



U.S.  
COMMERCIAL  
SERVICE  
United States of America  
Department of Commerce

## U.S. Country Commercial Guides



### Cambodia 2019

## Table of Contents

<i>Doing Business in Cambodia</i> _____	5
<b>Market Overview</b> _____	5
<b>Market Challenges</b> _____	5
<b>Market Opportunities</b> _____	6
<b>Market Entry Strategy</b> _____	6
<i>Political Environment</i> _____	7
<i>Selling US Products &amp; Services</i> _____	8
<b>Using an Agent to Sell US Products and Services</b> _____	8
<b>Establishing an Office</b> _____	8
<b>Franchising</b> _____	8
<b>Direct Marketing</b> _____	8
<b>Joint Ventures/Licensing</b> _____	8
<b>Selling to the Government</b> _____	9
<b>Distribution &amp; Sales Channels</b> _____	9
<b>Express Delivery</b> _____	9
<b>Selling Factors &amp; Techniques</b> _____	9
<b>eCommerce</b> _____	9
<b>Trade Promotion &amp; Advertising</b> _____	10
<b>Pricing</b> _____	10
<b>Sales Service/Customer Support</b> _____	10
<b>Protecting Intellectual Property</b> _____	11
<b>Due Diligence</b> _____	12
<b>Local Professional Services</b> _____	12
<b>Principal Business Associations</b> _____	15
<b>Limitations on Selling US Products and Services</b> _____	18
<b>Web Resources</b> _____	18
<i>Leading Sectors for US Exports &amp; Investments</i> _____	19
<b>Best Prospect Overview</b> _____	19
<b>Education</b> _____	19
<b>Agricultural Sector</b> _____	20

<b>Pharmaceuticals, Medical Supplies, and Medical Equipment</b>	<b>21</b>
<b>Power Generation Equipment</b>	<b>23</b>
<b>Construction, Architecture, and Engineering</b>	<b>25</b>
<b>Household Goods and Appliances</b>	<b>26</b>
<b>Travel and Tourism</b>	<b>28</b>
<b>Passenger Cars, Truck and Automotive Parts</b>	<b>29</b>
<b>Fast Food, Beverage and Other Franchises</b>	<b>30</b>
<b><i>Customs, Regulations &amp; Standards</i></b>	<b>30</b>
<b>Trade Barriers</b>	<b>30</b>
<b>Import Tariffs</b>	<b>31</b>
<b>Import Requirements &amp; Documentation</b>	<b>31</b>
<b>Labeling/Marking Requirements</b>	<b>31</b>
<b>Temporary Entry</b>	<b>32</b>
<b>Prohibited &amp; Restricted Imports</b>	<b>32</b>
<b>Customs Regulations</b>	<b>32</b>
<b>Standards for Trade</b>	<b>33</b>
<b>Testing, Inspection and Certification</b>	<b>33</b>
<b>Trade Agreements</b>	<b>34</b>
<b>Licensing Requirements for Professional Services</b>	<b>34</b>
<b><i>Investment Climate Statement</i></b>	<b>36</b>
<b>Executive Summary</b>	Error! Bookmark not defined.
<b>Openness To, and Restrictions Upon, Foreign Investment</b>	Error! Bookmark not defined.
<b>Bilateral Investment Agreements and Taxation Treaties</b>	Error! Bookmark not defined.
<b>Legal Regime</b>	Error! Bookmark not defined.
<b>Industrial Policies</b>	Error! Bookmark not defined.
<b>Protection of Property Rights</b>	Error! Bookmark not defined.
<b>Financial Sector</b>	Error! Bookmark not defined.
<b>State-Owned Enterprises</b>	Error! Bookmark not defined.
<b>Responsible Business Conduct</b>	Error! Bookmark not defined.
<b>Corruption</b>	Error! Bookmark not defined.
<b>Political and Security Environment</b>	Error! Bookmark not defined.

<b>Labor Policies and Practices</b> _____	Error! Bookmark not defined.
<b>OPIC and Other Investment Insurance Programs</b> _____	Error! Bookmark not defined.
<b>Foreign Direct Investment and Foreign Portfolio Investment Statistics</b>	Error! Bookmark not defined.
<b>Contact for More Information</b> _____	Error! Bookmark not defined.
<b><i>Trade &amp; Project Financing</i></b> _____	<b>36</b>
<b>Methods of Payment</b> _____	<b>36</b>
<b>Banking Systems</b> _____	<b>36</b>
<b>Foreign Exchange Controls</b> _____	<b>36</b>
<b>US Banks &amp; Local Correspondent Banks</b> _____	<b>37</b>
<b>Project Financing</b> _____	<b>38</b>
<b>Financing Web Resources</b> _____	<b>38</b>
<b><i>Business Travel</i></b> _____	<b>39</b>
<b>Business Customs</b> _____	<b>39</b>
<b>Travel Advisory</b> _____	<b>40</b>
<b>Visa Requirements</b> _____	<b>40</b>
<b>Currency</b> _____	<b>40</b>
<b>Telecommunications/Electric</b> _____	<b>40</b>
<b>Transportation</b> _____	<b>41</b>
<b>Language</b> _____	<b>41</b>
<b>Health</b> _____	<b>41</b>
<b>Local Time, Business Hours and Holidays</b> _____	<b>42</b>
<b>Temporary Entry of Materials or Personal Belongings</b> _____	<b>43</b>
<b>Travel Related Web Resources</b> _____	<b>43</b>

**INTERNATIONAL COPYRIGHT, U.S. & FOREIGN COMMERCIAL SERVICE AND U.S. DEPARTMENT OF STATE, 2019. ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES.**

## **Doing Business in Cambodia**

### **Market Overview**

Cambodia has experienced rapid economic growth over the last decade. Cambodia's gross domestic product (GDP) has grown at around seven percent per year over the past decade, and it is expected to continue growing at a similar rate for the next several years. Cambodia's Gross National Income (GNI) per capita stood at \$1,230 in 2017, having graduated to lower-middle income status as measured by the World Bank in 2016. The country, however, remains one of the poorest in Asia. Cambodia is still reliant on foreign aid, with donor support totaling approximately 25 percent of the government's budget. Despite the strong performance of the garment, tourism, construction, and real estate sectors, Cambodia remains an agrarian country.

Since Cambodia became the first least-developed country (LDC) to join the World Trade Organization (WTO) in 2004, trade has steadily increased. The United States is Cambodia's largest single-country export destination, with approximately 20 percent of Cambodia's total exports going to the United States – primarily garment and footwear products. In 2018, Cambodian exports to the United States were valued at \$3.82 billion, an increase of 25 percent from the year before, and U.S. exports to Cambodia totaled \$447 million. Cambodia became a beneficiary of the United States' Generalized System of Preferences (GSP) in 1997, and travel goods were added to GSP in 2016. Since that time, the travel goods industry has grown rapidly, with Cambodia exporting \$392 million in travel goods to the United States in 2018.

The United States and Cambodia are signatories to a 2006 Trade and Investment Framework Agreement (TIFA) to promote greater trade and investment in both countries and to provide a forum for addressing bilateral trade and investment issues. In January 2019, the fifth TIFA meeting was held in Siem Reap. The United States and Cambodia began exploratory discussions on a Bilateral Investment Treaty (BIT) in May 2013, but the Cambodian government has not yet officially indicated interest in negotiating a BIT. Cambodia is also a member of the Association of Southeast Asian Nations (ASEAN) and the Asia Free Trade Area (AFTA).

Cambodia's economy is very open to foreign investment, but the bulk of that investment originates from China, especially in the last five years. Cambodia has not historically attracted significant U.S. investment for several reasons: the country's small market size, corruption, a limited supply of skilled labor, inadequate infrastructure (including high energy costs), and a lack of transparency in some government approval processes. China has eagerly stepped up to fill many of Cambodia's investment needs, highlighting China's desire for influence in Cambodia, and Southeast Asia more broadly. Moreover, Chinese businesses, many of which are state-owned enterprises, may not assess the challenges in Cambodia's business environment in the same manner as U.S. businesses. A frequently-cited downside risk to Cambodia's economy is its reliance on China: a slowdown in China would very likely cause Cambodia's growth to also slow.

### **Market Challenges**

There are significant challenges to doing business in Cambodia. The World Bank ranks Cambodia 138 out of 190 economies for ease of doing business, while Transparency International, which evaluates perceived levels of public sector corruption, ranks Cambodia 161 out of 180 economies.

Some of the major difficulties in the business environment include the time, costs and procedures associated with starting a business, obtaining construction permits, registering property, and enforcing contracts. Informal payments can be required for some procedures. Other obstacles include poor infrastructure and high-energy costs (Cambodia's electricity costs are among the highest in ASEAN) and under-developed human capital. Disputes over land rights and limited enforcement of intellectual property rights, including the sale of counterfeit and pirated products, also remain major concerns for U.S. companies.

## **Market Opportunities**

Cambodia offers potential business opportunities in agribusiness and food processing; tourism infrastructure and resorts; education; architecture, construction, and engineering services; household goods and appliances; used cars and automotive parts; power generation equipment and power transmission infrastructure; fast food and beverage franchises; pharmaceuticals; and medical supplies and equipment.

## **Market Entry Strategy**

Working with a local partner, such as an agent or distributor, is the most effective way to reach Cambodian consumers. A local partner can facilitate and expedite market entry through market knowledge and established networks. In Cambodia, personal relationships can be the key to successful business transactions.

## **Political Environment**

For background information on the political and economic environment of the country, please click on the link below:  
[U.S. Relations with Cambodia.](#)

## **Selling US Products & Services**

### **Using an Agent to Sell US Products and Services**

American goods and services are well regarded in Cambodia; as such, Cambodian firms are increasingly interested in becoming agents of or distributors for U.S. companies. U.S. companies should conduct due diligence on potential local partners to ensure they have the necessary credentials and qualifications to conduct business. U.S. companies should also ensure that the partnership agreements they put into place comply with Cambodian law: thoroughly documenting the rights and obligations of each party and clearly stipulating dispute resolution procedures.

### **Establishing an Office**

Cambodia's Law on Commercial Enterprise provides a comprehensive legal framework for the establishment and operation of businesses. The forms of business organization include a limited liability company, branch office, representative office, partnership, and sole proprietorship. Investors not seeking (or who are ineligible for) investment incentives (see below), must register directly with the Ministry of Commerce.

Businesses seeking investment incentives must submit an application to the Cambodian Investment Board (CIB). The CIB is an arm of the Council for the Development of Cambodia (CDC), which is responsible for accepting and reviewing applications for investment incentives pursuant to the Investment Law of 2003, as amended. Sectors eligible for investment incentives include agriculture and agro-processing, manufacturing-for-export, infrastructure development, international-standard hotels, and environmental protection activities. From the date of the application submission, the CIB has by statute three working days to issue a Conditional Registration Certificate or a Letter of Non-Compliance to investors. A Final Registration Certificate must be issued within 28 working days of the issuance of the Conditional Registration Certificate. A Final Registration Certificate may be revoked if the investor does not carry out an investment activity within six months of the receipt of all the required documents or the investor obtained a Final Registration Certificate through fraud or misrepresentation. Upon receipt of the Final Registration Certificate from the CIB, the investor should prepare registration forms for filing with the Ministry of Commerce. The Ministry of Commerce will issue the formal business license.

### **Franchising**

Cambodia's Commercial Enterprise Law has a provision that sets forth regulations covering franchises. As mentioned, American brands and products are highly regarded in Cambodia, resulting in attractive franchise opportunities. U.S. franchises in Cambodia include KFC, Burger King, Swensen's Grill and Ice Cream, Hard Rock Cafe, Krispy Kreme, Domino's Pizza, Dairy Queen, The Coffee Bean & Tea Leaf, Starbucks Coffee, Carl's Jr, and Cold Stone Creamery.

### **Direct Marketing**

Even though direct marketing is still a relatively new concept in Cambodia, techniques such as telemarketing and door-to-door sales are becoming more common. Cambodia has a highly competitive mobile market, with a very high rate of mobile access - an estimated 96 percent of Cambodians own mobile phones, with more than half of them being smart phones. Marketing to consumers via mobile phone SMS messages, through smartphone applications, and online sales are increasingly used to target younger Cambodian consumers.

### **Joint Ventures/Licensing**

There are no special laws that apply to joint ventures. Selection of a suitable joint venture partner, however, is very important and great care should be taken to screen potential partners. After entering into a local partnership, it may be difficult to dissolve the relationship without the consent of the local partner. All terms of a joint venture agreement should be clearly articulated and include provisions for dispute resolution. Joint ventures with the government exist; the government commonly holds a majority share based on a contribution of real estate, while the foreign joint venture

partner, with a minority share, brings cash or equipment to the deal. The government's ownership percentage in such joint ventures varies widely.

### **Selling to the Government**

Cambodia enacted a law on public procurement in January 2012, which codified the pre-existing patchwork of sub-decrees and other regulations governing the sector. Competitive bidding is mandatory for the purchase of goods or services worth more than \$25,000 (100 million riel).

The Cambodian government is required to seek international bids for the purchase of goods valued at over \$500,000; construction projects valued at over \$625,000; and for services valued at more than \$375,000.

Cambodia is not a signatory to the WTO Agreement on Government Procurement.

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to "Project Financing" Section in "Trade and Project Financing" for more information. [In Salesforce insert a link to the Project Financing Section of the CCG]

### **Distribution & Sales Channels**

Cambodia places minimal restrictions on foreign participation in the import/export and distribution sectors. Cambodia's retail landscape is undergoing rapid transformation. In addition to stalls and shops at traditional markets, goods are increasingly sold at small-scale Western-style shopping malls, convenience stores, and supermarkets that cater mostly to wealthy Cambodians, the urban middle class, and expatriates. Importers can apply for exclusive rights to import brand-name products from the Ministry of Commerce. Foreign investments in modern shopping malls include Aeon Mall, a Japanese venture that opened mid-2014, and Aeon Mall 2 which opened in May 2018. The total number of retail malls is expected to increase from 10 to 27 by the end of 2019.

### **Express Delivery**

International courier services are available in Cambodia through the national post office and private logistic companies. Intra-country express mail service (EMS) is not yet widely available. Mail and package delivery is commonly provided through taxi and bus services. To improve the mail delivery system in the country, state-owned Cambodia Post partnered with a private company, Kerry Worldbridge Logistics, in early 2016, to expand the coverage of its EMS service and to increase the use of the country's postal system.

### **Selling Factors & Techniques**

Approximately 80 percent of Cambodia's population lives in rural areas. The disparity in economic development between rural areas and Phnom Penh is substantial. Within Phnom Penh, billboards, leaflets, and storefront selling techniques are more common. Advertising through social media is becoming increasingly popular. In rural areas, the most effective way to reach potential consumers is through broadcast media; in particular, radio and television programming have deep penetration in rural Cambodia. Trade fairs are also an increasingly popular way to market products.

### **eCommerce**

#### **Overview**

E-commerce is relatively undeveloped compared to Cambodia's neighbors. Impediments to its development include inadequate internet infrastructure, limited audiences, delivery system challenges, and minimal credit card use. In addition, almost all transactions are settled through cash-on-delivery, raising concerns about security and costs. Other impediments include the high cost of electricity and a lack of trained ICT professionals. Some local banks have begun to issue credit cards in order to facilitate purchases made through the internet. There is a growing number of online shopping websites that cater mostly to the small number of urban consumers with access to the internet. Social media, such as Facebook, is increasingly used as a platform for online shopping and media space. A draft e-commerce law

is currently under review by the Council of Ministers, though it has not been made public. Cambodia is the only ASEAN nation that does not have eCommerce law.

### Current Market Trends

Cambodians are adopting eCommerce both as consumers and merchants, and there is significant untapped market potential in the sector fueled by exploding internet access, high smart phone penetration and a young, growing middle class. Despite the slow development of eCommerce, there is an upward trend on tech-based startups. For example, Mediaload, dubbed the Cambodian BuzzFeed, claims 8 million users per month, and attracted \$5 million in startup funding in 2019.

Cambodia's fintech sector has developed rapidly in the past several years. More Cambodians are using their smartphones for a variety of services including QR code payments, cashless money transfers between e-wallets and bank accounts, mobile phone top ups, bill payments, ride-hailing, and purchases. Pi Pay, a cashless payment platform, was launched in 2017 and has grown to over 250,000 users. Apps such as Tesjor and Nham24 allow users to order food for delivery and pay via integrated cashless payment systems.

### Mobile eCommerce

Mobile eCommerce in Cambodia has enjoyed fast growth over the past few years. Mobile internet access is affordable, with costs below the global average, and about 50% of Cambodians own a smartphone. Smartphone adoption is growing at a fast pace. Mobile money transfer options have grown rapidly in popularity, even in the countryside. Transactions for online shopping are made through mobile money transfers in this limited credit card market. Both homegrown and international ride hailing apps have been booming in urban areas, Phnom Penh, Siem Reap, and Sihanouk Ville.

### Digital Marketing

Cambodia has seen a rise of active internet users, rising to 12.5 million in 2018, to roughly 75 percent of the population, while active Facebook users number 7 million. Traditional advertising methods through mainstream media such as TV and radio are transitioning to online marketing to target younger Cambodians. Cambodia is a very young country with 70% of the population under the age of 35.

### Trade Promotion & Advertising

Local vendors use a variety of advertising methods. Promotional campaigns using coupons, lucky draws, and discounts are popular and target consumers at local markets, shops, restaurants, internet cafés, and movie theaters. Billboards are present on many streets in Phnom Penh and are used in provincial capitals as well. Small advertisement boards on tuk tuks are a low cost option for businesses that want to attract city-dwellers. Leaflets are also a popular advertising technique.

### Pricing

Most consumers are price sensitive. While American products are generally viewed as higher quality, many consumers will opt for products from China or Thailand because they are cheaper. In Phnom Penh, where government and industry are centered, prices are higher, and branded products are more popular. There is an expanding middle class, supported by the presence of numerous international organizations, diplomatic missions, and international businesses.

### Sales Service/Customer Support

After-sales service and customer support are new concepts in Cambodia. The limited supply of spare parts for some brands of automobiles, for example, has contributed to the failure of those brands to increase market share against brands with more readily available parts. Depending on the products and services, Cambodian agents, distributors, and consumers may expect after-sales services from their U.S. suppliers, including product warranties for a specified

period, training, advertising and promotion, and availability of spare parts. Providing after-sales service could be an effective method of boosting sales and winning customer loyalty.

## **Protecting Intellectual Property**

Several general principles are important for effective management of intellectual property (“IP”) rights in Cambodia. First, it is important to have an overall strategy to protect IP. Second, IP may be protected differently in Cambodia than in the United States. Third, rights must be registered and enforced in Cambodia under local laws; for example, U.S. trademark and patent registrations will not offer protections in Cambodia. There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country basically depends on the national laws of that country. However, most countries do offer copyright protection to foreign works in accordance with international agreements.

Granting patents registrations is generally based on a first-to-file basis. Similarly, registering trademarks is based on a first-to-file, so companies should consider how to obtain patent and trademark protection before introducing products or services to the Cambodian market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government cannot enforce rights for private individuals in Cambodia. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Cambodian law. The U.S. Commercial Service can provide a list of local lawyers upon request.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights in the mistaken belief that the U.S. government can provide a political resolution to a legal problem may find their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a lawsuit. In no instance should U.S. Government advice be seen as a substitute for the responsibility of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. A good partner is an important ally in protecting IP rights. Companies should carefully consider whether to permit partners to register IP rights on their behalf. Doing so may create a risk that a partner would list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Cambodia require constant attention. Work with legal counsel familiar with Cambodia laws to create a solid contract that includes non-compete clauses and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-sized companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Cambodia or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

## **IP Resource**

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or visit [Intellectual Property Rights Information & Assistance](#)
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at: **1-800-786-9199**, or visit [United States Patent and Trademark Office](#).
- For more information about registering for copyright protection in the United States, contact the U.S. Copyright Office at: **1-202-707-5959**, or visit [Copyright](#).
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, please visit the “Resources” section of the [STOPfakes](#) website.
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit [STOPfakes IPR Toolkits](#). The toolkits contain detailed information on protecting and enforcing IP in specific markets and also contain contact information for local IPR offices abroad and U.S. government officials available to assist SMEs.

The U.S. Department of Commerce has positioned IP attachés in key markets around the world. Contact details for the IP attaché who covers Southeast Asia, including Cambodia, is below.

Kitisri Sukhapinda, IP Attaché

[Kitisri.sukhapinda@trade.gov](mailto:Kitisri.sukhapinda@trade.gov)

U.S. Embassy Bangkok, Foreign Commercial Service

Room 302, GPF Witthayu Tower A

93/1 Wireless Road, Bangkok, 10330 Thailand

## **Due Diligence**

It is difficult to overstate the importance of conducting sufficient due diligence for the Cambodian market. It is critical to screen potential partners for reliability and trustworthiness and to ensure that all terms of any potential agreement are clearly articulated, including processes for dispute resolution. Companies are advised to hire international or local lawyers or professional services to assist with due diligence requirements.

## **Local Professional Services**

### **BNG Legal**

Address: No. 65B, Street 111, Sangkat Boeung Prohit, Khan 7 Makara, Phnom Penh, Cambodia

Contact person: Mr. Naryth Hour Hem, Managing Director

Tel: (+855) 92 100 094/(855) 23 217 510 (Cambodia)

Fax: (+855) 23 212 840

E-mail: [cambodia@bnglegal.com](mailto:cambodia@bnglegal.com) / [ipr@bnglegal.com](mailto:ipr@bnglegal.com)

Website: [BNG Legal](#)

### **DFDL Mekong Legal and Tax Advisers**

Address: No. 30, Norodom Boulevard, 4 Floor BRED Bank Building, Sangkat Phsar Thmey 3, Khan Daun Penh, Phnom Penh

Contact person: Mr. Guillaume Massin, Managing Director

Tel: (+855) 23 210 400

Fax: (+855) 23 214 053

E-mail: [cambodia@dfdl.com](mailto:cambodia@dfdl.com)

Website: [DFDL Mekong Legal and Tax Advisors](#)

### **Deloitte (Cambodia) Co., Ltd**

Address: Vattanac Capital Tower (8th Floor)

#66 Preah Monivong Blvd, Sangkat Wat Phnom, Khan Duan Penh, Phnom Penh

Tel: (855) 23 963 777

Fax number: (855) 23 963 778

Email: [khenquiries@deloitte.com](mailto:khenquiries@deloitte.com)

Website: [Deloitte \(Cambodia\) Ct., Ltd](#)

### **Edenbridge Asia**

Address: Norodom Blvd & Street 178, 6th Floor, Phnom Penh, Cambodia

Tel: (855) 218 257 / (855) 78 777 417

E-Mail: [info@edenbridge.asia](mailto:info@edenbridge.asia)

Website: [Edenbridge Asia](#)

### **Ernst & Young (Cambodia) Ltd.**

Address: 5<sup>th</sup> Floor, Emerald Building

No. 64, Preah Norodom Blvd, Sangkat Chey Chumneah, Khan Daun Penh, Phnom Penh

Tel: (855) 23 860 450 / (855) 23 860 451

Fax: (855) 23 217 805

E-Mail: [eykoc@kh.ey.com](mailto:eykoc@kh.ey.com)

Website: [Ernst & Young \(Cambodia\) Ltd.](#)

### **HBS Law**

Address: Levels 4 & 5, SOMA TOWER, St.120 and Preah Monivong Blvd, Sangkat Psar Thmey 2, Phnom Penh

Tel: (855)23 224 337

Fax: (855)23 224 136

Email: [info@hbslaw.asia](mailto:info@hbslaw.asia)

Website: [HBS Law](#)

**KPMG Cambodia Limited**

Address: Delano Center, 4th Floor, No. 144, Street. 169, Sangkat Veal Vong, Khan 7 Makara, Phnom Penh

Contact person: Michael Gordon, Senior Partner

Tel: (855) 23 216 899

Fax: (855) 23 216 405

E-mail: [kpmg@kpmg.com.kh](mailto:kpmg@kpmg.com.kh)

Website: [KPMG Cambodia Limited](#)

**Morison Kak & Associé**

Address: Villa No. 27, Street 440, Sangkat Tuol Tompoung 1, Khan Chamkamon, Phnom Penh,

Contact person: Mr. Key Kak, Chairman

Tel: (855) 23 218 994

Fax: (855) 23 218 993

E-mail: [mka.audit@morisonkak.com](mailto:mka.audit@morisonkak.com)

Website: [Morison Kak & Associé](#)

**PWC**

Address: No. 58C, Sihanouk Blvd, Sangkat Tonle Bassac, Chamkarmon, Phnom Penh

Contact person: Kuy Lim, Partner

Tel: (855) 23 860 606

Fax: (855) 23 211 594

E-mail: [pwc.cambodia@kh.pwc.com](mailto:pwc.cambodia@kh.pwc.com)

Website: [PWC](#)

**Sarin & Associates (Law Firm)**

Address: No. 30, Norodom Boulevard, 4 Floor BRED Bank Building, Sangkat Phsar Thmey 3, Khan Daun Penh, Phnom Penh

Contact person: Mr. Denora Sarin

Tel: (855) 23 210 400

E-mail: [sarin.associates@gmail.com](mailto:sarin.associates@gmail.com)

**Sciaroni and Associates (Legal Advisors)**

Address: No. 24, Street 462, Sangkat Tonle Bassac, Khan Chamkarmorn, Phnom Penh

Tel: (855) 23 210 225

Fax: (855) 23 213 089

Contact person: Mr. Bretton Sciaroni, Senior Partner

E-mail: [info@sa-asia.com](mailto:info@sa-asia.com)

Website: [Sciaroni and Associates](#)

### **Sok Siphana & Associates**

Address: Maybank Tower, 8<sup>th</sup> Floor, No. 43, Preah Norodom Boulevard, Sangkat Phsar Thmey 3, Khan Daun Penh, Phnom Penh

Tel: (855) 23 999 878

Fax: (855) 23 999 878

Email: [info@soksiphana.com](mailto:info@soksiphana.com)

website: [Sok Siphana & Associates](#)

### **Tilleke & Gibbins (Cambodia) Ltd.**

Address: 16th Floor, Phnom Penh Tower, #445, Monivong Blvd., Sangkat Boeung Pralit, Khan 7 Makara, Phnom Penh

Tel: (855) 23 964 210

Fax: (855) 23 964 215

Email: [cambodia@tilleke.com](mailto:cambodia@tilleke.com)

Website: [Tilleke & Gibbins \(Cambodia\) Ltd.](#)

### **VDB Loi**

Address: No. 33, Street 294 (corner of Street 29), Sangkat Tonle Bassac, Khan Chamkarmon, Phnom Penh

Contact: Mr. Potim Yun, Legal Partner and Principal, [potim.yun@vdb-loi.com](mailto:potim.yun@vdb-loi.com)

Tel: (855) 23 964 430

Fax: (855) 23 964 154

Website: [VDB Loi](#)

### **Principal Business Associations**

Below is the listing of principle business associations in Cambodia.

#### **American Chamber of Commerce Cambodia**

Address: SINET Building, 2<sup>nd</sup> Floor, 93 Preah Sihanouk Boulevard, Phnom Penh

Contact: Mr. Erich Phillips, Executive Director

Tel: (855) 15 255 191

E-mail: [ed@amchamcambodia.net](mailto:ed@amchamcambodia.net)

Website: [American Chamber of Commerce Cambodia](#)

### **Cambodia Chamber of Commerce**

Address: No. 7D, Russian Blvd, Sangkat Tek Laok I, Khan Toul Kork, Phnom Penh

Tel: (855) 23 880 795

Fax: (855) 23 881 757

E-mail: [info@ccc.org.kh](mailto:info@ccc.org.kh)

Website: [Cambodia Chamber of Commerce](#)

### **Young Entrepreneurs Association of Cambodia**

Address: Vtrust Office Center, 4<sup>th</sup> Floor, Sangkat Mithapheap, Khan 7 Markara, Phnom Penh

Tel: (+855) 16 999 762

Email: [yeac@yeacambodia.org](mailto:yeac@yeacambodia.org)

Website: [Young Entrepreneur Association of Cambodia](#)

### **Cambodia Constructors' Association**

Address: Canadia Tower, 11<sup>th</sup> Floor, No. 315, Preah Monivong Blvd, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh

Tel: (855) 23 868 222 (connect to 81 202)

Fax: (855) 23 988 828

Email: [secretariatcca@yahoo.com](mailto:secretariatcca@yahoo.com)

Website: [Cambodia Constructors' Association](#)

### **Cambodia Federation of Employers and Business Associations (CAMFEBA)**

Address: No. 3, Street 528, Sangkat Boeung Kak I, Khan Toul Kork, Phnom Penh

Contact: Van Sou Ieng, President

Tel: (855) 23 230 022 / (855) 23 230 023

E-mail: [camfeba@camfeba.com](mailto:camfeba@camfeba.com)

Website: [Cambodia Federation of Employers and Business Associations](#)

### **Cambodia Hotel Association**

Address: No. 23, Street 139, Academy of Culinary Arts Building, Sangkat Veal Vong, Khan 7 Makara, Phnom Penh

Contact: Ms. Mao Thida

Tel: (855) 76 222 8884

E-mail: [info@cambodiahotelassociation.com.kh](mailto:info@cambodiahotelassociation.com.kh)

Website: [Cambodia Hotel Association](#)

### **Cambodia Association of Travel Agents**

Address: No. 65, Street 240, Sangkat Chaktomuk, Khan Daun Penh, Phnom Penh

Tel: (855) 23 212 421

Fax: (855) 23 216 212

E-mail: [cata@online.com.kh](mailto:cata@online.com.kh)

Website: [Cambodia Association of Travel Agents](#)

### **Cambodia Restaurant Association**

Address: No. 23, Street 139, Academy of Culinary Arts Building, Sangkat Veal Vong, Khan 7 Makara, Phnom Penh

Contact: CRA Secretariat

Tel: (855) 76 222 8886

Email: [info@cambodiarestaurantassociation.com.kh](mailto:info@cambodiarestaurantassociation.com.kh)

Website: [Cambodia Restaurant Association](#)

### **Cambodia Women Entrepreneur Association**

Address: No. 274, Samdech Sothearos Blvd, Phnom Penh Center, Building H, Sangkat Tonle Bassac, Khan Chamkarmorn, Phnom Penh

Tel: (855) 23 224 346

Email: [info@cweacambodia.com](mailto:info@cweacambodia.com)

Website: [Cambodia Women Entrepreneur Association](#)

### **Garment Manufacturers Association in Cambodia**

Address: Phnom Penh Special Economic Zone, Trapeang Kul Village, Sangkat Kantouk, Khan Porsenchey, Phnom Penh

Contacts: Dr. Ken Loo, Secretary General

Tel: (855) 23 301 181 / (855) 23 622 8888

E-mail: [info@gmac-cambodia.org](mailto:info@gmac-cambodia.org)

Website: [Garment Manufacturers Association in Cambodia](#)

### **U.S.-ASEAN Business Council**

Address: 1101 17th Street NW, Suite 411, Washington, D.C., 20036

Contact: Mr. Jack Myint

Tel: (1) 202 289 1911

E-mail: [jmyint@usasean.org](mailto:jmyint@usasean.org)

Website: [U.S.-ASEAN Business Council](#)

## **EuroCham Cambodia**

Address: No. 30, Preah Norodom Blvd, Bred Bank Building, Khan Daun Penh, Phnom Penh

Tel: (855) 23 964 141

E-mail: [info@eurocham-cambodia.org](mailto:info@eurocham-cambodia.org)

Website: [EuroCham Cambodia](#)

## **Limitations on Selling US Products and Services**

Cambodians are price sensitive. While U.S. products are viewed positively in term of quality, prices may put them out of reach for many Cambodian consumers. High prices are unfortunately exacerbated by costs related to inadequate infrastructure and corruption.

Professional ethics, standards, and social responsibilities are slowly emerging in Cambodia and generally only practiced by recognized international brands. Local companies and distributors are often not fully aware of and do not strictly comply with international standards. U.S. companies and service providers should account for the need to train local partner companies to abide by international standards in ethics and social responsibility.

## **Web Resources**

[World Bank: Doing Business in Cambodia](#)

[Cambodian Postal Service](#)

[Telecom Cambodia – Cambodian Telephone Service](#)

[The Phnom Penh Post](#)

[The National Bank of Cambodia](#)

[The Cambodia Microfinance Association](#)

[The Association of Banks in Cambodia](#)

[Transparency International Cambodia](#)

Most U.S. businesses in Cambodia are franchises, primarily restaurants and food chains. Below are web resources for U.S. products and services in Cambodia.

Food Chains:

[Burger King](#)

[Carl's Jr., Cambodia](#)

[Coffee Bean and Tea leaf](#)

[Cold Stone Creamery](#)

[Dairy Queen Cambodia](#)

[Dominos Pizza](#)

[KFC](#)

[Krispy Kreme Donuts Cambodia](#)

[Hard Rock Cafe](#)

[Starbucks Coffee](#)

[Swensen Ice Cream](#)

Other U.S. companies:

[General Electric International](#)

[Microsoft MDP Cambodia](#)

[Chevron Overseas Petroleum Cambodia](#)

[CBRE Group Inc. Cambodia](#)

[Cambodia Beverage Company Cambodia](#)

[Hometop Do it Best AMR](#)

[Chevrolet Cambodia](#)

[Ford Cambodia](#)

[Kohler in Phnom Penh](#)

## **Leading Sectors for US Exports & Investments**

### **Best Prospect Overview**

Some of the best prospective sectors in Cambodia include education, agriculture and food processing, architecture and construction services, household goods and appliances, fast food and restaurant franchises, pharmaceutical, medical supplies and medical equipment, tourism, automobiles, and energy.

### **Education**

#### *Overview*

Demand for education services is very high, since 42% of the population is under the age of 20. Many Cambodians recognize the importance of education in securing better employment opportunities. Higher education in Cambodia is growing rapidly with considerable private sector and international-donor investment. Quality and diversity, however, remain low, particularly with respect to vocational training. A common complaint among local companies is the difficulty of finding well-qualified employees, particularly for technical positions or those requiring vocational skills. Cambodian private universities are looking for international partners to increase the quality and competitiveness of their courses.

#### *Sub-Sector Best Prospects*

There is significant demand for all types of education. NGOs provide useful vocational training for underprivileged Cambodians to join the work force, but professional vocational training targeted at mid-level workers is particularly underdeveloped. Cambodians are eager to learn, and U.S.-sourced education is very highly regarded in all fields.

English-language training is also an increasingly attractive prospect. The option for school or university study abroad is available to a small but growing number of Cambodians.

#### *Opportunities*

Significant commercial opportunities exist in vocational, specialized, pre-school, elementary, secondary, and post-secondary education sectors.

#### *Web Resources*

[Ministry of Education, Youth, and Sport](#)

[IDP Education Cambodia](#)

	2015	2016	2017	2018	2019 (Forecast + 20%)
Total Imports*	52,352	64,545	70,999	91,758	110,109
Imports from the U.S.*	9,425	10,500	11,550	24,383	29,260
Exchange Rate: 1 USD	4,000 riel				

\*USD thousands

Total Imports = Number of Cambodian students studying overseas x average cost of living and tuition fees per year

*Data Source:* Unofficial estimates based on data from IDP Education (Cambodia).

UNESCO institute for statistics

*Note:* Estimated average cost of living and tuition fees in developed countries (US, Australia, New Zealand, UK, and Canada) = \$32,000/year.

Estimated number of students studying abroad =

6,673 out of which around 2,257 are studying in the 5 above mentioned developed countries.

Number of students studying in the U.S. (2018) = 659

## **Agricultural Sector**

### *Overview*

Eighty percent of Cambodia's population resides in rural areas, and around 37 percent of the total workforce was directly engaged in the agriculture sector in 2017. The primary agricultural commodity is rice. Other major crops include cassava, maize, mung bean, and soybean. As a matter of policy, the Cambodian government encourages investment in agriculture, diversification of agricultural products, and investment in improved irrigation and water control. The sector accounted for approximately 23.5 percent of GDP in 2018. The Cambodian government set a goal of exporting one million tons of milled rice by 2015, but actual exports totaled only 538,396 tons. In 2018, 626,225 tons of milled rice was exported. Most of the current demand for water pumps, well-drilling machines,

tractors, tilling equipment, rice milling, drying, and packaging equipment, fertilizers, insecticides, and seed comes from private agribusiness investors and NGOs.

The government of Cambodia’s Industrial Development Policy 2015-2025, launched in 2015, included the goals of reducing logistics and electricity costs in food processing.

*Sub-Sector Best Prospects*

There is significant potential to expand the production and processing of high yield varieties of rice, cassava, sugarcane, and other crops. Several investment projects in mango and vegetables are underway.

*Opportunities*

Higher quality seeds, fertilizers, and other agricultural inputs and new technology – such as spraying machines, pest identification drones, cold storage systems, and other equipment and training – would greatly benefit the agriculture sector, which is only slowly becoming modernized. The presence of an increasing number of plantations also creates opportunities for the establishment of processing plants to add value to basic products for export and domestic consumption. With Cambodia trying to diversify its export market, food safety technology has been in great demand. With limited application of the Sanitary and Phyto-Sanitary (SPS) measure, a significant number of Cambodian products continue to be excluded from export markets due to poor hygiene in handling or other contaminations.

*Web Resources*

[Ministry of Agriculture, Forestry, and Fisheries](#)

[Ministry of Industry and Handicraft](#)

[Council for the Development of Cambodia](#)

[Cambodia Rice Federation](#)

<b>Rice Production and Exports</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 (Forecast)</b>
Total Paddy Rice Surplus for Export	4,649,702	5,110,000	5,560,000	5,772,760	5,992,125
Total Rice Surplus for Export	2,975,809	3,270,400	3,560,000	3,752,294	3,954,918
Total Export of Milled Rice	538,396	542,144	635,679	626,225	650,000

Unit: In Tons

Data Sources: Ministry of Agriculture, Forestry and Fisheries, Cambodian Rice Federation and Mekong Oryza

Note: Figure for 2018 is an unofficial estimate

## **Pharmaceuticals, Medical Supplies, and Medical Equipment**

Overview

Only companies licensed by the Ministry of Health may import drugs, medical supplies, or medical equipment. As of June 2018, there were 2,516 registered pharmacies, 405 drug import/export companies and branches, and 19 medical manufacturing institutions in Cambodia. In addition to the formal market, there is a gray market of smuggled pharmaceuticals that are often counterfeit.

#### Sub-Sector Best Prospects

The Ministry of Health is the single largest purchaser of drugs, medical supplies, and medical equipment, but the proportion of healthcare provided by the private sector is increasing. A number of new private hospitals and clinics have opened in the past few years, and more are expected in the future, offering potential opportunities for sales of medical supplies and medical equipment. Health insurance targeting the growing middle class would fill an unmet demand, as poorer populations are increasingly targeted by government and nongovernmental organization healthcare, and wealthier populations purchase policies from international insurance companies. The middle class, by contrast, has relatively few options for reliable insurance.

#### Opportunities

Since U.S.-made drugs and medical equipment are well perceived here, there is great potential for increasing market share. Local major pharmaceutical importers are eager to import U.S.-made products, and Cambodian consumers are keen to receive high-quality treatment offered by American medical products.

#### Web Resources

[Ministry of Health](#)

[Medicam](#)

Department of Drugs and Food: <https://www.ddfcambodia.com/>

<b>Import of Medicines</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Total imports	104,876	119,353	123,266
Exchange Rate: 1 USD	4,000 riel	4,000 riel	4,000 riel

Unit: USD thousands

Data Source: Ministry of Economy and Finance

#### Number of Product Registrations **by 2017**

<b>Categories</b>	<b>New Registrations</b>	<b>Renewal Registrations</b>	<b>Total</b>
Health supplements	225	34	259
Medical devices	471	129	600

Modern medicine	1,499	729	2,228
Reagents	109	157	266
Traditional medicine	71	38	109
<b>Total</b>	<b>2,375</b>	<b>1,087</b>	<b>3,462</b>

Data Sources: Ministry of Health

Number of Registrations by Type from 1994 to 2017

<b>Type of Registration</b>	<b>Total</b>
Modern medicine	15,304
Traditional medicine	474
Health supplements	1,156
Medical devices	2,087
Reagents	783
<b>Total registrations</b>	<b>19,804</b>

Data Sources: Ministry of Health, Department of Drugs and Food Note: The figure includes new registrations and renewals

## **Power Generation Equipment**

### *Overview*

Electricity prices in Cambodia are among the most expensive in the region due to a shortage of integrated high-voltage transmission systems and the high cost of imported diesel fuel. Power in provincial cities is more expensive and less reliable than the supply in Phnom Penh. In very remote rural areas, the only source of electricity may be a small portable generator. However, the government of Cambodia has set a goal of electrifying all villages by 2020 and connecting at least 70% of all households to grid-quality electricity by 2030.

There are two types of licensees in Cambodia. Independent Power Producers have licenses to generate and sell electricity to suppliers or industries according to Power Purchase Agreements with that supplier or industry.

Consolidated Licensees have generation licenses to transmit, dispatch, distribute, and sell electric power to the consumers.

In 2018, 2,208 megawatts (MW) of power was produced domestically, and 443 MW of power was imported from Thailand, Vietnam, and Laos. The EAC (Electricity Authority of Cambodia) predicts that 2,428 MW of electricity will be generated in 2019. Power demand forecasts for 2019 is at 2,648MW.

In April 2017, General Electric (GE) signed its first ever power agreement in Cambodia to supply boilers, electrostatic precipitators, and steam turbine generation systems for a 135MW coal plant being built by Toshiba Plant Systems and Services Corporation.

Cambodia currently generates 272MW of its energy through oil-powered electricity plants, 660MW through coal-fired plants, 1,330MW through hydropower plants, and 164MW through renewables.

#### *Sub-Sector Best Prospects*

There is tremendous demand in Cambodia for diesel generators as backup power, on-site power plants, and power generation in rural areas not served by public utilities. Almost 100 percent of households in urban areas are electrified, while the figure is approximately 80 percent for rural households. As with other types of infrastructure development, the government has only limited funding for power generation projects, but U.S. suppliers should check the ED, World Bank and ADB websites regularly for potential new projects in the energy sector. The Cambodian government has stated that it is amenable to private ownership and private financing of power plants and that it is seeking \$3 billion in investment over the next 10 years. Some build-operate-transfer hydropower deals have already been concluded. Major sources of local power generation are hydro, coal, and a limited amount diesel, wood, and biomass. In addition to local power generation, Cambodia also buys electricity from neighboring countries, especially during the dry season.

#### *Opportunities*

Opportunities exist for power generation and transmission equipment in cooperation with international donors or private companies.

#### *Web Resources*

[World Bank](#)

[Asian Development Bank](#)

[Ministry of Mines and Energy](#)

[Electricité du Cambodge](#)

[Electricity Authority of Cambodia](#)

## Construction, Architecture, and Engineering

### Overview

Cambodia is in the process of rehabilitating and expanding its infrastructure, principally with assistance from international donors. Given the current poor condition of the country's infrastructure, construction and engineering services will be in high demand for the foreseeable future. Public works and transportation, including the road network, are a high priority for the Cambodian government. The total investment in infrastructure in Cambodia is estimated to be in the range of \$12 billion to \$16 billion from 2013 to 2022. Infrastructure investment is generally state-led and mostly financed by foreign aid. In addition to infrastructure construction, Cambodia has witnessed a major boom in residential and commercial construction over the last decade. Numerous residential and commercial development projects are underway, such as mixed-use towers, shopping malls, and suburban commercial-residential developments.

In 2018, approved residential and commercial development projects (excluding mega projects of \$1 billion or more) increased by 14 percent to \$4.6 billion<sup>1</sup>. By the end of the first quarter of 2018, condominium supply had increased to close to 10,000 units, rising approximately 14% over the first quarter of 2017; by the end of 2018, number of condominium supply is expected to exceed 20,000 units. Sihanoukville has become a newly emerging high-rise construction area, with approval numbers totaled 238 buildings in 2018, up from 188 buildings in 2017. Sihanoukville, together with Phnom Penh, accounts for 1,217 buildings of five stories and above.

According to the World Bank's economic update report on Cambodia, the construction sector created around 200,000 jobs in 2016, a 33.3 percent year-on-year increase. Wages of skilled construction workers range from \$300 to \$450 a month.

<b>Construction Projects</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Total Value of Approved Construction Projects	5,256,120	6,798,663	5,755,070
Construction materials imported	548,000	621,000	954,000
Exchange Rate: 1 USD	4,000 riel	4,000 riel	4,000 riel

Unit: USD thousands

Data Sources:

Approved construction projects: 2018 Annual Report, Ministry of Land Management, Urban Planning and Construction

Construction materials imported: Ministry of Economy and Finance

### Leading Sub-Sectors

The Japanese government, World Bank, Asian Development Bank (ADB), and the Chinese government are especially active in road, bridge, and railway construction in Cambodia. The Cambodian government has also offered Build-

---

<sup>1</sup> World Bank Eco Update May 2019

Operate-Transfer (BOT) concessions to several companies to rehabilitate portions of Cambodia's badly degraded national highway system. Cambodia is also eager to upgrade its provincial airports. Because there are limited funds in the national budget to pursue such projects, Cambodia has offered BOT concessions for renovating provincial airports as well.

The Chinese government has provided funds to build a new, larger national stadium on 80 hectares on the outskirts of Phnom Penh to host major sporting events, including the Southeast Asian Games. This project includes the stadium itself as well as water systems, electrification, drainage systems, a safari park, an international-standard parking garage, a world-class golf course with 36 holes, and five-star hotels.

Numerous commercial and residential projects in Phnom Penh are under construction or near completion. However, an expected oversupply of residential units has led to the slowdown of new projects. Total year-over-year approved construction investment dropped by 15% to \$5.8 billion in 2018.

The establishment of several special economic zones (SEZs) presents numerous opportunities for development of power, water, and road infrastructure within these areas. Intended to attract manufacturing and export-oriented companies, SEZs are located near the borders of Thailand and Vietnam and in Phnom Penh, Sihanoukville, and Kampot.

The main sources of foreign expertise and construction materials for large commercial and residential projects are currently from Korea, Thailand, Vietnam, and China, but high-quality American materials and fixtures are sought by Cambodia's urban and foreign residents.

#### *Opportunities*

Prospects exist in road and commercial construction working with international donors and private companies. Construction materials and heavy construction machinery are also needed to support this sector.

#### *Web Resources*

[World Bank](#)

[Asian Development Bank](#)

[Ministry of Public Works and Transport](#)

[Ministry of Land Management, Urban Planning and Construction](#)

[Council for the Development of Cambodia](#)

[Phnom Penh Municipality](#)

[Cambodian Valuers and Estate Agents Association](#)

[Cambodia Construction Association](#)

[Knight Frank real estate Consultancy Company](#)

## **Household Goods and Appliances**

### *Overview*

An increasing number of Cambodia's urban residents are willing to pay for quality products. Cambodia's emerging middle class also increasingly demands higher levels of comfort and convenience. Anecdotal evidence from shopping mall outlets indicates a growing demand for new and innovative products to increase the quality of life for Cambodians.

<b>Imports Items</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Electrical equipment	610,289	1,111,174	1,169,459
Ceramic products	103,458	195,207	197,850
Furniture, bedding, mattresses, mattress support, cushions, and similar stuffed furnishings	94,503	106,324	114,887
Glass and glassware	38,757	46,438	54,778

Unit: Unit: USD thousands

Data Source: International Trade Center, List of Products Imported by Cambodia

Note: Data is based on partner reported data (Mirror data).

*Leading Sub-Sectors*

Numerous American food and consumer products, from condiments to cleansers, are available in Phnom Penh’s expanding number of supermarkets. Kohler Sanitary Wares and Do It Best Corp. officially opened retail outlets in December 2014 and January 2015, respectively, in Phnom Penh. Ashley Furniture opened in 2017. U.S. market chain Circle K also opened in Phnom Penh in early 2018, and has expanded to include several locations around the city. Because of Cambodia’s tropical climate, there is significant demand for air conditioning equipment, and several U.S. brands are available in Cambodia. The most popular models are split units with remote control features. Very few buildings have central air conditioning, but there is a market for industrial-scale equipment in Cambodia’s garment and footwear industries. High electricity and fuel costs mean that energy efficiency is a strong selling point for any type of appliance in Cambodia.

*Opportunities*

Domestic water purification equipment, refrigerators, washing machines, air conditioning equipment, and energy-efficient household appliances are all in demand. There is an increasing appetite for luxury consumer goods including home furnishings among those with sufficient disposable income.

*Web Resources*

- [Aeon Mall](#)
- [Lucky Market Group](#)
- [Sorya Center Point](#)
- [Sovanna Shopping Center](#)

## Travel and Tourism

### *Overview*

The tourism industry in Cambodia has matured quickly over the past few years due to political and economic stability and a dramatic increase in the number of Chinese tourists to Cambodia. The number of foreign arrivals reached 6.2 million in 2018, according to press reports, bolstered by a large increase in Chinese tourists. The majority of tourists are attracted to the historical/cultural complex of Angkor Wat, but an increasing number of tourists are also visiting the beaches in the southern town of Sihanoukville. In 2018, annual revenue generated from the sector was estimated to reach \$4 billion.

<b>Tourism Inflows</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Number of International Tourists	4,775,231	5,011,712	5,602,157	6,200,000 *
Number of American Tourists	217,510	238,658	256,544	275,000 *
Total Tourism Receipts	3,012,000	3,212,000	3,638,000	4,000,000 *

Unit: USD thousands

Data Source: Ministry of Tourism. \*Official statistics for 2018 have not yet been published. Estimates shown.

### *Leading Sub-Sectors*

The government expects tourism to continue to increase as new attractions open in different parts of Cambodia. The airport in the southern coastal town of Sihanoukville was recently expanded and upgraded to accommodate larger aircraft for Chinese visitors, and the government has approved many resort development projects by international and Cambodian developers for the country's islands, southern coastline, and mountain areas. Costing close to \$1 billion and located on a 750 hectare property, a new international airport in Siem Reap province started in March 2018. In January 2018, the government has approved the construction of a new airport outside of Phnom Penh with a cost of around \$1.5 billion. The government is also looking to open up more of the country to eco-tourism, capitalizing on natural resources such as mountains, rivers, lakes, waterfalls, and rare animal species like the Mekong dolphin.

### *Opportunities*

Collectively, these developments present good market opportunities for U.S. companies to develop resorts or tourist attractions and to supply tourism-related products or infrastructure.

### *Web Resources*

[Ministry of Tourism](#)

[Ministry of Land Management, Urban Planning and Construction](#)

[Council for the Development of Cambodia](#)

[Cambodia Association of Travel Agents](#)

[Cambodia Hotel Association](#)

## Passenger Cars, Truck and Automotive Parts

### Overview

With Cambodia's growing prosperity, automobile ownership is rapidly increasing. The vast majority of cars are imported second-hand vehicles. The most popular models are four-wheel-drive vehicles and mid-sized Japanese sedans. All car imports must be left-hand drive. The total annual value of imported vehicles, motorcycles, and parts increased by 39.5 percent to reach \$1, 616 million in 2018. Around 54,000 cars are sold annually in Cambodia, but more than 80 percent of those cars are imported used vehicles, which makes the new vehicle market quite small. The United States appears to be the largest supplier of used vehicles in Cambodia. In 2016, U.S. exports of motor cars and motor vehicles to Cambodia was valued at \$38.77 million, accounting for 10 percent of the total export of U.S. automobile products. A number of companies sell used and new cars in Phnom Penh. Ford and Chevrolet have local dealerships. **Annual sales of passenger cars and parts from the U.S. to Cambodia increased by 47 percent to \$225 million in 2014.** The market also supports Mercedes, Sanyong, Great Wall Motor, Hyundai, BMW, and Peugeot dealers as well as representatives of major Japanese companies including Toyota, Honda, Nissan, Subaru, Mitsubishi, and Mazda. In early January 2013, a private Cambodian company, Heng Development Company, launched its electric car, the Angkor EV 2013. With growing income levels, new cars are gaining in popularity in the country. BMI research of the U.K in 2017 forecasted that new car sales in Cambodia will grow at an average rate of 16.6 percent over the next five years.

<b>Import of Vehicles, Motorbikes and Parts</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Total imports (value)	1,028,000	1,158,000	1,616,000
Exchange Rate: 1 USD	4,000 riel	4,000 riel	4,000 riel

Unit: USD thousands

Data Source: Ministry of Economy and Finance

Automobile parts and accessories from the United States are available in Cambodian markets, particularly for Ford and General Motors vehicles. Limited availability of parts for other makes and models has led customers to choose Toyota vehicles because parts are available and affordable. As with other products, U.S. auto parts have a reputation for quality and attract a higher price than parts produced in Thailand, Taiwan, or other Asian countries.

### Opportunities

Further opportunities exist in used cars, accessories, and spare parts.

### Web Resources

[Ministry of Public Works and Transport](#)

[Automobile Association of Cambodia](#)

## Fast Food, Beverage and Other Franchises

### Overview

Cambodia's growing urban middle class, supplemented by a significant expatriate community, increasingly frequents restaurant franchises. A few local "mom and pop" eateries emulating U.S.-style fast food restaurants are popular and busy, such as doughnut and hamburger establishments. In 2005, Thailand's The Pizza Company opened the first international-standard pizza business in Cambodia, and the company has done well. In 2008, Swensen's and KFC opened their first outlets, and both are expanding throughout the country. Dairy Queen and Burger King have also entered the Cambodian market. The Hard Rock Cafe opened a franchise in Siem Reap in 2014 and in Phnom Penh in December 2017. In 2015, Domino's Pizza and Starbucks coffee opened franchises in Phnom Penh. Krispy Kreme Doughnut launched its first shop in Phnom Penh in May 2016. Carls' Jr and Cold Stone Creamery opened outlets in Phnom Penh in 2016. Franchises of Circle K and ChemDry cleaning service entered Cambodian market in 2018. Other foreign food and restaurant franchises present in Cambodia are from Singapore, Taiwan, Korea, Thailand and Australia.

### Sub-Sector Best Prospects

Major American soft-drink companies have bottling plants in Phnom Penh. Cambodia's air and land links to Thailand and Vietnam make it easy for local restaurants to secure adequate supplies of fresh ingredients that meet Western standards, and the government offers generous investment incentives in the agricultural sector, which would potentially be available to any franchise interested in local production.

### Opportunities

Significant opportunities exist in the range of fast food/drink options from hamburgers to coffee shops to mid-range restaurant franchise chains. There may also be market potential for establishments that offer casual sit-down dining in Phnom Penh.

### Web Resources

[The Cambodia Restaurant Association](#)

[Lucky Market Group](#)

Imports of Food and Beverage	2014	2015	2016
Food and ingredients	171,881	213,137	262,542
Beverages	93,325	181,749	181,431
Exchange Rate: 1 USD	4,000 riel	4,000 riel	4,000 riel

Unit: USD thousands

Data Source: Ministry of Economy and Finance

## Customs, Regulations & Standards

### Trade Barriers

In compliance with ASEAN automotive product regulations, the Ministry of Industry and Handicrafts published a technical regulation (Prakas 150/MIH 2016) on July 15, 2016 on manufactured vehicles, adopting EU-based technical

regulations (UNECE 58 Agreement Regulations). The regulation allows Cambodia to fully recognize and allow imports of automobile vehicle from European Union countries but does not allow for the acceptance of U.S. motor vehicle safety and environmental regulations.

### **Import Tariffs**

There are three types of import duties and taxes in Cambodia: (1) customs import duties with an ad-valorem rate, (2) a special tax for certain goods, and (3) a value added tax (VAT). All imports are subject to a 10 percent flat VAT, but certain imports receive special preferences, such as under the ASEAN Free Trade Area (AFTA). The following items are exempt from import duties (other than the VAT): agricultural equipment and inputs, school materials and equipment, pharmaceutical products (with HS code 30), and sporting goods.

A complete listing of tariff rates can be found in the Customs Tariff of Cambodia 2017 report, which is available for purchase at the General Department of Customs and Excise (GDCE). The online database of the GDCE also provides search options for tariff rates by the Eight AHTN code or commercial description. Additional regulations on tariff rates can be requested electronically through the Ministry of Economy and Finance homepage.

[General Department of Customs and Excise website](#)

[Ministry of Economy and Finance website](#)

### **Import Requirements & Documentation**

Cambodia adopted a new Customs Law in June 2007 to bring it into conformity with the terms of GATT/WTO Codes on Customs Valuation. It became the 155th member of the World Customs Organization (WCO) in June 2011. The GDCE requires importers and exporters to lodge declarations accompanied by such documents as a bill of lading/airway bill, packing list, invoice, proof of insurance, inspector report of finding, if applicable, and other documents as required. In recent years, Cambodia has made substantial progress in reforming and modernizing its import, export, and transit operations, including by streamlining and harmonizing customs procedures with international standards. The government has encouraged the use of a single administrative document (SAD) system and one-stop service mechanism to facilitate trade and risk management. Under the one-stop-service mechanism, there is only one inspection by the inter-ministerial joint body, which streamlines customs procedures and reduces bureaucracy and paperwork requirements. However, in practice, bureaucracy and other delays remain in the customs system. The Automatic System for Customs Data (ASYCUDA) is now in operation at all international checkpoints to facilitate customs procedures as part of the country's one-stop service implementation.

These reforms have contributed to Cambodia's improved World Bank Logistics Performance Index ranking from 83rd in 2014 to 73rd in 2016. As part of ASEAN economic integration, Cambodia is also working to establish a "National Single Window," an automated solution combining different border agencies into one electronic platform for use by traders and businesses. Other programs created to facilitate international trade flows include: the Best Trader Program and Authorized Economic Operator (AEO) to provide special treatment for highly compliant traders; exemption management regimes to allow for different types of duty and tax exemptions of imported goods; implementation of the ASEAN trade in goods agreement (ATIGA) to eliminate import tariff duties on all products originating from ASEAN country members by 2015 (with flexibility to 2018); and the Custom-Private Sector Partnership Mechanism (CPPM), which was established in 2009 to promote a transparent investment climate and to encourage private sector compliance with the law and regulations and trade facilitation.

For details on import and export clearance procedures, please visit the [General Department of Customs and Excise of Cambodia](#) website.

### **Labeling/Marking Requirements**

Labels or marks are not mandatory for all imports; however, products need to have their labels certified and registered with relevant ministries before importing into Cambodia. Labels for different products are regulated and certified by

different ministries. Suppliers of products that could harm public health or safety are also required to certify that the products comply with the standards set by the Institute of Standards of Cambodia (ISC). Mandatory standards required by the ISC apply to electrical and electronic products, for example. The ISC is charged with drafting and issuing regulations, while the Cambodia Import-Export Inspection and Fraud Repression Directorate General (CamControl) in the Ministry of Commerce is charged with providing pre-approval notice of regulated products.

More information on labeling and marking requirements can be found on the [Institute of Standards of Cambodia](#) website.

Additional information about CamControl can be found at [The Cambodia Import-Export Inspection and Fraud Repression Directorate-General](#) website.

A list that consolidates eleven export-screening lists of the Departments of Commerce, State and the Treasury into a single search as an aid to industry in conducting electronic screens of potential parties to regulated transactions is available here at [Consolidated Screening List API](#).

## **Export Controls**

### **Temporary Entry**

A certain number of goods may be temporarily imported. These commodities need to be re-exported within one year from the date of importation. This period could be extended by the customs administration if a written request with a reasonable purpose is submitted before the expiry date. The commodities may be granted partial or full exemption from payment of import duties and taxes. Importers should contact the General Department of Customs and Excise to ensure re-exportation within the specified period. The Customs administration may require the importers to pay a security deposit to guarantee import taxes and duties, which is not to exceed the amount of taxes and duties of taxed imports.

Additional details on temporary entry can be found at the [General Department of Customs and Excise's website](#).

### **Prohibited & Restricted Imports**

Cambodia currently prohibits the commercial importation of the following products: narcotics, psychotropic substances and their precursors, toxic waste and poisonous chemicals and substances, and certain pesticides. Government regulations also prohibit the import of used computers and spare parts, household waste (discarded from dwellings, public buildings, factories, markets, hotels, business buildings, restaurants, transport facilities, recreation sites, etc.), and hazardous waste (for example, PCB waste from discarded air conditioners). To curb the spread of avian influenza, Cambodia created and implemented more stringent quality control and inspection of poultry imports. Certain imports are subject to quantitative restrictions, and importers of these products are required to seek approval from relevant government ministries or technical agencies. Import permits or licenses are required from relevant government agencies depending on the nature and type of the imported commodity. Import licenses are required for firearms and pharmaceuticals. Firearm import licenses can be obtained from the Ministry of Interior, while pharmaceutical licenses can be obtained from the Ministry of Health. Other special requirements apply to imports of food products and pharmaceuticals: food products must have a 50 percent minimum remaining shelf life at the time of inspection, and pharmaceuticals must have a minimum 18 months remaining shelf life at the time of inspection.

[Ministry of Interior](#)

[National Laboratory for Drug Quality Control, Ministry of Health](#)

### **Customs Regulations**

The government adopted a Customs Law and issued an implementing sub-decree on the promulgation of lists of prohibited and restricted goods in 2007. Further details on customs regulations can be found at:

General Department of Customs and Excise

No. 6-8, Norodom Blvd., Phnom Penh.

Tel & Fax: (855) 23 214 065.

E-mail: [info-pru@customs.gov.kh](mailto:info-pru@customs.gov.kh)

Website: [General Department of Customs and Excise](#)

## **Standards for Trade**

### Overview

Cambodia adopted the Law on Standards of Cambodia in 2007 to improve the quality of products, services, and management; raise and rationalize production efficiency; ensure fair and simplified trade; rationalize product use; and enhance consumer protection and public welfare. Several government bodies and agencies share oversight and control over these standards.

### Standards

The Institute of Standards of Cambodia (ISC) was officially established in 2008. ISC drafts laws and regulations, conducts production surveillance, provides supervision and technical support, provides training and consultancy to help companies register and certify their products, disseminates technical regulations, and develops national standards for products and management. The ISC does not have a technical team to develop standards for laboratory analysis techniques. Generally, Cambodia uses the ISO/IEC guide 21-1 and 2:2005 as guides for adopting international standards as national standards or technical regulations. The Ministry of Health is charged with prescribing standards, quality control, distribution, and labeling requirements for pharmaceuticals, medical equipment, and cosmetics. The Ministry of Agriculture, Forestry and Fisheries is responsible for agricultural products. The National Standards Council (NSC), established in 2009, leads coordination in the development of national standards; advises the ISC on the criteria and procedures pertinent to the preparation, approval, acceptance and selection of the standards; and considers and approves proposals for Cambodian standards prepared and recommended by ISC to develop, adopt, review, revise, or cancel Cambodian standards. The NSC is chaired by the Minister of Industry and Handicraft, with representatives from relevant technical line ministries including the Ministry of Agriculture, Forestry and Fisheries; the Ministry of Health; and the Ministry of Commerce. Overall, the NSC is the national secretariat, which oversees, regulates, verifies, and adopts or certifies standards proposed by each technical ministry. The mandate of the NSC is to ensure quality and standard conformity with national and international standards.

[Institute of Standards of Cambodia](#) (Ministry of Industry and Handicraft)

## **Testing, Inspection and Certification**

### Conformity Assessment

The ISC develops national standards, performs conformity assessment, inspects and controls the quality of laboratories, and certifies product and service standards and compliance for locally consumed goods and export goods. It helps rectify minor errors in standards compliance. The Ministry of Health and the Ministry of Agriculture, Forestry, and Fisheries are each responsible for implementing their own regulations on standards, safety, and quality of respective imports, exports, and locally consumed goods. On the whole, the ISC has a mandate to supervise and provide technical support to the line ministries to help these ministries develop their standards to conform to national standards. The ISC also tests for compliance with mandatory Cambodian standards, conducts conformity assessment and production surveillance, and monitors and verifies the compliance of the technical regulations of each respective ministry/agency. Other services provided include education, training, consultancy, and dissemination of technical information on standards and quality.

The Industrial Laboratory Center of Cambodia (ILCC) under the Ministry of Industry and Handicraft provides testing services for microbiological and chemical examination of food products. Other testing service labs available in the country include Pasteur Institute for medical biology testing, environment and food safety testing; Bureau Veritas, for textile testing services; SGS, providing textile testing services; and Intertek, providing testing services for consumer products and testing and inspection of bulk commodities such as petroleum, chemicals, minerals, and food and agricultural products.

### Product Certification

The responsibility for establishing industrial standards and certifications resides with the ISC. Certification includes product standard compliance, product safety standard compliance, and production and service management system compliance. Not all imports require a certificate or license. Importers of regulated products, however, must request a certificate or a license before importing. To date, the ISC has not strictly inspected standard compliance or regularly certified product standards for both locally consumed goods and products for export. To date, the ISC has never suspended, withdrawn, or revoked any product certificate or license.

### Accreditation

Responsibility for accreditation services was transferred from the ISC to the General Department of Industry in the Ministry of Industry and Handicraft. The Ministry has begun offering accreditation services to certification body though it has not yet granted accreditation to any standards agency.

### Publication of technical regulations

Law, rules, and regulations concerning standards are available at the ISC homepage. Hard copies are published in the Royal Gazette by the General Directorate of Royal Gazettes and Computer Services of the Council of Ministers.

### Contact Information

Further information can be obtained from the website of the [Institute of Standards of Cambodia](#)

The U.S. Embassy point of contact on standards-related issues is Economic/Commercial Specialist Sokros Chann: (855) 23 728 158, [ChannS@state.gov](mailto:ChannS@state.gov).

### Trade Agreements

Cambodia joined the International Organization for Standardization (ISO) in 1995 and is also a member of the ASEAN Consultative Committee on Standards and Quality (ACCSQ). Cambodia ratified the ASEAN Framework Agreement on Mutual Recognition Arrangements. It has signed numerous trade agreements, including the U.S.-Cambodia Trade and Investment Framework Agreement (TIFA) in 2006. The TIFA also provides a forum to address bilateral trade issues and allows Cambodia and the United States to coordinate on regional and multilateral issues.

### Licensing Requirements for Professional Services

Cambodia requires certain professional service providers to be certified by relevant local professional agencies before practicing in Cambodia. These licensing requirements include legal services and medical services. To be able to practice Cambodian law, all lawyers need to register with the Bar Association of the Kingdom of Cambodia (BAKC). Medical doctors are required to register at the Cambodian Medical Council (CMC) before they can practice in Cambodia.

[Bar association of the Kingdom of Cambodia](#)

[Cambodian Medical Council](#)

### Web Resources

[Institute of Standards of Cambodia of Ministry of Industry and Handicraft](#)

General Directorate of Royal Gazettes and Computer Services, Office of the Council of Ministers

General Department of Customs and Excise

National Laboratory for Drug Quality Control, Ministry of Health

Ministry of Commerce

Cambodian Investment Board of the Council for the Development of Cambodia

Cambodia Import Export Inspection and Fraud Repression Directorate-General (CAMCONTROL)

## Investment Climate Statement

The U.S. Department of State's Investment Climate Statements, prepared annually by U.S. embassies and diplomatic missions abroad, provide country-specific information and assessments of the investment climate in foreign markets. Topics include: Market barriers, business risk, legal and regulatory system, dispute resolution, corruption, political violence, labor issues, and intellectual property rights. The statements are available in two ways.

- Visit the U.S. Department of State's [Investment Climate Statement](#) for Cambodia.
- Download the [Country Commercial Guide](#) (the Investment Climate Statement is Chapter 6)."

## Trade & Project Financing

### Methods of Payment

Letters of credit are the most common method used to facilitate payment and are preferred over bank guarantees, cash in advance, and open accounts. Other payment methods such as forward exchange contracts, standby letters of credit, foreign currency loans, and import and export letters of credit can be tailor-made to an individual importer or exporter. Instruments and methods of payment offered by banks vary, ranging from import and export documentary collections, documentary export and import credits, open account, consignments, cash-in-advance, and guarantees. For large-scale business transactions, exporters and importers are required to have bank guarantees, such as shipping, bid, payment, advance payment, performance, and retention money guarantees. Private commercial banks provide trade finance services and have foreign correspondent banks in the United States, Europe, Asia, and elsewhere. Not all Cambodian commercial and specialized banks, however, handle trade finance. Commercial banks in Cambodia may use an external credit rating agency, such as Standard & Poor's.

### Banking Systems

Ninety percent of Cambodia's financial assets are located in the country's banking system. Banking system assets increased by 20.9 percent last year to approximately \$34.93 billion, equivalent to 143 percent of GDP. Credit was concentrated in key economic sectors such as wholesales and retails (27.5 percent), agriculture (8.9 percent), construction (9.2 percent), real estate activities and owner-occupied housing (17.4 percent), and other sector (37 percent). At the same time, banks' total deposit amount stood at \$22.18 billion.

Non-performing loans ratio remained at 2.2 percent in 2018 compared to 2.4 in 2017. The banking industry's Return on Asset (ROA) and Return on Equity (ROE) were 1.6 percent and 8.40 percent, respectively.

Cambodia's banking sector is expanding rapidly. By the end of 2018, the sector has 43 commercial banks, 14 specialized banks, 74 microfinance institutions, seven microfinance deposit-taking institutions, 273 rural credit institutions, five representative offices, 15 financial leasing companies, 14 payment service providers, one credit bureau company, and 2,779 money changers. In addition, total number of credit and debit cards increased to 102,151 and 2,172,263 cards respectively.

In 2018, total number of ATM terminals of banking system reached 3,742 compared to 3,072 in 2017.

### Foreign Exchange Controls

Under the 1997 Foreign Exchange Law, there are no restrictions on foreign exchange operations, including the purchase and sale of foreign exchange and the transfer of all types of international settlements. The government intervenes, however, to promote macroeconomic stability by managing the exchange rate, which is very closely pegged to the U.S. dollar. The current exchange rate in May 2016 was 4,063 riel to the U.S. dollar, but the use of U.S. currency predominates in large transactions. The law stipulates that only authorized intermediaries may perform these transactions. In reality, many unregistered money exchangers perform currency exchange services. The authorized financial intermediaries are lawfully established banks, which are required to report to the National Bank of Cambodia

on the types of transfers and outflow or inflow of capital. In Phnom Penh, there are 75 licensed moneychangers and 47 authorized moneychangers. In the provinces, there are two licensed and 1,886 authorized moneychangers.

Investors are not required to report on transactions of funds. The burden rests solely on the bank as the authorized intermediary. Article 13(1) of the Law on Foreign Exchange requires the import or export of any means of payment equal to or exceeding \$10,000 or an equivalent amount to be reported to Customs authorities at the relevant border crossing point, and the Customs authorities should transmit this information on a monthly basis to the National Bank. While foreign exchange transfers are not currently restricted, the law does allow the National Bank to implement exchange controls in case of a foreign exchange crisis; however, the law does not clearly specify what would constitute a crisis. There are currently no restrictions on the repatriation of profits or capital derived from investments either in Cambodia or on most transfers of funds abroad.

### **US Banks & Local Correspondent Banks**

There are no U.S. banks operating in Cambodia.

The following are the major banks that have correspondent U.S. banking arrangements:

Angkor Capital Specialized Bank

Tel: (855) 23 993 168; Fax: (855) 23 994 168

E-mail: [info@angkorcapitalbank.com](mailto:info@angkorcapitalbank.com)

Website: [Angkor Capital Specialized Bank](#)

Aceda Bank Plc.

Tel: (855) 23 998 777; Fax: (855) 23 998 666

E-mail: [enquiry@acedabank.com.kh](mailto:enquiry@acedabank.com.kh)

Website: [Aceda Bank Plc.](#)

ANZ Royal Bank

Tel: (855) 23 999 000; Fax: (855) 23 221 310

E-mail: [ccc@anz.com](mailto:ccc@anz.com)

Website: [ANZ Royal Bank](#)

Campu Bank

Tel: (855) 23 214 111; Fax: (855) 23 217 655

E-mail: [campupnh@campubank.com.kh](mailto:campupnh@campubank.com.kh)

Website: [Campu Bank](#)

Canadia Bank

Tel: (855) 23 215 286; Fax: (855) 23 427 064

E-mail: [canadia@canadiabank.com.kh](mailto:canadia@canadiabank.com.kh)

Website: [Canadia Bank](#)

Foreign Trade Bank

Tel: (855) 23 724 466; Fax: (855) 23 426 108

E-mail: [ftb@camnet.com.kh](mailto:ftb@camnet.com.kh)

Website: [Foreign Trade Bank](#)

## **Project Financing**

### *Multilateral Development Banks:*

Trade and investment financing is available through most foreign bank branches and local banks. There is a large but unmet demand for loans to local small and medium enterprises (SMEs). Most loans are short term and provide working capital to traders. The weighted average annual interest rate on fixed deposits in U.S. dollars (12 months term) remained around 4.8 percent in 2018. The weighted average annual interest rate on loans in U.S. dollars (for 1 to 5 years) was approximately 11.6 percent in 2018, compared to 11.7 percent in 2017. For the private sector to access commercial loans for private projects, collateral or other forms of guarantees are required. Through financial leasing, small and medium investment projects can get capital lease assets from leasing firms.

In June 2009, President Obama determined that Cambodia was no longer a Marxist-Leninist economy, as defined under section 2(b)(2B)(i) of the Export-Import Bank Act of 1945, removing the long-standing determination that had prohibited the Export-Import Bank of the United States (Ex-Im Bank) from providing financing in Cambodia. Ex-Im Bank now offers financing for the purchase of U.S. exports for private-sector buyers in Cambodia for the short-term (repayment up to one year) and the medium-term (repayment from one to seven years). Ex-Im Bank's support is typically limited to transactions with a commercial bank functioning as an obligor or guarantor. Ex-Im Bank's first trade financing deal in Cambodia took place May 2018, involving rice miller Amru Rice, financing around \$345,000. Additionally, Cambodia is eligible for the Quick Cover Program under which the Overseas Private Investment Corporation (OPIC) offers financing and political risk insurance coverage for projects on an expedited basis.

Cambodia became a member of the World Bank in 1970 and began borrowing in 1993. The World Bank has a country office in Phnom Penh and has provided loans since 1994 in a variety of sectors with energy, road rehabilitation, education, governance and public-sector reform, trade and poverty reduction, disease control and health, and social fund projects constituting the largest shares. Cambodia is a member of the Multilateral Investment Guarantee Agency (MIGA) of the World Bank, which offers political-risk insurance to foreign investors. The International Monetary Fund (IMF) and other banks, such as the Japan Bank for International Cooperation (JBIC), have also provided loans to finance the government's Public Investment Programs. Since joining the Asian Development Bank (ADB) in 1966, Cambodia has received \$2.65 billion in loans, grants, and technical assistance, with an emphasis on infrastructure, including roads, railroads, and irrigation; the energy and power sectors; private-sector development; health; and education. The U.S. government maintains a commercial liaison office at ADB headquarters in Manila, which reports directly to the Office of Multilateral Development Banks at the U.S. Department of Commerce in Washington. It assists U.S. companies in bidding on contracts and activities funded by the ADB. The Bank of China's Cambodia office was established in 2010. By the end of December 2018, the Bank of China's total assets in Cambodia reached \$1,121 million (4,485,446 million riel); deposits and loans were \$734 million and \$490 million, respectively.

## **Financing Web Resources**

[Trade Finance Guide](#): A Quick Reference for U.S. Exporters, published by the International Trade Administration's Industry & Analysis team

[Export-Import Bank of the United States](#)

[Country Limitation Schedule](#)

[OPIC](#)

[Trade and Development Agency](#)

[SBA's Office of International Trade](#)

[USDA Commodity Credit Corporation](#)

[U.S. Agency for International Development](#)

[Multilateral Investment Guarantee Agency](#)

[Asian Development Bank](#)

[International Monetary Fund](#)

[World Bank](#)

[Acleda Bank Plc](#)

[ANZ Bank](#)

[Campu Bank](#)

[Canadia Bank](#)

[Foreign Trade Bank](#)

## **Business Travel**

### **Business Customs**

Like many other countries in Asia, business relationships in Cambodia have their foundations in personal relationships. Connections are important in making contacts and establishing trust. It is recommended that approaches to potential business contacts be made with a prior introduction or personal reference. Potential partners and customers in Cambodia frequently are more receptive to those who arrive with an introduction or letter from a known government official or business contact. Although not absolutely required, small gifts with a company logo are appreciated, as are luncheon or dinner invitations.

Business travelers to Cambodia should have business cards. As in many countries, the cards are exchanged to formalize the introduction process. Always distribute and receive business cards with both hands as a sign of respect and take a few seconds to study a person's card after it has been received. This is particularly important when dealing with Cambodia's ethnic Chinese minority, many of whom hold influential positions in the country's business community.

The "sampeah" – placing palms together in a prayer-like position – remains the traditional gesture of greeting, particularly for women, although it is becoming more popular to shake hands. Foreigners may shake hands with men and women, but should wait until the woman offers her hand; otherwise use the traditional sampeah greeting. Touching someone on the head, pointing with the feet, or pointing in someone's face are deemed extremely rude and offensive. Wearing hats in houses, buildings, and particularly in temples is also considered rude.

Cambodia is a tropical country ill-suited for formal Western business attire. In a strictly formal meeting, however, it is advisable that men wear a suit and tie and women wear a dress or business suit. In a less formal setting, business casual attire may be appropriate.

## **Travel Advisory**

Travel within cities and provincial towns is generally safe, but prior to arrival in Cambodia, business travelers should consult the U.S. Department of State's current travel advisory available at [State Department Travel](#). Travelers should also consult the [U.S. Embassy's current Consular Information Sheet](#).

U.S. citizens may register online with the Department of State to obtain updated information on travel and security within Cambodia at [Smart Traveler Enrollment Program](#).

## **Visa Requirements**

A valid passport and a Cambodian visa are required. Tourist and business visas for U.S. passport holders are valid for three months beginning with the date of issue. Cambodia offers online visa processing at [E-Visa Kingdom of Cambodia](#). Travelers may also apply in person at the Cambodian Embassy located at 4530 16th Street NW, Washington, D.C., 20011; tel. 202-726-7824 or 202-726-7742; fax 202-726-8381. Tourists and business travelers may also obtain a Cambodian visa upon arrival at the airports in Phnom Penh and Siem Reap and at all major border crossings. All methods of obtaining a Cambodian visa require passport-sized photographs and a passport that is valid for a minimum of six months beyond the date of entry into Cambodia.

The fee is \$30 for tourist visas and \$35 for business visas. Travelers should bring with them two passport-sized photos for the visa application. A tourist visa can be extended for one month, but only one time. Business visas can be extended for 1, 3, 6, or 12 months for between \$45 and \$300 depending on the length of the extension. The Ministry of Interior has a team at the Council for the Development of Cambodia to assist investors in obtaining long-term business visas.

Travelers should note that Cambodia regularly imposes fines for overstaying a visa. If the overstay is 30 days or less, the charge is \$10 per day.

Overseas inquiries may be made at the nearest embassy or consulate of Cambodia or by visiting the [Embassy of the Kingdom of Cambodia](#) website.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations be handled via an interagency process. Visa applicants should go to the State Department Visa Website at [State Department Travel Visas](#) and [U.S. Embassy Cambodia Visas](#)

## **Currency**

Cambodia's currency is the Riel, which trades in a very narrow range at around 4,000 to the U.S. dollar. Riels come in notes; coins are not in use. Cambodia is a heavily dollarized country where riels and dollars are used interchangeably in urban areas. More riel use is expected in rural areas although small denominations (one and five dollar bills) are also commonly accepted. American coins are not used in Cambodia; therefore, change for purchases will be given in riels. Thai baht and Vietnamese Dong are also used in provinces next to the relevant borders. Money exchange is pervasive in Cambodian local markets and there is very little difference in exchange rate compared to the banks. ATM machines dispense Cambodian riels and US dollars.

Exchange rate can be found on the [National Bank of Cambodia's webpage](#)

## **Telecommunications/Electric**

Telephone (landlines as well as cell phones), fax, internet, and telegram services are available in Cambodia. International telephone charges in Cambodia are priced differently in accordance with different countries. There are a number of countries in Asia and U.S. where prices are cheap; however, there is a need to follow the prospective cell phone companies: [Mobitel](#), [SMART Axiata](#) and [Metfone](#). Cell phone service covers most areas throughout the country. International roaming service for mobile phones is available but can be expensive. Internet services are rapidly improving both in terms of price and service, but unlimited broadband service is still relatively expensive.

Internet access via wireless systems is provided in most major hotels and is free of charge in many restaurants and cafés.

## **Transportation**

Cambodia has three international airports: Phnom Penh International Airport, Siem Reap International Airport, and Sihanoukville Airport. These three airports have been upgraded over recent years with modern terminals. Domestic air service links Phnom Penh with Siem Reap and Siem Reap with Sihanoukville.

Cars and buses offer a cheap way to travel to most provincial capitals. Cambodia launched public bus transportation service in Phnom Penh in February 2014. Although small, the number of passengers using public transportation is slowly increasing. Passenger train service between Phnom Penh, Takeo, Kampot, and Sihanoukville restarted in April 2016 after a 14 years suspension. Cambodia's Royal Railway Service can be reached here at [Royal Railway](#). Metered taxi service is available in Cambodia. Motorcycle-taxis (locally known as moto-dups), and three-wheeled motor taxis (known as tuk-tuks), are popular forms of transportation. Taxi services using mobile app are increasingly popular with both foreign and local services providers being competing in the market. Grab, one of the transport mobile services provider is leading the market. The U.S. Embassy does not recommend using moto-dups or tuk tuks as they are prone to accidents and there is a greater risk of street crime. Private cars are available for rental in most cities upon arrival. Rental fees run between \$25 and \$50 per day. If contracting with an independent taxi service, visitors should agree on the price with the driver before embarking. In Phnom Penh, travel at night on foot or motorbike is not recommended.

There have been notable improvements to the Cambodian road network over the last several years. It is much easier to move around the country now than it was just a few years ago. The safety of road travel outside urban areas varies; traveling only during daylight hours can reduce the potential risk of road accidents. During the rainy season, some locations cannot be reached by road. Travelers, especially those planning a lengthy visit to Cambodia, should register online with the Department of State at [Smart Traveler Enrollment Program](#).

Cambodia has an international and commercial deep-water port at Sihanoukville.

[Sihanoukville Autonomous Port](#)

## **Language**

Khmer is the official language of Cambodia. English is commonly used in most business meetings. Some senior government officials, however, prefer using Khmer in official meetings. Chinese, French, Thai, and Vietnamese are also widely spoken.

## **Health**

Medical facilities and services in Cambodia do not meet international standards. Both Phnom Penh and Siem Reap have a limited number of internationally run clinics and hospitals that can provide basic medical care and stabilization. Medical care outside these two cities is rudimentary. Local pharmacies provide a limited supply of prescription and over-the-counter medications, but because the quality of locally obtained medications can vary greatly, travelers should bring adequate supplies of medications for the duration of their stay in Cambodia.

A current list of clinics, hospitals, and pharmacies with names, addresses and telephone numbers may be obtained from the [U.S. Embassy Consular Section](#) website.

For information on avian influenza (bird flu), please refer to the Department of State's Avian Influenza Fact Sheet. The U.S. Embassy is unaware of any HIV/AIDS entry restrictions for visitors to or foreign residents of Cambodia.

Information on vaccinations and other health precautions, such as safe food and water precautions and insect bite protection, may be obtained from the U.S. Centers for Disease Control and Prevention's (CDC) hotline for international travelers at 1-877-FYI-TRIP (1-877-394-8747) or via the [CDC's web site](#). For information about

outbreaks of infectious diseases abroad, consult the World Health Organization's (WHO) website at [World Health Organization International](#). Further health information for travelers is available at [World Health Organization International Travel and Health](#).

The Department of State strongly urges U.S. citizens to consult with their medical insurance company prior to traveling abroad to confirm whether their policy applies overseas and whether it will cover emergency expenses such as a medical evacuation.

Please see information on medical insurance overseas at [U.S. State Department Travel](#).

### **Local Time, Business Hours and Holidays**

During U.S. Eastern Standard Time, Cambodia is 12 hours ahead of the U.S. East Coast. Cambodia consists of a single time zone and is GMT +7.

Business hours for commercial offices are usually from 7:30 a.m. to 12:00 p.m. and from 1:30 p.m. to 5:00 p.m., Monday through Friday, and Saturday mornings. Government offices are officially open from 7:30 a.m. to 11:30 a.m. and from 2:00 p.m. to 5:00 p.m., Monday through Friday.

### **Holidays for 2019**

January 01	International New Year's Day
January 07	Victory over Genocide Regime
February 19	Meaka Bochea Day
March 08	International Women's Day
April 14-16	Khmer New Year
May 01	International Labor Day
May 03	Royal Plowing Ceremony
May 13-15	Birthday of His Majesty Preah Bat Samdech Preah Boromneath Norodom Sihamoni, King of Cambodia
May 18	Visak Bochea Day
May 20	National Day of Remembrance
June 01	International and Cambodian Children's Day
June 18	Birthday of Her Majesty the Queen-Mother Norodom Monineath Sihanouk of Cambodia
September 24	Constitution Day
September 27-29	Pchum Ben Holiday
October 15	Commemoration Day of King Norodom Sihanouk
October 23	Anniversary of the Paris Peace Accord
October 29	Coronation Day of His Majesty Preah Bat Samdech Preah Boromneath Norodom Sihamoni, King of Cambodia
November 9	Independence Day
November 10-12	Water Festival
December 10	International Human Rights Day

## **Temporary Entry of Materials or Personal Belongings**

Certain articles temporarily imported for re-export are exempt from import duties and taxes. The importers are required to pledge that such articles will be re-exported within the specified period and may be required to provide a guarantee which is refunded after all the obligations under the pledge have been fulfilled.

Below are goods to be authorized to import under Temporary Admission:

Goods for display or use at exhibitions, meetings or similar events with reasonable quantity.

Professional equipment necessary for a technician or professional person entering Cambodia to perform a specialized task or job. The mentioned equipment does not include machineries and specialized equipment used in the manufacturing industry, packaging of goods, for exploitation of natural resources, construction or improvement of buildings, land development or similar projects.

Containers, pallets, packages, samples, and other goods imported in connection with a commercial transaction but which are not goods purchased or sold in any part of the commercial transaction.

Goods imported exclusively for educational, scientific or cultural purposes, including parts for scientific equipment and educational materials that are authorized to import under temporary admission.

Goods, imported for sports purposes, which are used by tourists, athletes, business travelers for competition or demonstrations, or for training within the customs territory.

Other materials used for promoting tourism and attracting tourists to visit the country.

Goods imported by passengers travelling across border for their own use.

Goods imported for humanitarian purposes including laboratory and surgical equipment and goods used to relieve victims of natural disasters and similar catastrophes.

Transport means conveying persons and goods for commercial use such as vessels, aircrafts, road vehicles, or trains which are used for international transportation whether or not for fare payment, including spare parts, accessories and equipment.

Additional details on temporary entry can be found at the [Customs and Excise Department's website](#). Transportation of duty free goods under transit procedure in customs territory shall be attached with transport permit issued by the General Department of Customs and Excise. Additional details on duty free goods can be found at [General Department of Customs and Excise of Cambodia](#)

## **Travel Related Web Resources**

[Cambodian Immigration Department](#)

[Royal Embassy of Cambodia in Washington, D.C](#)