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A NEW ERA: PRIME MINISTER OUTLINES AMBITIOUS ECONOMIC STRATEGY FOR CAMBODIA'S FUTURE

THE NEXT STEPS FOR THE KINGDOM



In his first public remarks since taking office as Cambodia's Prime Minister, Dr Hun Manet reiterated his vision to lift the Southeast Asian nation into the high-income category by 2050. He also emphasized the need to safeguard the hard-earned peace and accelerate national development in order to achieve Cambodia's goal of becoming a high-income country.



The national economic vision, which Prime Minister Hun Manet referred to as the "pentagon strategy", focuses on three key areas, namely developing human capital, fostering the digital economy, and promoting inclusivity and sustainability. These pillars are seen as integral components in Cambodia's journey towards high-income status.

In terms of human capital development, the Prime Minister emphasized the importance of investing in education and up-skilling to produce a highly trained workforce. He said that by equipping Cambodians with the necessary knowledge and skills, the country can attract more investment and create high-value jobs.

The Prime Minister highlighted the need to embrace digital technologies and leverage its potential to transform various sectors, including agriculture, tourism, and manufacturing. He said that by harnessing the power of technology, Cambodia can enhance productivity, improve efficiency, and create new opportunities for its citizens.

In his speech, Dr Hun Manet also acknowledged the geopolitical rivalry among major powers and its impact on peace, security, and prosperity in the ASEAN region. He stressed the need for ASEAN nations to work together in addressing these challenges and maintaining stability in the region. Furthermore, he acknowledged the importance of ensuring that economic growth benefits all segments of society and leaves no one behind, emphasizing the need for equitable development, poverty reduction, and social protection measures for a fair and inclusive society.

PM: CAMBODIA TO BOOST TIES WITH ALL COUNTRIES ON AN EQUAL FOOTING

Prime Minister Hun Manet announced that the aim of Cambodian foreign policy will be to expand ties with everyone, as well as to adhere to the One-China policy.



The Prime Minister poses for a picture

Government spokesman Pen Bona also said that the Prime Minister is continuing the current foreign policy, of cooperating with all the partner nations with which Cambodia has built strong relationships.

“Our policy is to demonstrate consistency with respect to our ongoing ties with foreign states. This idea guides the main thrust behind the foreign policy of the new government. Of course, all the foreign policies of Cambodia are maintained according to the rule of international law,” added Bona.

Prime Minister Hun Manet also said that his new government’s foreign policy stands open to all nations and expanding ties with them must proceed without any prejudice or discrimination.

The Premier said that the Cambodian government has not made any changes to its foreign or domestic policies from the previous government.

“ Our country is small, and we must expand our relations with the international community,” Mr Hun Manet said. “Reassuring our partners that we respect each other’s sovereignty and national interests on an equal footing is a must when negotiating with the international community.”

The Prime Minister added that he is keeping up good diplomatic ties with all Cambodia’s international partners and looking forward to boosting ties with all of them.

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LIFESTYLE IN CAMBODIA

The latest round up of lifestyle news in the Kingdom!

WOMEN'S RADIO EXPANDS DIGITAL COVERAGE

Khmer Women's Radio FM103.5 channel makes plans to expand digital coverage, in order to continue contributing to the empowerment of women and aiding in their participation in society across the country.



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RED HORNET CHAIRMAN CUP GOLF TOURNAMENT



The annual Red Hornet Chairman's Cup Golf Tournament was hosted on Friday, 1 September 2023. This year's edition, Drive for Charity, was held to raise funds to support the Cambodian Mine Action and Victim Assistance Authority (CMAA).

[Read more here](#)

IBC EVENT BRINGS TOGETHER CORPORATE COMMUNITY

The International Business Chamber of Cambodia (IBC) hosted its Annual Ball titled "Khmer Sparkling Night." The event was attended by over 150 guests and was aimed not just as a social gathering but as an initiative aimed at multiple objectives.

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CAMBODIA-CHINA TRADE LIKELY TO TOUCH \$15 BILLION BY 2025



Deputy Prime Minister, Vongsey Vissoth

The bilateral trade between Cambodia and China is expected to reach \$15 billion by 2025, said Vongsey Vissoth, Deputy Prime Minister and Minister in Charge of the Office of the Council of Ministers.

He talked about the expectations from trade between Cambodia and China during event to celebrate the 65th anniversary of the Cambodia-China diplomatic relations.

China, which invested around \$20 billion in the Kingdom last year, is the largest trading partner of Cambodia, followed by the US, Vietnam, Thailand and Japan, in the January to July 2023 period.

“ The Cambodia-China Free Trade Agreement is expected to boost Cambodia’s exports, especially its agricultural products to Beijing. ”

In 2017, both countries established a Belt and Road Bilateral Cooperation Framework to promote economic-trade-investment infrastructure connectivity. The Sihanoukville Special Economic Zone, Phnom Penh-Sihanoukville expressway, and a new international airport in Siem Reap have been constructed within the framework.

Cambodia and China also entered into a ‘Diamond Cooperation Framework’ earlier this year, with an emphasis on political cooperation, quality and production capacity, agriculture, energy, security, and people-to-people cooperation. The two nations also agreed to establish new economic corridors, including the ‘Fish and Rice Corridor’ and the ‘Industrial and Technological Corridor’.

Last week, Reach Ra, Secretary of State at the Ministry of Commerce, said that trade between Cambodia and China would reach more than \$12 billion by the end of this year. Addressing the opening ceremony of the Cambodia-Hong Kong Expo at Factory Phnom Penh, Ra said that in the past seven months, trade between Cambodia and China reached over \$7 billion, up 1.8 percent from the same period in 2022.

KOH KONG PLANS NEW SEZS TO ‘BOOST’ TRADE IN KINGDOM

A senior official from the Koh Kong Provincial Administration has revealed that the government has plans to establish two additional Special Economic Zones (SEZs) in Botum Sakor district.

The move aims to attract investors and stimulate economic growth by generating tens of thousands of job opportunities.



Deputy Provincial Governor Sok Sothy emphasised the significance of SEZs for both the national economy and the province itself, as these zones play a crucial role in creating jobs. Currently, Koh Kong is home to Neang Kok SEZ, established in 2007. Located in Mondul Seima district's Pak Klang commune, this zone serves as the province's sole SEZ.

“The other two SEZs will intensify economic activity in Koh Kong. We welcome and support investors who intend to open factories in our province, which would boost investors' confidence in the government and provincial authorities,” said Sothy.

Lim Heng, Vice-President of the Cambodia Chamber of Commerce, also stressed the importance of creating more SEZs, particularly along the Thai and Vietnamese borders in order to facilitate production for export.

“Overall, the more SEZs, the better, especially in border areas because most of our agricultural products are exported to these countries. Thus, having an SEZ concentrated with factories and processing enterprises benefits transportation and job creation in border regions,” Heng explained.

Sun Chanthol, first Vice-President of the Council for the Development of Cambodia (CDC), acknowledged that one challenge for investors in the aforementioned SEZs is the higher logistics prices in Cambodia compared to neighbouring countries. He said the government's preparedness to address this issue with a logistics sector master plan aimed at achieving competitive prices. Chanthol also encouraged foreign investors to carefully select their investment partners in Cambodia to avoid making costly mistakes in partner choices that he said could lead to financial losses.

CELLCARD REPORTS GOOD PROFIT FOR Q2 HIGHLIGHTING ROBUST PERFORMANCE



The flagship Cellcard store in Phnom Penh

CAMGSM PLC (Cellcard), one of Cambodia's leading mobile operators, has disclosed its financial results for the second quarter of the fiscal year 2023.

According to the Q2 report, the telecom giant has shown a significant uptick in various financial metrics, including operating profit, profit before income tax, and total comprehensive income.

Kith Meng, chairman of CamGSM, said the company's total revenue of 186 billion riel was a decrease of 3.2 per cent year-on-year compared to 192.2 billion riel in the second quarter of 2022. Despite the decrease in revenue, the second quarter net profit was higher than a year ago, he added.

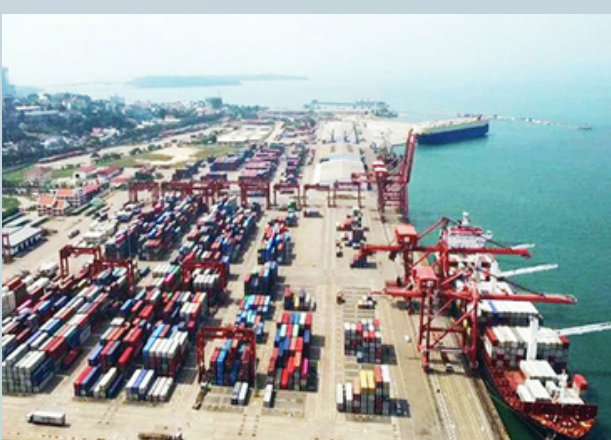
“The second half of 2023 was an intense period for the team with CamGSM Plc being the official Telecom Partner of the 32nd SEA Games and the 12th Para Games, while preparing for the initial public offering and maintaining our unwavering commitment to remain relevant in the market and providing our subscribers with exceptional service and experience every day.”

He asserted that the company's financial position remained strong on June 30, 2023 with increased assets and equity. On this date, the company's total assets stood at approximately \$637.18 million (2,613,434 million Riels). Total equity has risen to about \$213.84 million (877,752 million Riels), showing an increase of 14.2% when compared to its Q2 2022 performance of around \$186.67 million (768,348 million Riels).

CAMGSM PLC attributes its strong performance to its strategic focus on optimizing operating costs and enhancing network quality and coverage.

Meng added, “We are continuing to expand and optimise our network, which was subsequently recognised by the independent OpenSignal – Best Download Speed Experience Award (given in August 2023) and OOKLA - Fastest Mobile Network (Q1-Q2 2023).”

EIU: CAMBODIA AMONG BEST INVESTMENT DESTINATIONS FOR CHINESE EXPANSION



A busy port in Cambodia

The Economist Intelligence Unit (EIU) has ranked Cambodia as the world's sixth most attractive investment destination for market expansion by Chinese companies.

In a report on China's Belt and Road Initiative released Thursday, the EIU also ranked Cambodia as the tenth best destination for Chinese investment in supply-chain development.

Expansion is expected to focus on consumer electronics, information technology services, telecommunications, renewable energy and automotive products "where China has already been establishing its competitive edge," the report said.

“We anticipate strong momentum behind Chinese enterprises going global. Deteriorating relations with conventional export markets and slow domestic growth have highlighted the urgency of finding alternative markets.”

“We suggest that investors consider the key operational risks associated with the investment destination, such as labour market restrictions and disputes with major trading partners,” the report said. Financial risks, such as exchange-rate volatility and capital account convertibility, are also instrumental.”



**GET READY FOR
THE NEW
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NEW PLATFORM LAUNCH COMING SOON

AQUARIIBD AND CCF JOIN FORCES TO TRANSFORM LIVES IN SPECIAL PARTNERSHIP



The signing ceremony at CCF's Neeson Cripps Academy

In a landmark moment for corporate social responsibility (CSR) in Cambodia, in-market business advisory experts AquariibD have signed a Memorandum of Understanding (MoU) with the Cambodian Children's Fund (CCF), a leading NGO dedicated to transforming the lives of impoverished children in the Kingdom.

The roots of this partnership trace back to AquariibD CEO Michael Tan's tenure as the Singaporean Ambassador, during which he established a connection with the CCF.

Now, with the creation of AquariibD, this relationship is evolving into a new chapter that promises to supercharge both parties' social impact goals. CEO of AquariibD Michael Tan expressed his admiration for CCF's labor of love for disadvantaged children. "Partnering with CCF is just a small step in what we strongly feel all private enterprises and commercial entities should be doing more of; it pales in comparison to the hard work, sacrifices and dedication that Scott and his team have committed to CCF and their charges."

“

We hope that this MoU, which will see us promoting CCF, supporting career advancement programs and providing internship opportunities, will help encourage, motivate or even challenge others to do what they can to give back to Cambodia's community, to create a sustainable impact on the lives of young Cambodians. No effort or initiative is too small.

”

Regarding the MoU, the partnership outlines three fundamental commitments. Firstly, AquariibD has committed to leverage on its network of partners and connections to promote and empower CCF and its work. AquariibD also committed to utilizing its familiarity and knowledge of the Cambodian market to help support and build the career programs at CCF. Finally, the partnership will also see CCF students gain access to internship and learning opportunities with AquariibD and other partner organizations that AquariibD hopes to work with in this endeavor. This initiative will help provide more avenues to CCF beneficiaries with valuable real-world experience and mentorship, with the aim of opening doors to future employment opportunities.



FDI GROWS 42% IN H1 IN SPITE OF GLOBAL ECONOMIC DOWNTURN

Despite a weak global financial situation, foreign direct investment (FDI) inflows in the first half of 2023 increased 41.6 per cent compared to the same period in 2022.

Based on the outcome of the Council of Ministers' plenary session this month, the first half FDI inflow showed remarkable growth, compared to the mere 0.4 per cent in 2022



High rise buildings in Phnom Penh

A statement by the Council of Ministers noted that the positive FDI is expected to see the agricultural sector grow by 0.9 per cent while the hotel and restaurant sub-sectors are projected to recover at a rate of 41.5 per cent.

Similarly, the non-garment manufacturing sub-sector is estimated to grow strongly at 11.7 per cent, mainly underpinned by solar panel exports, especially to the US market, as the flow of investment in the non-garment manufacturing sub-sector increased sharply by 172 per cent.

Meanwhile, Hong Vannak, an economist at the Institute of International Relations at the Royal Academy of Cambodia, said geographical location, human resources, export markets and investment law reform have made Cambodia a potential location for investment in all sectors.

“ In addition to large investments from foreign companies, more and more local investors are investing, adding that free trade agreements and preferential tariffs with major countries are contributing significantly in the efforts of attracting foreign investors to Cambodia. ”

“Looking at Cambodia's potential, I think FDI would increase, especially when the crisis is over,” he said, noting that investments in Cambodia is more diverse now.

Chea Vuthy, Deputy Secretary-General of the Council for the Development of Cambodia, said despite the COVID-19 outbreak and the Sino-US tensions, foreign investment inflow in Cambodia remains remarkably stable compared to other countries in the region. The private sector is an important driving force for the development of the national economy, Vuthy stressed, adding that the flow of foreign investment in Cambodia was, in fact, better than some ASEAN members.

PROPERTIES OF THE MONTH



THE HELIX OFFICE, PHNOM PENH

The Helix is a modern Grade B office offering floor plates up to 400 Sqm of net leasable area and centrally located within Phnom Penh's CBD. Additional features include flexible spaces customised to suit small or large teams with a minimum leasable office space of 100 Sqm. Each floor offers tenants use-of a "wet-pantry" area plus use of a communal pantry on level 2.

The building provides approximately 4,150 sq. m GFA and 2,000 sq m NLA of office space. Furthermore, there's four meeting rooms and three floors of car and motorbike parking available for office tenants. Security access card access with turnstiles at reception are also provided for additional security. Asking rents stat from US \$18/Sqm, including service charge.

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PM PITCHES CAMBODIA BEFORE US INVESTORS AT BUSINESS FORUM



Prime Minister Dr. Hun Manet

The Cambodian government has made a strong pitch to attract US investors, promising support for starting as well as expanding businesses and becoming key partners of the government in its development efforts.

The call was given by Prime Minister Hun Manet in his opening remarks at the Cambodia-US Business Forum held in New York on Friday.

Jointly organized by the Cambodian Chamber of Commerce (CCC) and the US Chamber of Commerce, the forum was designed to be a meeting place for Cambodian and American businesses to meet, learn from each other and find opportunities for cooperation.

The forum underscored the importance of strengthening relations between Cambodia and the US on the basis of mutual respect and common values. The Prime Minister gave a detailed description of Cambodia, including political, economic and social aspects, as well as the policies of the new government for the benefit of investors.

“ Cambodia continues to expand its market size by integrating into the global supply and value chain through bilateral and multilateral free trade agreements such as the ASEAN Free Trade Agreement, the Cambodia-China Free Trade Agreement, the Cambodia-Korea Free Trade Agreement, and the Regional Comprehensive Economic Partnership. ”

Lim Heng, Vice President of CCC., added that the Prime Minister’s participation in the forum and meetings with US firms will contribute to attracting more US businesses to the Kingdom.



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AVPN CAMBODIA MEET-UP FOCUSES ON MOBILIZING IMPACT INVESTMENT RESOURCES



The AVPN meeting at RainTree this month

The Asian Venture Philanthropy Network (AVPN) hosted its inaugural 2023 roundtable discussion in Cambodia under the theme of 'Unlocking Potential Through Impact Investment' the event hosted at Raintree Phnom Pneh saw participation from an array of stakeholders integral to the growth and development of Cambodia's investment ecosystem, with 31 AVPN members flying in from overseas.

Kevin Teo, Chief Operating Officer at AVPN, who launched the roundtable spoke about the extensive range of stakeholders that attended. He said, "What stood out for me was the broad spectrum of participants we were able to gather."

“ Funders across the continuum of capital, such as foundations, family offices, impact investors, VC/private equity firms, and development finance institutions, were all present. We also had a significant presence of intermediaries like those focusing on early-stage startups, accelerator stage companies, gender-focused initiatives, and investment facilitators ”

Kevin emphasized that this diversity is instrumental for growth. "It takes a village to grow the ecosystem, and this village will eventually advance development and economic growth in Cambodia," he added.

The roundtables first panel discussion, moderated by Tommy Boukhris, Advisor for AVPN Cambodia, convened key figures in the Kingdom's impact investment and startup ecosystem to assess its strengths and weaknesses. The second panel discussion offered a multi-faceted view on the challenges and opportunities in scaling women led MSMEs in Cambodia, punctuated by insights rooted in real-world experiences rather than theoretical documents. The panel agreed that targeted, long-term interventions are crucial for the women entrepreneurs who are essential contributors to Cambodia's economy.

This inaugural roundtable, spearheaded by AVPN, marks a significant moment in Cambodia's growing investment and social impact ecosystem. Gathering a diverse array of stakeholders, from foundations and investors to social enterprises and NGOs, the event created a platform for fostering vital relationships and collaborations vital to help Cambodia's ambitious aim for high-income status by 2050.

CAMBODIAN SMES RISK LOSING OUT TO REGIONAL COMPETITORS THAT ARE MORE ESG-READY



Michael Tan, CEO of Aquarii

As international emphasis on Environmental, Social, and Governance (ESG) criteria gains wider traction, Cambodian Small and Medium-sized Enterprises (SMEs) are at risk of falling behind their regional competitors if they don't adapt quickly. Experts warn that upcoming EU legislation making ESG compliance audits mandatory could further marginalize local businesses that are not prepared.

The growing momentum for ESG compliance comes from global consumers, who now require their suppliers to have more ethical supply chains, clean energy consumption in manufacturing, reduced environmental impact, and a positive social impact on local communities.

In light of new EU legislation taking effect in January 2024, which will make ESG compliance audits mandatory for EU and EU-based foreign firms, David Van strongly recommends Cambodian SMEs to begin incorporating ESG into their operations.

Michael Tan, CEO of [Aquarii](#) Cambodia. "This is a real business risk that more businesses in Cambodia must be attuned to".

“ Education and awareness-raising must start at home. Not to be an alarmist, but it is not an exaggeration to raise an early warning that if, for example, buyers in EU and other parts of the world were to insist on only dealing with suppliers or exporters that are ESG-compliant or are more ready to be ESG compliant, then Cambodian businesses could risk losing out on existing and future contracts ”

Given the urgent need for ESG compliance and the forthcoming EU legislation, Aquarii and Platform Impact are in discussion to jointly organize workshops with interested development agencies to help raise awareness amongst Cambodian SMEs that ESG is not just a good to have, but is fast becoming an imperative. The aim of the joint collaboration is to better prepare them, so that they could be better positioned to meet both local and international demand, thereby helping to forestall the risks of losing out to regional competitors that are more ready to be ESG-compliant, and potentially gaining a competitive edge in the global marketplace.