

# BUSINESS OPPORTUNITIES

in  
*Cambodia*

23 October  
2017

**Bulgarian CCI  
Sofia**

# PERCEPTION

A circular, top-down view of a forested landscape, possibly a mountain range or a large island, with a large body of water (likely a lake or bay) on the right side. The terrain is dark green and brown, suggesting dense forest and rocky or forested ground. The water is a deep blue-green. The word "PERCEPTION" is overlaid in large, white, bold, sans-serif capital letters in the center of the image.







An aerial, top-down view of a large island, likely New Zealand, showing dense green forests, rugged terrain, and several bodies of water. The word "REALITY" is overlaid in large, white, bold, sans-serif capital letters in the upper left quadrant of the image. The entire scene is framed within a circular vignette.

**REALITY**





OPEN MALL.  
PENING

LOCK &

BONIA





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<http://www.michaelnagle.com>





2008

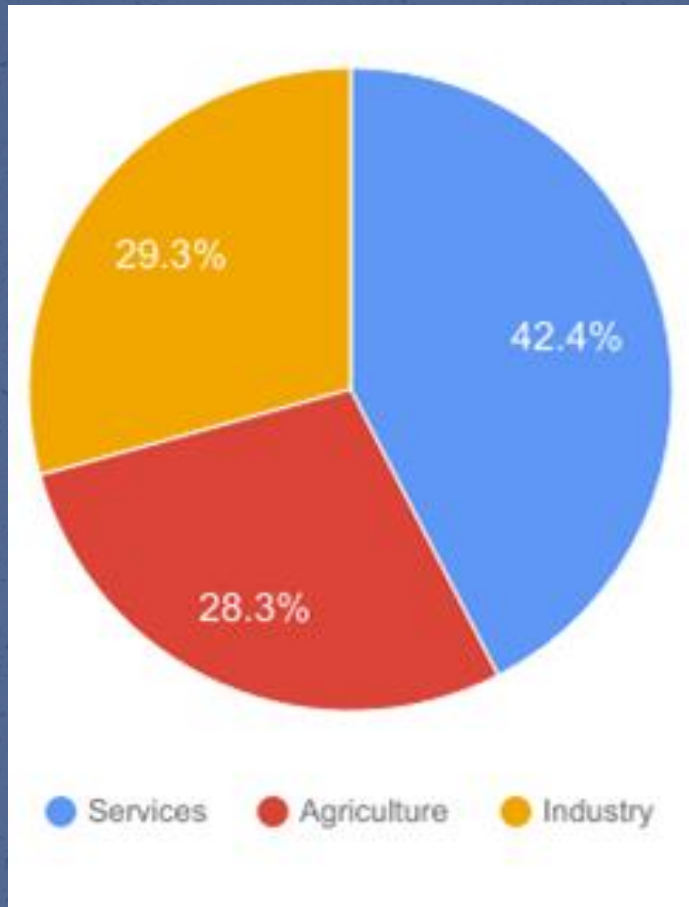


2016



# PILLARS OF GROWTH

Composition of GDP by sector, 2015



Agriculture

Real Estate and Construction

Tourism

Garment Industry



# KEY FACTS

All the basics you need to know about Cambodia....

# LOCATION



181,035 km<sup>2</sup>

South of the Indochina Peninsula

Bordered by Thailand, Laos, Vietnam, and the Gulf of Thailand

Landscape: low-lying central plain surrounded by low mountains

Water: Tonle Sap, Mekong River & 443km of coastline

# MAIN CITIES





# HEAD OF STATE



King Norodom Sihamoni (since 2004)

# HEAD OF GOVERNMENT



Prime Minister Hun Sen (since 1985)

# POLITICAL STRUCTURE

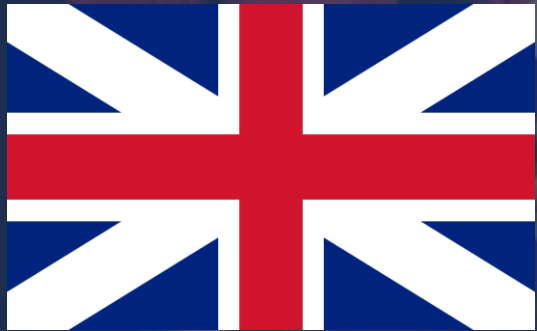
- Constitutional monarchy with an elected government
- Multiparty democracy, **political stability (for now)**
- Monarch & head of state since 2004: King Norodom Sihamoni
- current ruling party: the Cambodian People's Party
- member of various international organizations including:



# LANGUAGE



Khmer  
(official)



English  
(widely used)



# CURRENCY



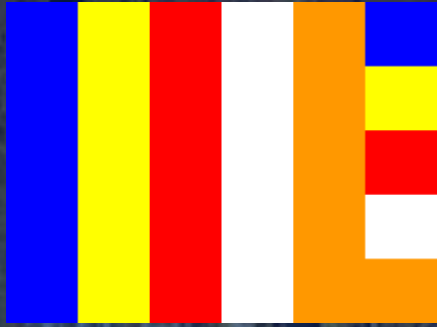
4000 Riels = 1 USD



Dollarized Economy at 85 %



# MAJOR RELIGION



Buddhism



# CLIMATE



Green season:  
May to October

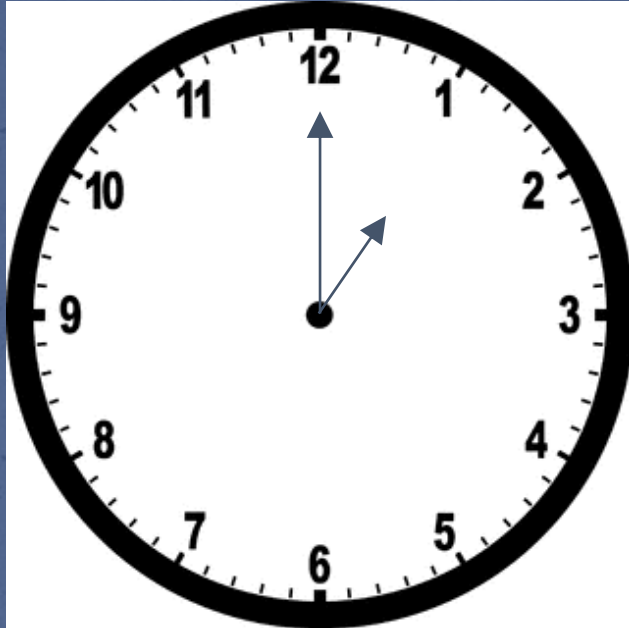


Dry season:  
November to April

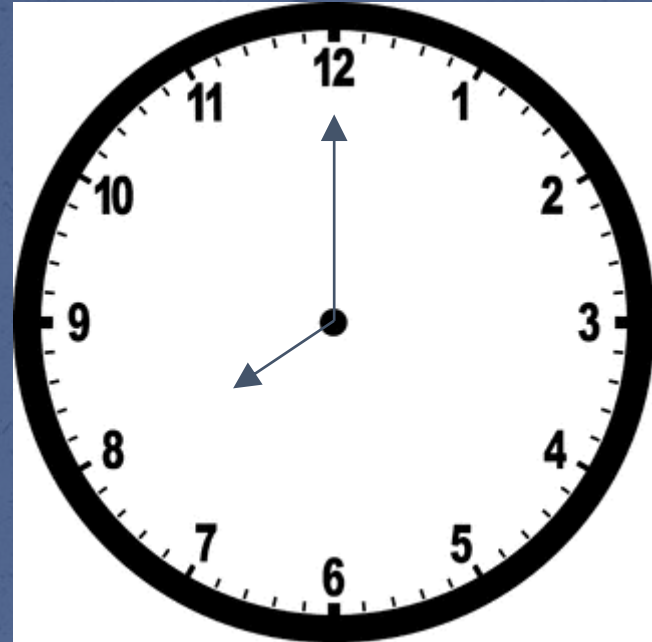


average: 27°C

# TIME ZONE



London  
(GMT)



Phnom Penh  
(GMT+7)



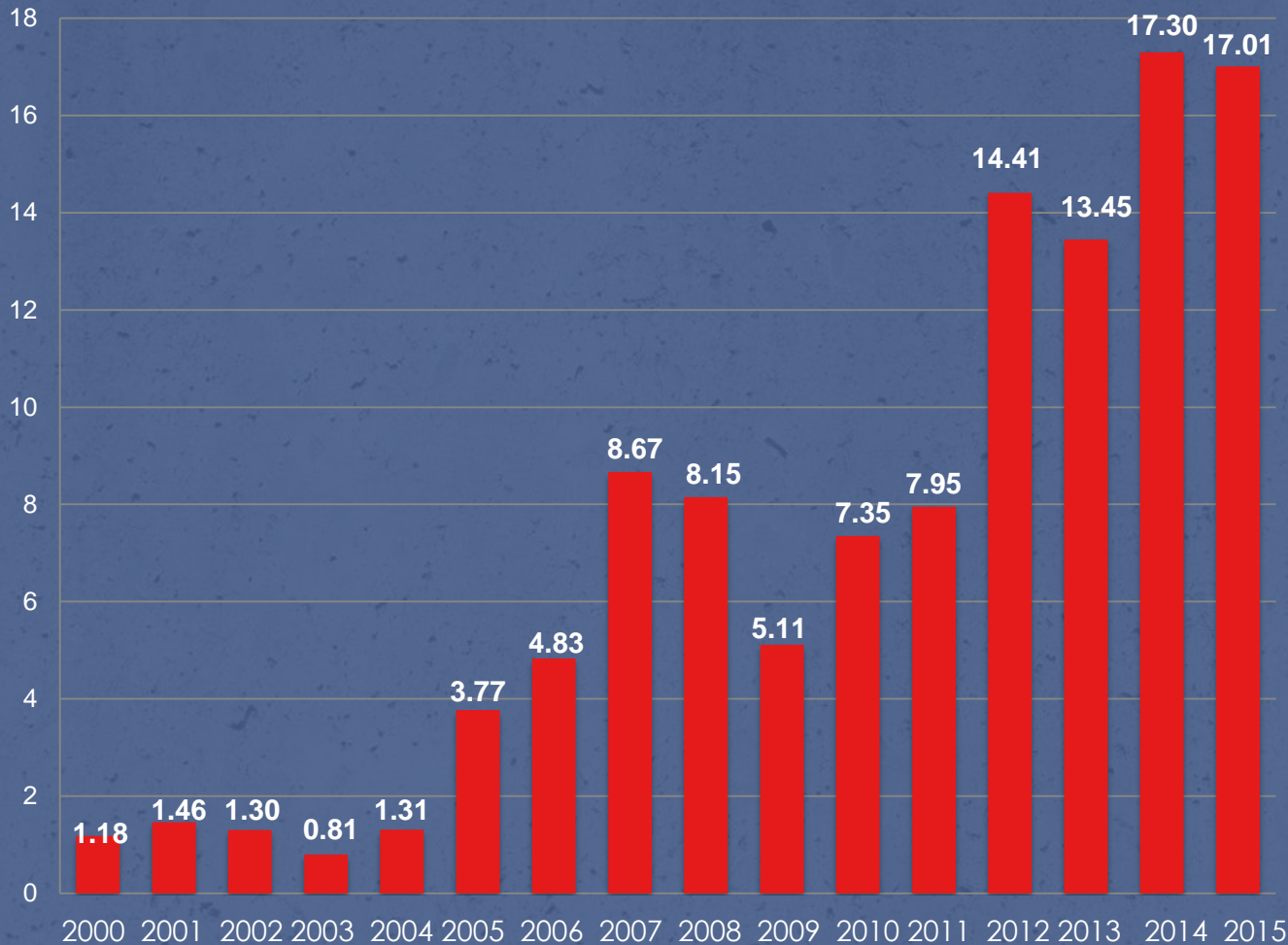
# TAX FRAMEWORK

Jurisdiction	CIT rate	VAT/Sales Tax	WHT Dividends	WHT Interest	WHT Royalties	Capital Gains Tax
Thailand	20%	7%	10%/0%	15%	15%	15% to non-residents
Cambodia	20%	10%	14%	14%	14%	none for non-residents
Lao PDR	24%	10%	10%	10%	5%	10%
Myanmar	25%	5% (3-30)	0%	15%	20%	10%/40-50%

- Corporate Tax: Higher of 1% Revenue or 20% Taxable Profit
- VAT: 10% Domestic Sales; 0% Export
- Incentives: 3 to 9 years Income Tax Holiday or special depreciation rules
- Withholding Tax on Payments to Non-residents: 14% on interest, dividends, lease, royalties, management & technical services fees
- Interest rate deduction caps
- Access to Preferential Tariffs
- No Personal Income Tax except Salary Income
- No tax treaties

# FOREIGN DIRECT INVESTMENTS

Cambodia FDI inflows, current USD (1 unit = \$100M)



Main investors  
(mostly Asian)

- China
- Korea
- Vietnam
- Malaysia
- Japan

Source: World Bank

# COMPETITIVE ADVANTAGES

**BUSINESS-FRIENDLY  
GOVERNMENT**

*Open economy*

**PREFERENTIAL  
MARKET ACCESS**

*Strategic  
geographic  
location*

**UNTAPPED  
MARKET**

*Opportunities  
in all sectors*

**QUALITY OF LIFE**

*Growing  
middle-class*

**COMPETITIVE  
LABOR FORCE**

*Abundant &  
cheap land, labor*

An aerial night view of a large island, likely New Zealand, showing a dense forest of dark green trees. The island is illuminated from below, with numerous small yellow and white lights scattered across the land, particularly in the central and southern regions. The surrounding water is a deep blue-green color. The entire scene is framed within a circular vignette.

**LET'S PLAY**

7%

growth

15 million  
population

52%

<25 years old

300USD






GDP/capita  
year 2000

1'159USD

GDP/capita  
year 2016



# KEY FIGURES

	Cambodia 	Vietnam 	Indonesia 	Myanmar 	Philippines 
Population	15.58m	91.71m	257.56m	53.90m	100.70m
Land area (km2)	176'520	310'070	1'811'570	653'080	298'170
GDP/capita (US\$)	1'159	2'111	3'347	1'162	2'904
GDP growth (annual %)	7%	6.70%	4.80%	7.30%	5.90%
Median Age	24.9	30.1	29.9	28.6	23.4
Goods imports from the EU 2016	0.6bn	9.3bn	10.5bn	0.6bn	6.2bn

Sources: World Bank 2015&2016 / CIA World Factbook 2016 / ec.europa.eu

# REFORMS, REFORMS, REFORMS...

Since the last election in 2013, the government has engaged in the course of reforms

New Industrial development Policy to upgrade the industrial sector

Investment law to be amended

Reforms in the Ministry of Commerce (online company registration)

Key ministries : education, environment, industry, Labor, tourism, Customs...

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A circular, dark-toned satellite-style map of the world, showing continents and oceans in shades of green, blue, and brown. The map is centered on the Atlantic Ocean. Overlaid on the map is the text "INTERCULTURAL MANAGEMENT" in a bold, white, sans-serif font, arranged in two lines.

# INTERCULTURAL MANAGEMENT

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Young dynamic population

# INTERCULTURAL MANAGEMENT



Wish to learn

# INTERCULTURAL MANAGEMENT



Hierarchy / seniority / family

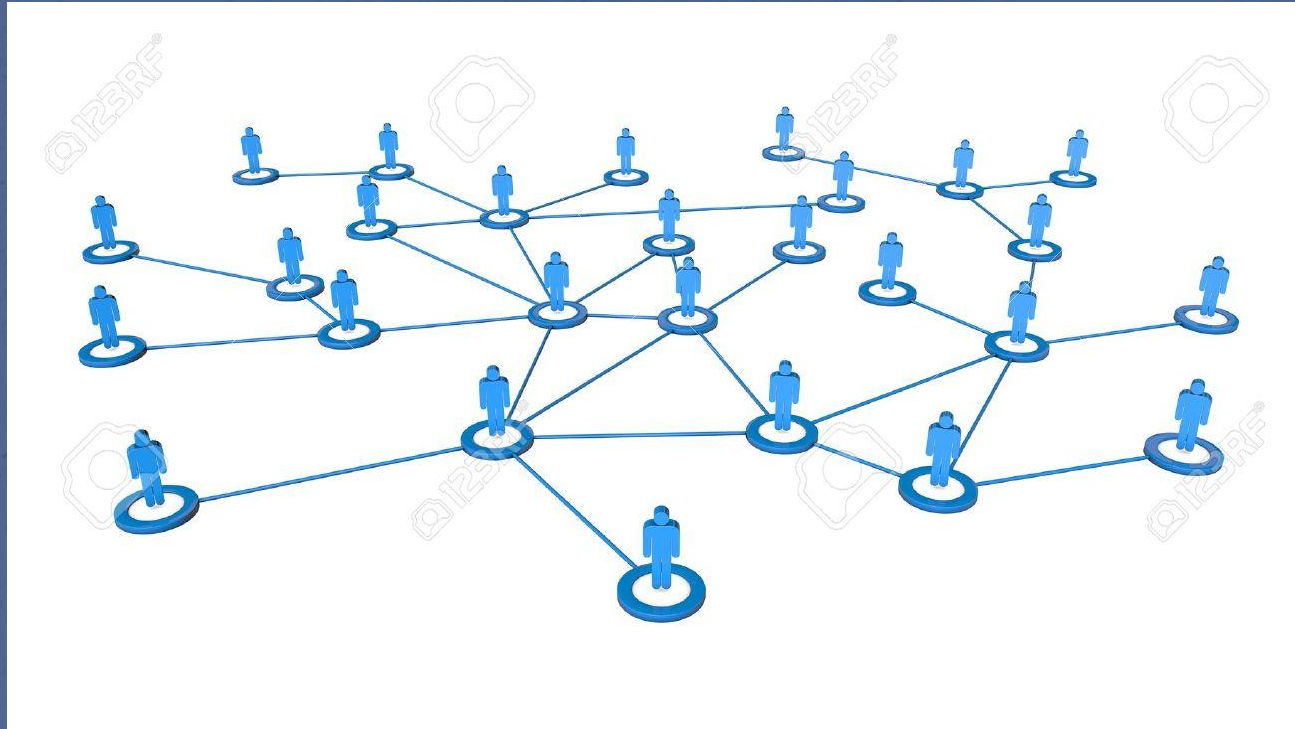
# INTERCULTURAL MANAGEMENT



Training as a must



# INTERCULTURAL MANAGEMENT



network

# INTERCULTURAL MANAGEMENT



Yes = yes = maybe = no

An aerial photograph of a lush, green island with a large lake and mountains. The image is framed by a circular border. The text "SECTORS OF OPPORTUNITIES" is overlaid in the center in a bold, white, sans-serif font.

# SECTORS OF OPPORTUNITIES

# CONSTRUCTION & DESIGN

- Sector is 8% of GDP, second largest contributor
- High demand for condominiums
- 915 construction projects @ \$808 million in investment in 2015
- Growing middle class require more retail space, particularly large shopping malls

## WHAT DOES CAMBODIA NEED?

- New infrastructure (road, bridges, etc.)
- Equipment (lighting, furniture)
- Services (interior design)



# HR, TRAINING & EDUCATION

- More than 50% of the population has less than 25 years old
- Skills gap issue
- Inadequation between needs and curriculum
- Huge needs in training in almost all sectors
- Lack of technical certifications
- Lack of technicians
- But...Cambodian workforce is highly trainable





# FOOD & BEVERAGES

- F&B is 2nd largest EU import
- 44% of per capita income spent on food and non-alcoholic beverages
- Emerging middle class and expat community

## **CAMBODIAN MARKET DEMANDS**

- Premium delicatessen products
- Baby and nutritional products
- Gourmet confectionary and baked goods
- Soft drinks, coffee and tea
- Preserved goods and FMCG

# F&B TRADE MISSIONS 2018

Jan 29 – Feb 3 in Vietnam

4th edition

**FOOD & BEVERAGE  
TRADE MISSION TO VIETNAM**  
Jan 29 - Feb 3, 2018

**40 European companies**  
Food & Beverage | Equipment for HoReCa | Food industry machinery

Organizer  
**EYBN**

Partner  
**AIRFRANCE**

Feb 4-6 in Cambodia

**EUROCHAM**  
EUROPEAN UNION  
CAMBODIA

**Food & Beverage**  
TRADE MISSION TO CAMBODIA

February 4-6 2018  
Phnom Penh

Introduce your products directly to Cambodian distributors, partners and end clients  
Gain first-hand understanding of on-trade and off-trade points of sale  
Meet and learn from European players already established in the market

- Introduce your products directly to distributors and partners
- Meet already established European players
- Have tailor-made B2B meetings

# AGRICULTURE & AGRO-INDUSTRY

Land available

Sector that has not reached its full potential.

Opportunities for more diversification & professionalization

Potential for organic and other niche products

## **Opportunities for supporting businesses**

- Heavy machinery for farming
- Agro-processing equipment
- Targeted financing
- Services (maintenance, training...)





# CONSULTING SERVICES

- Need for expertise in several fields
- Local expertise is improving
- Technical fields are needed





# EUROCHAM OVERVIEW

Our history, our membership, and the services we specialize in.

# EUROCHAM AT A GLANCE

2011

Founded

290

Members

15

Employees

**Largest** Western  
business association  
in Cambodia

Supported by the  
European Union via the  
**ICI+ program** since  
September 2014

**Bridge** between  
European investors  
and stakeholders in  
the Kingdom

# EUROCHAM EXPERTISE



Advocacy



Outreach &  
Consulting Services



Network



# SEBSEAM NETWORK



Your partners in South-East Asia

# THANK YOU !



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