



CSIS SUMITRO DJOJOHADIKUSUMO  
Banyan Tree Leadership Forum

presents

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# INVESTING IN CAMBODIA ▲

## CHANTHOL SUN

Senior Minister, Minister of Commerce  
Vice Chairman  
Council for the Development of Cambodia

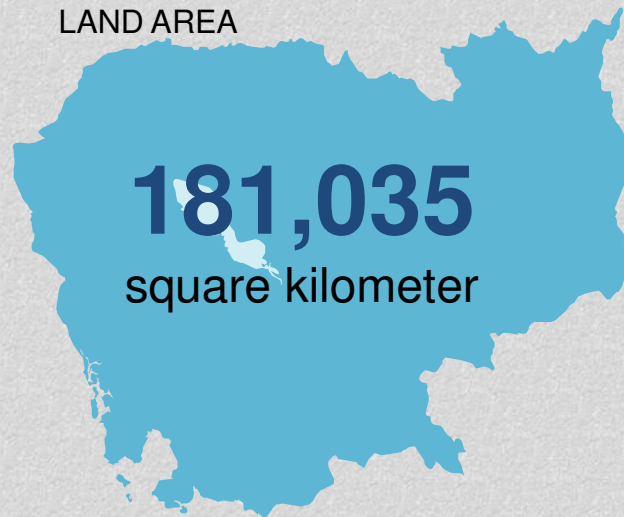




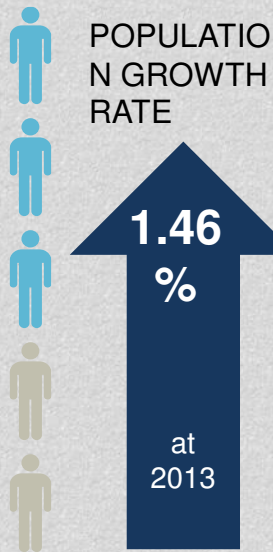
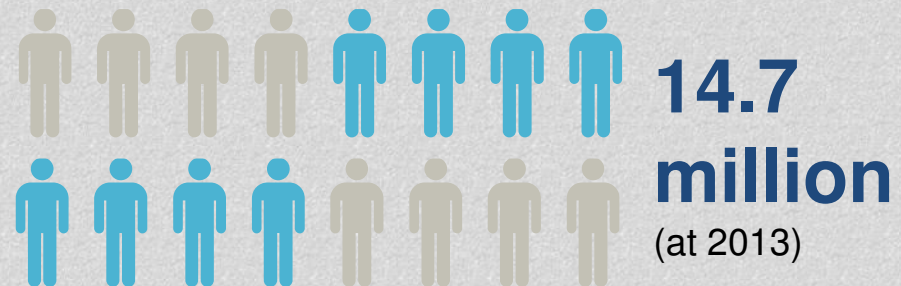


# CAMBODIA AT A GLANCE

LAND AREA



POPULATION



Stable macroeconomic environment

GDP growth : average **8%** per annum  
the last **10 years** (2004–2013 periods)

GDP per capita  
**\$1,036**  
(estimated 2013)

Exchange rate  
**US\$ 1 = Riel 4,000**

Inflation rate **4.6%**  
(end of period rate of 2013)

**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

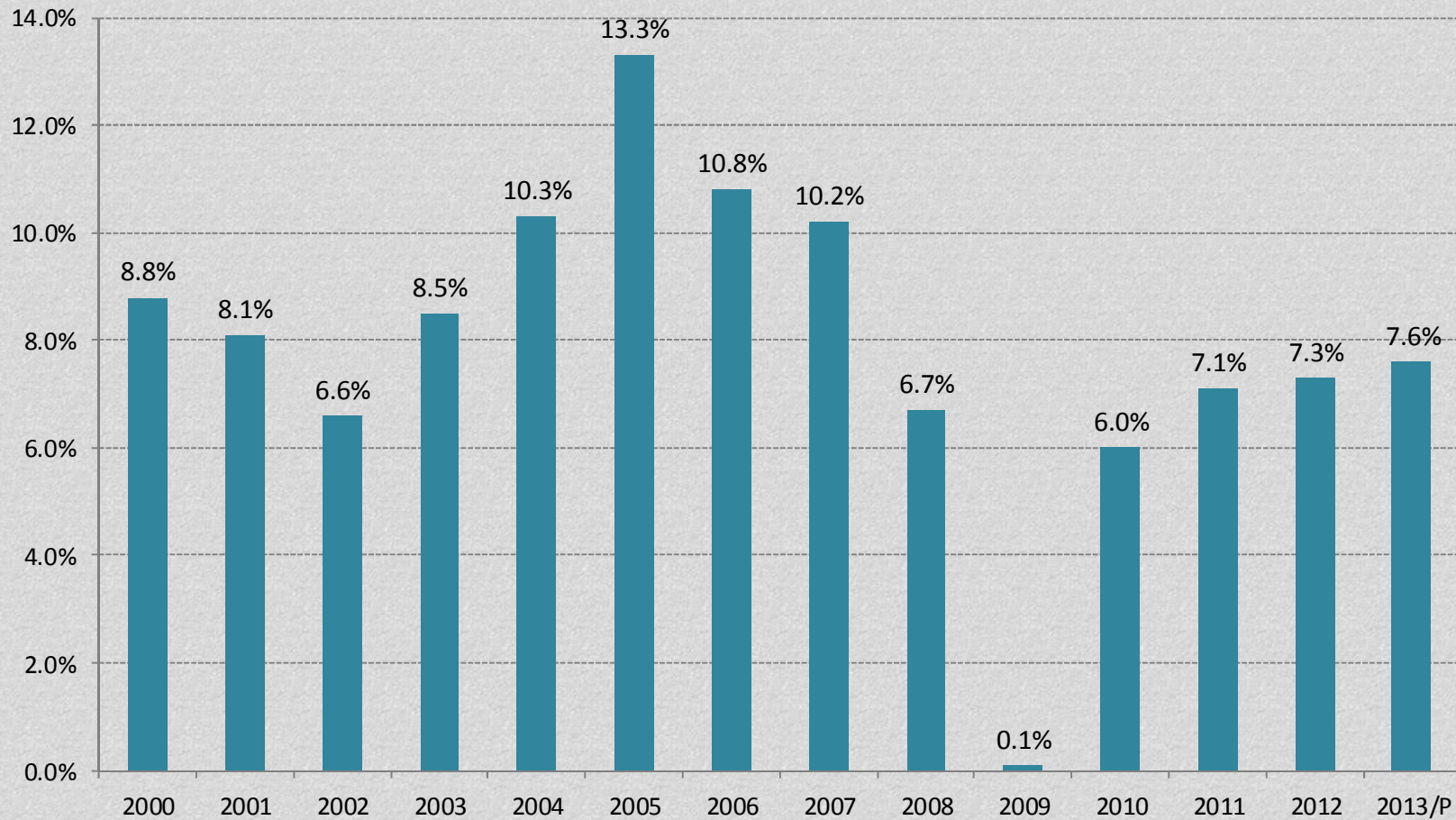


# MACROECONOMIC STABILITY

- GDP growth averaged 8% per annum the last 10 years
- Stable exchange rate
- Low inflation
- Debt to GDP ratio 32.8% (at the end of 2013)
- Low budget deficit
- International reserves increased to US\$ 3.6 billion (2013) compared to US\$ 3.0 billion two years ago
- 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)

# GDP

## GDP Growth (%)

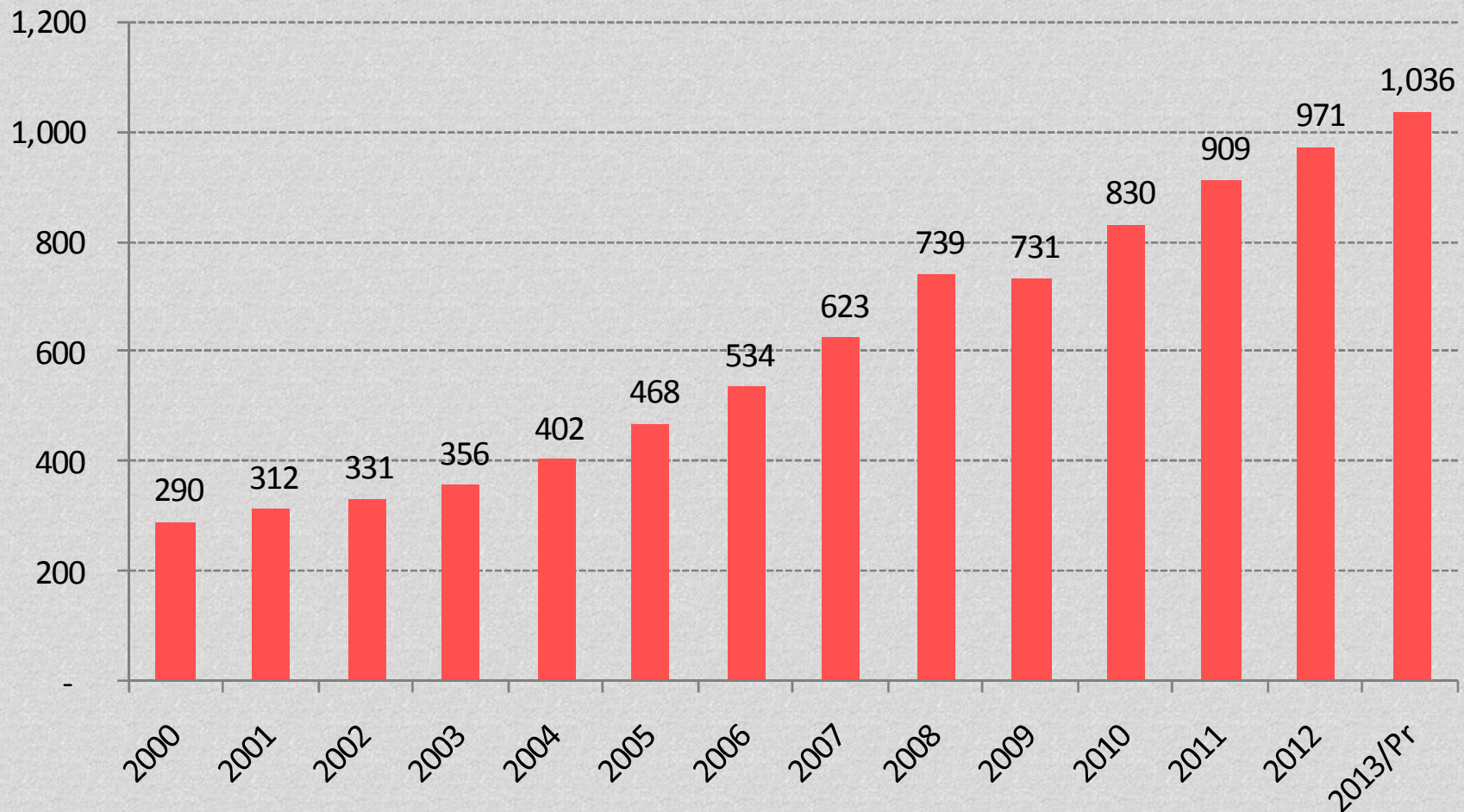


Growth has been slowing because of impacts from global financial crisis, with growth in 2009 at 0.1%



# GDP

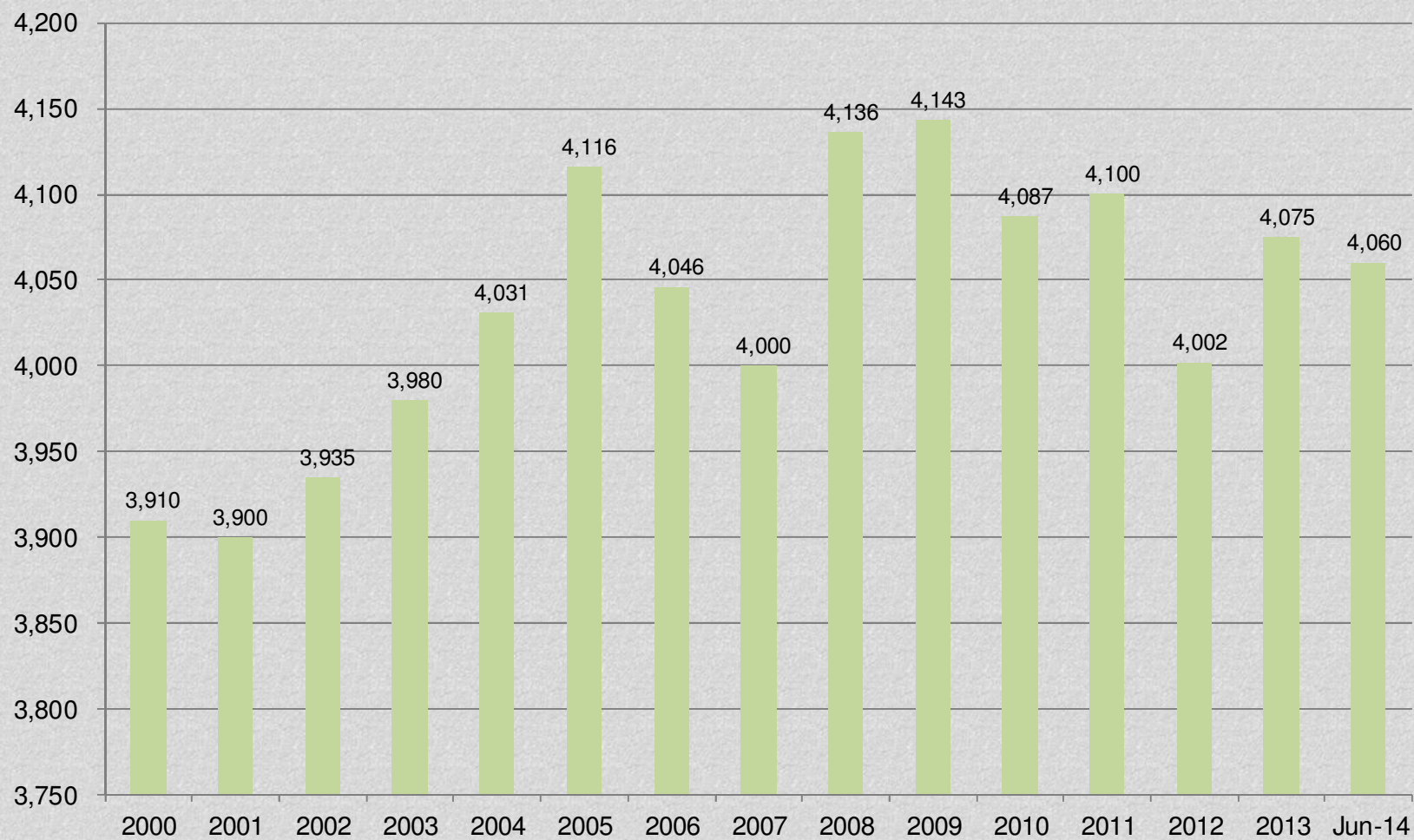
## GDP Per Capita (US\$)





# CURRENCY

**Stable Exchange Rate (US\$/Riel)**

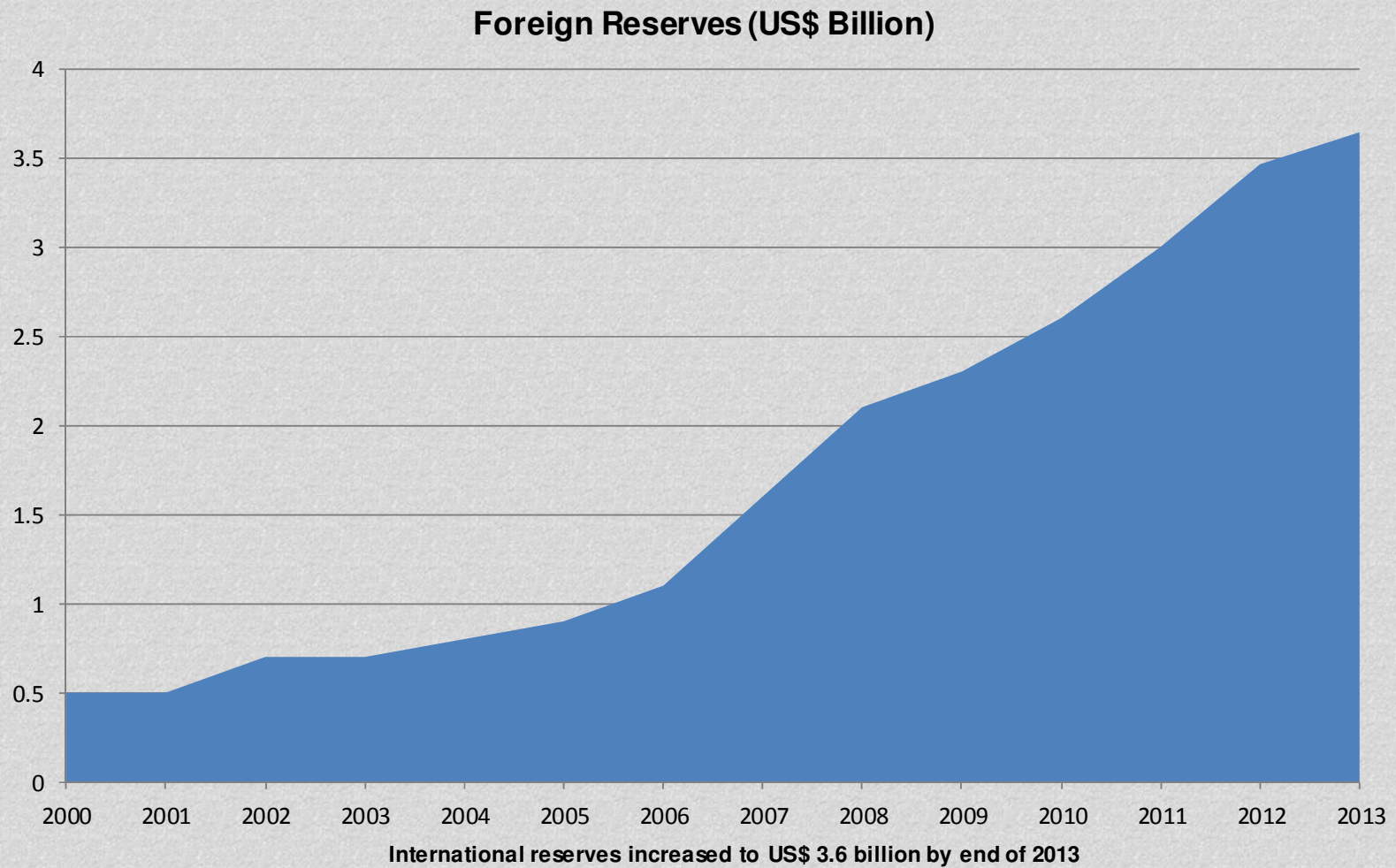


# INFLATION

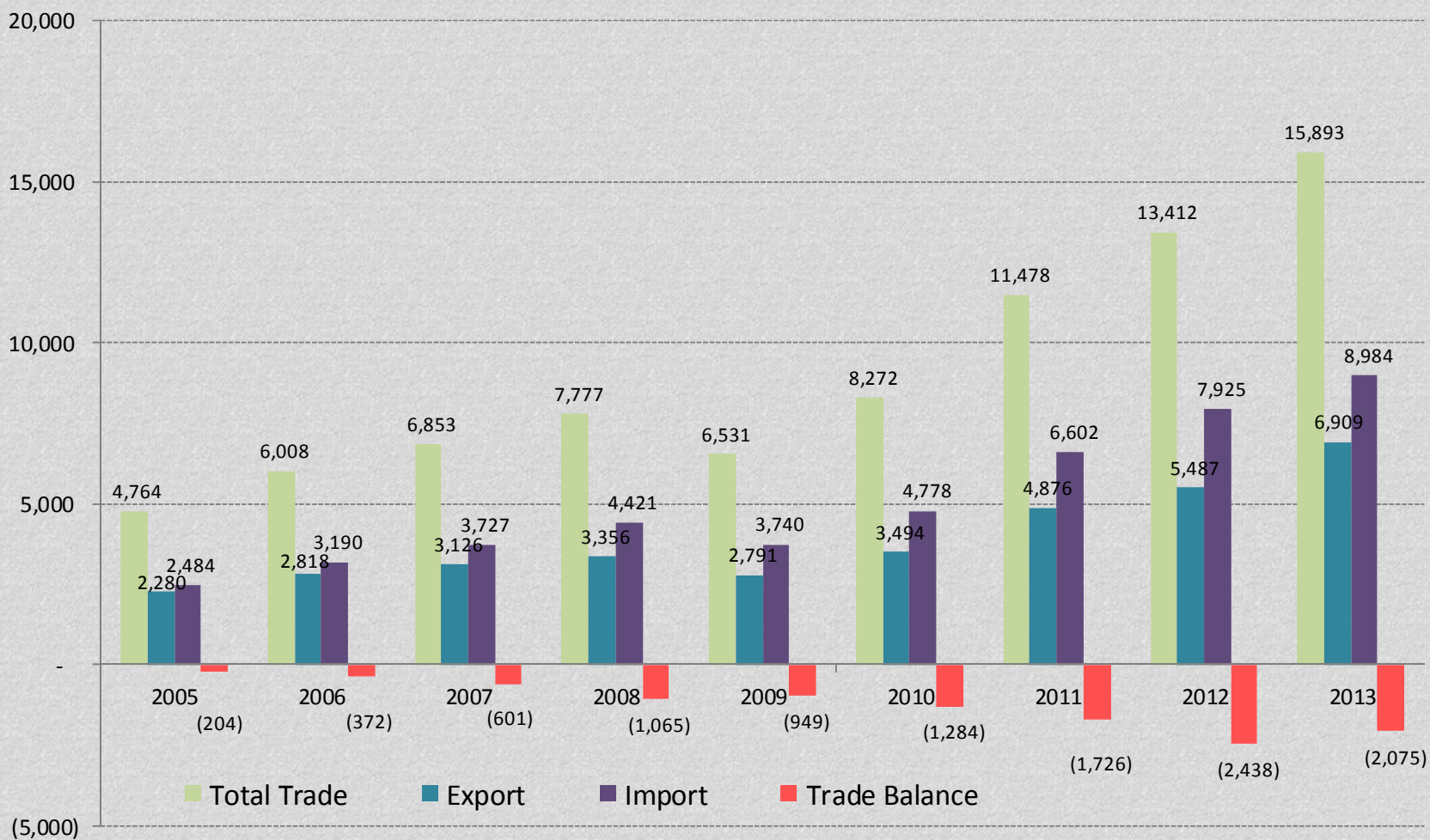




# FOREIGN RESERVES



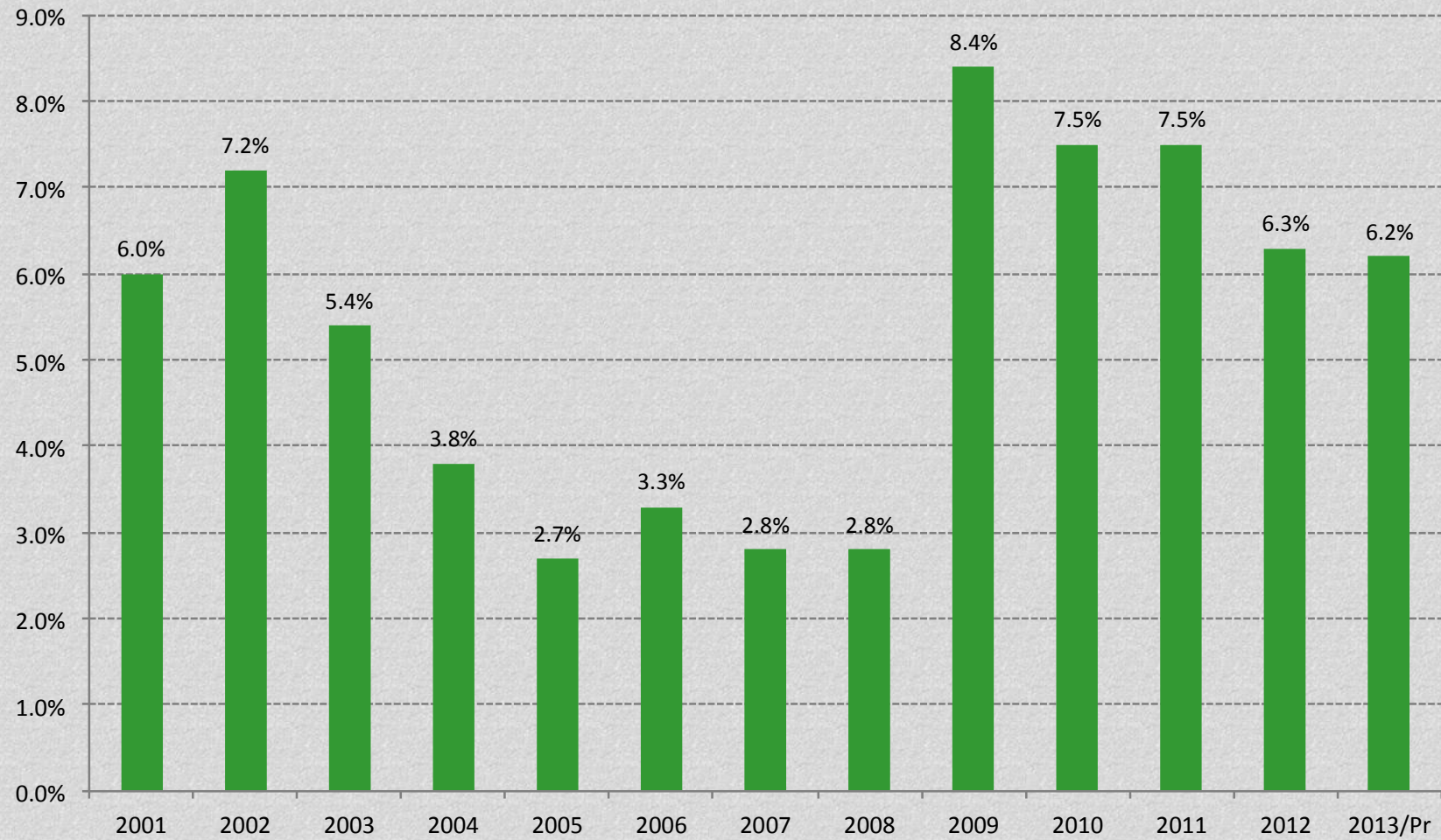
# TRADE VOLUME (US\$ MILLION)





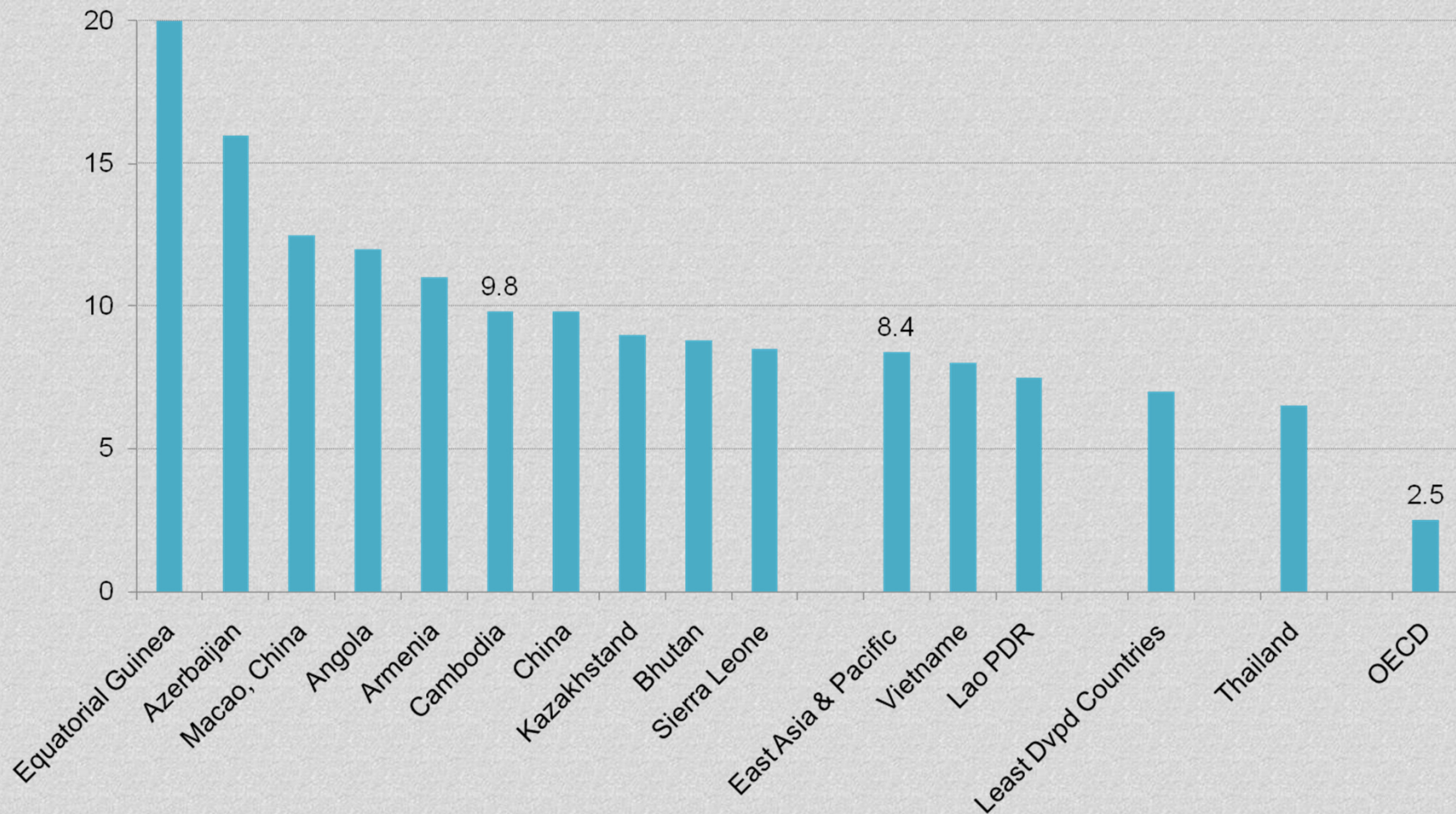
# BUDGET

## Low Budget Deficit (% of GDP)



# REMARKABLE ACHIEVEMENTS

Growth Rate 1998/2007 (%)



Cambodia was among the top ten highest growing economies from 1998-2007, along with China



# 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
- 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

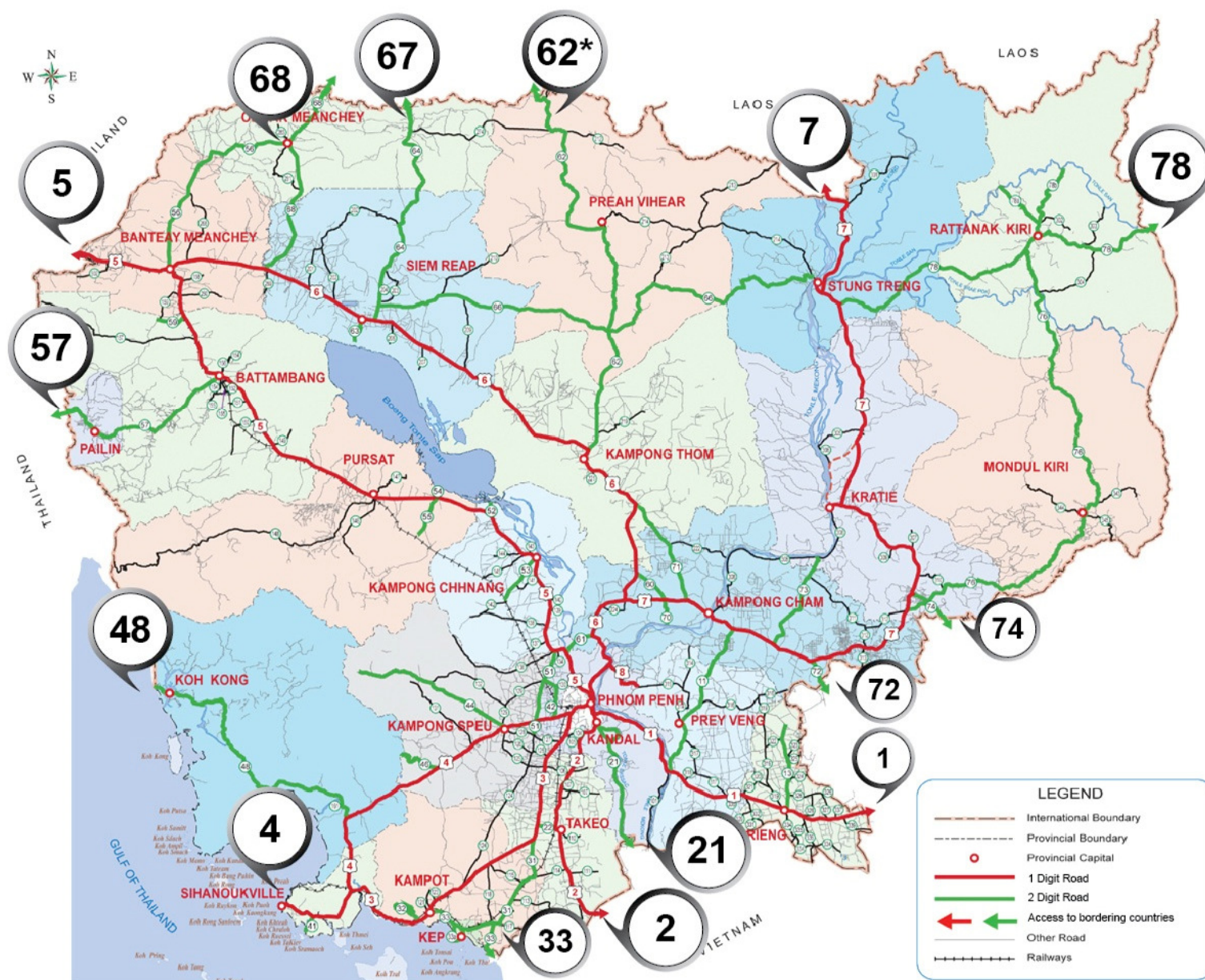


# INFRASTRUCTURE & LOCATION

- 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

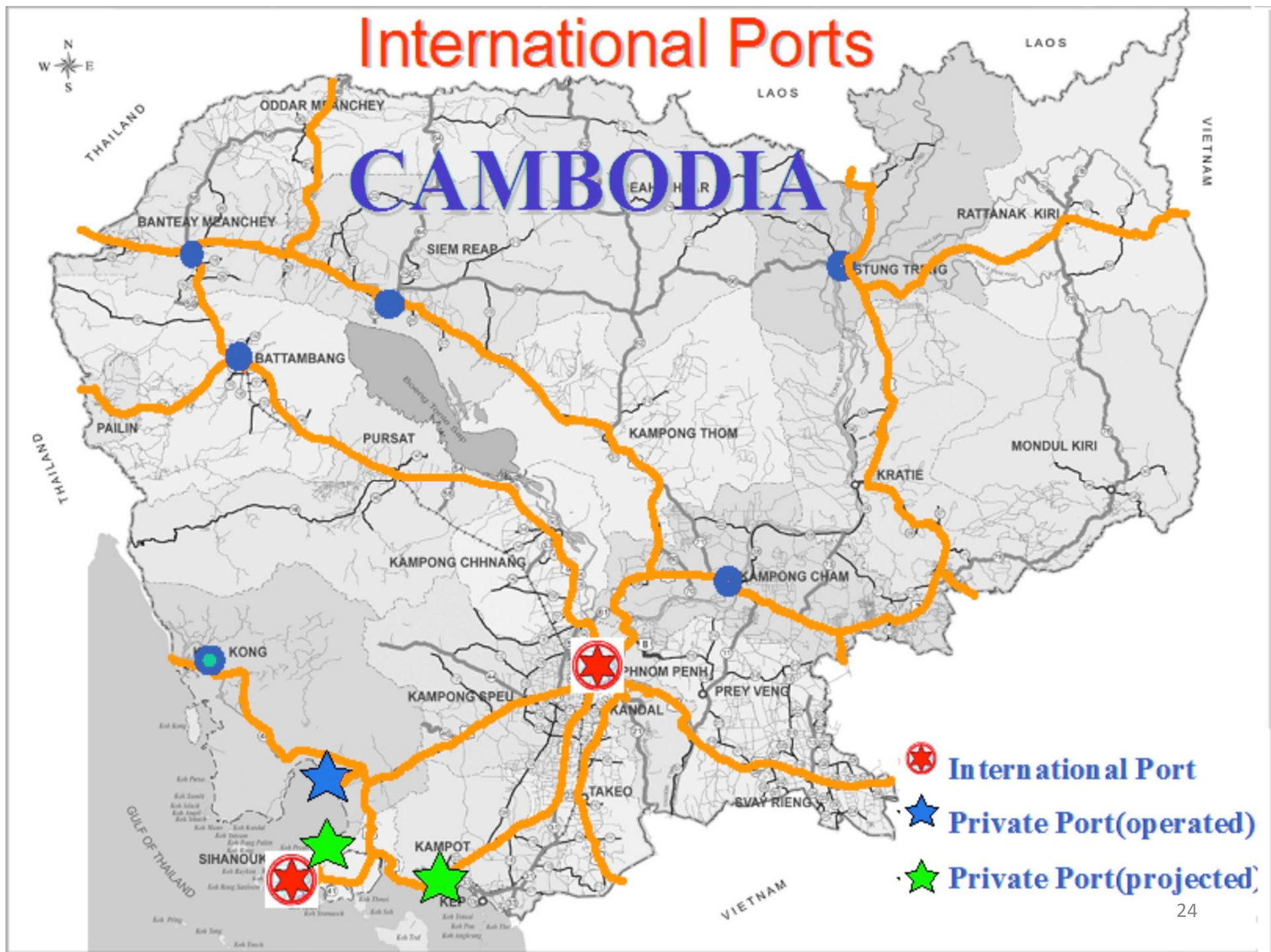
- NR-48
- NR-57
- NR-62
- NR-64
- NR-68

## To Vietnam

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

\* New Route No

# International Ports





# CAMBODIAN RAILWAY MAP

48Km Sisophon-Poipet

105km Serei Saophoan-Siem Reap  
Propose new link

273km Snoul-Strung Treng to  
Laos Border.  
Propose new link

239km Siem Reap-Skun  
Propose new link

338Km Phnom Penh-Sisophon

264km Phnom Penh-Sihanouk Ville

255km Bat Doeng-Loch Nich  
(Vietnam Border).  
Propose new link





# SPECIAL ECONOMIC ZONES

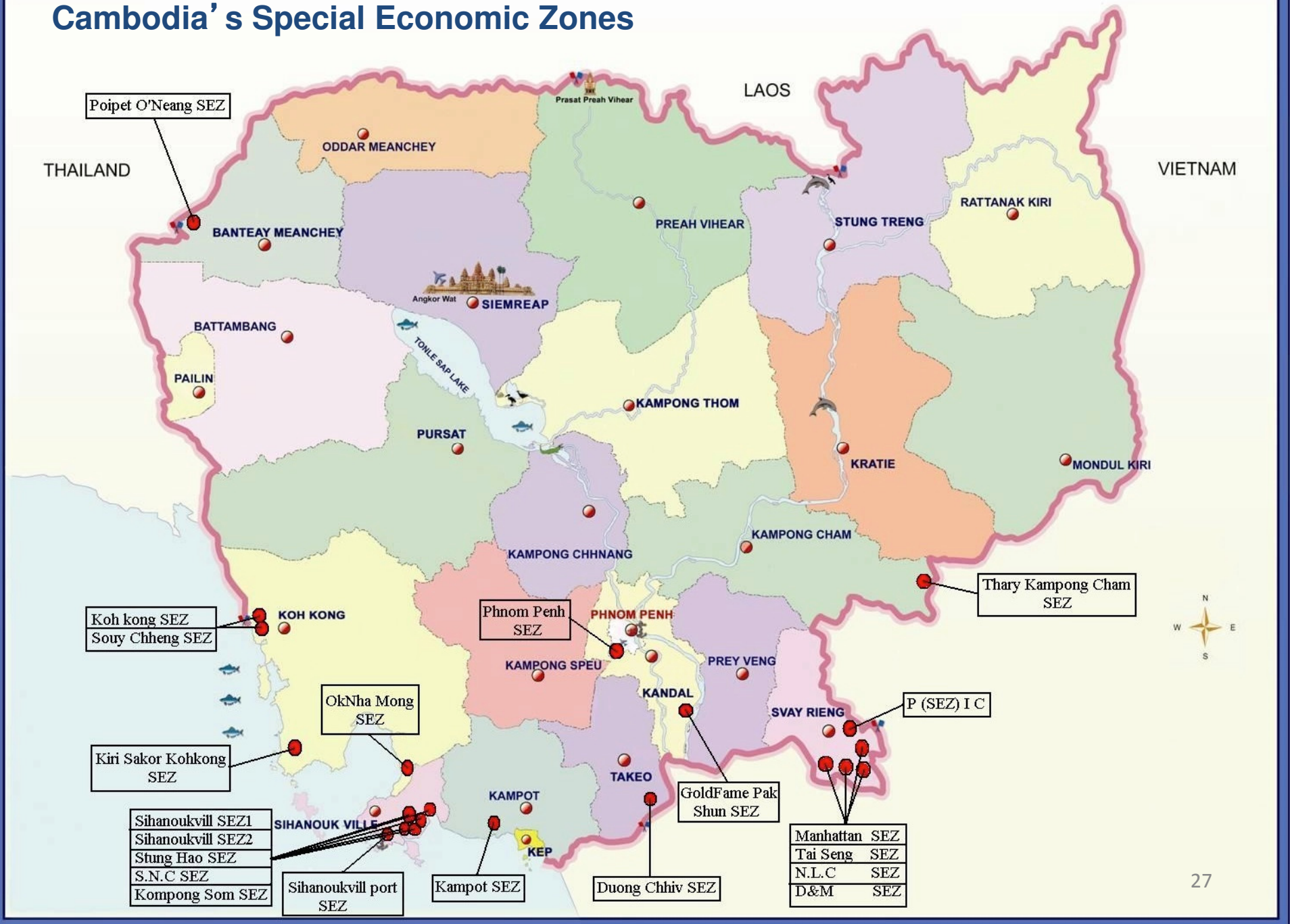
- 33 SEZs have been approved
- 11 SEZs are in operation
- 22 SEZs are being built
- Single Window for Import/Export Procedures
- Good Infrastructure

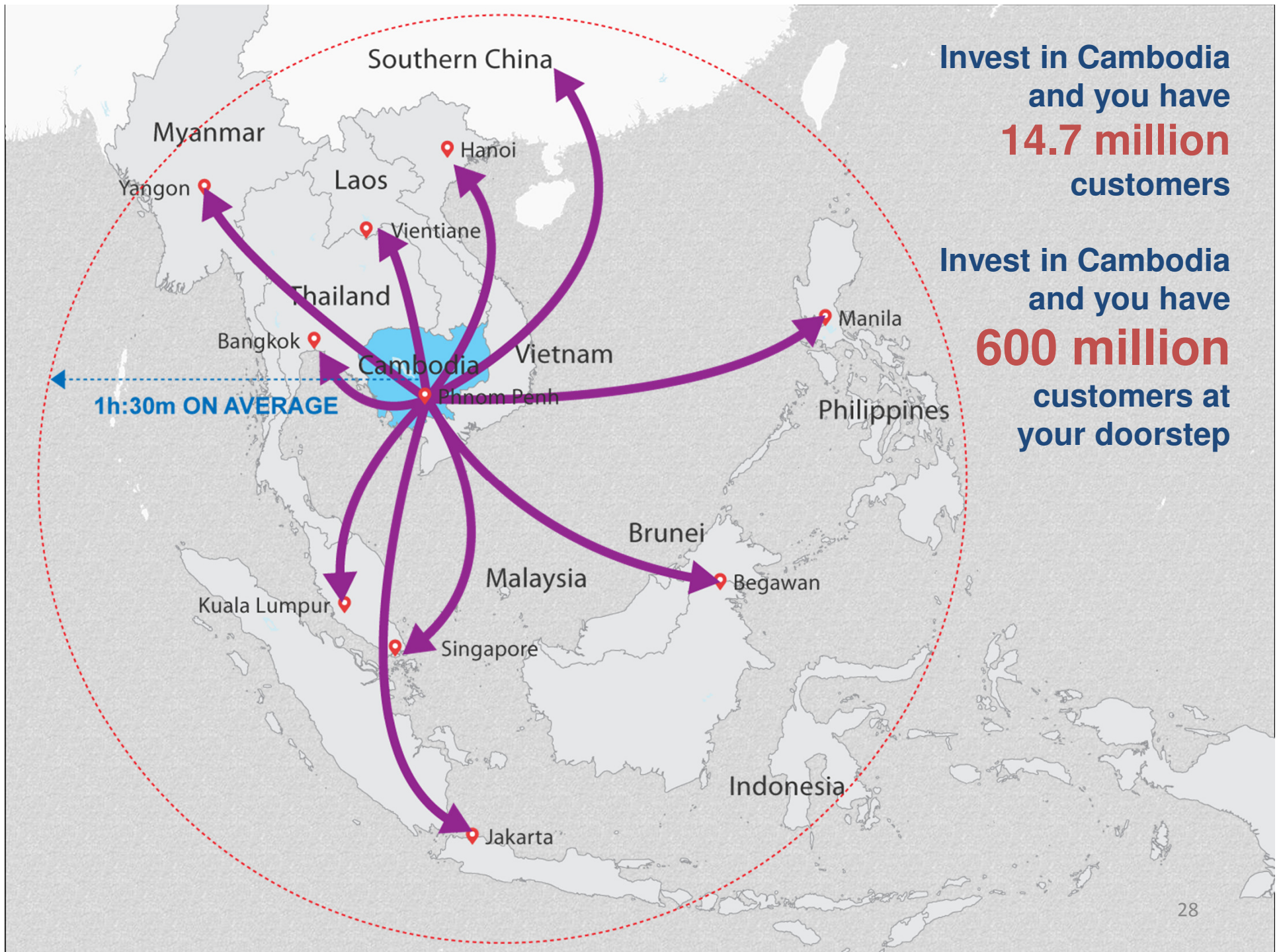


[ Photos: Phnom Penh Special Economic Zone ]



# Cambodia's Special Economic Zones





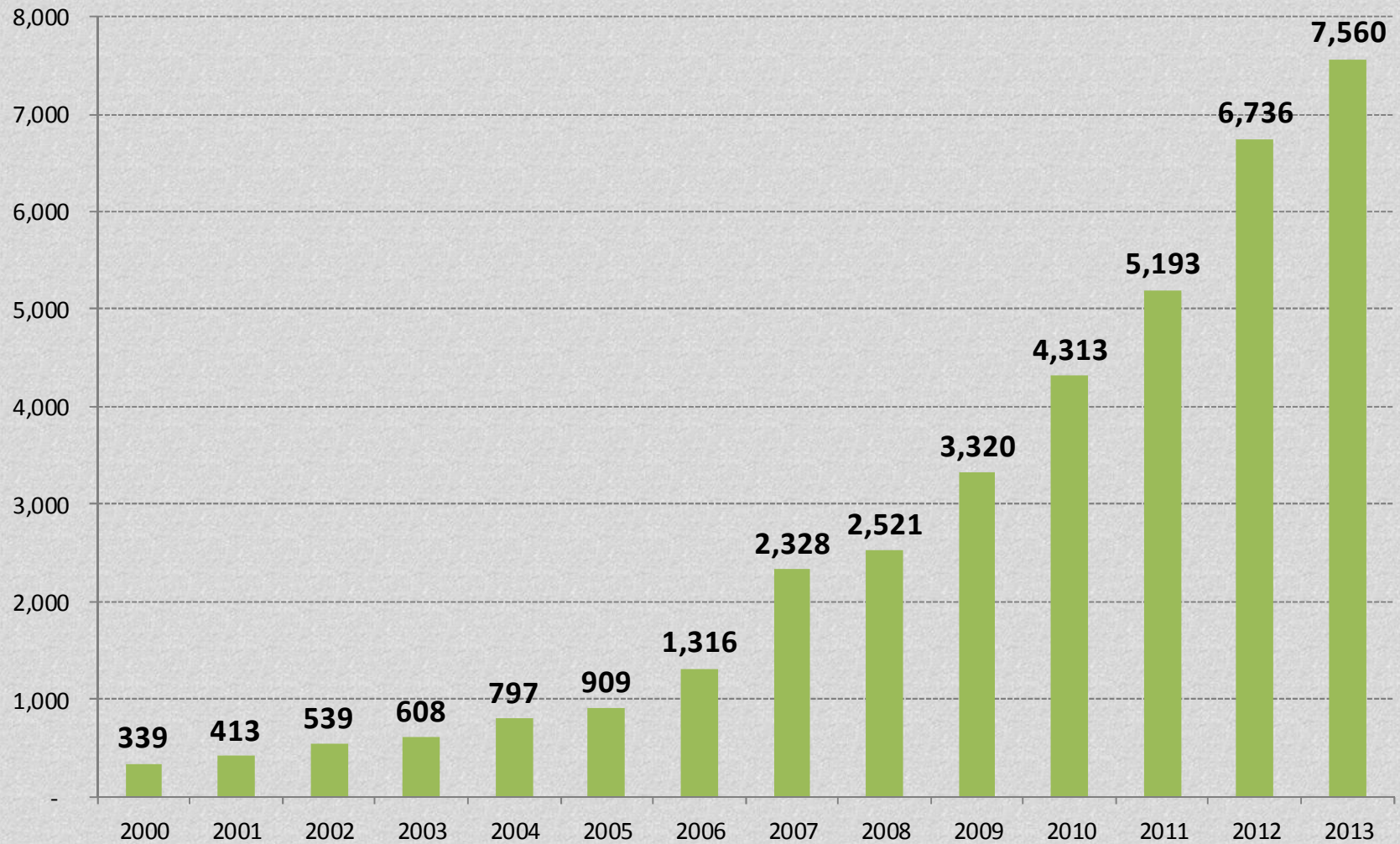


# SOUND FINANCIAL SECTOR

- 35 commercial banks (by the end of 2013)
  - a) 10 Foreign Branch Banks
  - b) 11 Locally Incorporated
  - c) 14 Subsidiary Banks
- 9 specialized banks (including the Rural Development Bank)
- 38 licensed-micro-finance institutions  
(7 deposit-taking micro finance institutions)
- 31 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: 2.7% (2013)
- Strong banking supervision - prudent reserve requirement level

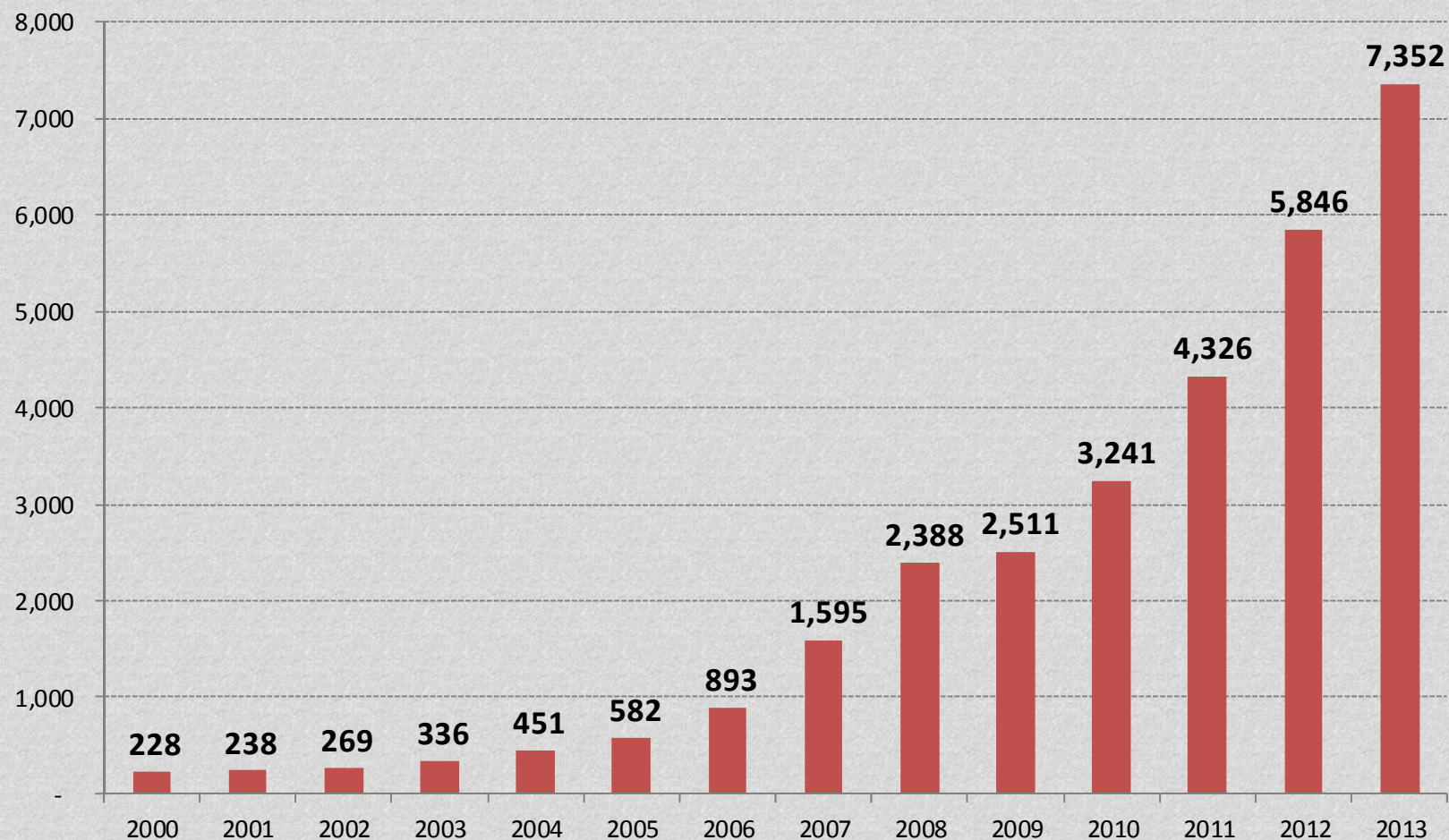


# BANK DEPOSITS (US\$ MILLION)





# CREDIT TO PRIVATE SECTOR (US\$ MILLION)



**Non-performing loans declined significantly to 2.7% in 2013 from 9.6% in 2006**

# 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

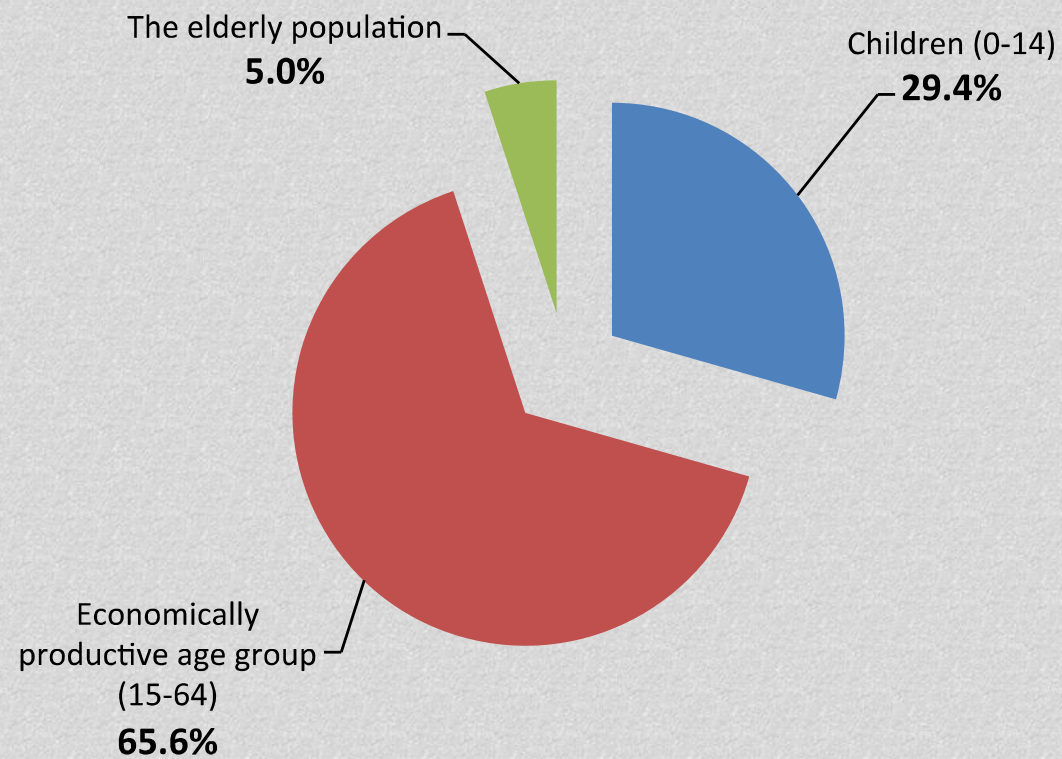


# ABUNDANT RESOURCES, LABOR, LAND

- 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 work force

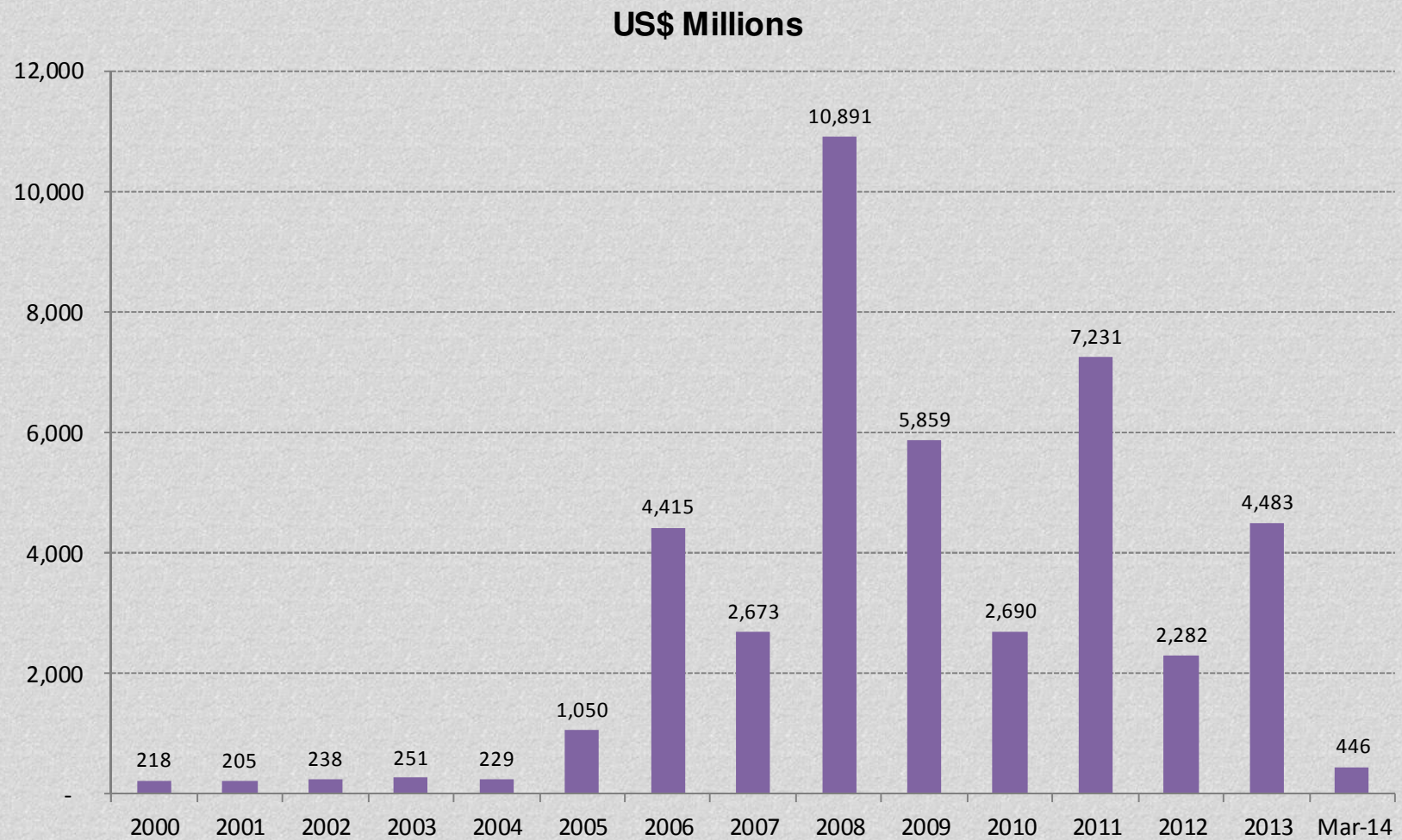
# POPULATION

## Percentage of population by age group 2013





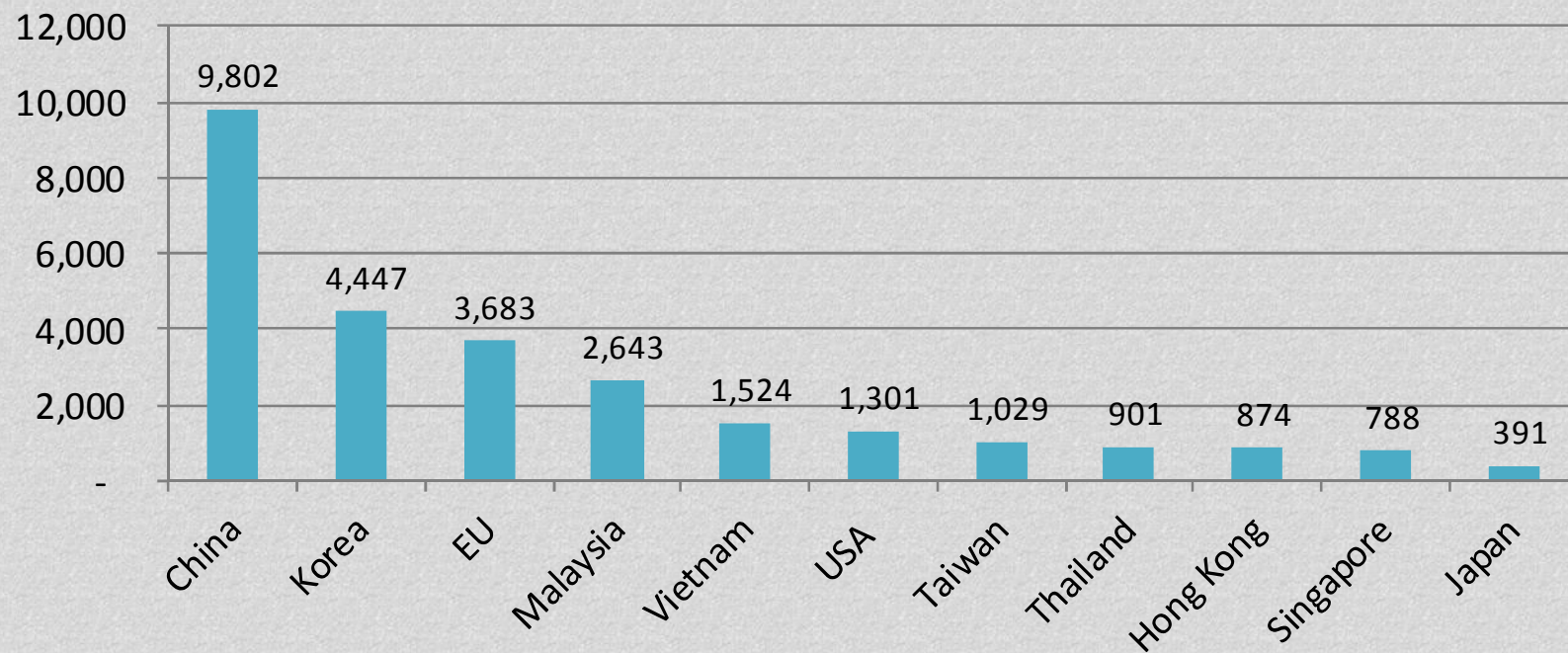
# INVESTMENT TRENDS



# APPROVED INVESTMENT BY COUNTRY

1994 – March 2014

US\$ Million

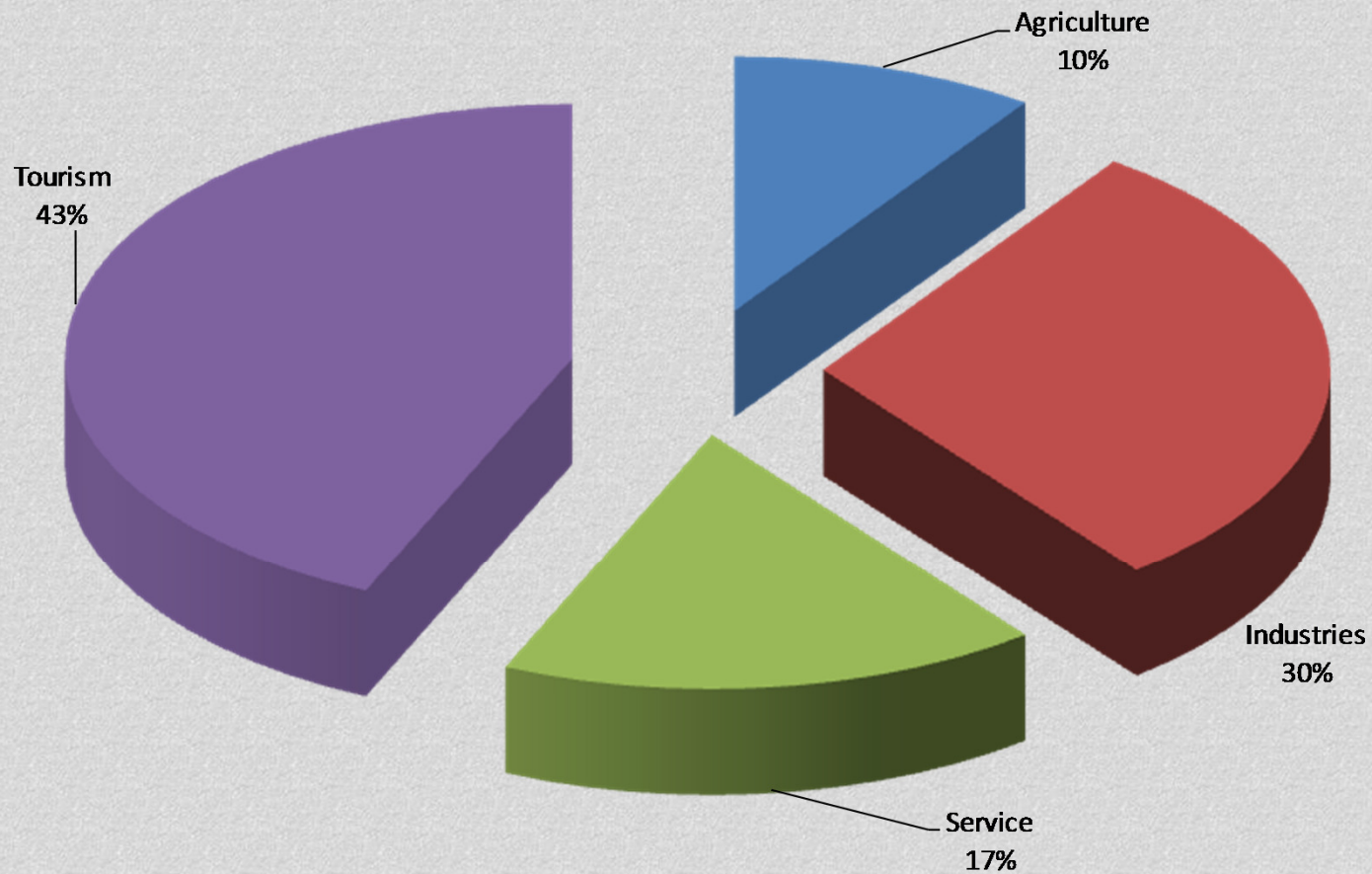




# APPROVED INVESTMENT BY SECTOR

1994 – March 2014

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

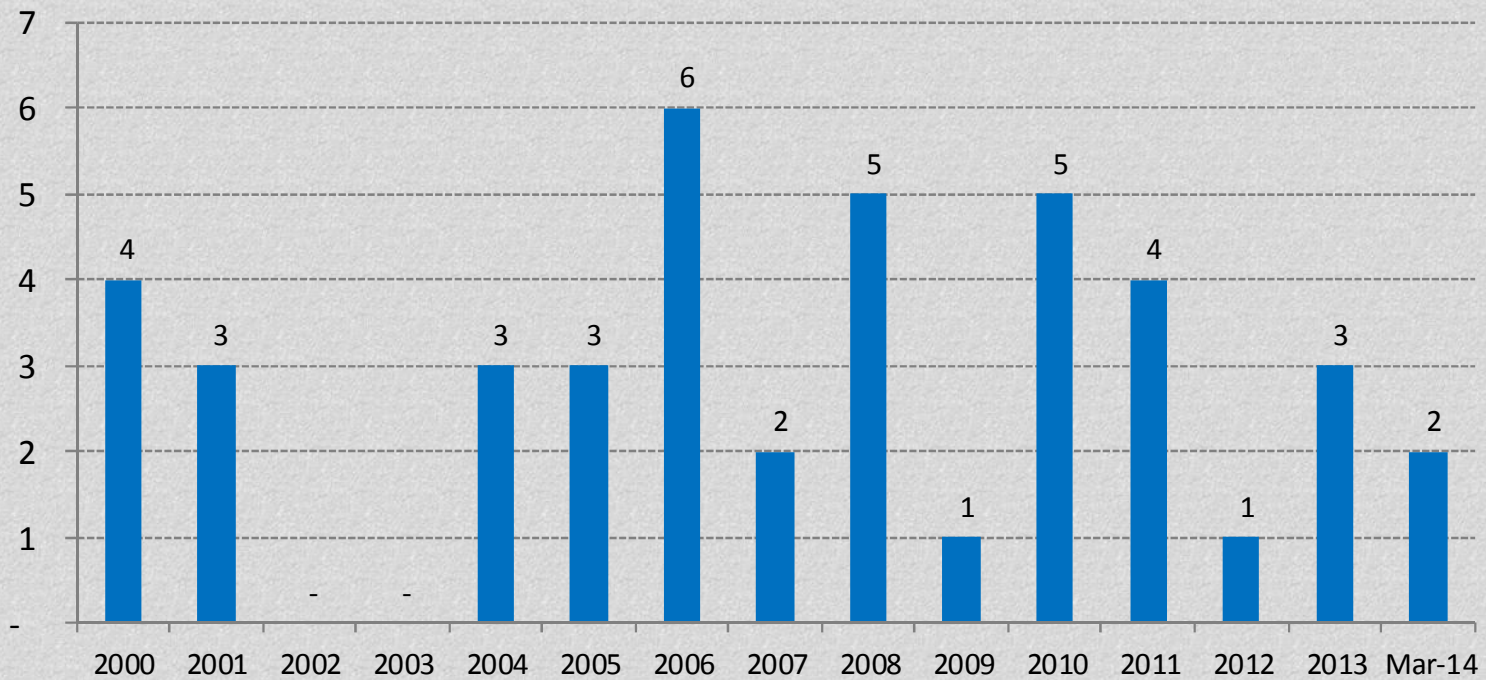


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# USA INVESTMENT

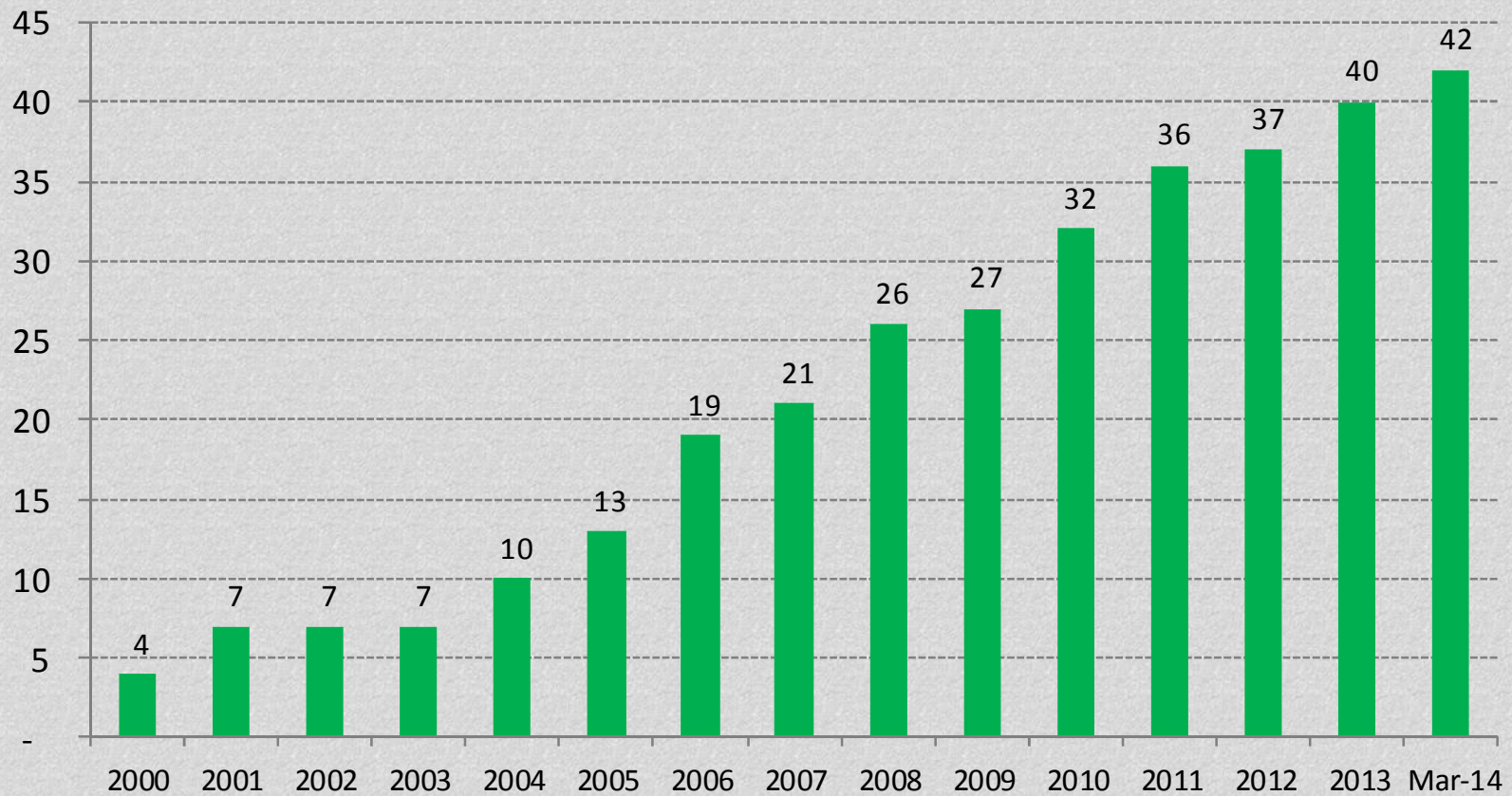
## NET - NUMBER OF COMPANY





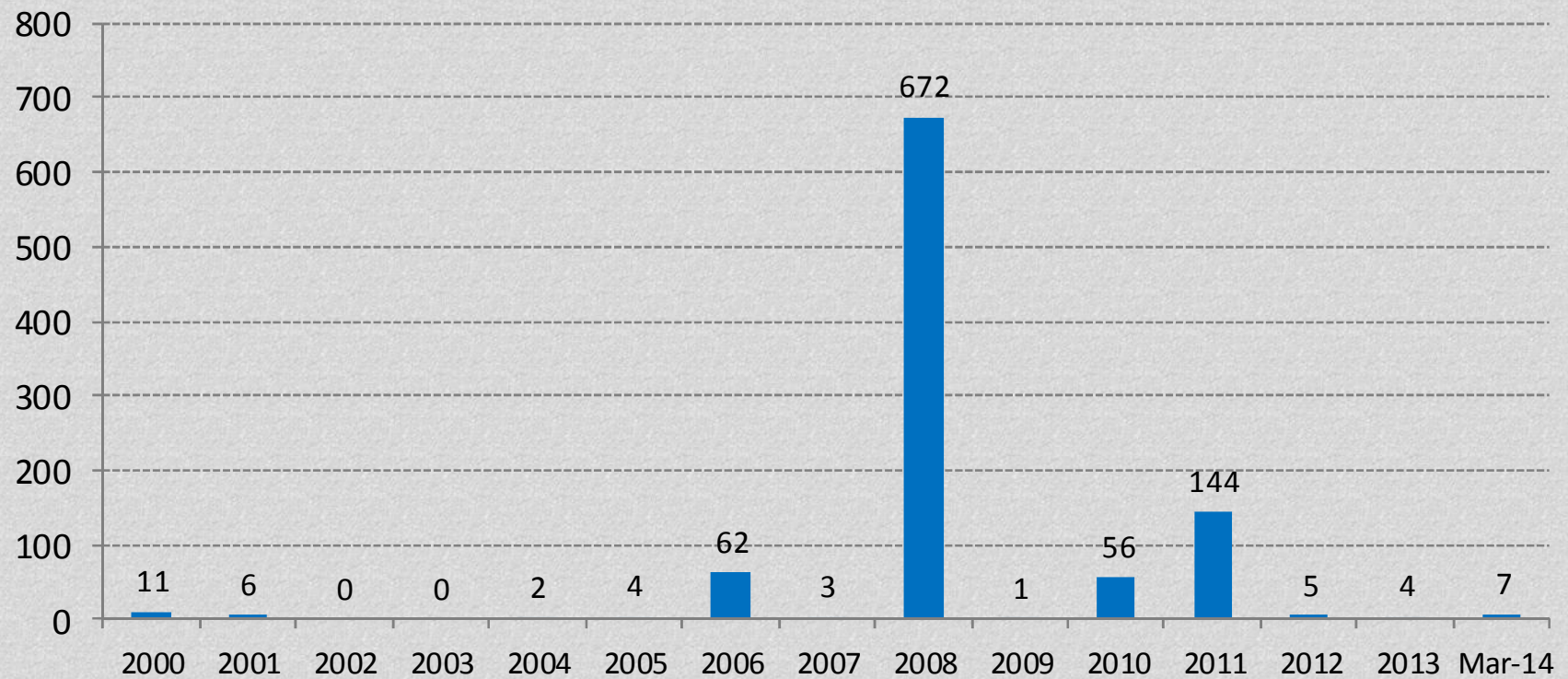
# USA INVESTMENT

## GROSS - NUMBER OF COMPANY



# USA INVESTMENT

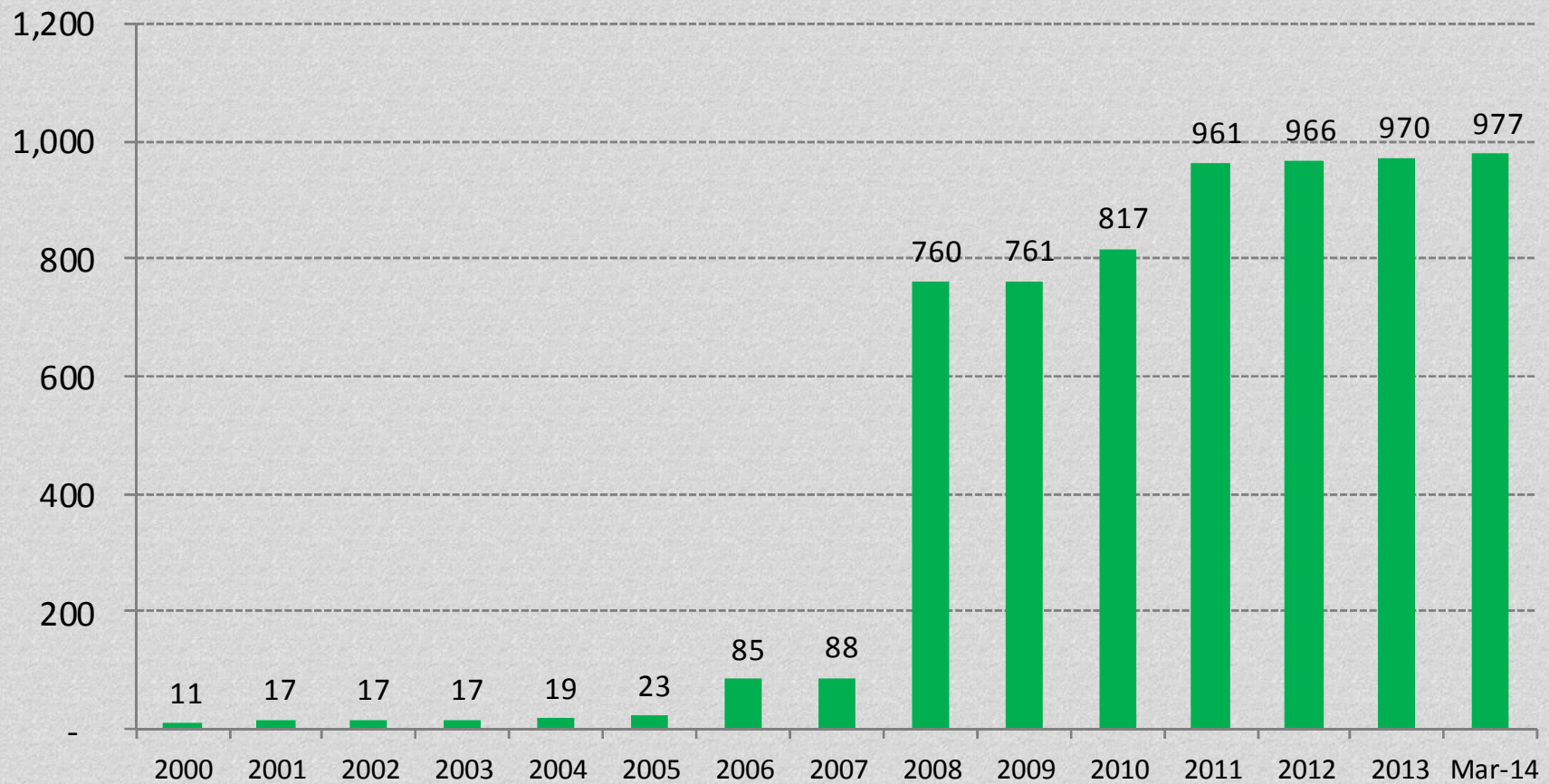
NET - AMOUNT (US\$ MILLION)





# USA INVESTMENT

GROSS - AMOUNT (US\$ MILLION)



# **COUNCIL FOR THE DEVELOPMENT OF CAMBODIA**

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

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