



Cambodia Country Profile

June 2023

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GDP (US\$)

2023F: 32.46 billion (+5.5%)

2022: 29.64 billion (+5.2%)

2021: 26.95 billion (+3.0%)



GDP Per Capita (US\$, nominal)

2023F: \$1,913.6

2022: \$1,768.1

2021: \$1,624.7



Population

2023e: 17.4 million people

Growth (annual): 1.1%



Cambodia

Capital City

Phnom Penh

25 Provinces



Political System

Constitutional Monarchy

Since 1993



Language

Khmer (97%)

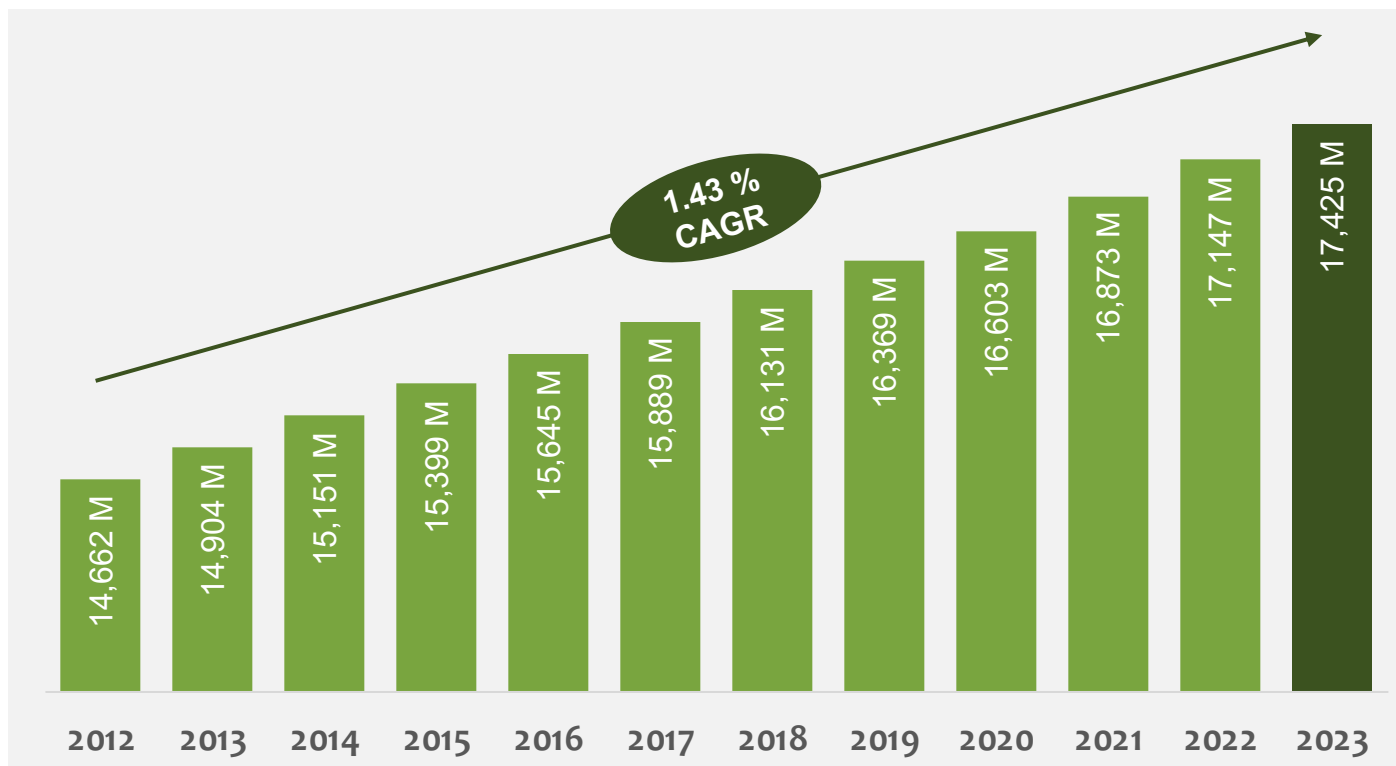
Others (3%)



Cambodia's Demographics

Cambodia's population in 2023 is estimated to be at 17.4 million people. Population density averages at 93 people per square kilometer – comparing total settled population to the total land area of 181,035 km². Among the population, 51% are female and 49% are male. Urban population has been increasing at a rate of 2.9% with 25% of the total population living in urban areas in 2021. Average life expectancy of Cambodians is estimated to be at 62.7 years – life expectancy for males is 60.3 years and 65.1 years for females. By religion, 96.9% are Buddhists. Cambodia's literacy rate is 77.2% of the total population.

Population of Cambodia, 2012-2023



Est. Population, 2023 (by Age Group)

Age Range	% of Population	Population By Age
Under 15	32.1%	5,607,889
15 to 64	64.1%	11,161,063
Above 64	3.8%	656,051

Life Expectancy, (by Gender)



Male	60.3 yrs
Female	65.1 yrs

Population, (by Gender)

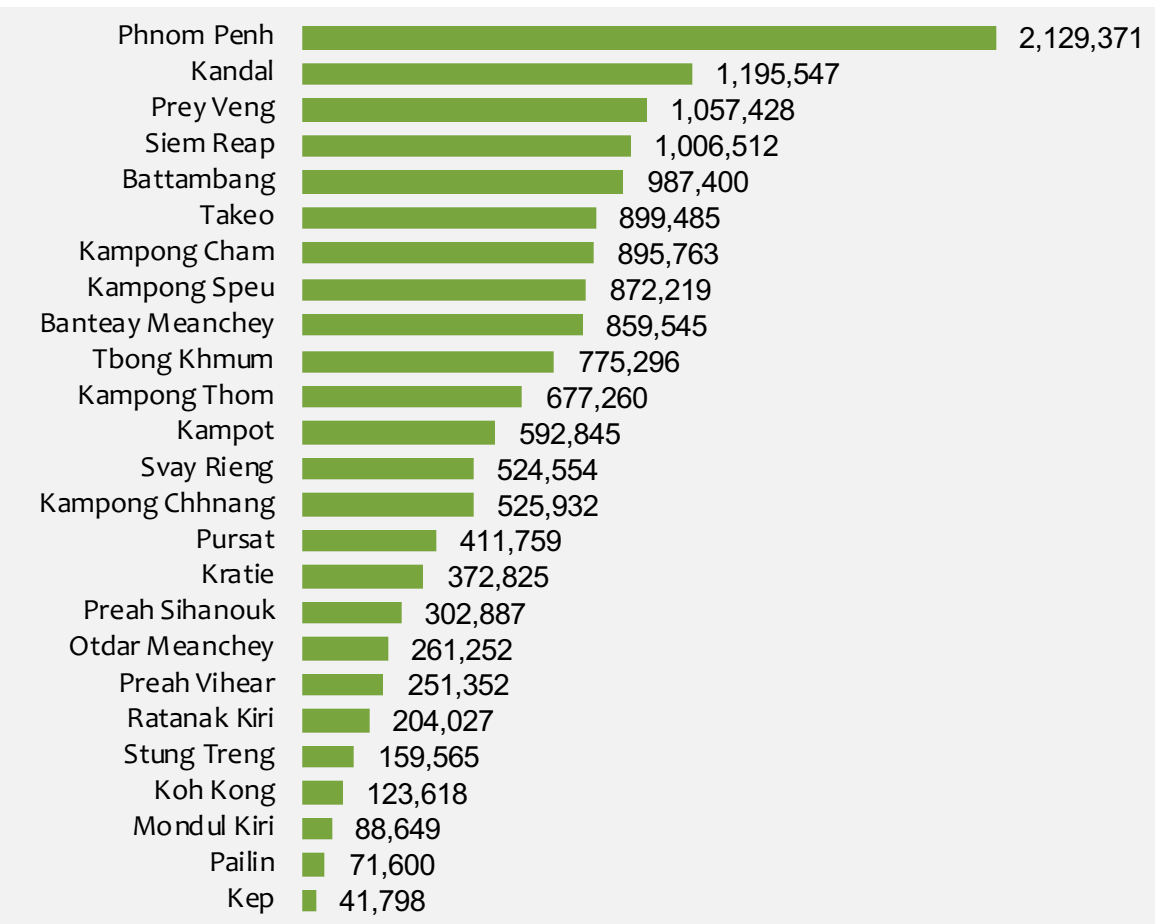


Male	49%
Female	51%

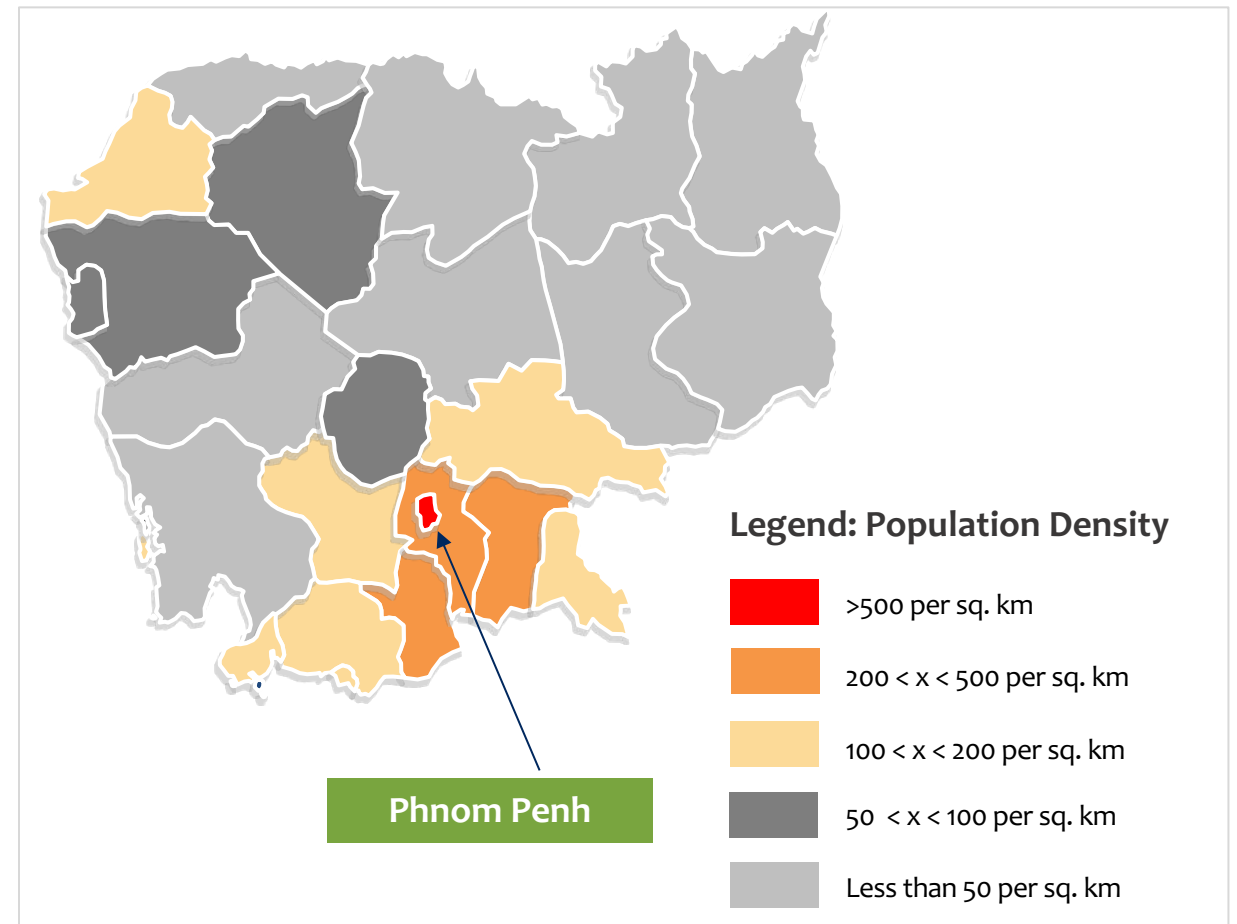
Population by Provinces

Phnom Penh is the capital city and commercial center of the country. According to the 2019 National Census, the city's population accounted for almost 13% of the total country's population. Phnom Penh has a population density of 3,136 people per square kilometer (sq. km) while the national average is 93 people per sq. km. Population statistics of the remaining provinces are as shown below.

Population by Province, 2019



Population Density by Province (Per sq. km)



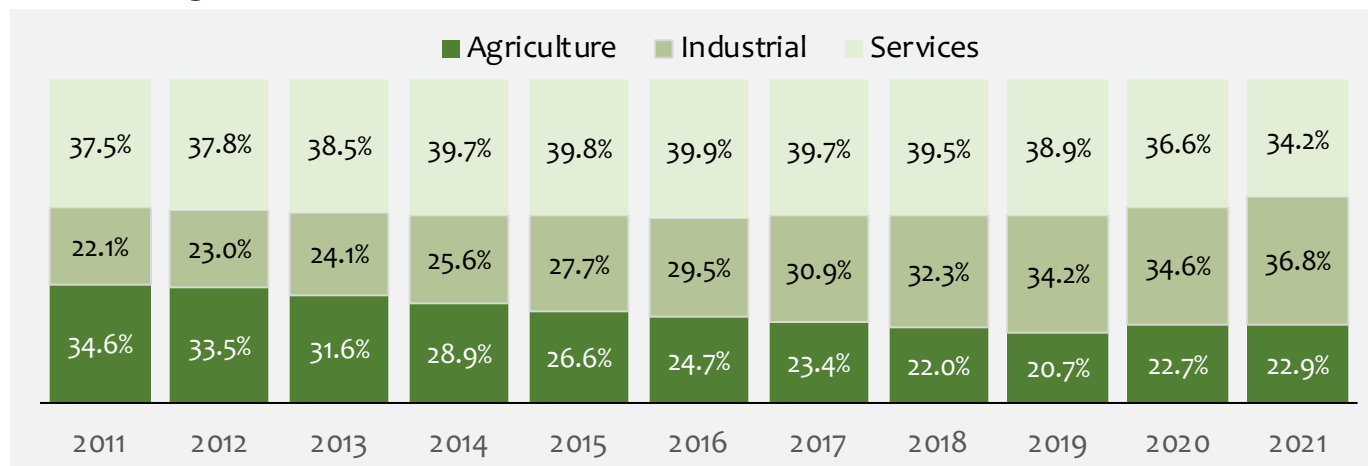
Cambodia's GDP is expected to grow at 5.5% in 2023

Cambodia's economy is expected to grow at 5.5% in 2023 as the country recovers to its pre-pandemic growth trajectory. Except for the period of the great recession (2007-2009) and the recent pandemic (2020-2022), GDP growth rates averaged at 7% - **Services and Industrial sector** contributed to 70% of the total GDP in 2022. Cambodia's GDP has since returned to pre-pandemic levels with a total GDP size of USD 28.3 billion in 2022.

Cambodia GDP (in billion USD)



Percentage Contribution of Economic Sectors to GDP, 2011-2021

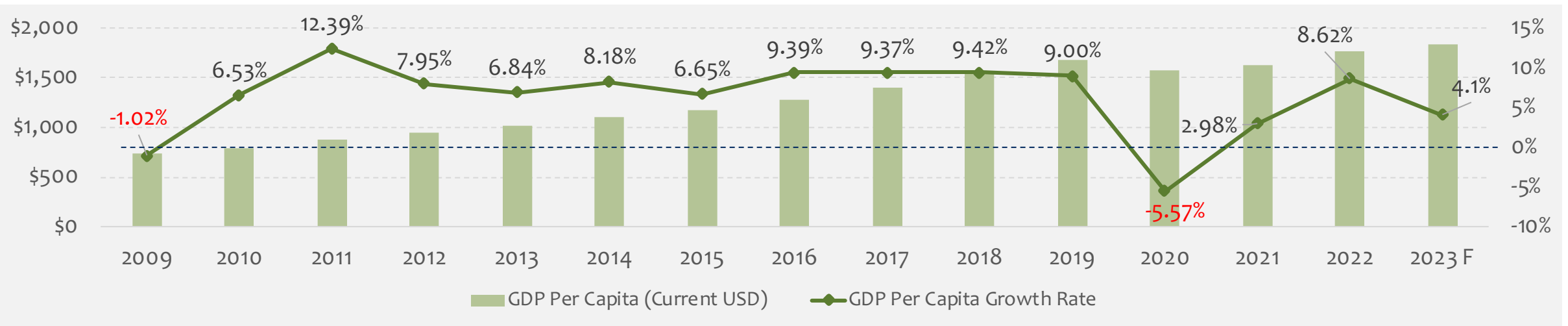


- Services sector is returning to pre-pandemic levels driven by pent-up demand, increasing international tourist arrivals and domestic tourism
- Industrial sector is estimated to grow at an annual rate of 11.2% in 2022 and is forecasted to grow by 9.1% by 2023
- Agriculture sector set to grow with improved access to regional markets for its main agricultural commodity exports

According to the World Bank, Cambodia attained the status of a lower-middle-income country in 2015 and plans to be an upper middle-income country by 2030 and high-income country by 2050. The Royal Government of Cambodia (RGC) has taken progressive steps to stimulate and strengthen the country's economy and wellbeing which includes:

- (1) Focusing on transport infrastructure and connectivity (Comprehensive Intermodal Transport Master Plan 2022-2030)
- (2) Committing to further upgrading the health sector and investing to finance essential health services and commodities

Cambodia GDP Per Capita (in Current USD)



- Growing GDP per capita indicates growing average incomes and has boosted development of retail and investment sub-sectors
- GDP per capita has increased 3X from USD700 to USD1,800 (2008-2023) which has attracted more domestic and foreign investors to do business in Cambodia to capitalize on a growing addressable market

Cambodia implemented a strong Covid-19 Response

The RGC response to mitigate post-impact from COVID-19 was articulated in The Strategic Framework and Programs for Economic Recovery in the Context of Living with COVID-19 in a New Normal 2021-2023. The framework is based on three main pillars: **Recovery, Reform, Resilience**. As of March 2023, Cambodia has achieved a vaccination rate of 97% of the targeted population (18 years and above) – and remains as one of the leading countries in COVID-19 vaccination roll-outs. As countries began reopening its borders in 2022, Cambodia led regional efforts in adopting less restrictive domestic and international travel policies – which led to increased domestic tourism and international tourist arrivals. The services sector is on track to pre-pandemic recovery with the tourism sector rebounding.

Selected Regional Country COVID-19 Indicators (as of 13th Mar 2023)

COUNTRY	FIRST CONFIRMED CASE(S)	TOTAL CONFIRMED CASES	CUMULATIVE FULLY VACCINATED	FULLY VACCINATED / 100
Singapore	23 Jan 2020	2,234,996	5,120,768	90.8
Cambodia	27 Jan 2020	138,720	14,609,937	87.1
Malaysia	25 Jan 2020	5,045,192	27,536,657	81.1
Thailand	13 Jan 2020	4,728,304	53,486,086	74.6
Lao PDR	24 Mar 2020	218,023	5,222,417	69.4
Philippines	30 Jan 2020	4,077,904	73,937,435	64.0
Indonesia	02 Mar 2020	6,739,067	172,693,321	62.7
Myanmar	23 Mar 2020	633,955	27,545,329	50.8

Cambodia's success in mitigating the impact of the pandemic can also be attributed to the significant support it received from international health partners (on policy-making and vaccine distribution), a timely response from neighboring countries and the compliance of the general public to restrictions.

Cambodia goods exports to US & EU faces weakening demand

Cambodia exports forecasted to grow by 6.3% by December 2023 but face significant global headwinds due to weakening external demand from major export markets such as the US and EU. On the back of tighter and uncertain financial conditions in the US and European Union, global trade is expected to slow in 2023. During the first quarter of 2023, exports fell by 21.3% to \$5.39 billion, while imports fell 5.7% to \$5.86 billion. Overall, Cambodia recorded an estimated US\$ 11.25 billion in international trade, a 14.5% decrease from \$13.16 billion during the same period of 2022. US, EU, China, Japan, Canada remain as the top trade partners with the US accounting for more than 40% of Cambodia's exports.

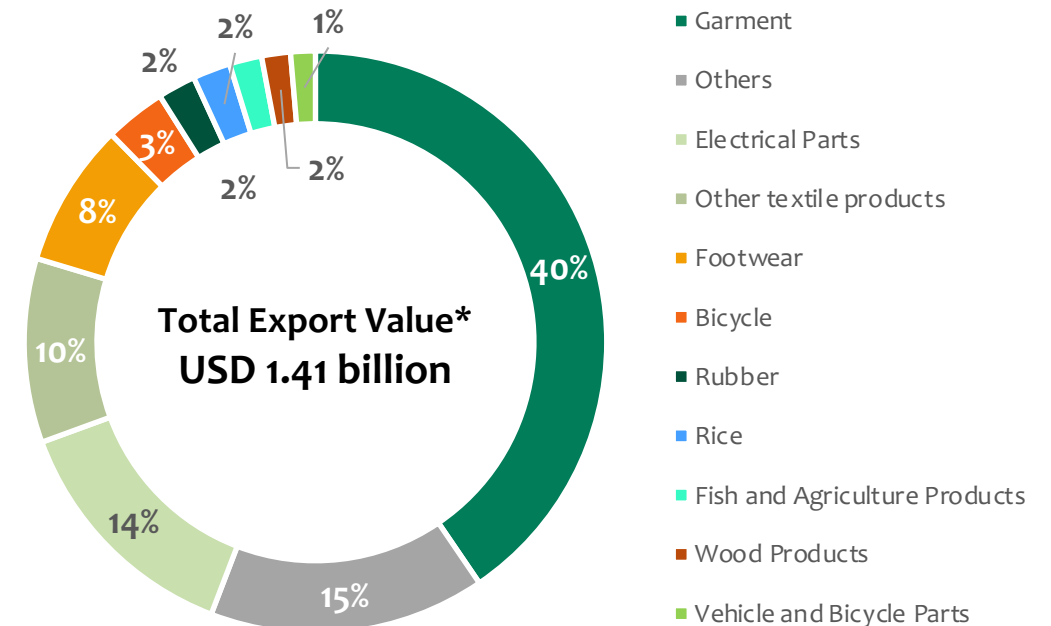
Major Importing Markets, 2022 (Cambodia Exports)

Importers	Exported value In USD thousands
Total	32,859,639
USA	13,091,461
Germany	2,343,821
Japan	1,945,892
China	1,838,524
Canada	1,836,772

Major Exporting Markets, 2022 (Cambodia Imports)

Exporters	Imported value In USD thousands
Total	36,397,869
China	14,184,187
Thailand	8,647,607
Singapore	7,824,597
Vietnam	3,967,141
Switzerland	1,435,800

Export by Commodity, Jan 2023



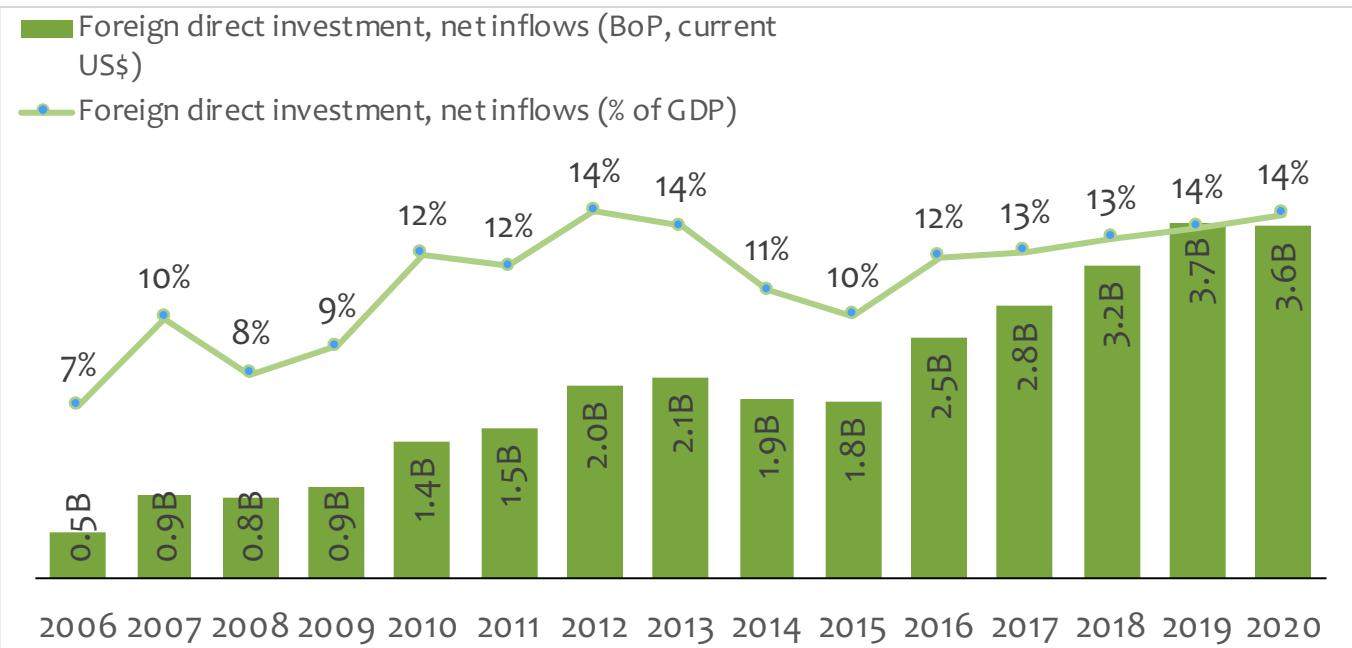
Note: *For Jan 2023 only

Source: [CEIC](#), The World Bank, ITC (mirror data), GDCE

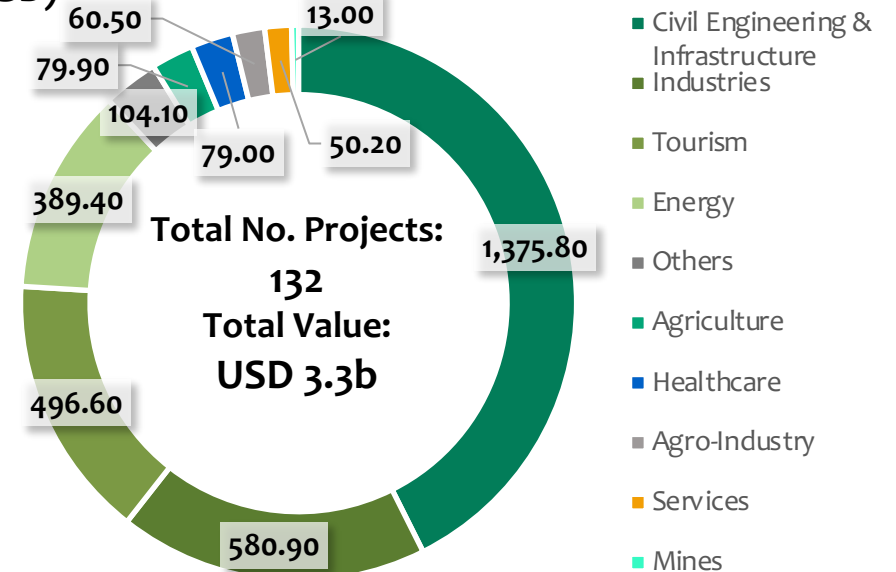
FDI inflows to Cambodia accounted for 12.9% of GDP in 2021

From 2006 to 2020, FDI inflow into Cambodia grew at a CAGR of 15.4% where FDI in 2020 amounted to USD3.6 billion. Fixed-asset investments grew at 7.5% from 2021 to 2022 with a value of USD4.35 billion and USD4.68 billion, respectively. Impact of COVID-19 on FDI inflows were short-lived with FDI decreasing by USD0.1 billion from 2020 to 2021. World Bank data estimates FDI inflow to amount to 12.9% of Cambodia's GDP in 2021. Currently, Cambodia has 14 trade agreements including the notable RCEP* and CCFTA** which has attracted further investment into the country. China, Hong Kong, Taiwan, Japan, and Korea are the top 5 foreign sources for approved investment projects in 2022 with values of USD913.2m, USD111.4m, USD57.4m, USD29.3m, and USD18m, respectively.

Cambodia FDI inflow, 2006-2020



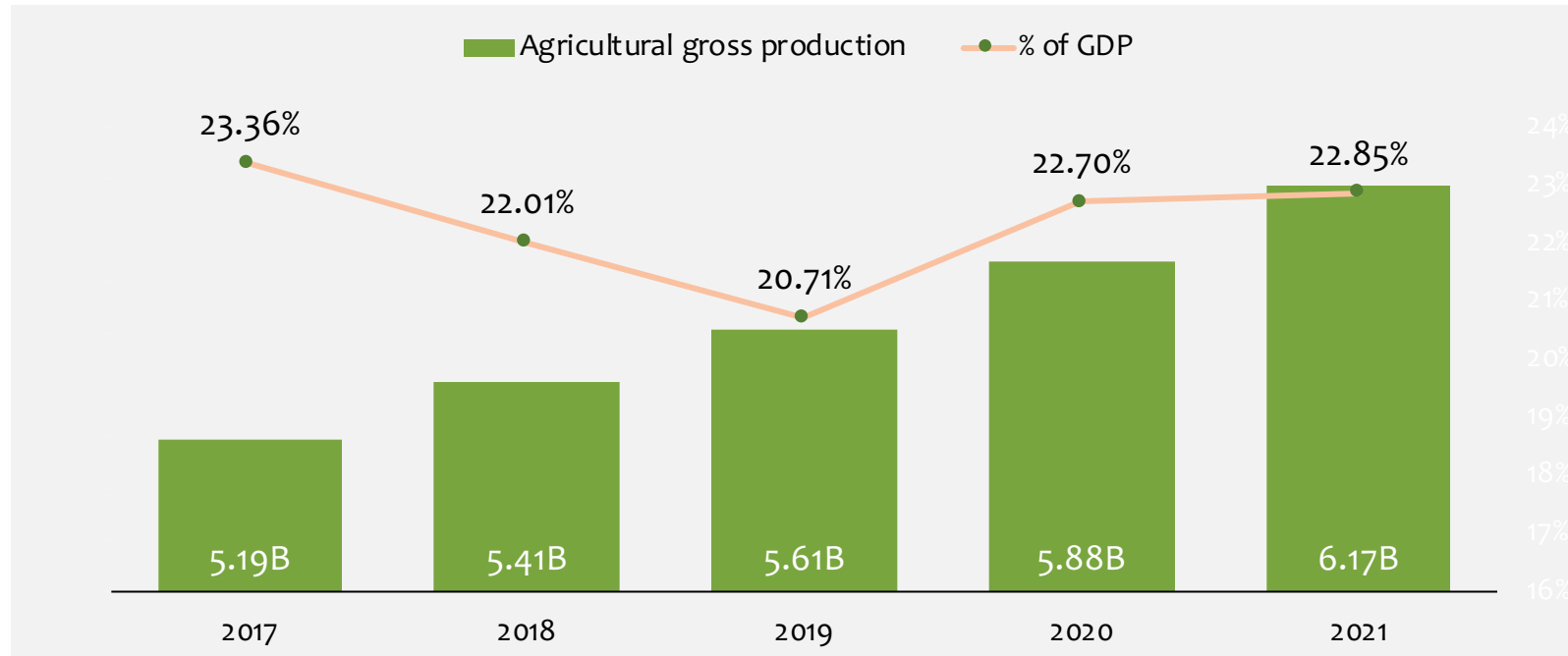
Investment Projects Approved by Sector, 2022 (in million USD)



Cambodia's Agriculture Sector accounts for 22% of GDP in 2022

Cambodia's core exported agriculture commodities are **rice, cassava, maize, pepper, fresh mango, bananas and cashew nuts**. Agriculture sector contributed to 22.9% of the total GDP in 2021 and provides approximately **3 million** job opportunities (covering 17% of the total national population). Top 3-export markets in 2021 for Cambodian agricultural commodities are Vietnam (64%), Thailand (22%) and China (10%). Agriculture sector is expected to grow by 1.1% in 2023, up from 0.7% in 2022. In Q1-2023, Cambodia has exported an estimated USD1.385 billion in agricultural products, a 9% Y-O-Y increase in the same period compared to the previous value of USD 1.269 billion.

Cambodia Agriculture Gross Production, 2017-2021 (in USD)

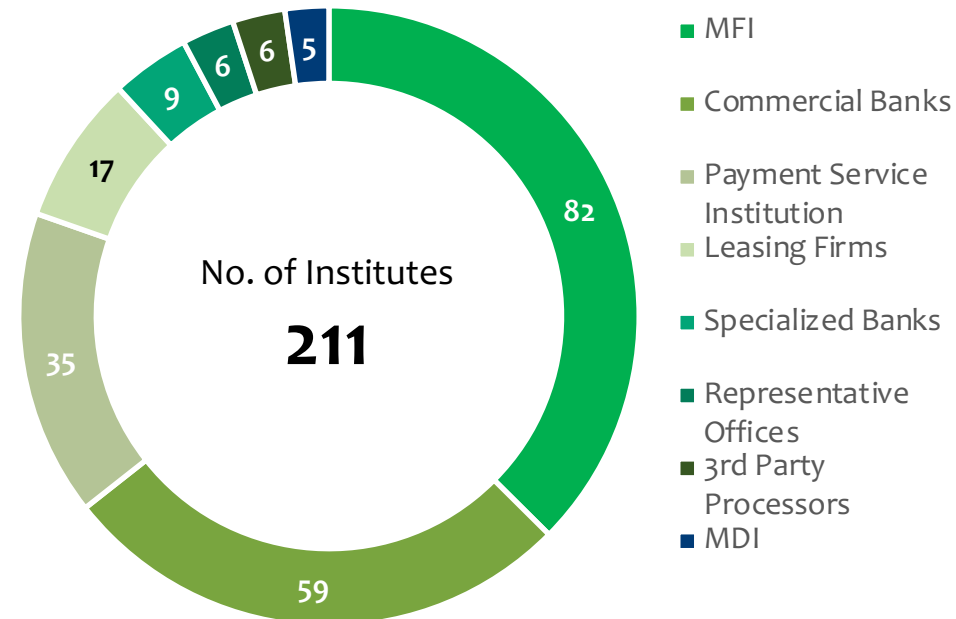


- With the enactment of CCFTA, China is primed to be a main export market of Cambodian agriculture products such as milled rice, mangoes, and bananas in 2023.
- Vietnam remains an important destination for Cambodian un-milled rice exports; Cambodia exported un-milled/paddy rice worth USD841.09 million to Vietnam in 2022

Banking system remains buoyant despite tightening global financial conditions

As of January 2023, there are 59 commercial banks and 9 specialized banks operating in the country. Capital adequacy ratios¹ in 2022 for banking and microfinance sectors were well above the prudential thresholds of 15% - at 22.5% and 21.2%, respectively. Outstanding loans rose by 23.6% YOY to USD53.1 billion as of June 2022 – indicating increasing consumer confidence for financing. From Jan 2022 to Jan 2023, customer deposits increased by 8.4% to USD38.96 billion, while number of customer deposit accounts increased by 18% to approximately 14.3 million accounts from Dec 2021 to Aug 2022. **On 24 February 2023, Cambodia was removed from the FATF “Grey List” which is a testament to the RGC’s efforts in improving its Anti-money laundering (AML) / Combating the Financing of Terrorism (CFT) regime.**

Cambodia’s Banking System, Jan 2023



- **Credit growth in 2023 slows but concentration of domestic credit in construction and real estate sector continues.** Growth rate in February 2023 recorded at 14.8%, a significant decrease from growth of 22% recorded during the same period in 2022. Banks face rising borrowing costs with credit growth becoming increasingly constrained. However, total credit growth from combined activities of construction, real estate, and mortgages grew to 43% in Feb 2023, an increase from 37% in the same period in 2022.
- **Tightening global financial conditions pushes domestic interest rates up.** Financial Institutions required to increase interest rates on loans as operating costs increase with rise of funding costs. Weighted average interest rates of 10.19% (US-denominated) and 12.61% (Riel-denominated). At the same time, private deposits continue to ease which compels banks to raise interest on deposits to attract depositors.

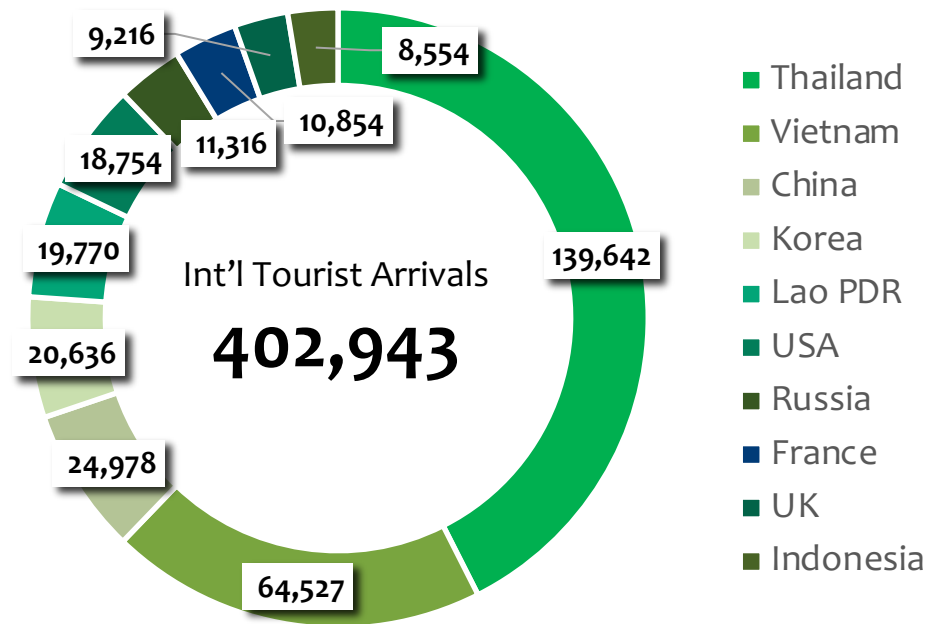
Note: 1 - measure of capital a bank has available

Source: [Annual Report 2022](#), NBC, The World Bank, [Khmer Times](#)

Tourism Recovery is Accelerating with Increased Tourism Activity

The Tourism Sector is a major contributor to the Cambodian economy, contributing almost USD1.41 billion of gross income in 2022. This industry is expected to attract 4 million international tourists and 14 million domestic tourists by 2023. According to statistics published by the Ministry of Tourism (MOT), Cambodia received 402,943 international tourist arrivals in January 2023 – a 152% increase of arrivals from January 2022. With the successful conclusion to the 32nd SEA Games hosted in Phnom Penh, Cambodia is expected to see increased visibility and awareness of its tourism products in the country.

Top ten international tourist arrivals, January 2023



International and Domestic Tourism growth in Cambodia is expected to accelerate with:

- Increased awareness and popularity of Cambodia as a tourism destination due to the SEA Games (and upcoming ASEAN Para Games) from the regional and international market
- Continued improvement in air, road and sea transportation and logistics – increasing access and ease for tourists to visit Cambodia
- Continued rise of the middle-class in Southeast Asia and notably China – where travelers are searching for destinations that are more affordable and exotic

Cambodia's garment sector continues to face significant challenges in 2023

Cambodia recorded USD5.39 billion of total garment export value in January to March 2023, a decreased of 22 % from the same period in 2022. The decline is attributed to multiple direct and indirect factors – with weakening demand from US and EU markets playing a significant factor as rising inflation increasing purchasing barriers.

Cambodia's Major Garment Exports in Jan-March, 2022-2023 (in thousand USD)

Export	Jan-Mar 2022		Jan-Mar 2023		Change
	Value	Share	Value	Share	Δ
61 - Articles of apparel and clothing accessories, knitted or crocheted.	1,440,385	25.2%	1,047,137	19.4%	-27.3%
62 - Articles of apparel and clothing accessories, not knitted or crocheted.	168,040	2.9%	119,034	2.2%	-29.2%
63 - Other made up textile articles; sets; worn clothing and worn textile articles; rags.	52,515	0.9%	53,737	1.0%	+2.3%
64 - Footwear, gaiters and the like; parts of such articles.	122,790	2.1%	76,059	1.4%	-38.1%
Import	Value	Share	Value	Share	Δ
60 - Knitted or crocheted fabrics.	17,835	0.3%	20,944	0.4%	+17.4%

Note: The selected categories are based on the extracted data from the Cambodia General Department of Customs and Excise.

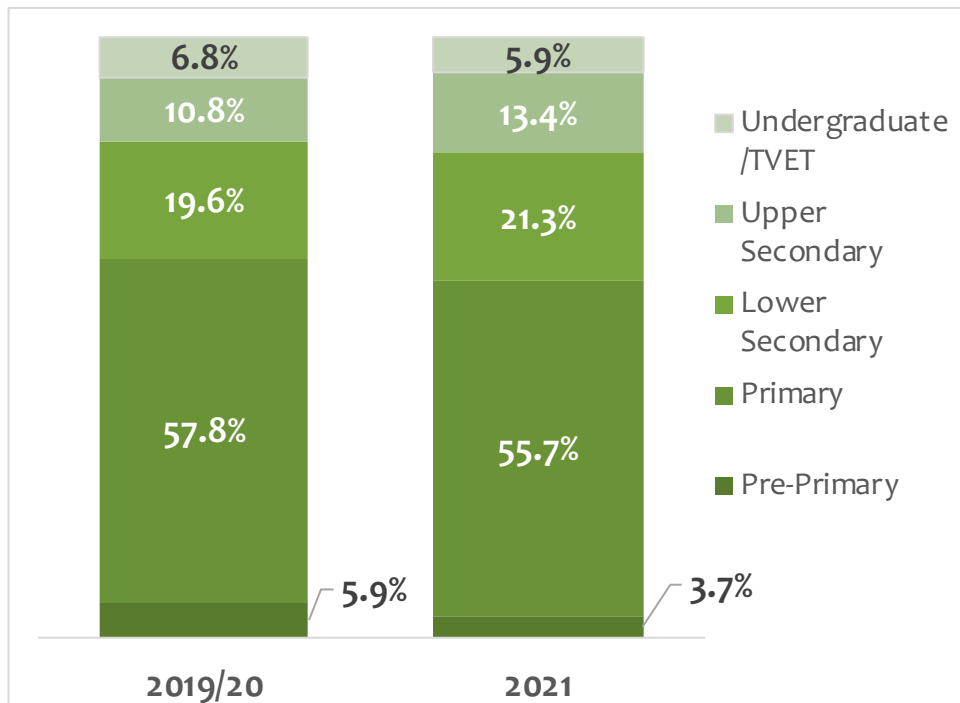
Challenges faced by the Garment Sector:

- Disruption of supply-chains and increasing logistic costs from post-pandemic effects, Russian-Ukraine war
- Rising inflation – weakening consumer demand for finished garment goods
- Rising labor costs and increased automation in processes – leading to potential traditional job losses

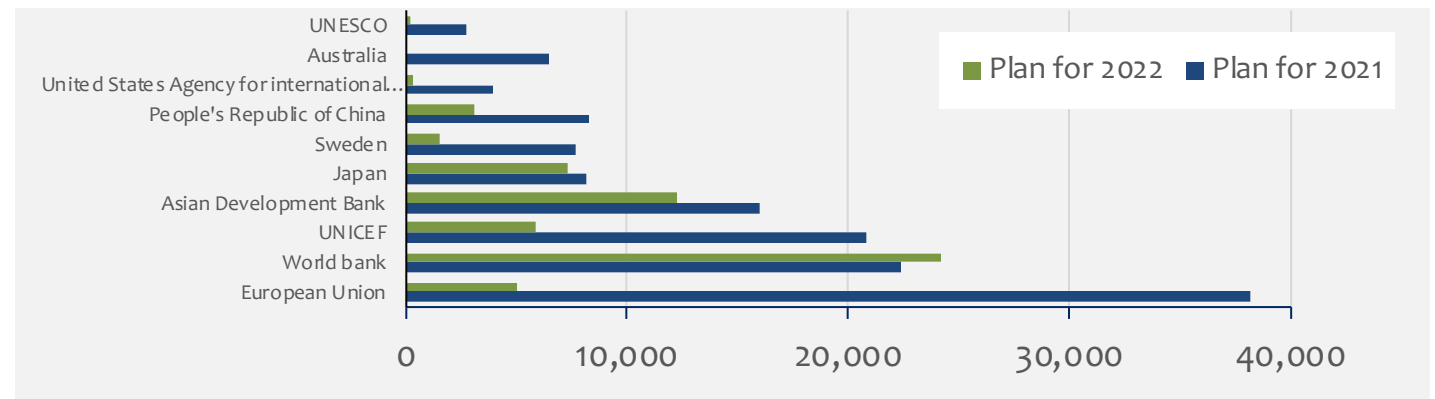
Education outcomes have improved, but gaps persist

Literacy is key in socio-economic progression, especially in the context of Cambodia. Overall adult literacy rates (for population aged 15 and above) averaged at 84.7% in 2021 as compared to 80.5% in 2015. Adult literacy rates for women improved with increment of 5.3% from 2015 to 2021 – with estimated value of 80.3% in 2021. Overall literacy among population (for population aged 6 and above) in Phnom Penh was the highest among all areas with a rate of 90.3% as compared to the national average of 83.2%. International donors and development partners in 2023 continue to play a key role in supporting this sector – with an increasing focus on upskilling youth and growing local talent in Cambodia. International partners are also actively supporting digital literacy initiatives, amongst others.

Cambodia Education Enrolment %, 2019/20 – 2021



Donors Partners Financing Education Sector, 2021-2022 (in thousands USD)



The RGC has outlined the need to strengthen the education sector in Cambodia to meet significant skilled labor requirements to continue to grow its economy. With the current shift towards digitalization, efforts to improve digital skills and literacy will play an vital role. In 2023, numerous programs, such as the Khmer Digital Literacy Program, were introduced to help students and educators alike. In attempts to upskill and reskill labor, a free vocational training program was also introduced – serving 1.5 million poor youth.

The construction sector is one of the four pillars (construction, garments, tourism, and agriculture) that has driven Cambodia's economic growth. According to the MEF, the sector decreased by 46.8% in 2022, with total investments of USD \$2.968 billion, mainly from China, Japan, and Korea.

Only 4,275 construction investment projects were approved in 2022, a 0.65% decrease from the previous year (MLMUPC), with growth projected to be around 1.1% in 2023 due to a tightening of foreign investment. However, the industry is also supported by the resumption of economic activity with relevant industries and the reopening of borders to fully vaccinated tourists.

The National Strategic Development Plan (2019-2023) will fund USD 59.9 billion in this sector; 27.5% is reserved for a 5-year plan, while the remaining 75.5% will be distributed to the private sector.

* The number is not currently up to date since 2021.

Approved projects in 2021	High-rise buildings	New towns & Residential complexes	Hotel Buildings
4,275	2,534	510	1,053*
Commercial Buildings	Factory Buildings	Multipurpose buildings	Construction & Design Companies
228	10,512*	323*	1,184

Highlights of Planning & On-going Construction



Chroy Changva Riverside
Apartment & Commercial
Opposite Sisowath Quay



Thai Boon Rong Twin
Tower
525metres, 133 floors, 4
towers



Gold Tower 42
42 floors, 192-metre tower
Preah Sihanouk Boulevard 274



Cambodiana Hotel
600 meters, 144 floors
Built on existing land



Yuetai Phnom Penh Harbour
Located at the former Phnom
Penh River Port



Glory International Center
300metres high, 78 floors



The Peak
Residential Tower +
Shang-ri La Hotel



Naga 3
Tonle Bassac Commune

Note: Upcoming projects are not limited to those shown above. Additionally, some projects are pending.

Recent Development Projects



Techo Takhmau International Airport in Cambodia covers 2,600 hectares of land and is planned to serve 13 million, 30 million, and 50 million tourists by 2030 across three phases. By mid-2022, it was one-third completed.



Cambodia hosted the SEA games at Morodok Techo National Stadium contains up to 75,000 seats.



Cambodia recently reopened the new railway connecting Phnom Penh to Kampot and Sihanouk attracting many local people and tourists.



The RGC recently signed off on a second expressway project: the Phnom Penh-Bavet Expressway, worth \$1.4 billion. The ground-breaking ceremony is set for June 7th, 2023.



Koh Norea development project covering 125 hectares led by OCIC and is expected to generate around 10,000 jobs and is 30% completed as of mid-2022.

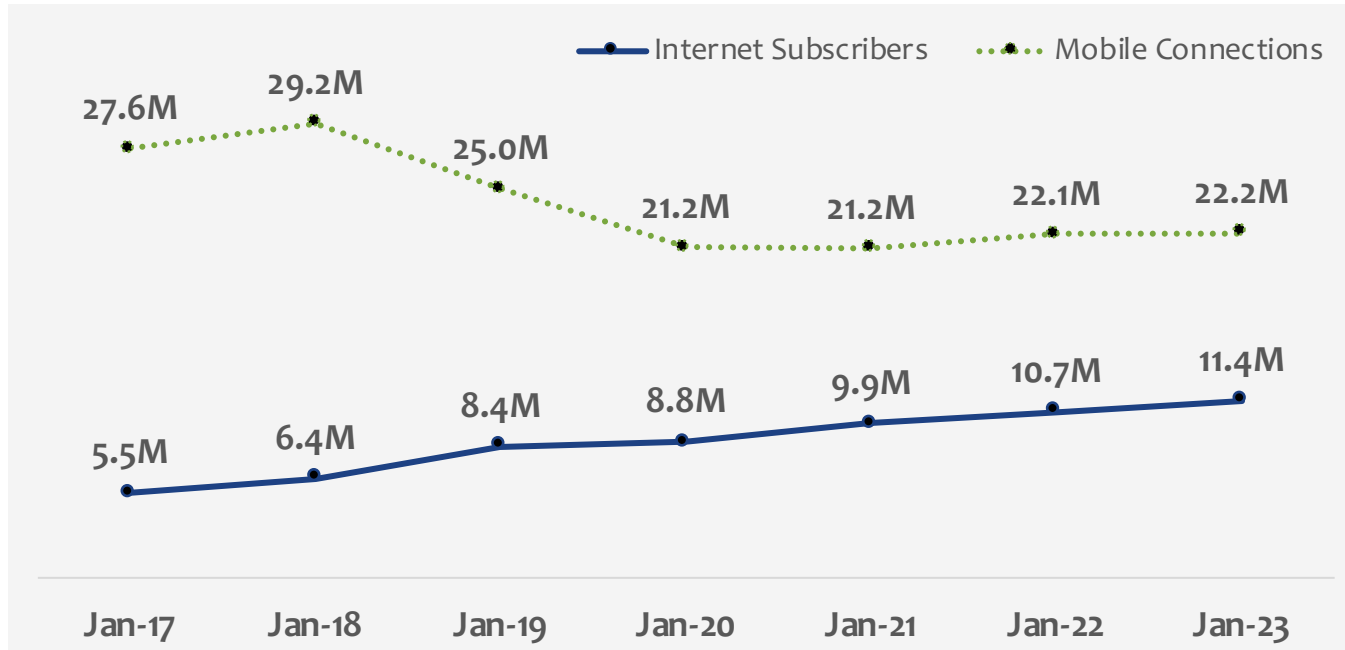


Bay of Lights project in Ream City, Sihanoukville is expected to cost \$16 billion, 934-ha. With an expected completion date of 2050, it aims to be Cambodia's first-ever coastal entertainment hub.

Recent development projects across both the infrastructure and retail sectors highlight the Government's initiative to boost the economy. Readiness in these sectors as well as its potential for growth can help promote Cambodia as an attractive investment destination for foreign investors.

Cambodia's digital space continues to grow with 11.37m internet users in Jan 2023

Cambodia Internet and Mobile Subscription, 2017-2023 (mil people)



131.5%

No. of mobile connections compared to total population

67.5%

No. of internet users compared to total population

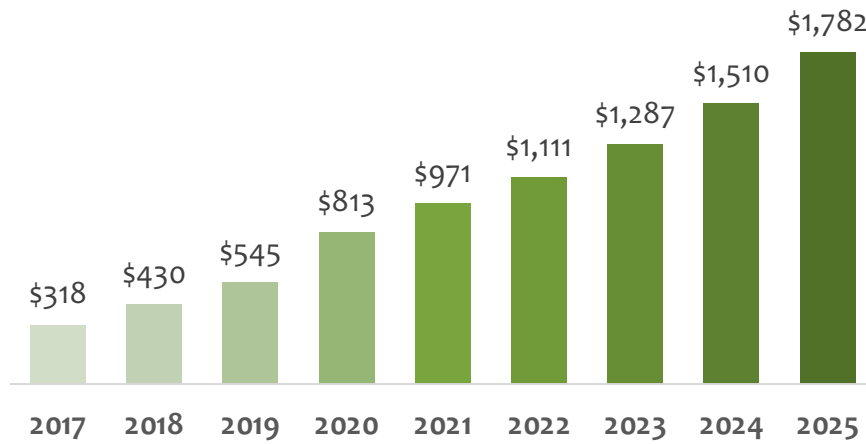
\$0.42

Average price of 1GB of mobile data in USD

- **Mobile subscription growth have plateaued since 2020 which suggests that users are likely to stick with a subscription as opposed to the previous practices of purchasing multiple sim cards**
- **Internet subscriptions continue to grow with low mobile data prices (compared to regional prices) and improved access to reliable mobile internet especially in rural regions**
- **Mobile devices remain as the medium of choice for internet access with 62.12% of web browser traffic originating from mobile devices**
- **According to a report produced by ADA, most people use mobile devices for e-Gaming, social media, photo & video editing, streaming (video and music), health apps, and food deliveries.**

E-commerce at a Glance

Cambodia E-Commerce Revenue (in million USD)



- E-commerce remains the main factor in the country's economy driven by a young population, digital penetration, and Covid-19 as the catalyst.
- The E-commerce market size has been growing in the last half decade and is estimated to generate revenues of USD 1,782 million by 2025.
- E-commerce users are tech-savvy consumers who prefer a quick and seamless shopping experience within just a few clicks.
- Commonly used E-commerce platforms in Cambodia are Facebook, Telegram, Tiktok, Instagram, and applications allowing users to purchase products anywhere at any time.

Based on our research, there are 300 active tech startups in 2022 and >500,000 SMEs waiting to connect with consumers through E-commerce platforms. For more information on our research, access it via this link: [2022 Cambodia E-commerce Report](#)

Government has supported E-commerce by initiating new projects and by reinforcing E-commerce law in the Kingdom:



CambodiaTrade is an e-commerce marketplace operated by the Ministry of Commerce of Cambodia. It serves Cambodia's small and medium enterprises to sell their products online to potential clients in the domestic and cross-border markets.

Go4eCAM

The MoC Go4ecam project was launched to enhance the country's e-commerce ecosystem.

SeT4SME

MoC has signed MOU with SwissContact to initiate a project entitled 'SeT4SME' for trade and eCommerce development.

E-commerce Law

The law has passed in 2019 and an additional framework on tax obligation, registration, and licenses and permits was reviewed and has been implemented with online sellers and bring awareness to consumers.

Note: PROFITENCE has conducted an E-commerce Study in 2020 and 2021, and has recently released a full-fledged E-commerce Study for 2022 in early January 2023.

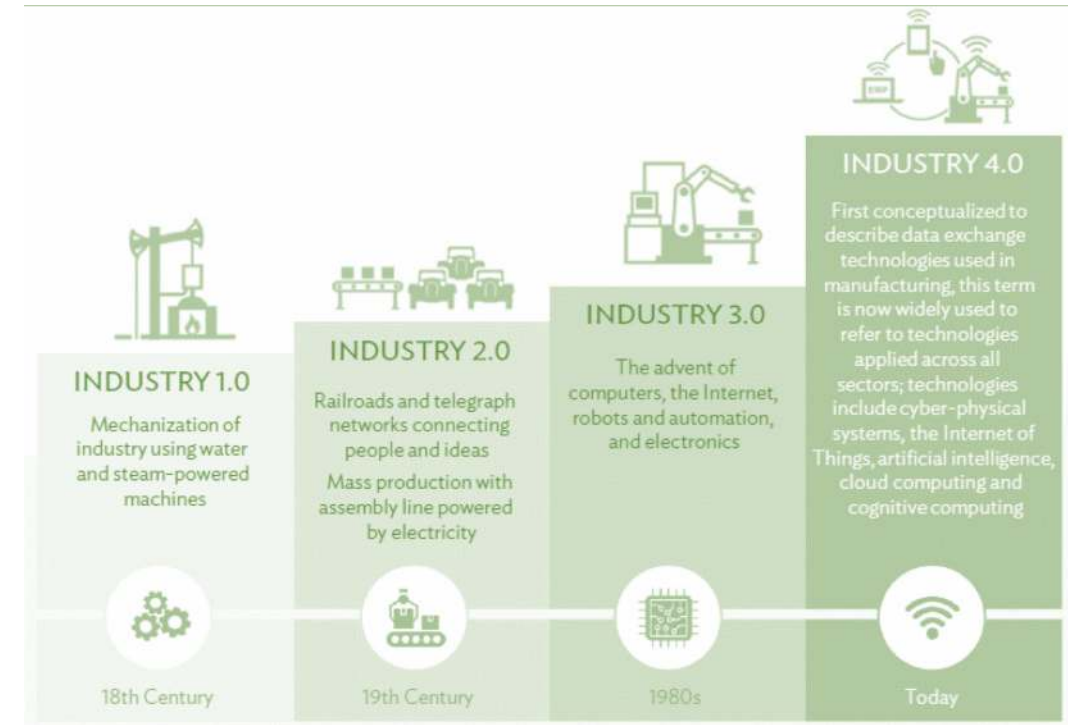
Source: PROFITENCE's reports and studies

Definition: Industry 4.0 refers to the current trend of automation and data exchange in manufacturing technologies to replace the old economic order and the workplace including artificial intelligence, robotics, virtual reality, blockchain technology, Internet of Thing (IoT) and others.

As a developing country, there are several general challenges to implementing Industry 4.0, especially in core industries like in Garment production which require a considerable amount of labor force. The core challenges are:

1. **Human Resources:** There are limited human resources in terms of digitally trained and skilled workers in Cambodia.
2. **Institutional Capacity Building:** Local institutions have limited ability in developing and strengthening skills, instincts, abilities, processes and resources to survive, adapt, and thrive in a fast-changing world.
3. **Supportive Legal Framework:** Old legal framework is not able to fully support a digitally transformed society.

The challenges indicate room for improvement and opportunities for investors to play a role.



31% of Cambodian enterprises are actively upgrading their technology. However, only **10%** of enterprises reported investing in research and development (R&D).

Industry 4.0 technology adoption is **relatively low across all sectors** and Cambodia ranks **seventh** among the 10 ASEAN member states.

Acknowledging that most of the country's industry sectors have not experienced the Third Industrial Revolution (referring to the deployment of basic automation technologies), the government sees “**an opportunity to leapfrog in stages toward Industry 4.0**” through a two-pronged strategy:

1 Leveraging foreign demand and technology transfer

2 Strengthening physical and digital infrastructure

National Policy Responses to Industry 4.0

There are a variety of national policy and strategy documents which reflect an intention to strengthen the country's capacity for industry 4.0 technology adoption. These include:

- **Industrial Development Policy 2015–2025**

- **Rectangular Strategy Phase IV (2018–2023)**

- **Cambodian Information and Communications Technology (ICT) Master Plan 2020**
- **Productivity Master Plan 2020–2030**

- **Cambodia Garment, Footwear and Travel Goods [GFT] Sector Development Strategy 2022–2027.**
- **Cambodia Digital Government Policy 2022–2035**

- **National Technical and Vocational Education and Training Policy 2017–2025**

- **Cambodia Trade Integration Strategy 2019–2023**

- **Cambodia Digital Economy and Social Policy Framework 2021–2035**
- **Cambodia's Science, Technology, and Innovation Roadmap 2030.**

Ministries associated with business registration:



Working Hours:
8:00am – 5:00pm
Monday – Friday (or Saturday Morning)
48 hours/week
21 official public holidays



80% of deposits & credits
are made in **USD**.

Business Culture



Punctuality



Bargaining



Respects hierarchy

Ownership

100%

Share ownership is given to foreign investors in Cambodia.

Foreigners can own land if:

1. The company is **registered** in Cambodia.
2. Cambodians own at least **51%** of the total shares.

Selecting business entities available in Cambodia

1. Sole Proprietorship
2. Partnership
3. Limited Liability Company
 - Private limited company
 - Public limited company
 - Single-member private limited company
4. Representative office (RO)
5. Foreign branch office
6. Subsidiary

Setting up the management team

- Private Limited Company:
 - Minimum 1 director
 - 2 to 30 shareholders
 - An individual can own a single-member private limited company
- Public Limited Company:
 - Minimum 3 directors

*Note: There is no nationality restriction.

Selecting a registered agent

- A legally competent and natural person who is a resident of Cambodia
- The official papers and documents from the courts will send to the registered agent on behalf of the company.

Getting the Articles of Incorporation

- Amount of authorized capital (issuance and paid-up capital)
- Business Activities
- Period of Incorporation
- Purposes and objectives of the company
- Name
- Domicile
- Shares information
- Company's owner and board of directors or director have to copy ID or Passport (Include Address at Foreign country for foreigner) signed and picture 4*6 (file format)
- Phone number and email of the company and director
- Place and procedures for holding a general meeting of shareholders
- Procedures of appointment, replacement, and dismissal of Board of Directors (BoD)
- Procedure for the profit utilization and dividend distribution

Finding a registered office address

The company must register its address with the municipal officers.

Documents to be submitted include:

- Application Form to Mayor of Phnom Penh
- Copy of the company's articles of incorporation (for limited company)
- Copy of registration certificate
- Copy of business license from the Ministry of Commerce
- Copy of identity card or passport of the person who signed the application
- Photo of the front entrance of the office
- Land title or lease agreement

Register through the Online Registration Services

Under the Ministry of Economy and Finance (MoEF)
Cambodia Data Exchange (CamDX) System

Steps to register:

- Create an account (personal information)
- Company information (select name in another language – English)
- Reserved the company name
- The reserved name will last for 2 to 3 weeks

Price association with registration:

- Reserve the company name: KHR40,000 (2 to 3 weeks period)
- Registration process fee: KHR 2,155,000
- Payment method: In-person or online
- Registration Period: 8-10 working days (In the past: 2 to 3 weeks)

Registration in Commercial record:

- Commercial company: 1,010,000Riels
- Sole Trader company or Trader that has to register: 180,000Riels
- Company's name checking: 25,000Riels

The company will have to submit the documents to MoC, GDT, MLVT, and other relevant ministries

- Land title or lease agreement of the company's location
- Current photos (no longer than the last three months) of directors/shareholders
- National Identification card or passport of directors/shareholders
- Article of incorporation in both English and Khmer
- Reference Document (permission, special license, ...)
- Authorization letter to fill the application (for representative)

Note: Different business entities are subjected to submit additional documents that are not mentioned here upon the requests from Ministries.

MoC : Ministry of Commerce

GDT : General Department of Taxation

MLVT : Ministry of Labour, Vocational, and Training

MoEF : Ministry of Economy and Finance

1. Get the company seals from the seal maker

Submit it to the MoC for seal registration (format is given by MoC)

2. Get the documents stamped and approved

Department of Administration and General Affairs will stamp and approve the articles of incorporation and certificate of incorporation.

3. Tax Registration

- Complete the application form submitted to GDT
- Proof of paid property tax or property information of the enterprise
- Bank account information (digital form within 15 working days after tax registration)

*Company must open the bank account and deposit the initial capital into the bank to upload the bank statement stating capital has been deposited. Then, submit the digital file to the GDT within 15 working days after receiving the certificate of incorporation.

4. Notifying the Ministry of Labor, Vocational, and Training (MLVT)

- Minimum employees: 1
- Up to 8 employees require the Internal Regulations that follows Cambodian labor law including hiring, health, and safety measure, and personal leaves
- Company has the period within three months of the company's incorporation to file the internal regulations

5. Register with the National Social Security Fund (NSSF)

- Minimum employees: 1
- Send the registration of an enterprise and registration of employee forms to NSSF
- Supporting documents: certificate of incorporation, patent tax, list of employees, ID card or passport of company's representatives

Note: Employers must file monthly NSSF contributions by the 15th of every month.

Aims: Establishing an open, transparent, predictable, and favorable legal framework to attract more investors and enhance the quality and efficiency of investments.

Types of investment projects:

- Export QIPs
- Supporting Industry QIPs
- Domestically Oriented QIPs
- Expanded QIPs in any form ('EQIP' for new law)
- Guaranteed Investment Projects ('GIP' for new law) but not eligible for tax incentives

Investment Guarantee & Protection covers:

- Restitution
- Compensation
- Economic remedies for losses due to armed conflict, civil disturbance, state of emergency
- Fair treatment between domestic and foreign investors on land ownership
- Nationality
- Prohibition against price-fixing by the government
- Exchange and profit repatriation
- Intellectual Property

There are three (3) types of investment incentives in Cambodia:

Basic Incentives

- (1). - Tax on Income (ToI) exemption (3 to 9 years),
- By the end of the ToI exemption period, investors will pay ToI at the graduated rate.

Ex: 5% (1st and 2nd year),

10% (3rd and 4th year),

15% (5th and 6th year)

- Special depreciation rate, and
- The ability to deduct certain expenses using an inflated rate

- (2). Deduction of certain expenditures:

- Capital Depreciation
- Certain significant expenses at the rate of 200% for 9 years

For QIP and supporting QIP, the basic incentives include:

- (1). Custom Duty Exemption

- (2). Excise tax

- (3). VAT exemptions for importing construction equipment, materials, production exemption and materials and production inputs.

For domestic QIP, only production input exemption is not included.

Additional Incentives:

- (1) VAT Exemptions for purchasing locally produced production inputs;
- (2) Deduction of expenses of 150% (for R&D, innovation, and human resource development projects)

Special Incentives:

This incentive will grant to the investment projects that have high potential that contributes to national economic development.

For specific types of investment to receive this, it is included in the separate Law on Finance Management.

Why invest in Cambodia?

ASEAN membership offers regional trade benefits

Duty-free or preferential export access to most developed countries

WTO member since 2004 increasing trade incentives

Favorable Investment Environment

One of Asia's lowest labor costs and a dynamic workforce

Regional Comprehensive Economic Partnership (RCEP)

Special Economic Zones

- 24 operating SEZs
- 561 investment projects approved
- 160,000+ employments

SEZ Locations:

- Poipet PP Sez
- Koh Kong Sez
- Sez Phnom Penh and more

Our Team

We are delighted to be able to share with you our 2023 Cambodia Country Profile. We hope that this report can serve its purpose in providing a high-level overview on the country, with a particular focus on the economy and markets across different industries and sectors.

If you would like to learn more about PROFITENCE please feel free to visit our website or company page below:

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Our Services

PROFITENCE specializes in 5 core business growth verticals that include:

CORPORATE FINANCE CONSULTING

PROFITENCE offers a full suite of corporate finance services to assist strategic / financial investors or companies to create value through transactions and investments.

TRANSACTION ADVISORY SERVICE

PROFITENCE transaction advisory service assists high-growth, dynamic companies to navigate complex transactions, whether buying, selling, restructuring or providing capital solutions.

STRATEGY CONSULTING & RESEARCH

PROFITENCE assists clients to fine-tune their business and strategy verticals for optimal performance and achieving business objectives. Clients can rely on us to help them in solving critical business issues to thrive in an evolving marketplace.

CFO SERVICES

PROFITENCE provides services beyond finance. We assist high growth and local businesses to improve their financial model and discipline for future opportunities in an emerging market.

PREMIUM RECRUITMENT

PROFITENCE offers Premium Recruitment services to assist corporates with their key talent needs. We believe in forging sustainable matches between our clients who demand for proven professionals and talented individuals across multiple industries and varied geographies.

Our Recent Publications

Since 2020 PROFITENCE has annually produced an E-commerce Report providing an overview of the E-commerce ecosystem in Cambodia. Our 2022 E-commerce report, co-launched with the Ministry of Commerce in 2023, is a one-stop report addressing challenges, initiatives and the future of E-commerce in Cambodia. Our 2022 report includes a nation-wide consumer behavior study, E-commerce market sizing information, export readiness information, and insights from 10 key industries sourced from experts in the field.



***For more information
on our research, access
our report via link: [2022
Cambodia E-commerce
Report](#)***

Disclaimer

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