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MONTHLY

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ADB PREDICTS CAMBODIA TO HAVE THIRD HIGHEST GROWTH IN SEA IN 2023

Despite The IMF estimating that global growth will be slowing to below 3 percent in 2023 and The World Bank drawing an even gloomier picture that global GDP growth could shrink to 2.2 percent annually between now and 2030, the ABD have predicted more positively for the SEA region. [Read more](#)

"A POSTIVE SIGN FOR INVESTORS"



According to the Asian Development Bank (ADB), growth in developing Asia is forecast at 4.8 percent this year and in 2024, up from 4.2 percent last year.

The People's Republic of China's (PRC) recovery and healthy domestic demand in India will be the region's main growth supports this year and next. Inflation is forecast to moderate this year and next, from 4.4 percent in 2022 to 4.2 percent in 2023 and 3.3 percent in 2024, gradually moving closer to pre-pandemic averages.



“ Growth in Southeast Asia is normalizing after a sharp rebound last year. The subregion is expected to grow by 4.7 percent in 2023 ”

For Cambodia, ADB forecasted that its GDP would grow at 5.5 percent and 6.0 percent in 2023 and 2024 respectively. Cambodia has the third highest growth in Southeast Asia after Vietnam (6.5 percent, 6.8 percent), and the Philippines (6.0 percent, 6.2 npercent). Cambodia's inflation will be 3.0 percent and 4.0 percent in 2023 and 2024—the third lowest in the region after Brunei (2.0 percent, 1.6 percent) and Thailand (2.9 percent, 2.3 percent).

For ASEAN member states (AMS) “re-globalization” seems to be the preferred choice. Countries do not want to be caught up in choosing one at the expense of another, Pax Sinica or Pax Americana. They want to link with both according to circumstances, sectors and industries as long as situation allows to secure larger market access, to remain competitive, visible and connected with global supply chain.

Except Cambodia, Laos and Myanmar, are members to both the RCEP and IPEF. In a similar vein, the four ASEAN dialogue partners, namely Japan, Australia, New Zealand, the Republic of Korea, who are members of IPEF also do not dismember themselves from RCEP.

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CAMBODIAN STOCK MARKET TAKES MAJOR LEAP WITH CELLCARD IPO

Cambodia's developing stock market is poised for a significant leap forward as CAMGSM Plc. (Cellcard), prepares for one of the largest Initial Public Offerings (IPOs) in the exchanges 11-year history, hosting its nationwide roadshow next month.



Cellcard senior management at the 2023 IPO launch hosted at CSX in Phnom Penh.

As a leading mobile network operator with over 4 million customers, Cellcard's listing on the Cambodia Securities Exchange (CSX) is expected to attract further attention from local investors about the stock market as well as increase stubbornly low liquidity in the market. The listing comes amidst positive growth signs for 2023, despite global economic headwinds and rising borrowing rates. [Read More](#)

CAMGSM's IPO presents a unique investment opportunity with a guaranteed dividend of 7% per annum for five years and quarterly dividend distributions for Class A voting shares. This offering has been described as unparalleled by the stock's underwriter, SBI Royal Securities. The opening share price is KHR 2,270 (approx. \$0.57), with a minimum subscription amount of KHR 400,000 (approx. \$100). The estimated market capitalization for CAMGSM is \$1.14 billion.

Recent financial performance showcases strong growth for the company. Its 2022 unaudited management account revealed an 11.27% increase in revenue, reaching \$189.95 million. EBIT, EBITDA, and net profit also saw strong growth over the last three years. If fully subscribed, CAMGSM will trade at approximately 15 times its 2022 EBITDA of \$78.11 million, considered on the higher side for the telco industry. The price-to-earnings ratio will be around 23 times its 2022 net profit of \$49.99 million, deemed a "fair" valuation for a growing company.

To participate in the IPO, eligible subscribers must submit their subscription applications along with 100% of the subscription amount. The collection of intention or expression of interest from the public is non-binding and is intended to provide an indicative intention before the actual subscription period.

CDC: LONG TERM TAX INCENTIVES AVAILABLE FOR INVESTMENTS IN HI-TECH SECTOR

Sam Chanmoney, an Official for Public Relations and Promotion of Private Investments, Council for the Development of Cambodia (CDC) has said that Investment in hi-tech industries in Cambodia can attract a tax holiday of nine years, with some industries enjoying incentives for as many as 15 years.

According to the CDC official, Cambodia is one of the most open countries in the world and it allows 100 percent foreign ownership in more than 99 percent of businesses. "Barring a few, 100 percent foreign investment is allowed in almost all businesses and industries in Cambodia making the country one of the best in the world for foreign investments," he said.



**Business excellence awards in Phnom Penh this month.
KT/Pierre Roussel**

“ Corporate income tax for the majority of industries is also pegged at 20 percent in Cambodia. ”

Chanmoney added that the country is now focusing more on digitalization and industries that help with this can attract maximum incentives.

"Tax holidays for foreign investments in the country range from three years to nine years. Industries are also allowed to import building materials and construction equipment without paying tariffs."

"The role of CDC does not end with approving foreign investment projects. We facilitate projects. We help investors to link with business partners. We also provide aftercare for investors," he pointed out, adding that it now takes just 20 working days for a project to get approved in Cambodia.

Another industry that can attract maximum incentives in Cambodia is the one promoting green technologies such as those for producing green energy. Cambodia is known for its strength in this sector as more than 60 percent of the Kingdom's energy needs are now met by green energy, especially hydroelectricity.

The 40+ strong Indian business delegation, on a three-day visit to Cambodia, attended several sessions with top officials to understand the country better and also held discussions with Cambodian business people on possibilities of joint projects and investments in the Kingdom.

CAMBODIA'S FINANCIAL SECTOR TO BENEFIT FROM RESPONSIBLE PRACTICES PARTNERSHIP



The Association of Banks in Cambodia (ABC) and Social Performance Task Force (SPTF) sign an MoU this month

The Association of Banks in Cambodia (ABC) and Social Performance Task Force (SPTF) have entered into a strategic partnership to promote responsible inclusive finance practices in Cambodia's financial sector which will serve as a framework for strengthening cooperation in responsible finance practices, risk management, financial stability, and consumer protection in Cambodia.

The MoU follows the phasing out of the Smart Campaign. [Read More](#)

Under the agreement, ABC and SPTF will collaborate in various areas to improve the Cambodian financial sector. They will support members in adopting and assessing compliance with the BFIs' Code of Conduct, identify areas for improvement, and monitor progress and challenges in its implementation.

Additionally, they will build members' capacity to implement client protection practices outlined in the Code of Conduct, aiming to become a success story in the Mekong region and Southeast Asia while showcasing consistency with international best practices.

Raymond Sia, Chairman of the Association of Banks in Cambodia, emphasized the importance of trust, confidence, and consumer protection in banking. He encouraged all members to adhere to the Code's principles and incorporate them into their policies and procedures.

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CAMBODIA ENTERS ENERGY SAVING MODE, ASSURES NO SIDE-EFFECTS ON KINGDOM'S ECONOMIC GROWTH

According to private and third-sector experts at the latest Breakfast Talk on Energy Efficiency held by EuroCham, Cambodia's goal is to slash total final energy consumption by 19 percent in 2030 without compromising its economic growth is gaining momentum with the support of private sector participation, making energy efficiency more of a reality



Talks were held at the EuroCham event

The National Energy Efficiency Policy 2022-2030 is set to drive the Kingdom's energy-saving agenda that will bring a plethora of benefits. Ministry of Mines and Energy under-secretary Victor Jona said, "Energy efficiency is important not only in Cambodia but also in ASEAN where the 10 countries are putting high priority in promoting energy efficiency that will help to improve our economies and energy security."

"The concept of energy efficiency does not only mean saving energy by reducing economic activity or productivity, comfort, and well-being of the end-users. It aims to provide the same – or an even better – energy service by using fewer energy inputs. Energy efficiency will play an important role in achieving the sector's overarching objective of providing energy in a reliable, secure, stable, and affordable manner while contributing to the country's sustainable development." [Read more](#)



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BELT AND ROAD FORUM FOCUSES ON 'NEXT WAVE' OF SME INVESTMENT



"Belt and Road" Economic Cooperation was hosted at Sofitel Phnom Penh

The "Belt and Road" Economic Cooperation Forum, which was organized to facilitate the expansion of Chinese small and medium enterprises (SMEs) into Cambodia, emphasized the importance of attracting transparent and high-quality investors, as Cambodia prepares for a 'second and third wave of Chinese investment' in the post-pandemic landscape.

Cao Fang, Secretary-General of the United Nations consulting agency Global Alliance of Small and Medium Enterprises, led the "Thousands of Chinese Enterprises Entering Cambodia" campaign, hoping to introduce more Chinese entrepreneurs to Cambodia.

In his speech, Cao Fang emphasized Cambodia's appeal to entrepreneurs, stating, "Cambodia, as one of China's friendly countries, offers integration into the international market, a government that respects entrepreneurs, geographical advantages, labor cost advantages, and appreciating housing prices. The crucial factor is Cambodia's rapidly growing economy, known as the 'new tiger of the Asian economy,' which is attracting increasing investor attention."

“ Greater understanding of tax obligations will translate into more state revenues for ”

Michael Tan, CEO of Aquarii, highlighted Cambodia's investment potential: "In business investment decisions, it is crucial to consider the stability of the political environment. AquariiBD provides consulting services to foreign investors, helping them understand the market. I have confidence in Cambodia's continued peace, political stability, socio-economic development trajectory, and other favorable factors and considerations."



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INDOCHAM HOSTS MEETING WITH KADIN AND MPTC TO BUILD ON ECONOMIC TIES



KADIN Chairman Arsjad Rasjid and Chea Vandeth, Minister of Post and Telecommunications.

The Indonesian Chamber of Commerce in Cambodia (IndoCham) hosted a high-level meeting between the Indonesian Chamber of Commerce and Industry (KADIN), the Ministry of Post and Telecommunications (MPTC), and leading stakeholders from international telecommunications companies in Cambodia – organized with assistance by in market consultancy firm AquariiBD.

During the meeting, KADIN Chairman, Mr. Arsjad Rasjid, expressed his organizations commitment to deepening trading ties between Indonesia and Cambodia. He also emphasized the potential for Indonesian small and medium-sized enterprises (SMEs), particularly in the digital and information technology sectors, to expand into the Cambodian market.

“ We believe that there is tremendous potential for Indonesian SMEs to expand into the Cambodian market, particularly in the digital and information technology sectors, given the rapidly expanding digital infrastructure in the country. ”

H.E. Chea Vandeth, Minister of Post and Telecommunications commented, “We are pleased to welcome KADIN and its Chairman, Mr. Arsjad Rasjid, as we work towards increasing bilateral trade between Cambodia and Indonesia. Our collaboration aims to bolster the economic prospects of the two countries through investment within the context of ASEAN centrality. The potential for Indonesian small and medium-sized enterprises, particularly in the digital and information technology sectors, to expand into the Cambodian market is significant, given our rapidly expanding digital infrastructure.”

IndoCham Chairman Dalton Wong. said, "We are pleased to see the growing interest from Indonesian companies in Cambodia and believe that our partnership with KADIN, the Cambodian government, and representatives will help to facilitate further economic collaboration between all ASEAN economies."



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CANOPY SANDS ANNOUNCES AGREEMENT WITH MASSWORK FOR GREG NORMAN GOLF COURSE AT BAY OF LIGHTS

The Bay of Lights project is a key initiative for the tourism industry in the Kingdom.

The addition of a world-class golf course will further enhance its appeal to regional business elites. The landmark agreement with Masswork will see the creation of a 19-hole golf course, complete with state-of-the-art practice facilities, including a driving range and short game area (the golf course), which will all be constructed to the highest standards, using the latest technology and sustainable practices.



Ian Tan, the spokesperson of Canopy Sands Development, said that the project would help drive tourism to the region and support the growing demand for domestic and international travelers. Construction of the Greg Norman Signature golf course and associated amenities is expected to begin as early as second quarter of this year, with completion slated for late 2026.

While the Sailing Club Beach Club and Sailing Club Resort are part of Canopy Sands Development's ambitious plans to transform Sihanoukville into a world-class leisure and entertainment destination, Ian also reiterated that the expertise of SCLG will bring new levels of sophistication and international flair to the leisure and entertainment scene in Sihanoukville. Canopy Sands Development & Massworkd Signing Agreement.

"Our mission is to create a vibrant atmosphere of fun and excitement for tourists, locals, and businesses alike. Together we wanted to create an ecosystem that promises improved services, competitive pricing, and access to unique attractions not found anywhere else. The Bay of Lights will serve as a platform that will enable us to bring together different aspects of tourism into one convenient location," he further added.

Both the agreements with Masswork and SCLG mark significant milestones for Canopy Sands Development and the Sihanoukville leisure and entertainment scene. creating thousands of jobs and bringing much-needed economic growth to the Kingdom of Cambodia.



EXPANDING CAR MARKET ATTRACTS FINANCE, INVESTMENT OPPORTUNITIES



EuroCham Breakfast Talk this Month

The Cambodian car market is experiencing rapid expansion, fueled by a growing middle class and an increasing demand for new and used vehicles. As the country's infrastructure improves and the younger generation aspires for a better quality of life, the auto market is attracting financing solutions, such as those offered by Phillip Bank, and creating investment opportunities in the sector.

Phillip Bank is capitalizing on this growing demand by offering car financing to individuals and businesses with flexible terms and conditions.

H.E. Nut Unvoanra, Deputy Secretary of the Cambodian Investment Board (CIB), highlighted the potential for growth in Cambodia's auto market at a recent breakfast briefing hosted by the European Chamber of Commerce (EuroCham). He noted that new vehicle registrations in the country are predicted to hit 50,000 next year, a significant increase from just 7,000 in 2016, and are expected to continue rising.

Phillip Bank, the only Singaporean-owned commercial bank in Cambodia, is capitalizing on this growing demand by offering car financing to individuals and businesses with flexible terms and conditions. With financing available in USD, terms ranging from 18 to 96 months, and annual interest rates between 10% and 14%, the bank aims to cater to a wide range of customers in this burgeoning market.

[Read more](#)



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INSTITUTIONS, BUSINESSES, USAID INK COLLABORATION MOU

EZECOM, Phillip Bank, Canada Bank, Cellcard, and the United States Agency for International Development (USAID) have signed a Memorandum of Understanding (MoU) with Five educational institutions, Svay Rieng University, National University of Battambang, Cambodia Academy of Digital Technology, National University of Management, and University of South East Asia – with the overall goal of upskilling the country's workforce of the future: youths of country.



According to Chanda Pen, project manager for USAID's Digital Workforce Development initiative, the MoU signed yesterday will promote cross-collaboration between the businesses and education to strengthen the targeted ICT certification, short courses, non-degree, and degree programmes provided by Cambodian higher education institutions (HEIs).

"To do this, we worked with the University of California Berkeley to draw upon their expertise and experience, and we integrated new approaches into local HEI programmes to prepare students for the demands of the modern workforce," he said.

"The most pertinent goal of today's event is to increase scholarship, internship, and networking opportunities to encourage the development of practical skills and connections to employment prospects for young Cambodians.

"We have been engaging with our private sector partners to not only develop job and internship opportunities for students across Cambodia but to cross-collaborate and build strong relationships between our HEI partners.

"This is to ensure that this collaboration and exchange continue long after the project is finished. Today's ceremony will serve as a significant milestone in a new chapter in which we can collaborate with the private sector, educators, and our NGO partners to address the shared objective of bridging Cambodia's labour force demands by enhancing and supporting the workforce of tomorrow: the country's youth," said Chanda.





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We are also committed to building a highly coveted workplace where our advisers and staff can cultivate their talents and where professional success translates into fulfilling personal lives. DFDL also has a unique vision to be the first leading international law firm specialized in emerging markets with pan-regional legal and tax expertise.

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DFDL's mission includes continually enhancing our expertise, consolidating our position on the global market, and continuing to serve local and international clientele who have or are looking at projects and investments in Southeast Asia, South Asia, the Middle East, and further afield by offering ever-expanding depth and variety to our services.

As a full-service law firm, DFDL provides legal and tax services in a variety of sectors and practice areas. To better serve our clients' business needs and various business communities, we have also organized our expertise into regional practice groups with experts in each country. These practice groups are aligned with the major sectors and needs for investments in developing markets.



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