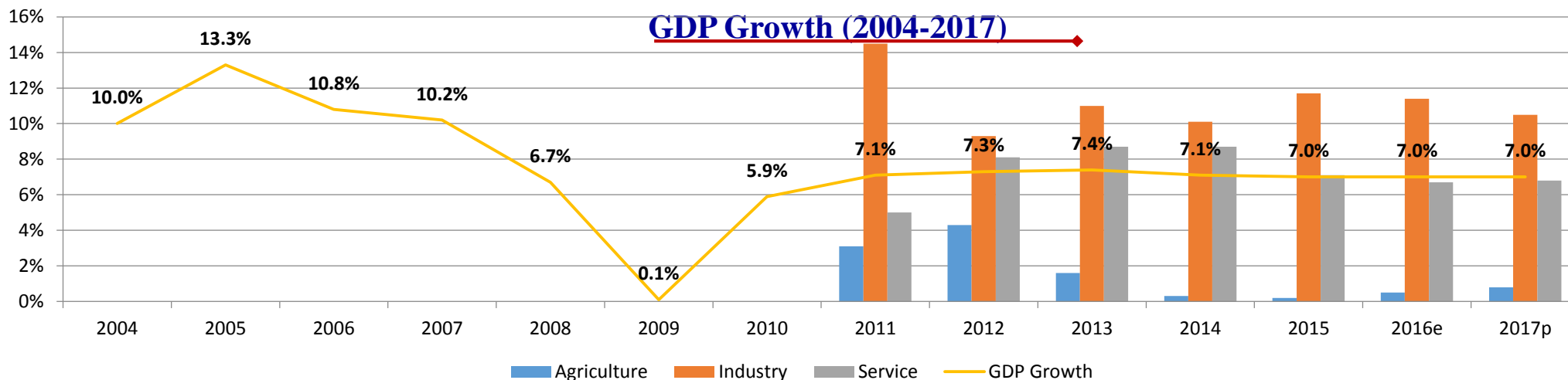


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Key indicators

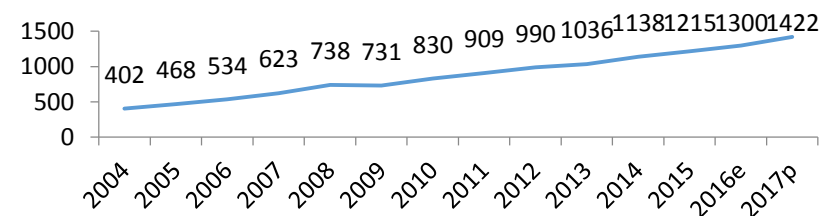


Population & Labor Force

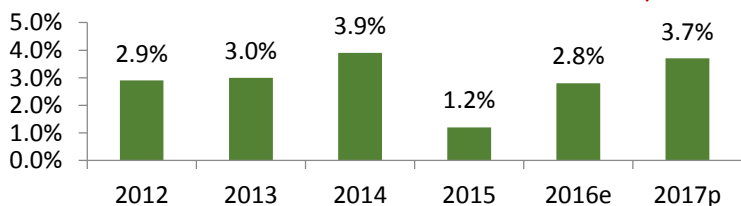
- Population: 15 Million
- Literacy: 92.7% (15-24 years old)
- Young and dynamic labor force: Median age 24 years old
- Population growth rate : 1.54%



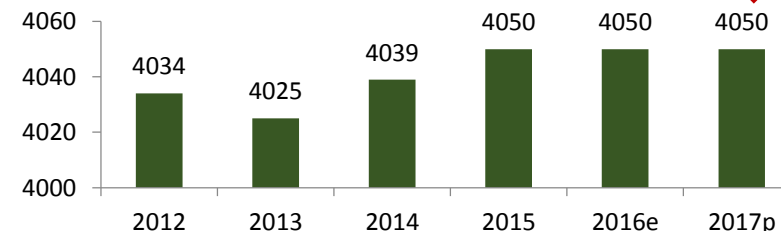
GDP Per Capita (2004-2017)



Low & Manageable Inflation



Stable Exchange Rate (USD-Riel)





Investment Environment

Open Door Policy

100% foreign ownership

No nationalization

No local content requirements

No export requirements

No restriction on foreign exchange and No capital control

No price controls on products or services

Tax Incentives

Tax holiday (corporate income tax exemption) for up to 9 years

or Special Depreciation up to 40% in first year

20% of corporate income tax

Import duty exemptions for machinery and equipment

Import duty exemptions for production inputs/ raw materials

Consider to introduce a SMART Incentive Scheme

Investment Facilitation

One Stop Services

Customer Approach (assist investors with various applications)

Easing & speeding procedures for all investors

Aftercare Services

Investment Tracking System

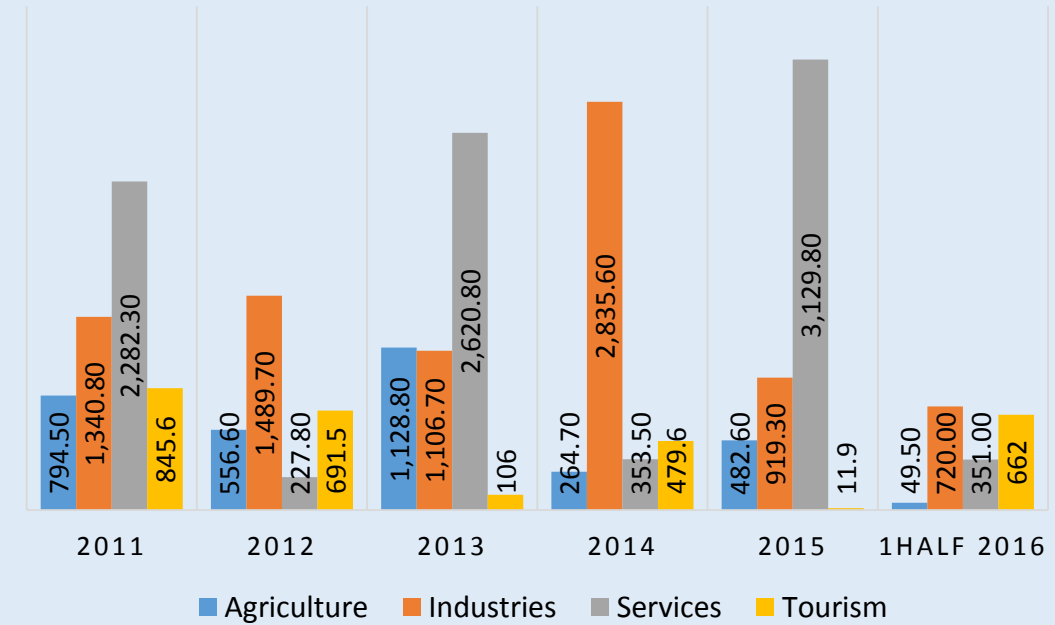
Consider for automated system



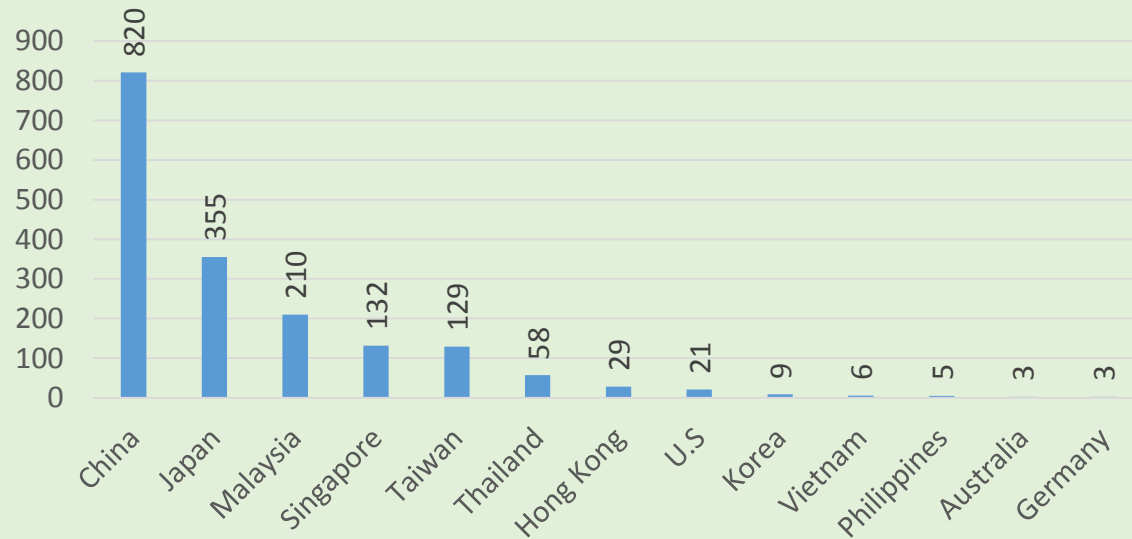
Investment Trends

Investment inflow from 2011 onward reached US\$ 24.1 billion

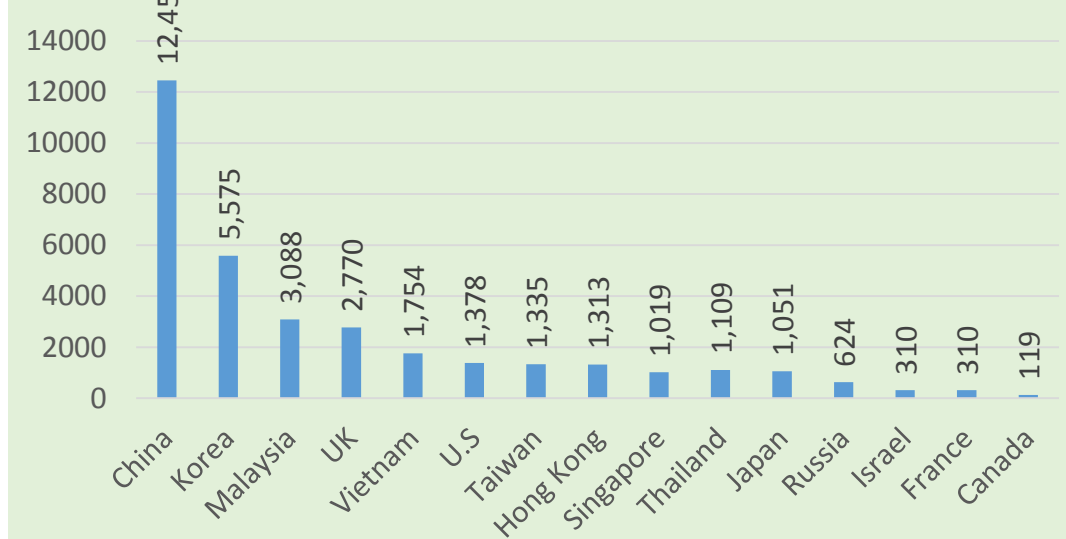
INVESTMENT TREND (2011 - 1ST HALF 2016)



Total QIP in SEZ (1994-1st half 2016)



Total QIP outside SEZ (1994-1st half 2016)





SEZs and Soft Infrastructure Requires



List of Operational SEZs					
No.	Name	Land Size (ha)	#Projects	Investment (US\$)	Workers
1.	Manhattan Svay Rieng SEZ	157	32	405,915,252	26,507
2.	Tai Seng Bavet SEZ	99	26	137,369,946	8,454
3.	Shandong Sunshell SEZ	96	3	8,300,000	4,054
4.	Dragon King Bavet SEZ	106.5	3	9,364,437	1333
5.	Phnom Penh SEZ	350	85	549,027,491	18,383
6.	Sihanoukville SEZ	1113	90	253,844,146	14,117
7.	Sihanoukville Port SEZ	70	3	22,943,071	532
8.	Sihanoukville 1 st SEZ	178	2	738,400,000	310
9.	H.K.T SEZ	345	1	1,911,210,000	
10.	Neang Kok Koh Kong SEZ	335	5	59,917,153	7500
11.	Choak Kampong Soam SEZ	185			
12.	Kampot SEZ	145	1		
13.	Poi Pet O Neang SEZ	467	5	7,693,109	1220
14.	Sanco Poi Pet SEZ	66.5	5	22,347,782	989



Cambodia Industrial Development Policy (IDP) 2015-2025

Vision	Priority Sectors
<ul style="list-style-type: none">• A transformation and modernization of Cambodia's industrial structure from a labor-intensive industry to a skill-based industry by 2025• Linking with global value chain• Integrating into regional production networks and developing clusters• Strengthening competitiveness and improving productivity of domestic industries• Matching toward developing a modern technology and knowledge-based industry	<ul style="list-style-type: none">• Agro-industry/processing• Tourism and related industries• Manufacturing• Automotive part industry• Electrical and electronic industry• Higher value added manufacturing• SME linkage

Key Priorities to be achieved by 2018

- Improving electricity supply to key industrial areas/estates: reduce the electricity tariff from 18.8 cents/kwh in 2014 to 12 cents/kwh
- Building multi-modal transport and logistic system to connect to 3 keys industrial corridors (Phnom Penh-Sihanoukville, Phnom Penh- Bavet, and Phnom Penh- Poi Pet.
- Building modern institutions for vocational and technical training / human resources development needed by industries.
- Develop and transform Sihanoukville Province into a multi-purpose Special Economic Zone.



IDP Guidance

Review and amend the Law on Investment and Adopt Law on Special Economic Zones	
New Law on Investment	Law on Special Economic Zones
<ul style="list-style-type: none">• Pioneer status• SMEs : supporting activities• Incentives for provision of:<ul style="list-style-type: none">○ Accommodation○ Transportation○ Canteen○ Training	<ul style="list-style-type: none">• Effective development, revocation if no development• Timely provision of basic infrastructures• Streamlining administrative procedures :<ul style="list-style-type: none">○ Customs extra territory status○ Construction permit○ Environment requirement (EIA)○ Factory licensing○ Worker health control○ Tax registration (ID)○ C.O. online○ Master list online



IDP Orientation: Investment Opportunities

Agro-industries/Processing



Tourism & related industry



Manufacturing



Automotive-part-industry



Electrical & Electronic



Higher value added manufacturing





Cooperation Cambodia-Japan

In accordance with article 23 of the Bilateral Investment Agreement between Cambodia and Japan signed in 2007, a Joint Committee has been established and met 14 times. Last meeting had been on 19th October 2016, Phnom Penh.

Issues have been addressed at these Joint Committee Meetings including:

- Industrial Relations,
- Trade Facilitation,
- Logistics: reducing cost of doing business and
- Cooperation projects, etc....





Expectation toward Japanese FDI

- Help us to enhance economic corridor development and reduce the cost of doing business including transportation
- Reduce loss and damage of goods in transit
- Minimize the time spent in transit and increase reliability of logistics
- Develop value-adding activities to expand employment along and around economic corridors
- Attract increased foreign investment into value-added activities



Thank you!



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