



Connecting Dots

October 2024

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And more ...

Connecting Dots is a monthly compilation of salient local developments in Cambodia.

Aquarii BD is a cross-sectoral business strategy and development company that leverages on its diverse network of contacts and its strong partnerships with leading in-market service providers, qualified trusted industry experts and competent resource persons.

The focus of our publication is to help businesses and investors connect the dots on what's been happening in the preceding month in the market and economy in Cambodia.

See **last page** for details on how to be featured in Connecting Dots.

Cambodia's Investment Landscape: Opportunities and Developments

October 2024

In the first nine months of 2024, Cambodia secured 315 fixed-asset investment projects valued at USD 5.28 billion, which generated over 250,000 jobs, according to the Council for the Development of Cambodia (CDC). The investments also extend to manufacturing, real estate, tourism, and infrastructure development.

In September 2024, Cambodia welcomed **28 new investment** projects, totaling **USD 443 million**. Most of these projects focus on the manufacturing sector, including garments, furniture, packaging, household goods, footwear, sports accessories, and Special Economic Zones (SEZs).

Favorable conditions for investment include multilateral and bilateral free trade agreements, such as the Regional Comprehensive Economic Partnership (RCEP) and agreements with China, South Korea, and the UAE. As of September 2024, Cambodia has benefited from four active trade agreements: the Cambodia-China Free Trade Agreement (CCFTA), Cambodia-Korea Free Trade Agreement (CKFTA), Cambodia-UAE Comprehensive Economic Partnership Agreement (CEPA), and RCEP.

On September 25, a delegation of investors from China's Yunnan Province, led by Liu Jie, Deputy Director of the Yunnan Provincial Commerce Department, visited Cambodia to explore opportunities in the agro-processing sector. The delegation included representatives from various sectors, including energy, digital technology, e-commerce, and investment consulting.

In a related development, the Shanghai Geoharbour Group is also interested in investment opportunities in infrastructure and special economic zones (SEZs). Shanghai Geoharbour Group, a Chinese geotechnical engineering firm, has previously invested in Cambodia through the Techo International Airport (TIA). They were also encouraged to consider key infrastructure projects, including expressways, the Funan Techo Canal, and seaports, all of which are open to international investors. Upgrading airports, seaports, highways, and railways are urgent infrastructure needs of Cambodia as it works towards graduating from LDC status by 2029.




On October 1, the United States and the Royal Government of Cambodia (RGC) agreed to enhance trade and investment relations. The U.S. International Development Finance Corporation (DFC), an American government agency that provides financing for development projects in emerging markets and low-income countries is optimistic about expanding DFC's operations in Cambodia, particularly in priority sectors identified by the RGC.

Additionally, Gulfstream Aerospace Corporation, an American private jet company, is interested in Cambodia's aviation sector.

Source:

- [CDC approves US\\$443-Million Investment Projects in September | Ministry of Information \(information.gov.kh\)](#)
- [U.S. Firm interested in Cambodia's civil aviation industry | Khmer Times \(khmertimeskh.com\)](#)
- [Yunnan investors eye agro-processing sector opportunities | Khmer Times \(khmertimeskh.com\)](#)
- [Shanghai firm evinces interest in Kingdom's infrastructure development | Khmer Times \(khmertimeskh.com\)](#)



Cambodia's Trade Performance Q1-Q3 2024

According to the General Department of Customs and Excise (GDCE), Cambodia's total trade for the first nine months of 2024 reached **USD 40.94 billion**, marking a **16.4% year-on-year (YoY) increase** (see facts and figures on the next page).

This robust export performance aligns with the latest projections from international organizations like the World Bank, Asian Development Bank, International Monetary Fund, and ASEAN+3 Macroeconomic Research Office, which forecast Cambodia's economic growth to be between 5.8% and 6.2% for 2024 and 2025. In the World Bank's latest semi-annual economic outlook for the region, titled "**East Asia and Pacific Economic Update**", the World Bank projects Cambodia's economic growth at 5.3% in 2024 and 5.5% in 2025 (see page 13 for more details). As these institutions predict continued progress, Cambodia's exports remain essential to keeping the economy "on track", serving as a critical driver in maintaining momentum amidst positive forecasts.

Further underscoring the strength of the export sector is the remarkable growth at Phnom Penh Autonomous Port (PPAP), the country's second-largest port. In the first three quarters of 2024, PPAP handled **365,987 twenty-foot equivalent units (TEUs)**, a **19.98% increase** from the same period last year. Overall cargo throughput, including gas fuel, totaled **3.58 million tonnes, reflecting a 13.6% YoY rise**. The increase in manufacturing product exports, particularly in the garment and non-garment sectors, has significantly fueled the transportation sector, according to Phan Phalla, Secretary of State of the Ministry of Economy and Finance

Source:

- [Trade Statistics | General Department of Customs and Excise \(stats.customs.gov.kh/\)](https://stats.customs.gov.kh/)
- [PPAP sees increase in container throughput | Khmer Times \(khmertimeskh.com\)](https://www.khmertimeskh.com/)

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Total Trade

Total International Trade Volume:
USD 40.94 billion (YoY Increase: 16.4%)

Total Exports:
USD 19.83 billion (YoY increase: 17%)

Total imports:
USD 21.1 billion (YoY Increase: 15.9%)

Top Trading Partners

- *China*
(YoY Increase: 22.5 % to USD 11.14 billion)
- *The United States*
(YoY Increase: 10.2% to USD 7.8 billion)
- *Vietnam*
(YoY Increase: 21.9% to USD 5.81 billion)
- *The European Union*
(YoY Increase: 13.87% to USD 4.04 billion)
- *Thailand*
(YoY Increase: 12.4% to USD 3.16 billion)

Major Export Destinations

- *The United States*
(YoY Increase: 10.3% to USD 7.60 billion)
- *The European Union*
(YoY Increase: 20% to USD 3.29 billion)
- *Vietnam*
(YoY Increase: 33.8% to USD 2.72 billion)

Key Export Products

- GFT
- Machinery and electrical equipment
- Rubber and other agricultural products

Major Import Destinations

- *China*
(YoY Increase: 22.7% to USD 9.86 billion)
- *Vietnam*
(YoY Increase: 13% to USD 3.09 billion)
- *Thailand*
(YoY Increase: 16.4% to USD 2.52 billion)

Key Import Products

- Mineral fuels, mineral oils
- Knitted fabrics
- Electrical machinery equipment

Cambodia's Trade: Facts and Figures for Jan - Sep 2024

Cambodia's Trade with RCEP Countries

Total Trade Volume with RCEP Countries:

USD 25.54 billion (YoY Increase: 17.1%)

- Share of Total Trade Volume: 61.6% of Cambodia's total trade

Exports to RCEP Countries:

USD 6.76 billion (YoY Increase: 16.3%)

Imports from RCEP Countries:

USD 18.78 billion (YoY Increase: 17.3%)

Top 5 RCEP Trading Partners

- China
- Vietnam
- Thailand
- Japan
- Indonesia

Cambodia's Trade with ASEAN Countries

Total Trade Volume with ASEAN Countries:

USD 11.72 billion (YoY Increase: 13%)

- Share of Total Trade Volume: 28.3% of Cambodia's total trade

Exports to ASEAN Countries:

USD 3.81 billion (YoY Increase: 13%)

Imports from RCEP Countries:

USD 7.91 billion (YoY Increase: 13%)

Top 5 ASEAN Trading Partners

- Vietnam
- Thailand
- Indonesia
- Singapore
- Malaysia

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Key Export Products (Jan – Sep 2024)

Key Export Products	Export Values	Major Markets
Garments, Footwear, and Travel Goods (GFT)	<p>Textile exports reached nearly USD 9 billion in the first three quarters of 2024, making a 25% increase YoY. These exports accounted for 44.16% of the country's total export revenue of USD 19.83 billion.</p> <p><u>Breakdown of key textile categories:</u></p> <ul style="list-style-type: none"> Knitted apparel: USD 5.034 billion (up 21.5%) Non-knitted apparel: USD 2.353 billion (up 31.9%) Other textiles: USD 155.69 million (up 37.7%) Footwear and gaiters: USD 1.214 billion (up 22.4%) 	The United States, Europe, United Kingdom, Japan, South Korea and China
Rubber	<p>Rubber exports also increased, with 248,535 tonnes of rubber latex exported, a 2.4% increase from last year. The average price per tonne of rubber latex was USD 1,586, about USD 215 higher than in the same period last year. Total revenue from rubber latex exports reached USD 394 million, marking an 18% increase compared to USD 332.6 million in 2023.</p>	Malaysia, Vietnam, and China.
Rice	<p>Rice exports totaled 445,913 tonnes, valued at USD 335 million. This includes a variety of rice types, such as premium aromatic, fragrant, long grain white, parboiled, and organic rice.</p>	<ul style="list-style-type: none"> - China (81,423 tonnes worth USD 56 million) - The Europe Union (228,731 tonnes worth USD 186 million) - ASEAN countries (86,043 tonnes worth USD 52 million)
Cassava	<p>Cambodia's cassava exports saw a contrasting performance: fresh cassava exports rose sharply, totaling 2 million tonnes—a 162.53% YoY increase. However, exports of dry cassava declined, totaling over 860,000 tonnes, a decrease of 12.54%.</p>	Thailand and Vietnam



Cambodia's Cashew Industry: Latest Developments and Opportunities

In the first seven months of 2024, Cambodia exported **over USD 1 billion** worth of raw cashew nuts to Vietnam, totaling **790,000 tonnes**. This impressive volume represented nearly 95% of Cambodia's total cashew production and accounted for 47% of Vietnam's cashew imports, according to data from Vietnam's General Department of Customs. While Vietnam is the primary market for raw cashew nuts, China, Europe, the United Arab Emirates, and the United States are the main markets for cashew kernels from Cambodia. This export activity highlights Cambodia's growing prominence in the global cashew market.

With 580,117 hectares dedicated to cashew cultivation, Cambodia has become the world's second-largest cashew producer, reaching 830,000 tonnes and trailing only Côte d'Ivoire. Cambodia is now positioning itself to become the top producer within the next three to five years.

To support this goal, Cambodia's "**National Cashew Policy 2022-2027**" aims to increase domestic cashew nut processing from the current 5% to 25% by 2027 and 50% by 2032. The policy includes incentives to attract investment in local processing facilities, establishes minimum selling prices, and raises export taxes on raw cashews while providing tax exemptions for processed cashew exports. (For more information, see [page 12 of Aquarii's Connecting Dots August 2024 Issue](#)). This policy has attracted investment from major companies, including Japanese firms like MIRARTH GreenTech, the Cambodian-Singaporean joint venture CSNC Agriculture, and companies from Korea and China, driving growth in the sector.

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Did You Know?

During the first seven months of 2024, Cambodia has produced **more than 830,000 tonnes** of raw cashew nuts, **up 36.7%**, making it the world's **second largest cashew exporting country**.

MIRARTH GreenTech

The Japanese firm MIRARTH GreenTech is expanding its cashew nut processing operations in Cambodia, increasing its capacity from 3 tonnes in 2021 to 1,500 tonnes annually. In collaboration with the Ministry of Industry, Science, Technology & Innovation (MISTI), MIRARTH is also exploring biomass fuel production from cashew shells and trees, a project estimated to take two years. MIRARTH also plans to build two large factories in Kampong Thom province over the next three years. One factory will process 20,000 tonnes of cashew nuts annually, while the other will produce cashew nut shell liquid (CNSL) using a new one-step extraction technology, with a pilot project set for next year. Furthermore, MIRARTH's initiative to offer internships through the Polytechnique Institute of Kampong Thom reflects a commitment to skill development and local engagement, fostering a knowledgeable workforce for the burgeoning cashew industry.

CSNC Agriculture

A joint venture by Cambodian and Singaporean investors, CSNC's USD 12 million cashew processing plant in Cambodia, covering 12,000 square meters, will complete construction in December 2024 and begin operations by March 2025. The plant has a daily capacity of 40 tonnes, approximately over 12,000 tonnes annually, targeting exports to China, Europe, the United Arab Emirates, and the United States. The plant's first processed cashew exports will go to China, where they will be packaged before reaching retail markets. The Middle East is expected to become Cambodia's second-largest market for cashew products, favoring premium varieties, while the European and American markets have a preference for smaller cashew nuts.

Source:

- [MIRARTH expands cashew processing, explores biomass fuel production | Khmer Times \(khmertimeskh.com\)](#)
- [Cashew processing hopes rise with impending new facility | The Phnom Penh Post \(phnompenhpost.com\)](#)
- [Kampong Thom to set up dedicated hub for cashew nuts | Khmer Times \(khmertimeskh.com\)](#)

Building on this momentum, Kampong Thom province is set to establish a cashew nut hub to supply markets in Turkey, the Middle East, and the European Union. The Vice President of the Cashew Nut Association of Cambodia (CAC) announced that discussions with business leaders from Turkey and the U.S. are underway to secure funding for this hub. The CAC is also working with local businesses interested in joining the hub, with plans to launch by the next harvest season to begin taking orders and processing them for export. Initially, the focus will be on exporting Cambodian cashews to Turkey, with future expansion into European and Middle Eastern markets, which offer significant growth opportunities.

Looking ahead, Cambodia's cashew industry has a promising future, entering a transformative period driven by export growth, government policy, and investments in local processing and technology. These efforts could position Cambodia as the world's leading cashew producer, marking a significant step in strengthening its agricultural sector and economic resilience.

Call for Expressions of Interest

An agro-entrepreneur is developing a more efficient cashew nut processing machine for local use. Interested organizations or individuals seeking support or more information can contact us at info@aquariibd.com.



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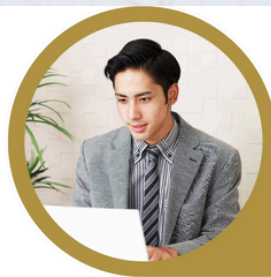
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Cambodia's Digital Growth: 20 Million Internet Subscribers and Rising Mobile Payments

As of June 2024, Cambodia has reached **20 million internet subscribers**, both mobile and fixed, up from 16.6 million in 2020, according to the Telecommunication Regulator of Cambodia. Mobile subscribers have **increased by 5.2%, totaling 21.9 million users**. The country currently has 4 mobile internet providers and 39 internet service providers. Additionally, Cambodia is connected by two submarine fiber optic cables—one linking to Thailand and Malaysia, and the other to 18 countries across Asia, Africa, and Europe.

This increase in internet subscribers underscores Cambodia's early digital adoption, which was well ahead of other regional countries, including more mature and advanced economies. Mobile internet, particularly through smartphones, has played a key role in facilitating this shift. This trend is largely driven by a youthful demographic, **as over 70% of the population is under 35**. According to the National Bank of Cambodia, mobile payments surged to **USD 492 billion in 2023—nearly 12 times Cambodia's GDP—marking an 80% increase** from USD 272.8 billion in 2022. This growth has enhanced financial inclusion, spurred innovation, and improved user convenience.

In addition, the Cambodian government has launched the **"Digital Economy and Society Policy Framework 2021-2035"** which aims to build a vibrant digital economy and society by laying the foundations for promoting digital adoption and transformation among all social actors, including the state, citizens, and businesses. This initiative seeks to accelerate new economic growth and enhance social welfare in the new normal. It includes upgrading from 4G to 5G and expanding fiber-optic networks to cover all communes nationwide.

Source: [Internet users in Kingdom surge to 20 million | Khmer Times \(khmertimeskh.com\)](https://www.khmertimeskh.com)

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Unlocking Opportunities in Cambodia's Telecom Sector

Cambodia's telecommunications sector is undergoing significant development, marked by strategic partnerships and investments aimed at enhancing connectivity throughout the Kingdom. As Cambodia positions itself as one of the emerging leaders in the digital economy, these developments in telecommunications infrastructure will be crucial for driving economic growth and boosting its regional competitiveness.

Malaysian Firm Invests in Cambodia's Telecom Expansion

Global Tower Corporation Pty Ltd (GTC), a leading telecommunications infrastructure company in Cambodia, has secured USD 19.97 million in financing from Export-Import Bank of Malaysia Berhad (EXIM Bank Malaysia). This funding will facilitate the construction of over 400 new telecommunication towers, significantly improving connectivity in urban, rural, and underserved areas.

As a 75 percent-owned subsidiary of Rohas Tecnic Berhad (RTB Group), GTC is independently licensed to provide construction and installation services for telecommunications infrastructure in Cambodia. RTB Group specializes in utility infrastructure solutions across telecommunications, power, energy, and water sectors. EXIM Bank Malaysia's financing aligns with its mission to facilitate the global expansion of Malaysian businesses while supporting critical development projects in fast-growing markets like Cambodia.

The collaboration between GTC and EXIM Bank is expected to stimulate further investment in Cambodia's telecommunications sector, improving access to digital services and enhancing the quality of life for Cambodians.

Source:

- [GTC gets \\$19.97M financing from EXIM Bank for telecom infrastructure in Cambodia | Khmer Times \(khmertimeskh.com\)](#)
- [Chasing Huawei, Japan's NTT Docomo and NEC plan Cambodia 5G project | Nikkei Asia \(asia.nikkei.com\)](#)
- [Japanese IT giants to lay 5G network expansion in Cambodia | Khmer Times \(khmertimeskh.com\)](#)

Japanese Tech Giants Drive Cambodia's 4G and 5G Readiness

Japanese tech giants NTT Docomo and Nippon Electric Company (NEC) have launched a joint venture, Oresai, to enhance Cambodia's telecommunications by introducing 4G technology utilizing Open RAN (Radio Access Network). The 4G network is set to debut at a prominent commercial complex by March 2025. This joint venture aims not only to enhance connectivity but also to pave the way for future 5G services across Southeast Asia, according to Nikkei Asia.

While urban areas in Cambodia benefit from 4G access, rural regions struggle with connectivity, hindering their digital engagement. Oresai's infrastructure development aims to enhance high-speed internet nationwide, creating opportunities for consumers, businesses, and investors. Improved connectivity will facilitate future 5G implementation and drive growth across sectors like healthcare, agriculture, and education.

This aligns closely with Cambodia's **"Digital Economy and Society Policy Framework 2021–2035"** which aims to strengthen mobile infrastructure, expand high-speed internet access, and foster economic inclusion through stable connectivity.

World Bank Outlook: Steady Growth in EAP and Cambodia Despite Global Challenges



The World Bank's latest economic outlook for East Asia and the Pacific (EAP), which includes Cambodia, indicates continued growth in 2024, albeit at a slower rate compared to pre-pandemic levels. Cambodia's GDP is projected to grow by **5.3% in 2024 and 5.5% in 2025**, slightly lower than the previous April 2024 forecasts of 5.8% and 6.1%, respectively. The EAP's GDP is expected to decline from 4.8% in 2024 to 4.4% in 2025. This downward trend in Cambodia and the region's GDP projections is driven by shifts in trade and investment, rising production costs, ongoing conflicts in the Middle East and Europe, and a slowdown in China's economy.

Technological advancements such as robotics and artificial intelligence (AI) are reshaping labor markets in the region. While these technologies have created more skilled job opportunities by enhancing productivity, they also displace low-skilled workers. In Cambodia, where the economy relies heavily on manual labor, the risk of job losses due to AI is relatively lower. However, the country may not fully benefit from AI-driven productivity due to a limited number of jobs suited for AI integration. Nevertheless, the government has implemented various policies and programs to transition Cambodia towards a digital economy.

Manuela Ferro, Vice President of the World Bank for the region, emphasized that the EAP continues to play a crucial role in the global economy. To sustain long-term growth, countries must adapt to shifting market conditions by modernizing their economies, enhancing trade agreements, and investing in a skilled workforce to fully leverage technological advancements.

Source:

- [WB reports world-leading growth for East Asia and Pacific | Khmer Times \(khmertimeskh.com\)](#)
- [WORLD BANK EAST ASIA AND THE PACIFIC ECONOMIC UPDATE OCTOBER 2024 | World Bank Group \(openknowledge.worldbank.org\)](#)

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Cambodia's Energy Transition: Launch of Its First Gas-Fired Power Plant



Mr. David Van, Public-Private Partnership Director of Platform Impact and a veteran business and policy advisor in Cambodia, shared that the new LNG power plant in Koh Kong will complement Cambodia's current energy strategy by providing a reliable and cleaner alternative that aligns with its broader goals of environmental responsibility and sustainable energy growth. This development supports Cambodia's aspirations for increased renewable energy integration and long-term carbon neutrality, while also offering potential employment opportunities and contributing to infrastructure development that will drive economic growth.

Cambodia marked a significant milestone in its energy transition with the groundbreaking of a **USD 1.34 billion LNG gas-fired power plant** in Koh Kong province on October 16. This will be the nation's largest power generation site followed by the 400MW hydropower plant launched in 2017.

The new power plant will consist of two combined-cycle generation units, each capable of producing 450 MW, with a total output of 900 MW. It is expected to generate around 6,000 GWh of electricity annually, which will cover approximately 26% of Cambodia's energy output. The first unit is scheduled to start operations in April 2027. By using imported LNG, the plant will provide a cleaner alternative to coal, helping reduce carbon emissions and stabilize the electricity grid. Currently, clean energy accounts for over 62% of Cambodia's energy consumption. The country is committed to sourcing 70% of its energy from renewable sources by 2030 and achieving carbon neutrality by 2050. The government is dedicated to ensuring that development is balanced with environmental responsibility, minimizing the impact on local communities and ecosystems.

In a related development, 6 Chinese companies have shown interest in investing in Cambodia's **solar energy sector** and are seeking to sign a Memorandum of Understanding (MoU) with the government. This intent was discussed during a meeting between the CDC and a delegation led by Heng Ty from Zhongjian Yongfeng New Energy Resources Technology Co., Ltd. The companies aim to co-invest in solar projects and are seeking government support, highlighting the increasing potential in Cambodia's energy sector as industrial investments continue to grow.

Cambodia's Commitment to Renewable Energy

As of October 2024, 99.15% of Cambodian villages have access to electricity, reflecting the government's commitment to expanding energy access and promoting clean energy. To further its sustainable development goals, Cambodia has approved 23 energy projects for the 2024-2029 period, with a total investment of USD 5.79 billion. These projects include 12 solar, 6 wind, 1 biomass, 1 LNG, 1 hydropower, and 2 energy storage projects, collectively set to generate 3,950 MW of electricity and provide 2,000 MW of storage. The projects will be implemented across several provinces, including Battambang, Pursat, Kampong Chhnang, Ratanakiri, Mondulakiri, Preah Sihanouk, Kampong Cham, and Prey Veng.

Source:

- [Cambodia launches largest ever power-generation facility | Khmer Times \(khemertimeskh.com\)](#)
- [Cambodia doubles down on power infrastructure development | Khmer Times \(khemertimeskh.com\)](#)



Cambodia's Insurance Market: Growth, and Opportunities

In the first nine months of 2024, Cambodia's insurance sector recorded **USD 272.8 million in gross premiums, a 3.2% increase** from USD 264.2 million in the same period last year, as reported by the Insurance Regulator of Cambodia (IRC). This growth came from contributions by 18 general insurers, 14 life insurers, 7 micro-insurance providers, and 1 reinsurance company.

Insurance claims from January to September reached **USD 51 million, up 15%** from USD 44.3 million the previous year. The sector's total assets have now surpassed USD 1 billion.

IRC Director General Bou Chanphirou noted that the insurance industry supports Cambodia's social security system and contributes to economic development. In 2023, the insurance market was valued at roughly USD 344 million, with a penetration rate of 1.16% of GDP and a per capita density of USD 21.02—indicating potential for further growth.

This growth suggests a positive outlook for Cambodia's insurance industry. Its increasing assets enhance financial stability and draw interest from potential investors. Rising claims also show the sector's role in providing financial security to citizens. With a 1.16% GDP penetration rate, the industry has room to grow, particularly in underserved areas. As awareness of insurance benefits continues to spread, the sector is positioned to support economic resilience, boost financial literacy, and contribute to projects aligned with national development goals. These factors indicate ongoing progress for Cambodia's insurance sector.

Source: [Cambodia's insurance industry sees 3.2 pct growth in Jan.-Sept. | Xinhua \(english.news.cn\)](#)



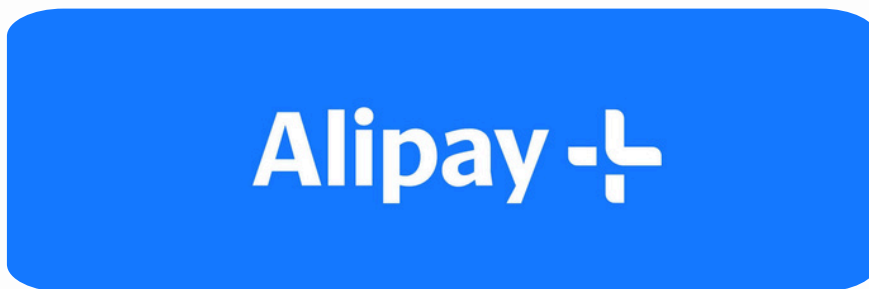
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NBC Unveils Cross-Border Payments with Bakong and Alipay+ Integration

On October 14, the National Bank of Cambodia (NBC) and Ant International signed a Memorandum of Understanding (MoU) to enhance cross-border payments by integrating Cambodia's Bakong system through KHQR with Alipay Plus (Alipay+). Alipay+ is a global platform for mobile payments and digital marketing, connecting over 30 payment partners with more than 90 million merchants and serving 1.6 billion users.

This partnership simplifies mobile payments in key markets including China, Singapore, Malaysia, South Korea, and the Philippines. Through this collaboration, users will be able to make seamless payments to over 3 million merchants in Cambodia, while the next phase is to enable Cambodians to make cross-border payments overseas using local wallets through Alipay+ partners. This initiative aims to enhance trade, tourism, financial inclusion, and support economic growth, further integrating Cambodia into the global digital economy.



NBC has previously launched cross-border QR payment projects with multiple countries such as Thailand, Vietnam, Laos, South Korea, Malaysia, and China. In August 2024, NBC also introduced the newly introduced "Bakong Touris" app to further facilitate digital payments for international visitors. (For more information on the Bakong Tourist app, see [page 15 of Aquarii's Connecting Dots August 2024 Issue](#)).

Source: [NBC, Ant International launch cross-border QR payment | Khmer Times \(khmertimeskh.com\)](#)



Cambodia's Real Estate Market: Not Out of the Woods Yet

Phnom Penh's real estate market remained challenging during the third quarter of 2024 with a slowdown in construction, real estate investment and limited growth in rents and sales prices, according to CBRE Cambodia's **"Phnom Penh Market Insights Q3 2024 Report"**, released on October 17, 2024.

- **Market Stabilization**

CBRE's report suggests that the slowdown in new project launches may actually benefit the market by improving occupancy rates and returns for investors. Fewer new residential projects could help balance supply and demand, leading to more stable growth over time.

- **Retail Sector**

Retail occupancy rates have dropped from 58.7% in Q2 to 58.3% in Q3 of 2024 while the rental rates remained subdued. However, the rate is almost 30% lower compared to 2019. The report also stated that landlords have become more flexible with the use of space by diversifying the tenant mix.

- **Commercial Sector**

Phnom Penh's office supply is expected to reach 1.12 million square meters by the end of 2024 and grow to 1.34 million square meters by the end of 2025. The report also forecasts a slight increase in office occupancy rates, from 61.8% to 65.8%, despite a drop in Grade A office rental rates by over 5% to around USD 25 per square meter. Nevertheless, Grade B offices saw a minor rise of 1% while Grade C offices decreased by 3.5%. In contrast, Ho Chi Minh City has approximately 1.6 million square meters of office space, with a higher occupancy rate of 79%. The relatively lower occupancy rate compared to Ho Chi Minh City indicates weaker demand, meaning Phnom Penh might need to offer more competitive leasing terms to attract tenants and counterbalance the high supply levels.

- **Residential Property Sector**

The new projects in the landed development sector have seen a deep drop from almost 90 new projects per year from 2019-2022 to around 5 projects in 2024. Condominiums have also decreased from 33 new projects during the pre-Covid period to only 5 new projects in 2024. Of note is that the majority of residential projects, comprising luxury villas and condominiums, cater to the top 10-20% of the Cambodian population and foreign buyers.

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Insight from CBRE Cambodia

Ms. Kinkesa Kim, Managing Director of CBRE Cambodia, believes that the sharp reduction in new residential launches indicates a market correction. Oversupply in the residential sector had previously led to subdued occupancy and rental rates. However, this slowdown could help stabilize the market, as occupancy is expected to rise along with increased demand for rentals and resale properties.

Insight from Phillip Bank Plc

Mr. Ong Teong Hoon, Director and Shareholder Representative of Phillip Bank Plc, shared that the correction in the real estate sector does not appear to be too evident. Banks continue to encounter difficulties in foreclosing on properties, and recovery timelines are expected to extend before any significant turnaround. This slowdown in the real estate sector has a cascading impact on the banking industry, as property values directly affect collateral recovery and asset quality, contributing to the rise in non-performing loans (NPLs).

Insight from IMF

Kristalina Georgieva, Managing Director of the International Monetary Fund (IMF), echoed concerns about the global economy and warned that high levels of debt and low economic growth continue to challenge the global economy. While some countries have shown signs of recovery, many are still struggling with inflation and debt, leading to reduced spending and investment.

As Cambodia's real estate sector mainly relies on foreign investment, global economic uncertainties have caused challenges for the sector which have resulted in fewer new investment projects and slower market activity. This slowdown could continue to discourage investors in the short term, but it also presents a unique opportunity for those looking for value-for-money buys. The CBRE report suggests that a reduction in new projects could benefit the market by stabilizing prices and balancing supply and demand, which may lead to healthier long-term growth. This "market correction" phase can be favorable for adaptive investors, as market values align more closely with actual demand rather than speculative growth which will adjust to more sustainable levels—potentially reducing entry barriers for investors willing to capitalize on these lower prices.

However, with projections by Realestate.com.kh in July of this year that 14,000 additional units of condominiums would be added to the market by the end of 2024 and total supply expected to reach over 80,000 units in 2025 - whereas Knight Frank estimated that 19,997 units were scheduled to be completed by 2024 and an additional 34,512 units by 2026 - the real estate situation does not seem to be out of the woods yet.

Source:

- [CBRE Q3 report hints at market correction in real estate sector | Khmer Times \(khmertimeskh.com\)](https://www.khmertimeskh.com)
- [IMF chief warns low growth and high debt weigh on global economy | CNBC \(cnbc.com\)](https://www.cnbc.com)



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CIR Gains Google News Recognition, Expanding Cambodia's Media Landscape



Cambodia Investment Review (CIR) has been accepted into Google News, becoming the only fourth locally licensed English-language news outlet in Cambodia featured on the platform. CIR has been operating since September 2021, after receiving its media license from Cambodia's Ministry of Information. The media outlet aims to showcase the business and investment opportunities and development in the Kingdom to the regional and global investors, while also working to dispel outdated perceptions toward Cambodia. Alva Chew, CEO and Founder of Singapore-based SEO firm Stridec Worldwide, highlighted that Google News improves a publication's visibility, credibility, and search rankings, allowing CIR to better connect with a global audience.

This recognition is expected to increase awareness of Cambodia's growing economy and provide international investors with in-depth and credible insights into its investment landscape.

Source: [Cambodia Investment Review Now Included in World Largest News Aggregator 'Google News, Expanding Global Reach | Cambodia Investment Review \(cambodiainvestmentreview.com\)](#)

Key Outcomes of the 44th and 45th ASEAN Summits: Opportunities for Investment and Collaboration in Cambodia



PM Hun Manet led a high-level Cambodian delegation to the 44th and 45th ASEAN Summits in Vientiane, Laos, from October 8-11, 2024. Under the theme, "**ASEAN: Enhancing Connectivity and Resilience**" the summits aimed to advance ASEAN's Vision 2025, focusing on strengthening regional economic connectivity and resilience. Cambodia's participation brought forth several key outcomes that highlight potential opportunities for foreign businesses and investors:

Key Bilateral Highlights and Investment Opportunities

- **Lao PDR**

On October 8, Cambodia and Lao PDR leaders reaffirmed their strategic partnership, with plans to enhance cooperation in education, infrastructure, trade, tourism, and energy. Both governments aim to improve border infrastructure and reactivate Joint Trade Committee meetings, making cross-border trade and tourism more accessible—beneficial for businesses exploring Laos-Cambodia trade links.

- **Thailand**

On October 9, the PM of Cambodia and Thailand expressed a commitment to expand regional economic integration and promote tourism. With a focus on defense and security cooperation, this strengthened partnership opens doors for cross-border tourism and infrastructure projects and presents potential for businesses in hospitality, travel, and trade.

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- **Canada**

On October 10, 2024, the Cambodian and Canadian PMs met to discuss strengthening economic and diplomatic relations. Canada announced plans to establish a full embassy in Phnom Penh, along with a trade delegation to explore trade opportunities, particularly with the upcoming ASEAN-Canada Free Trade Agreement. As the FTA progresses, Canadian businesses may find growing prospects in manufacturing, services, and technology sectors. The establishment of mutual embassies shows a commitment to strengthening diplomatic and economic ties, providing a solid base for long-term investments.

- **China**

On October 10, Cambodia's PM and Chinese Premier Li Qiang met to reinforce bilateral cooperation in various strategic areas, including clean energy, infrastructure, and people-to-people connections. Both agreed to collaborate on a master plan for the Fish and Rice Corridor and the Industrial and Technological Corridor. These initiatives are designed to bolster Cambodia's agricultural exports to China and industrial capacity, creating promising avenues for agribusiness technology, export logistics, and clean energy investments. China also pledged a 300 million yuan (USD 42 million) grant to support Cambodia's ongoing infrastructure development.

- **New Zealand**

On October 10, Cambodia and New Zealand discussed enhancing trade and investment partnerships, emphasizing agriculture, clean energy, and technical and vocational training (TVET). This cooperation is especially advantageous for businesses involved in agriculture, green energy, and workforce development, tapping into New Zealand's expertise in agro-industry and technical training.

- **Luxembourg**

On October 12, Luxembourg's DPM expressed interest in partnering with Cambodia in tourism, finance, digital technology, and mine clearance. The two nations plan to establish a Foreign Ministries consultation mechanism, potentially providing an official pathway for businesses looking to collaborate in technology, health, and finance sectors. Luxembourg's consideration of Cambodia as a partner country further indicates targeted support for joint initiatives in health and education.

Source:

- [Cambodia, Lao PDR to Further Enhance Comprehensive and Long-Lasting Strategic Partnership | Ministry of Information \(information.gov.kh\)](https://www.information.gov.kh/)
- [Cambodian, Thai PMs agree to further strengthen, expand bilateral cooperation | Khmer Times \(khmertimeskh.com\)](https://www.khmertimeskh.com/)
- [Cambodia, New Zealand Pledge to Boost Trade Volume | Fresh News \(freshnewsasia.com\)](https://www.freshnewsasia.com/)
- [Cambodia, China Agree to Foster Cooperation in Clean Energy and Connectivity | Ministry of Information \(information.gov.kh\)](https://www.information.gov.kh/)
- [Canada to Open an Embassy in Phnom Penh Soon | Ministry of Information \(information.gov.kh\)](https://www.information.gov.kh/)
- [Cambodia, Luxembourg highly optimistic about bilateral cooperation expansion | Khmer Times \(khmertimeskh.com\)](https://www.khmertimeskh.com/)

The “Immersed in Land & Water Exhibition”: Celebrating Art and Nature

“Immersed in Land & Water”, a group exhibition celebrating the inauguration of SNA Arts Management’s new gallery and project space, ran from September 26 to November 29, 2024. The exhibition showcased works by renowned artists from Battambang, Koh Kong, and Phnom Penh. Through a range of mediums—painting, sculpture, and photography—the artists explored humanity’s connection with nature, inviting audiences to engage with pressing environmental and social issues. The exhibition thoughtfully examined the interplay between Cambodia’s natural landscapes, waterways, and social development, highlighting critical themes like environmental degradation, industrialization, and conservation. Immersed in Land & Water ultimately underscored the fragility and importance of our ecosystems.

Source: [Immersed in Land & Water. Exploring Cambodia’s natural and social landscapes | Phnom Penh Post \(phnompenhpost.com\)](#)

CSFF 2024 Highlights Emerging Cambodian Filmmakers and Global Short Films

The Chaktomuk Short Film Festival (CSFF), Cambodia’s largest short film festival, ran from October 25 to 28, 2024, organized by the Sunflower Film Alliance. Held annually in Phnom Penh, the festival featured 57 innovative short films from both local and international filmmakers, fostering creative expression and technical skill. This year, five emerging Cambodian filmmakers were spotlighted, with selected works including Black Light, Three Legs in the Evening, Golden Dragon, Help, and After the Rain. The festival offered free public screenings at various venues across the city and is actively seeking additional funding to expand outreach and support for Cambodian filmmakers.

Source: [Five Local Short Films Will Debut At CSFF | Kiripost \(kiripost.com\)](#)

“Angkor: The Smile of Cambodia” Festival Celebrates Cambodia’s Culture and Heritage

The “Angkor: The Smile of Cambodia” took place in Siem Reap on October 29–30, 2024, following the success of its inaugural edition in August. Organized by the Ministry of Culture and Fine Arts in collaboration with the Khmer Artists Association, the event celebrated Cambodia’s rich heritage and commemorated the 20th anniversary of the King’s coronation. Featuring a grand parade, a marching band, and over 500 artists, the event brought vibrant performances to the historic Angkor temples—a spectacle unseen for centuries. The two-day event aimed to boost tourism in Siem Reap through Cambodian arts and culture, centered on the theme “We Work Together for Culture and Tourism.” Highlights included The Wonders of the Khmer Empire of the Angkorian Period, a performance celebrating the heroism of King Jayavarman VII, and The Smile of Cambodia, which showcased Khmer traditions, values, and cultural practices.

Source: [“Angkor: The Smile of Cambodia”, a significant event to promote cultural tourism - Khmer Times \(khmertimeskh.com\)](#)

Big Bad Wolf Books Fair Showcases Extensive Collection in Phnom Penh

“Big Bad Wolf Books”, the world’s largest book fair, has returned to Cambodia for the third time, bringing massive discounts and a vast selection of books to Phnom Penh’s Borey Rung Reung in Chroy Changvar. Running from October 25 to November 3, 2024, the fair is open daily from 10:00 a.m. to midnight, offering discounts across 20 categories, including nonfiction, self-help, children’s books, and cookbooks. Since its founding in 2009, Big Bad Wolf Books has expanded to 48 cities in 15 countries across Asia and Africa, supporting global literacy and inspiring a love of reading. This year’s fair features an expanded collection and exclusive promotions, creating a fresh experience for both new and returning visitors. Describing itself as a movement to “change the world, one book at a time,” Big Bad Wolf Books continues to empower readers and promote literacy worldwide.

Source: [Big Bad Wolf Books returns to Cambodia, offering discounts - Khmer Times \(khmertimeskh.com\)](#)

AGRICULTURAL LAND FOR SALE IN SIHANOUKVILLE PROVINCE, CAMBODIA

Overview

- *Location:* Sihanoukville Province, Cambodia
- *Size:* 107 hectares and smaller parcels are available
- *Title:* Hard titled land
- *Current Use:* Organic fruit plantation

Strategic Location

- 20 minutes from Sihanoukville Airport
- 35 minutes from Sihanoukville Seaport
- 30 minutes from Kampot Deep Seaport

Key Features

- *Infrastructure*
 - Natural waterway with 10 water reservoirs
 - 7 deep wells
- *Facilities*
 - Electric power lines
 - Equipment warehouse
 - 200 pig fattening house and feed warehouse
 - 7 chicken houses
 - Two 40-foot container homes (2 rooms each)
 - One 20-foot office container
- *Agricultural Assets:*
 - 1,000 hybrid acacia trees
 - 4,848 mango trees
 - 550 tangerine trees
 - 4,000 jackfruit trees
 - 3,636 coconut trees
 - 1,500 areca nut trees
 - 1,400 orange trees
 - 1,100 rambutan trees
 - 800 longan trees
 - 190 avocado trees
 - 114 litchi trees
 - 100 lime trees
 - 82 Meyer lemon trees
 - 20,500 lemongrass plants
 - 30 neem trees
 - 600 golden teak trees
 - 300 rosewood trees

Future Opportunities

- Processing of coconuts and fruit
- Cultivation of black pepper
- Expansion of chicken and pig raising operations
- Potential Development: Industrial park, special economic zone, tourist resort, residential community, golf course



Contact our team:

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OFFICE SPACE FOR RENT

Location: Sangkat Phsar Thmei 2, Khan Daun Penh, Phnom Penh, Cambodia

Offer high quality buildings located in the center of Phnom Penh. This property is ideal for corporations or companies looking for a spacious venue to establish their office. Its versatile open layout accommodates various office configurations, from cubicle arrangements to hybrid desks and enclosed meeting rooms. The building is well-maintained and strategically positioned for optimal business operations.

- Price: USD 33/sqm, USD 22,423/month
- Size: 679.5 sqm
- Service Charge: USD 5/sqm
- Handover Condition: Unfurnished
- Parking
- Elevators
- 24 Hours Security

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OFFICE SPACE FOR RENT

Location: Sangkat Boeung Kak 1, Khan Toul Kork, Phnom Penh, Cambodia

Located in Toul Kork, an area known for its traditional mid-rise residential villas and schools, this Grade B property mixed-use development offers an eco-friendly environment designed to meet the modern needs of all business enterprises. The property includes retail spaces, office units, and residential accommodations, providing a versatile solution for various commercial and residential purposes.

- Price: USD 18/sqm, USD 2,179.08/month
- Size: 121.06 sqm
- Management Fee: 3 USD/sqm
- Car Parking: USD 50/month
- Motorbike Parking: USD 10/month
- Elevators
- 24 Hours Security

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JOIN US for the 5th Red Hornet Chairman's Cup – Golf for a Cause

The Red Hornet Chairman's Cup (RHCC) is an annual golf tournament held in Cambodia that draws local and international participants from diverse backgrounds and nationalities, including senior government officials, diplomats, businesspersons and professionals.

The "5th Red Hornet Chairman's Cup- Golf for a Cause" to be held this year will benefit the **Cambodia Kantha Bopha Foundation (CKF)**, to provide vital support to young patients and their families.

His Excellency Say Samal, Deputy Prime Minister and Minister of Land Management, Urban Planning and Construction of the Kingdom of Cambodia, will be the Guest of Honor at the Prize Presentation Networking Dinner.

More than 80 golfers are participating in the tournament, including several ministers and ambassadors confirming their participation and/or attending the prize presentation dinner. The dinner is also a good opportunity for attendees to renew acquaintances, establish new friendships, and expand their network of contacts, as businesspersons and professionals based locally and from overseas will be joining the event. Attractive prizes are in store for both golfers and non-golfers, but more importantly, a special auction event will also be conducted during the dinner to add to the proceeds raised from the tournament for CKF.

Join us as a sponsor or participant in this meaningful event. Click [here](#) to find out more about RHCC and Golf for a Cause. For more information on how you can participate or be involved as a sponsor, refer to the the EDM Flyer [here](#).



Friday, 29 November 2024, 11:30 AM



Chhun On Golf Course, Phnom Penh

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Connecting Dots is a monthly compilation of salient local developments in Cambodia.

In this publication, our focus is to help businesses and investors connect the dots on the recent market and economic events in Cambodia, providing a clear overview of what has occurred in the preceding month.

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Reach a wider audience and help international businesses and investors better understand developments or opportunities of interest.

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