



Investment in Cambodia

By

LIM Visal

Deputy Director of Public Relations and Promotion of Private Investment

Cambodian Investment Board

Council for the Development of Cambodia

August 16th, 2017

Bangkok, Thailand

TABLE OF CONTENTS

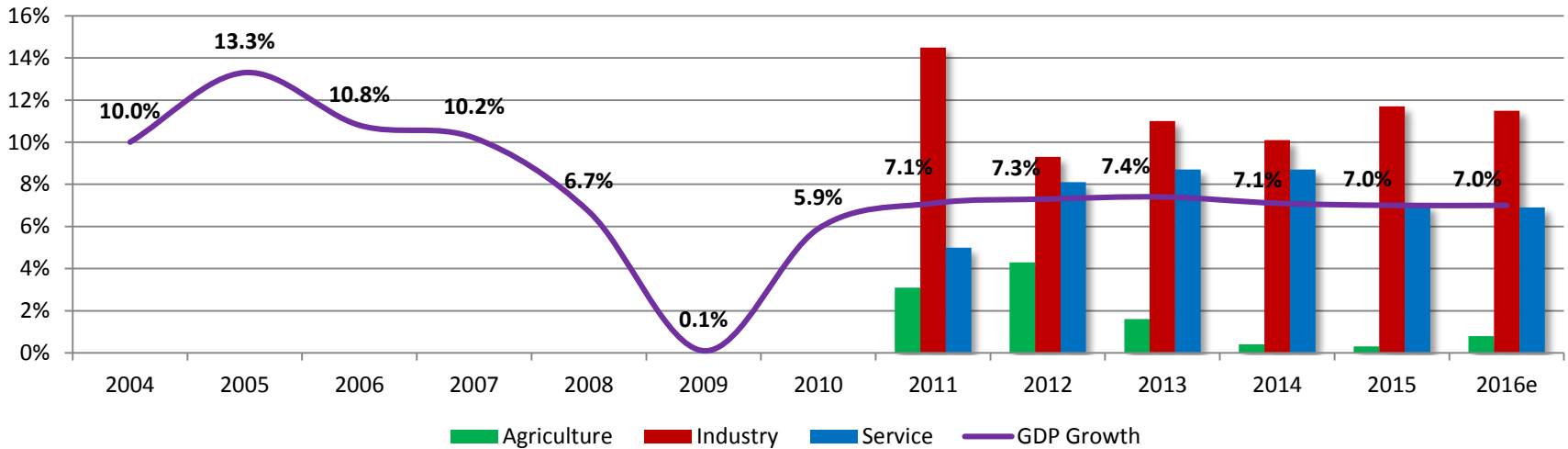
1. Key Economic Indicators
2. Investment Environment in Cambodia
3. Past Investments in Cambodia
4. Reasons to Invest in Cambodia



1. Key Economic Indicators

1. Key Economic Indicators

GDP Growth (2004-2016)

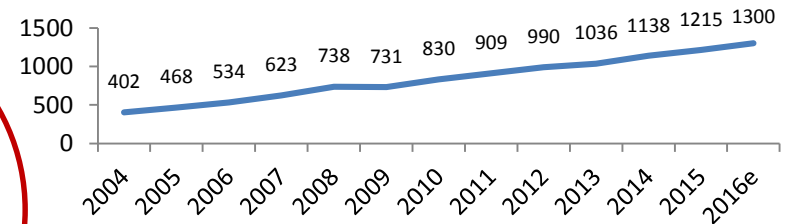


Population & Labor Force

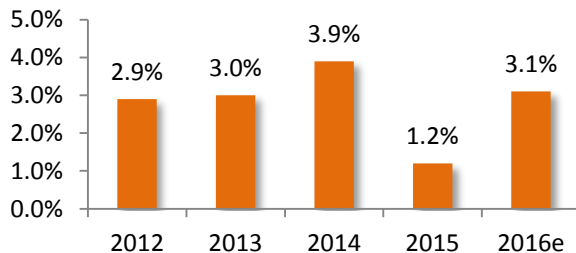
- Population: 15 Million
- Literacy: 92.7% (15-24 years old)
- Young and dynamic labor force: Median age 24 years old
- Population growth rate : 1.54%



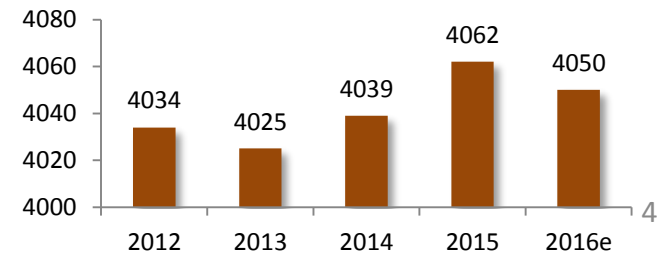
GDP Per Capita (2004-2016)



Low & Manageable Inflation



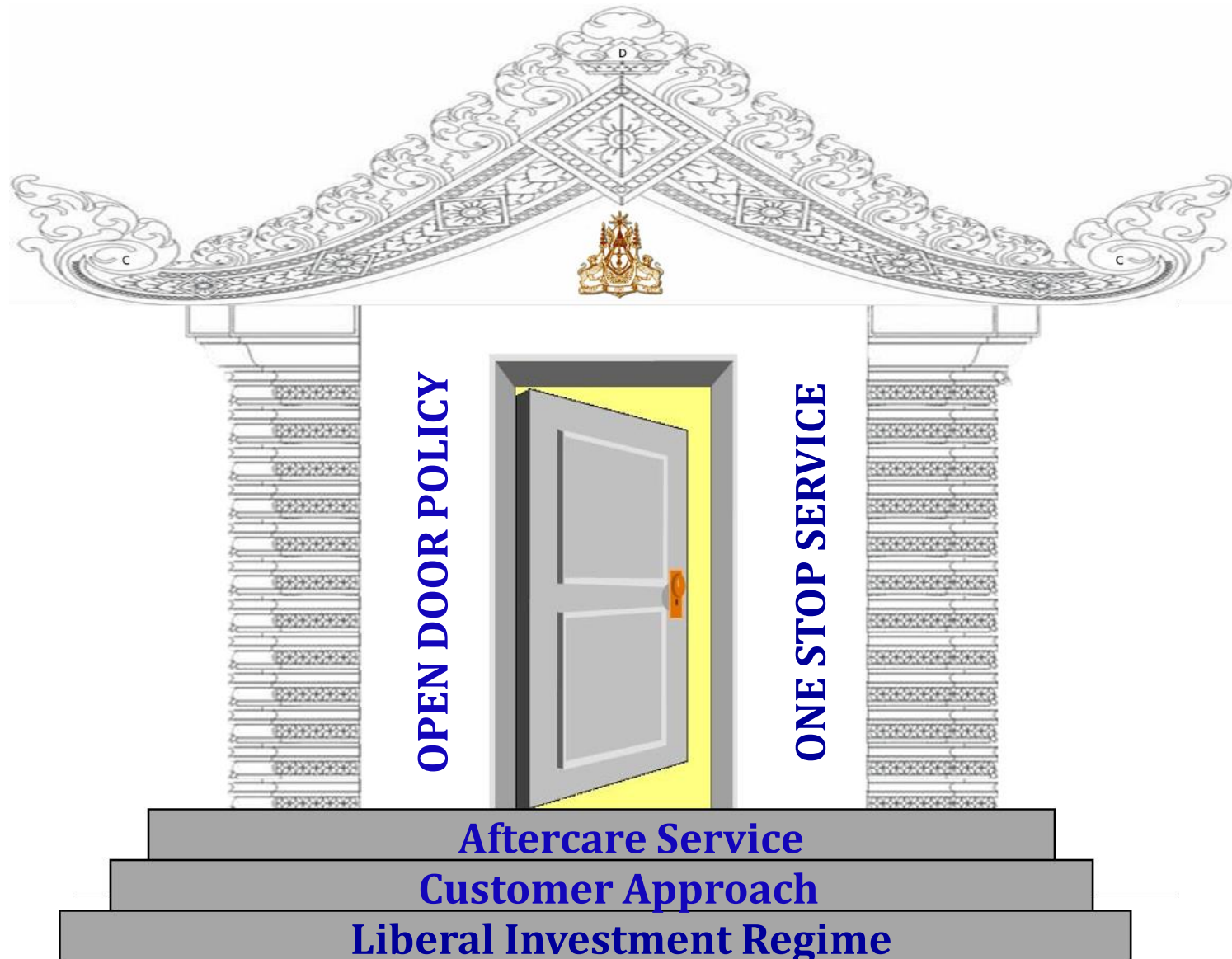
Stable Exchange Rate (USD-Riel)





2. Investment Environment in Cambodia

2.1. Council for the Development of Cambodia (CDC)



2.2. Investment Incentives and Guarantee

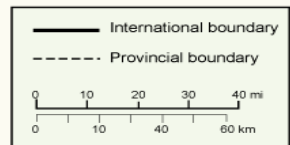
Investment Incentives

- Corporate Tax: 20%
- Tax holidays: 0% up to 9 years
or
- Special Depreciation
- Full Import Duty Exemption

Investment Guarantee

- No discrimination
- No nationalization
- No requirements of local equity participation
- No price controls on products or services
- No restriction on foreign exchanges
- No capital control

2.3. Cambodia's Special Economic Zones



- Poi Pet O'Neang SEZ
- Sanco Poi Pet SEZ

- Neang Kok Koh Kong SEZ

- Sihanoukville SEZ
- Sihanoukville Port SEZ
- Sihanoukville SEZ 1
- H.K.T SEZ

- Phnom Penh SEZ
- Kerry Worldbridge SEZ

- Kampot SEZ

- Manhattan Svay Rieng SEZ
- Tai Seng Bavet SEZ
- Dragon King Bavet SEZ
- Shandong Sunshell Svay Rieng SEZ
- Hi-Park SEZ

2.4. Qualified Investment Projects (QIP)

Annex 1 of Sub-decree 111 (aka. Negative List):

- Section 1: Investment Activities Prohibited by Laws:
- Section 2: Investment Activities Not Eligible for Incentives:
 - 01. All kinds of commercial activities, wholesales, retails
 - 14. Production of garments, textiles, footwear, hats, with investment capital less than USD 500,000;
 - 21. Production of electrical and electronic appliances and office materials with investment capital less than USD 300,000;
 - 40. Agricultural Production:
 - 40.1 Paddy < 1,000 ha
 - 40.2 Cash Crops <500 ha
 - 40.3 Vegetable <5 ha
- Section 3: Investment Activities Eligible for Customs Duties Exemption but not Profit Tax Exemption:

2.5. Flow Chart of Investment Application

Investment Application



Conditional Registration Certificate (3 working days)

or Letter of Refusal



One-Stop Meeting (Skip this step for garments & footwear)

Final Registration Certificate

+ relevant permits /registrations

(ex. Certificates of Incorporation, Tax Registration)

2.6. Checklist of Investment Application

1. Application Form
2. Company Statute
3. Feasibility Study
4. If shareholder is juridical person:
 - Power of Attorney
 - Statute of Parent Companies
5. Copy of Passport or ID Card
6. Letter of Indemnification (foreign shareholders)
7. Photo of Shareholders
8. Documents showing location and right to use (title, rental contract ...)
9. Certificate of Deposit of 25% of registered capital from commercial banks

2.7. Time and Fee of Application

Prakas 992 dated 28/12/2012 by MEF and CDC:

Item	Service Fee (Riel)	Time (working day)
New Investment Project	15,000,000	28
Site Inspection of New Project		
• < 100 km	6,000,000	
• 101 – 200 km	8,000,000	
• > 200 km	10,000,000	
Duty Free Exemption Permit	4,000,000	15
.....		

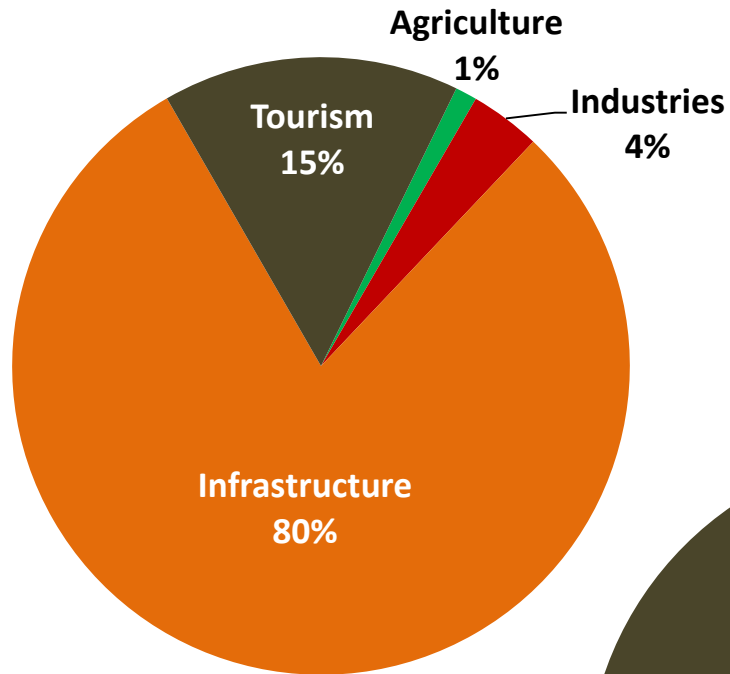


3. Past Investments in Cambodia

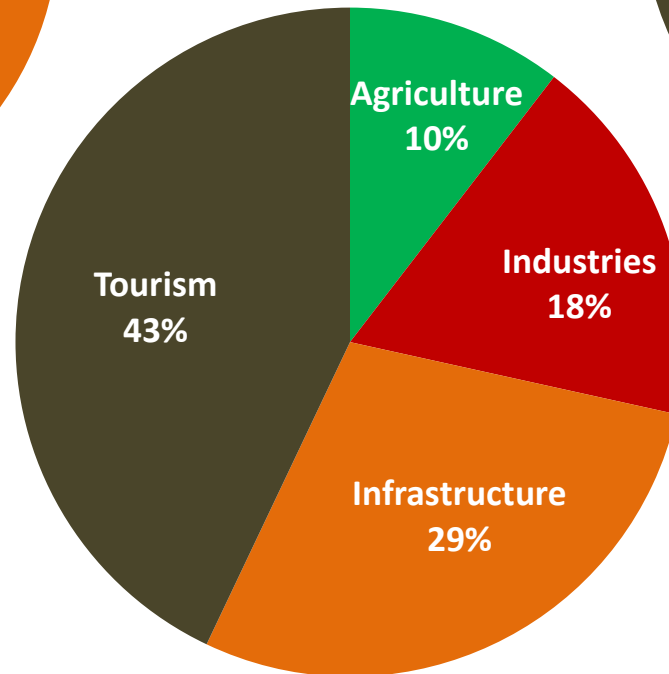
3.1. Investments by Country

Year	2012		2013		2014		2015		2016	
Total	\$2.9 Billion		\$4.9 Billion		\$3.9 Billion		\$4.6 Billion		\$3.6 Billion	
Rank	Country	%	Country	%	Country	%	Country	%	Country	%
1	Cambodia	42.08	Cambodia	66.80	Cambodia	64.00	Cambodia	69.28	China	29,92
2	China	20.69	China	15.68	China	24.44	China	18.62	Cambodia	27,55
3	Korea	9.89	Vietnam	6.10	Malaysia	2.18	UK	3.0	Japan	22,78
4	Japan	9.15	Thailand	4.37	Japan	1.72	Singapore	2.18	Thailand	4,61
5	Malaysia	6.04	Korea	1.76	Korea	1.66	Vietnam	1.92	Korea	4,59
6	Thailand	4.53	Japan	1.59	Vietnam	1.26	Malaysia	1.61	US	3,38
7	Vietnam	2.89	Malaysia	1.04	UK	1.13	Japan	1.28	Singapore	3,38
8	Singapore	2.59	Singapore	1.03	Singapore	0.89	Thailand	1.18	Vietnam	2,45
9	U.K	0.51	UK	0.43	Thailand	0.88	Korea	0.21	UK	0,60
10	U.S.A	0.42	France	0.27	Australia	0.51	Canada	0.19	Others	1,09
11	Others	1.21	Others	0.94	Others	1.36	Others	0.52		

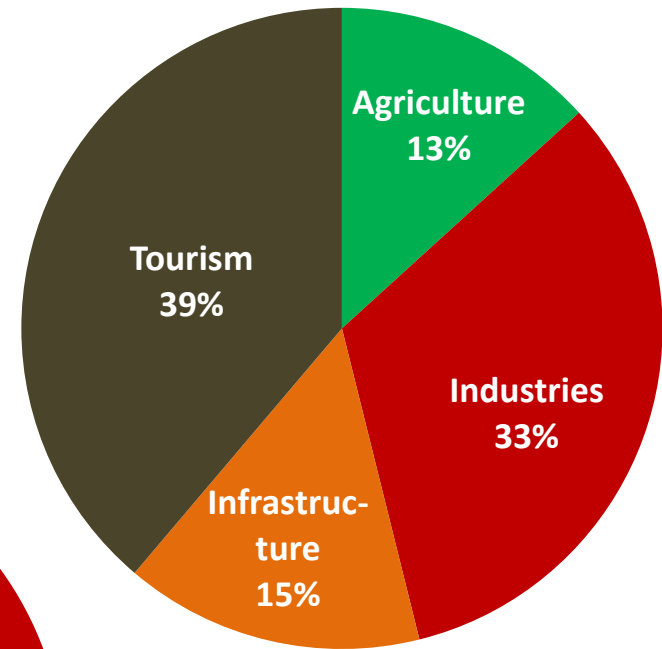
3.2. Investments by Sector



2008



1994-2016



2016

4. Reasons to Invest in Cambodia

Open economy

- Equal treatment of all investors
- No requirement of local equity participation
- No price controls on products or services
- No restriction on foreign currencies convertibility

Sound macroeconomic environment

- 6th fastest growing economy in the world during the last two decades (average growth rate: 7.7%)
- Low & manageable inflation rate (under 5%)
- Stable exchange rate (USD 1 = 4000 ± 5%)

Competitive investment incentives

- Low corporate tax: 20%
- Tax holiday: 0% up to 9 years
- Full import duty exemption (production equipment and machineries, contraction material, production inputs)

One stop service

- Information & Application
- Fast-Track Investment Approval Process: all documents will be processed within only 28 working days.
- Customs Duty & Tax Exemption
- Visa & Work Permit

Competitive labor force

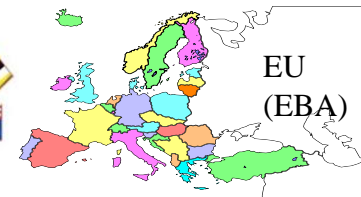
- Reasonable wage: (minimum wage in 2017: \$153)
- Young and dynamic labor force (median age 24 years old)

Strategic location

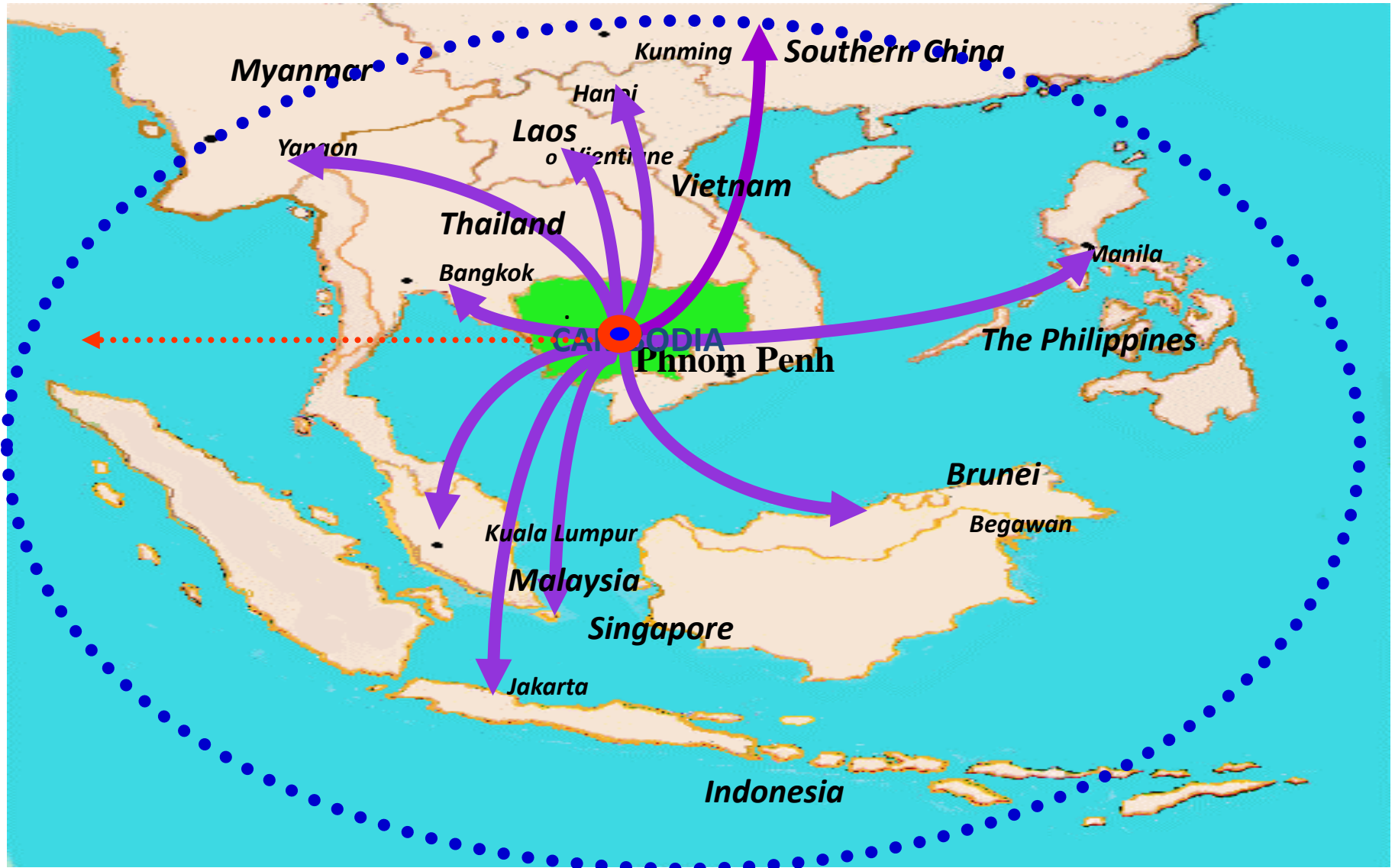
- Center of ASEAN and Mekong sub-region

Market access and Preferential trading status

- ASEAN Market (AEC)
- ASEAN + China, Japan, Korea, India, Australia & New Zealand (RCEP)
- EU (EBA)
- GSP: 32 countries
- MFN: WTO members



Strategic Location





Thank you

ขอบคุณครับ

For more information: lvisal@yahoo.com