

December 2024 – January 2025 Edition

Connecting Dots



Featured Highlights: Key M&A Deals & FDI

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Connecting Dots is a bi-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.

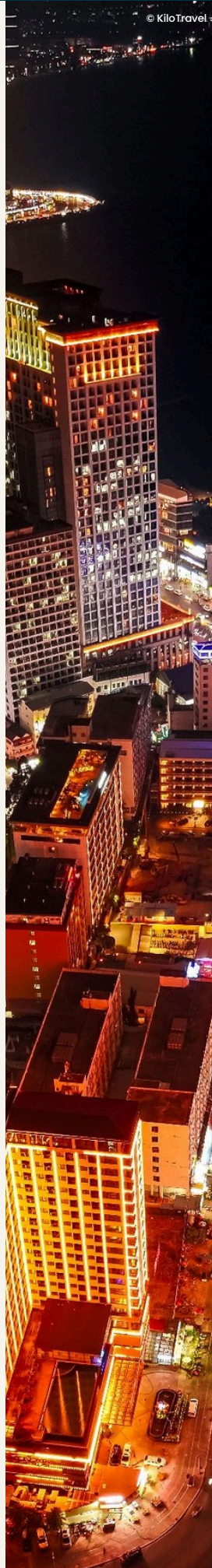
The focus of our publication is to help businesses and investors connect the dots on what's been happening in the preceding month in the Cambodian market and economy.

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

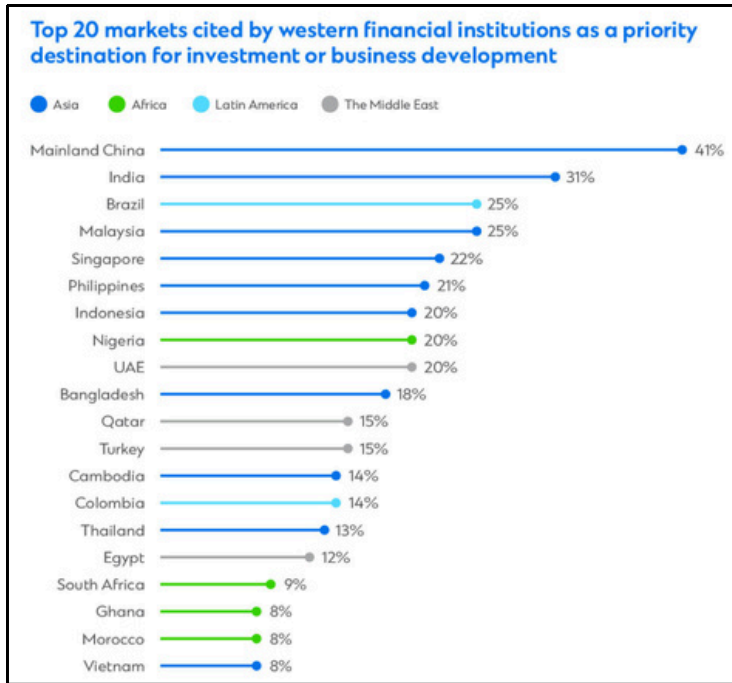


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Cambodia Ranks 13th Globally Among Top Investment Destinations for Western FIs



Cambodia has been ranked among **the top 20 priority destinations** for investment and business development by **U.S. and European financial institutions (FIs)**, according to a recent survey by Standard Chartered, a London-based FI. The ranking reflects Cambodia's strong GDP forecasts and business potential for Western financiers.

The survey, which gathered insights from 400 American and European FIs, placed **Cambodia 13th globally**, ahead of regional peers such as Thailand (15th) and Vietnam (20th).

Key Findings of the Survey

Shift in Investment Focus: Emerging and developing Asian markets are increasingly attracting investment from developed nations due to economic growth trends, as investors diversify their portfolios by focusing on high-growth markets that offer better returns compared to Western economies.

Factors Driving Investment in Emerging Asian Market:

- **Market potential:** Growing populations, rising consumer demand, and expanding middle-class incomes, alongside rapid urbanization, create opportunities in transportation, energy, and telecommunications.
- **Appealing economic conditions:** Lower labor costs, availability of natural resources, and strategic location along key trade routes.
- **Government support:** Tax incentives, special economic zones, and favorable trade conditions.

According to estimates by the International Monetary Fund (IMF), nations in "**emerging and developing Asia**" are projected to experience **annual GDP growth of 4.5% to 5.2%** in this year, while GDP growth in "advanced economies" is expected to be only **1.7% to 1.8%**.

Cambodia's placement as the 13th top investment destination – notably ahead of Thailand and Vietnam – underscores its economic potential, favorable business environment, and investor confidence, making it one of the attractive markets for Western FIs seeking high-growth opportunities in Asia.

Source: [Emerging Asia leads as top investment destination of Western FIs | The Asian Business Review \(asianbusinessreview.com\)](https://www.asianbusinessreview.com)

Cambodia's Projected Economic Growth for 2025

Cambodia's economy is **projected to grow by 6.3%** in 2025, according to the Ministry of Economy and Finance's (MEF) "**Budget in Brief Report for Fiscal Year 2025**" with **GDP** expected to reach **USD 51.39 billion** and **GDP per capita USD 2,924**. While, the World Bank's (WB) "**Global Economic Prospects**" report forecasts a slightly lower GDP growth rate of **5.5%** for 2025 and 2026, a slight increase from the estimated 5.3% in 2024.

MEF's Report: Budget in Brief for Fiscal Year 2025

Key sectors driving this growth include industry, services, and agriculture:

- **Industry:** Predicted to expand by **8.6%**, driven by balanced growth in garment and non-garment manufacturing, while construction is recovering at a slower pace compared to pre-Covid-19 levels.
- **Services:** Forecasted to grow by **5.6%**, supported by tourism recovery and expansion in hospitality, food, and other service sectors, though real estate growth remains moderate.
- **Agriculture:** Expected to grow by **1.1%**, led by strong performance in crops and livestock, along with a gradual recovery in fisheries.

The **average annual inflation rate** is projected to be around **2.5%** in 2025, driven by sustained domestic economic activity and the normalization of both domestic conditions and international commodity prices. **Total international reserves** are expected to remain at **USD 24.42 billion**, sufficient to cover imports for 7.5 months.

WB's Report: Global Economic Prospects

With GDP growth rate of 5.5% for 2025, WB ranks **Cambodia among the fastest-growing economies** in East Asia and the Pacific (EAP), ahead of countries like China (4.5%), Indonesia (5.1%), Malaysia (4.5%), Laos (3.7%), and Thailand (2.9%). The country trails Mongolia (6.5%), Vietnam (6.6%), and the Philippines (6.1%).

East Asia EAP economies are expected to benefit from strong domestic demand, but regional growth is likely to remain below pre-pandemic levels due to mixed public investment. Risks include global trade uncertainty and climate change-related disasters. Cambodia may face challenges from disruptions in global value chains.

To sustain growth, the WB highlights the need for trade diversification, productivity improvements, education investment, better infrastructure, streamlined customs, and stronger ties with other developing nations.

Cambodia's projected economic growth reflects progress in key sectors, economic diversification, and global competitiveness. The recovery in tourism, strong exports, and increased foreign investment underscore the country's ability to navigate global uncertainties. With moderate inflation and fiscal stability, Cambodia is set for continued growth.

Source:

- [Cambodia's economy projected to grow at 6.3% in 2025 | Khmer Times \(khmertimeskh.com\)](https://www.khmertimeskh.com)
- [World Bank sees Cambodia's growth at 5.5 percent in 2025 and 2026 | Khmer Times \(khmertimeskh.com\)](https://www.khmertimeskh.com)

Cambodia Attracted USD 6.9 Billion in Investment Projects in 2024

Cambodia received **414 investment projects worth USD 6.9 billion** in 2024, marking a **40% increase** from USD 4.92 billion in 2023 and generating over 320,000 jobs, according to the Council for the Development of Cambodia (CDC). The approval of these projects **surged by 146%**, with total investment capital rising by nearly USD 2 billion compared to the previous year. The growth underscores investors' confidence in Cambodia's political stability and economic potential, together with favorable investment policies.

Among the 414 projects, **387 are new projects**, while **27 are expansion projects**, up from 21 in 2023.

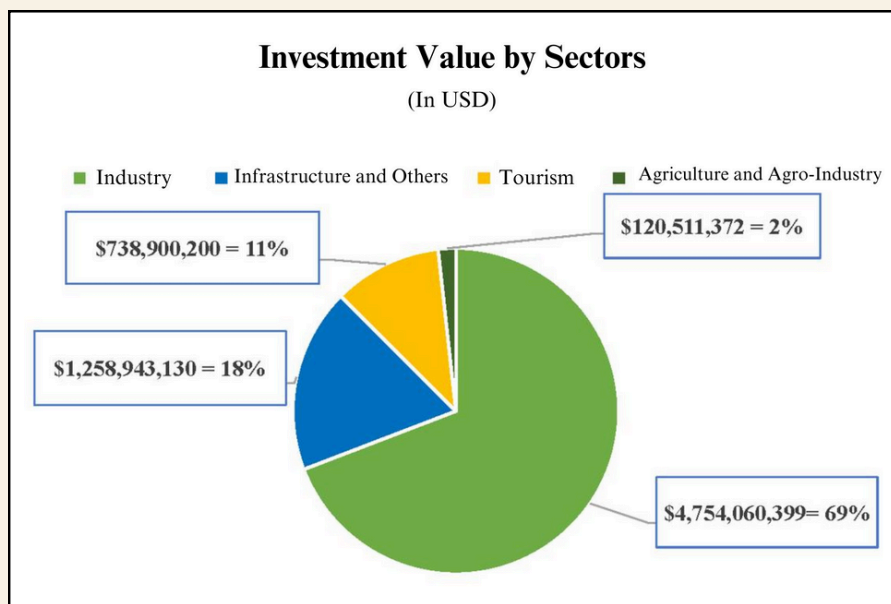
The new investment projects mainly focused on the garment, travel goods and footwear sectors, hotel development, hydropower station, river port, solar power plants, lighting and accessory factories, agriculture, amusement park, car tyre plants, and special economic zones, among others. Of these, **10 are special economic zone (SEZ) projects**, totaling **USD 850 million** and expected to generate around 4,000 jobs.

Investment Allocation:

- 264 projects outside SEZs
- 150 projects within SEZs

Number of Investments by Sector:

- **Industrial Sector:** Dominated with 394 projects, contributing 95% of the total investment project, marking a 110% increase compared to 2023.
- **Tourism:** Attracted 4 investment projects.
- **Agriculture & Agro-Industry:** Received 8 projects
- **Infrastructure & Other Sectors:** Accounted for 8 projects



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China remains Cambodia’s top investor, contributing 49.8% of the total investments in 2024, though this is a 16.2% decline compared to 2023’s 66%. Despite this decrease, China’s investment still rose by USD 200 million from the previous year, underlining its continued importance in Cambodia’s investment landscape. Other key investors include Vietnam and Singapore, which ranked 3rd and 4th, respectively.

Despite a surge in investment projects, new business registrations in Cambodia saw a decline of 17.17% compared to the same period in 2023.

Key Statistics from the Ministry of Commerce (MoC) include:

Description	Number of Companies	Year-on-Year Percentage Change
New Business Registrations	9,530	17.17% decrease
Limited Liability Company	4,725	8% increase
Sole Proprietorship Company	4,750	32.77% decrease
Foreign Business Company	54	16.92% decrease
Partnership Company	1	1
Business Closures	1,284 companies	33% increase.

While the slowdown in business registrations presents challenges, the growth in investment projects signals improved prospects for startups in 2025.

Source:

- [Cambodia Attracts US\\$6.9 Billion Investments in 2024 | Ministry of Information \(information.gov.kh\)](#)
- [Ministry of Commerce Registers Nearly 10,000 New Businesses in 2024 | Ministry of Information \(information.gov.kh\)](#)

Stay informed about Cambodia's thriving entrepreneurship ecosystem



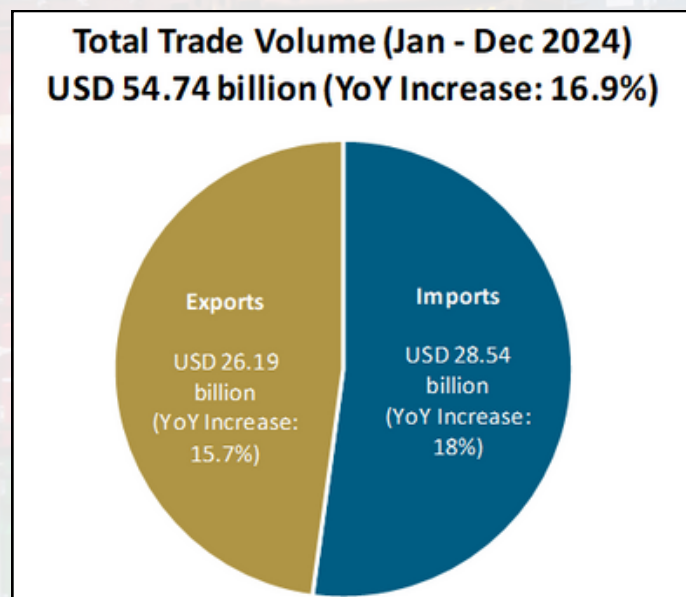
Join our **Telegram channel** for the latest updates on ecosystem-building activities, events, and programs.

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Cambodia's Trade Performance in 2024

Cambodia's international trade from January to December of 2024 reached **USD 54.74 billion**, reflecting a year-on-year (YoY) **growth of 16.9%**, according to the General Department of Customs and Excise (GDCE).



Major Export Destinations

- *United States* – USD 9.91 billion (+11.4% YoY)
- *European Union* – USD 4.4 billion (+20.4% YoY)
- *Vietnam* – USD 3.61 billion (+21.6% YoY)

Key Export Products

- Garments, Footwear, and Travel Goods (GFT) – USD 13.74 billion (+23.78% YoY)
- Electrical Machinery and Equipment Parts (e.g., bicycles, car tyres)
- Rubbers and Others Agriculture Products (e.g., rice, rubber, cashews, cassava, bananas, mangoes, longans)

Major Import Destinations

- *China* – USD 13.43 billion (+24.6% YoY)
- *Vietnam* – USD 4.16 billion (+15.4% YoY)
- *Thailand* – USD 3.44 billion (+18.9% YoY)

Key Import Products

- Mineral Fuels, Mineral Oils
- Knitted Fabrics
- Electrical Machinery Equipment

Growth in Cambodia's Exports to Singapore

Cambodia's exports to Singapore **surged by 101%**, reaching **USD 103 million** in 2024. This remarkable growth underscores increasing awareness of Cambodia and confidence in its products, highlighting the growing potential for collaboration between the business communities of both nations.

Key Exports to Singapore:

- **Agricultural products:** Kampot pepper, Kampong Speu palm sugar, Koh Trong pomelos, mangoes, milled rice
- Precious stones, metals, rubber, garments, electrical equipment, footwear

Garment, Footwear, and Travel Goods (GFT) Sector Performance

The GFT sector remained Cambodia's largest export category, accounting for **52.48%** of total exports, reaching a record **USD 13.74 billion** in 2024, a **23.78%** YoY increase.

Key GFT Export Categories:

- Knitted apparel and clothing accessories – USD 6.63 billion (+21.2% YoY)
- Non-knitted apparel – USD 3.15 billion (+31.9% YoY)
- Leather and travel goods – USD 2.05 billion (+20.4% YoY)
- Footwear – USD 1.68 billion (+23.1% YoY)

Source: *Trade Statistics | General Department of Customs and Excise (stats.customs.gov.kh/)*

Amret Acquired by Taiwan's Bank SinoPac in USD 550 Million Deal



Amret, one of Cambodia's four microfinance deposit-taking institutions, has finalized a **USD 550 million** acquisition by Taiwan's Bank SinoPac. With regulatory approvals secured in both markets, Bank SinoPac now holds an 80% stake in Amret.

The remaining 20% is owned by development finance institutions, Entrepreneurial Development Bank (FMO) and the International Finance Corporation (IFC), each retaining a 10% share for two more years to maintain board positions and ensure a smooth transition and responsible exit. After this period, Bank SinoPac plans to fully acquire 100% of Amret's shares.

Bank SinoPac's Expansion

Bank SinoPac, a commercial bank with operations in Taiwan, China, Hong Kong, Vietnam, and the United States, views this acquisition as a milestone in its strategic expansion into Southeast Asia. The move aims to capitalize on the region's dynamic growth potential while enhancing Amret's operational capabilities to drive financial inclusion and economic growth in Cambodia. Cambodia's vibrant economy and youthful population were key factors influencing Bank SinoPac's decision, with the bank expressing enthusiasm for contributing to the country's development.

Amret's Market Presence

As of December 2024, Amret reported total assets of USD 2 billion and a loan portfolio of USD 1.5 billion, serving more than 630,000 clients through 150 branches. The acquisition is expected to bolster Amret's market position, enabling it to offer enhanced financial services and contribute significantly to Cambodia's financial sector development.

This development reflects growing confidence in Cambodia's financial ecosystem and highlights its long-term growth potential.

Source: Bank SinoPac becomes majority shareholder of \$2B microfinance institution | Phnom Penh Post (phnompenhpost.com).

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Cambodia's Banking and Financial Sector: Credit Growth and the Emergence of Crypto Services

The National Bank of Cambodia (NBC) reports that total credit provided by banking and financial institutions (BFIs) reached **USD 60.9 billion (247,631 billion riels)** as of October 2024, a **2.2% increase** from the previous year. The growth was driven by increased lending to key sectors, including wholesale and retail trade, construction, real estate, and manufacturing. This reflects ongoing public and investor confidence in the country's banking sector and stable economy, underpinned by peace, political stability, and development.

Credit remains a crucial source of funding for consumers and businesses, enabling business expansion, job creation, and productivity gains. While the banking system has maintained stability, it faces challenges such as slow credit growth, rising non-performing loans, higher capital costs, and declining profitability for financial institutions. To support economic recovery, ease financial burdens, and help BFIs maintain sufficient liquidity, NBC has introduced new measures for BFIs, including:

- Continuing the capital conservation buffer at 1.25% until the end of 2025
- Allowing the implementation of the reserve requirement rate at 7% until the end
- Allowing loan restructuring for customers facing financial difficulties.

As of Q3 2024, the microfinance sector had **total loans of USD 5.15 billion** serving **1.5 million clients**. **Deposits** reached **USD 2.2 billion from 2.8 million depositors**. Notably, only four microfinance institutions are licensed by NBC.



In a significant development, the NBC has permitted commercial banks and payment institutions to provide services involving **Category 1 crypto assets**, including backed or stable cryptocurrencies, for the first time. However, unbacked cryptocurrencies, such as Bitcoin, remain prohibited. This decision, formalized in a Prakas issued on December 26 and announced on December 27, aims to regulate operations and businesses involving digital currencies, reflecting Cambodia's efforts to keep pace with global financial trends. Cryptocurrencies, which operate through decentralized computer networks or blockchains, are becoming increasingly popular worldwide for trading, transfers, payments, and investments.

Under the new directive, institutions wishing to provide crypto-related services must obtain prior approval from NBC. Authorized institutions can engage in activities like exchanging crypto assets for fiat currencies, transferring crypto assets between accounts, and providing custody services for crypto assets. However, the banks are explicitly prohibited from using customers' crypto assets for their own purposes.

Source:

- [BFIs total credit amounted to over \\$60 billion | Khmer Times \(khmertimeskh.com\)](https://www.khmertimeskh.com)
- [Regulated cryptocurrency assets approved for operation in Cambodia | Phnom Penh Post \(phnompenhpost.com\)](https://www.phnompenhpost.com)



Grab Acquires Local Homegrown Tech Start-up Nham24

Grab Cambodia and Nham24 have completed a deal for Grab to acquire Nham24's operations in Cambodia, following regulatory approval. Nham24, **a homegrown and a leading Cambodian startup since 2016**, will leverage Grab's advanced technology, especially AI, to further innovate and benefit local users and entrepreneurs.

Both companies share a commitment to enhancing the Cambodian market. Grab plans to invest in tools that will help merchants manage sales, improve efficiency, and reach more consumers. The merger will also create more earning opportunities for drivers and delivery partners, along with more affordable services for consumers.

Nham24 and Grab apps will continue to operate independently for now, with a smooth transition planned for Nham24 merchants and riders joining the Grab platform. Grab will provide tailored support and incentives to ensure a seamless onboarding experience.

The merger between Nham24 and Grab creates potential opportunities for investment in Cambodia's digital economy. With advancements in AI technology, enhanced services for merchants and entrepreneurs, and an expanded delivery and ride-hailing ecosystem, it may offer prospects in sectors like tech, e-commerce, and logistics. This collaboration is set to drive long-term growth and contribute to Cambodia's growing digital landscape.

Source: [Grab and Nham24 Join Forces Amidst a Rapidly Growing Food and Grocery Delivery Market in Cambodia | Cambodia Investment Review \(cambodiainvestmentreview.com\)](https://cambodiainvestmentreview.com)



Investment / Collaboration Opportunity: Impact Projects in Cambodia

Several impactful projects aligned with the key United Nations Sustainable Development Goals (SDGs) are seeking debt or equity financing to scale their operations. Here are summaries of these initiatives.

Agriculture

As the world’s second-largest cashew producer, Cambodia currently sends most of its harvest to Vietnam for processing. A German engineer and agro-entrepreneur is developing a cashew nut processing line capable of handling both organic and conventional cashews. He is seeking financing to scale production and expand operations, with strong potential to tap into the multi-billion-dollar cashew industry.

Education

·A Cambodian-owned international school, having completed an international NGO-led investment-readiness program, is now seeking equity or debt funding to expand its operations. Already profitable, the school projects significant growth potential as it scales.

Financial Accessibility

·A Singapore-Cambodian leasing company provides low-cost financing to help low-income factory workers afford essential household goods and motorbikes, a primary mode of transportation in Cambodia. The business model projects profitability in the near term and beyond, with debt or equity financing essential to expand its scale and impact.

If these opportunities align with your geographic and sectoral interests, particularly in sustainable and impactful investments in Southeast Asia, please contact us for more details, including project synopses and business models, at +855 89 266 095 ([Telegram/WhatsApp](#)) or info@aquariibd.com

Hestra's Swedish Glove Manufacturer Establishes Facility in Cambodia



Swedish glove manufacturer, Hestra, has opened its first glove production facility in Cambodia, located in the Royal Phnom Penh Special Economic Zone. The inauguration ceremony was attended by key government officials, including Chea Vuthy, Secretary General of the Cambodian Investment Board (CDC), and Anna Hammargren, Ambassador of Sweden to Thailand, overseeing Cambodia, among others.

Founded in 1936, Hestra is the **first Swedish company to enter Cambodia's glove industry**. With nearly 90 years of expertise in manufacturing sports goods, the new factory, with an investment of around **USD 600,000**, will produce high-quality sports gloves made from leather and fabric and is expected to create 200 new jobs.

This expansion not only highlights Cambodia's growing attractiveness as a foreign investment destination but also sets an example for other European companies considering Cambodia as a key market for investment and business expansion.

Source: [Swedish glove manufacturer opens facility in Phnom Penh | Khmer Times \(khmertimeskh.com\)](https://www.khmertimeskh.com)



Ports of Cambodia Recorded Growth in 2024

Sihanoukville Autonomous Port (PAS)



Sihanoukville Autonomous Port (PAS), Cambodia's only international deep-sea port spanning approximately 125 hectares, has achieved a record-breaking milestone by **surpassing 1 million TEUs** (Twenty-foot Equivalent Units) in annual container throughput. This represents **an increase of over 29%**, driven by increased trade activities and the recent expansion of the port terminal (refer to p. 7 of *Aquarii's Connecting Dots September 2024 Issue*). The expansion has enabled PAS to accommodate larger vessels and handle greater cargo volumes, boosting its container handling capacity to 1 million TEUs annually.

With Cambodia striving to enhance its regional and global competitiveness, PAS is undergoing significant expansion plans aimed at increasing capacity to 2.64 million TEUs by 2030.



Phnom Penh Autonomous Port (PPAP)

Phnom Penh Autonomous Port (PPAP), the country's second-largest state-owned port, also recorded notable growth in 2024. According to PPAP, the volume of cargo vessels and containers passing through the port reached **480,200 TEUs**, reflecting a **21.19% increase** compared to 2023.

This growth underscores the strength of Cambodia's export sector and expanding trade activities, further contributing to the transportation and logistics industries, which play a vital role in the nation's economic development.

Source:

- [Sihanoukville Port surpasses 1M TEUs: on track 2.6M by 2030 | Phnom Penh Post \(phnompenhpost.com\)](https://phnompenhpost.com)
- [Phnom Penh Port throughput up 20% in 2024 | Phnom Penh Post \(phnompenhpost.com\)](https://phnompenhpost.com)

Cambodia's Agriculture Export in 2024: Growth, Challenges, and Opportunities

Agriculture continues to be a key driver of Cambodia's economic growth, alongside industry and services. In 2024, the sector generated approximately **USD 4.8 billion from exports**, contributing around **22% to the country's Gross Domestic Product (GDP)**, an increase from USD 4.3 billion in the previous year.

According to the Ministry of Agriculture, Forestry and Fisheries (MAFF), Cambodia's crop production experienced growth in both output and export volumes in 2024 compared to 2023. The Kingdom exported produce to 94 countries, an increase of 20 countries over the previous year, reflecting the expanding reach of Cambodian agricultural products in international markets.

Agricultural Production and Export in 2024 at a Glance

- **Crop production:** 39 million tonnes, a **7.4% increase** from 36.3 million tonnes in 2023.
- **Export:** 11.7 million tonnes (30% of total crop production), a **39% increase** compared to 2023.
- **Major export markets:** China, the EU, Vietnam, and Thailand.
- **Key export products with data:**
 - Pepper: +149.7%
 - Corn: +59.0%
 - Longan: +50.8%
 - Mango: +34.7%
 - Cashew: +31.9%
 - Rice: +16.4%
 - Rubber: +15.8%
 - Cassava: +13.4%
 - Banana: -11.2%
 - Sugarcane: -16.8%



Challenges and Government Initiatives

The growth in agricultural exports signals a positive trend for Cambodia's agriculture sector and contributes to economic growth. However, farmers continue to face challenges such as:

- Unstable market prices
- Limited agro-processing capabilities
- Lack of access to agricultural inputs
- Unequal support within farmer cooperatives.

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To address these challenges and further encourage more investment and boost import-export activities of agricultural products, the government has introduced several initiatives:

1. Government's Agricultural Policy (2023)

- Objectives: Aims to transition from household-based to commercial farming and focus on increasing farmers' incomes through value-added products, such as processing raw products into finished goods.
- Deployment of 250 agricultural officials, with plans to reach 1,300 by 2025, to support farmers in forming cooperatives, linking production chains, and reducing production costs.

2. Tax Exemptions (April 2024)

The Ministry of Economy and Finance (MEF) introduced preferential tax measures, valid until the end of 2025, to support agricultural businesses:

- Suspension of minimum tax payments
- Exemption from income tax
- Removal of tax deductions on payments to non-self-declared individuals
- Tax exemptions apply to businesses involved in producing, supplying, or exporting agricultural products, including:
 - Rice, corn, beans, peppers, cassava, cashew nuts, rubber, lentils, mangoes, bananas.
 - Animal husbandry, aquaculture, and palm oil products used for animal feed.
- Farmers and businesses in these activities:
 - Exempt from VAT on goods and services they purchase
 - Do not pay VAT on agricultural product sales but can claim VAT credits on production materials

3. Additional Tax Exemptions (January 2025)

To further encourage investment in agriculture over the next nine years, PM Hun Manet announced additional tax incentives, including:

- Exemption from taxes on agricultural land
- VAT exemptions on farming equipment, raw materials, crop seeds, and fertilizers
- Lowered electricity costs to reduce production expenses and provide indirect support to farmers

Cambodia's agriculture sector offers growing investment opportunities, supported by government incentives such as tax exemptions. With rising export demand and a shift toward commercial farming, investors can leverage these incentives to establish a stronger presence in the market.

Source:

- [Agricultural exports contribute 22% of GDP for 2024 | Phnom Penh Post \(phnompenhpost.com\)](https://phnompenhpost.com)
- [PM Announces Nine-Year Tax Exemptions to Boost Agriculture Investment | Kiripost \(kiripost.com\)](https://kiripost.com)



Growing Investment Interest in Multi-Billion Dollar Cashew Industry

Cambodia's cashew industry continues to thrive, with significant investments and developments reinforcing the country's position as the world's second-largest cashew exporter. Recent projects in Kampong Thom are expected to enhance the industry's capacity and its contribution to the national economy.

Processing Plant in Kompong Thom

- **Unique Noble Trading** began constructing a cashew processing facility on December 17, 2024. Operations are set to start in March 2025, with a daily processing capacity of 30 tonnes and an annual output of 5,000 to 12,000 tonnes.
- **CSNC Agriculture**, a Cambodian-Singaporean joint venture with a USD 12 million investment, is also scheduled to start production in March 2025. This 12,000-square-meter processing plant will process 40 tonnes per day (~12,000 tonnes annually) and target export markets in China, Europe, the UAE, and the US.

Foreign Interest in Cambodia's Cashew

- **Chinese Delegation Visit:** A delegation from Xi'an, Shanxi Province, and Shanghai visited Kampong Thom from January 8-10 to explore investment opportunities in cashew processing and exports to China. They expressed interest in joint ventures and plan to return in April for further negotiations.
- **Japan Market Expansion:** The Ministry of Commerce met with Japan-based Inoue Calcium Corporation on January 20 to discuss expanding Cambodia's cashew exports. The company has initiated its first trial shipment from Handcrafted Cashew Nuts Stung Treng to Japan.

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Cambodia's Cashew Industry at a Glance

- **Global Ranking:** Cambodia is the **3rd largest** country for cashew cultivation, with approximately **700,000 hectares** of cashew plantations across roughly 10 provinces. Average yields are 1.5 tonnes per hectare, though some regions achieve up to 4 tonnes per hectare.
- **Production:** In 2024, Cambodia harvested approximately **850,000 tonnes of cashews**, marking a **26% YoY** increase. This performance solidifies Cambodia's status as **the world's 2nd largest cashew producer**.
- **Exports:** Cambodia exported **815,000 tonnes** of cashew in 2024, generating over **USD 1.15 billion** in revenue, a **31% YoY** increase. Of these, around 97% were exported to Vietnam.
- **Processing Facilities:** The country is home to **52 cashew processing plants**, including 6 medium-sized facilities with annual capacities ranging from 7,000 to 14,000 tonnes. The remaining 46 are small-scale, family-run operations.
- **Geographic Concentration:** Most processing facilities are located in Kampong Thom, Kampong Cham, Preah Vihear, and Tboung Khmum provinces.
- **Multi-billion Dollar Industry:** According to the General Department of Customs of Vietnam, in 2024, Vietnam imported almost **800,000 tonnes of raw cashew from Cambodia**, its **largest cashew supplier**, valued at **more than USD 1.06 billion**, accounting for over 35% of the country's total cashew imports. Meanwhile, Vietnam's export of 730,000 tonnes of processed cashew nuts generated approximately USD 4.37 billion in turnover.



With new processing facilities set to open and increasing exports and investment interest, Cambodia's cashew industry is on a solid path of growth. These developments are expected to enhance processing capabilities and attract further investment, positioning Cambodia as an important player in the global cashew market.

Source:

- [New cashew processing plant underway in Kampong Thom | Khmer Times \(khmertimeskh.com\)](#)
- [Cambodia earns \\$1.15 bln from exports of raw cashew nuts in 2024 | Khmer Times \(khmertimeskh.com\)](#)

Call for Expressions of Interest

An agro-entrepreneur plans to establish a cashew nut processing line in Siem Reap to meet the rising global demand for both organic and conventional cashew nuts. Interested organizations or individuals looking to get involved or seeking more information can contact us at info@aquariibd.com.

Cambodia Establishes Packaging Centre to Strengthen Food Sector



Cambodia has launched the Cambodia Packaging Centre (CPC) at the Royal University of Agriculture (RUA), marking a step in improving the country's food industry competitiveness and sustainability. Established under the EU-funded CAPFISH-Capture project, the centre is part of the **"Food Technology, Research and Innovation Platform (FTRIP)"** and aims to **address food loss, waste reduction, and climate change** while **enhancing food security** and positioning Cambodia as a one of the key players in sustainable food processing.



The CPC focuses on the research and development of modern, localized solutions and innovative packaging to boost the competitiveness and sustainability of local food businesses. It serves as a comprehensive resource for the Cambodian agriculture and food sectors both locally and globally. Additionally, the centre offers capacity-building training programs to equip businesses with the skills needed for sustainable food packaging, while promoting collaboration among businesses, researchers, and students. Through partnerships with the EU and organizations like the World Packaging Organisation (WPO), the CPC will strengthen Cambodia's global competitiveness.

Source: [Cambodia Launches Innovative Packaging Center to Boost Food Industry Competitiveness and Sustainability | United Nations – Cambodia \(cambodia.un.org\)](https://www.cambodia.un.org/).



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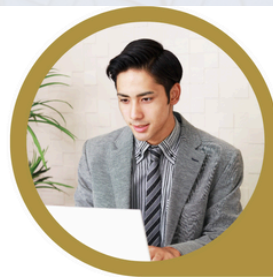
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Sailun Makes Multi-Million Dollar Investment to Expand Tyre Production Capacity

Sailun Group, a leading Chinese tyre manufacturer operating in Cambodia since 2021 with USD 1 billion investment, has announced a **USD 93.5 million investment to expand its production capacity** in the country. Its Cambodian subsidiary, **Cart Tire Co. Ltd.**, will allocate **USD 61.18 million to enhance production capacity** and **USD 32.30 million to boost working capital** at its factory in Svay Rieng.

This **nine-month expansion** aims to meet the growing local and international demand for tyres, particularly in North America. Currently, Cart Tire's USD 350 million facility in Svay Rieng produces **35,000 semi-steel** and all-steel radial tyres daily, spans 120 hectares, and employs approximately 3,500 workers. Annual production is expected to reach **22 million tyres**, consuming 500 tonnes of rubber daily.

In October 2024, Sailun announced a **USD 110 million investment to develop a Special Economic Zone (SEZ)** in Kampot through its subsidiary, Kampot Bay Investment Co. Ltd. The following month, Sailun presented a proposal to PM Hun Manet to establish an industrial park dedicated to processing Cambodian rubber into export-ready products (*read the previous article on p. 5 of [Aquarii's Connecting Dots November 2024 Issue](#)*). This development underscores Sailun's ongoing commitment to expanding its operations in Cambodia, further integrating the country into global supply chains, and emphasizing Sailun's long-term strategy to enhance local manufacturing capabilities, while also demonstrating confidence in Cambodia's economic potential.

In a related development in Svay Rieng's tyre industry, **Wanli Tire Co. Ltd.**, a subsidiary of China's Guangzhou Industrial Investment Holdings Group, has begun construction of its **USD 500 million car tyre factory** in the Sin Bavet Special Economic Zone. Spanning over 32 hectares, the project is expected to create 1,000 jobs.



Cambodia's Tyre Export

- Cambodia's tyre sector has experienced significant export growth, with **exports reaching USD 772.5 million** during the January–November 2024 period, marking a **135% increase** from USD 328.2 million during the same period in 2023.
- Tyre exports accounted for **3.17%** of the country's total export earnings, which amounted to USD 24.35 billion for the first 11 months of 2024.
- The tyre manufacturing sector continues to expand, with 3 operational factories and 6 additional projects currently under development in special economic zones across the country (*read more previous article on p. 5 of [Aquarii's Connecting Dots November 2024 Issue](#)*).

Source:

- [Top Chinese tyre maker Sailun in \\$93.5M Cambodia expansion | Khmer Times \(khmertimeskh.com\)](#)
- [\\$500 million Chinese tyre plant begins construction in Svay Rieng | Khmer Times \(khmertimeskh.com\)](#)
- [Export earnings from tyre exports surge by over 130% | Phnom Penh Post \(phnompenhpost.com\)](#)

Cambodia's EV Industry: 620% Growth in 2024 Registrations

The Ministry of Public Works and Transport (MPWT) reported a remarkable **620% increase** in electric vehicle (EV) registrations in 2024, with **2,253 EVs registered** compared to 313 in 2023. This growth reflects increasing public support and Cambodia's alignment with the global shift toward sustainable transport. China's BYD leads the EV market in Cambodia, followed by Japan's Toyota and America's Tesla.

EVs are not only environmentally friendly but also cost-effective. According to MPWT, EVs cost just **9,633 riels (USD 2.34) to travel 100 kilometers**, lower than the 35,723 riels (USD 8.69) required for petrol or diesel vehicles. The country currently has **21 EV charging stations**, supporting the transition to cleaner energy.



Current Vehicle Landscape

Despite the rising interest in EVs, gasoline-powered vehicles continue to dominate Cambodia's roads, with **over 7.6 million petrol-powered vehicles**.

- Motorbikes and three-wheelers: 85%
- Cars: 10%
- Buses, lorries, and heavy machinery: 5%

In 2024, **413,067 new petrol-powered vehicles were registered**:

- 353,603 motorcycles
- 54,692 light vehicles
- 5,841 heavy vehicles

EV Adoption Targets

As part of its efforts to reduce greenhouse gas emissions and sustainability commitment, Cambodia aims to have **800,000 EVs by 2030**, including 30,000 electric cars. **By 2050**, the country seeks to **achieve 40% electric cars and urban buses and 70% electric motorcycles**.

Challenges and Opportunities in EV Development

While EV adoption is growing, Cambodia faces challenges in repair and assembly capabilities. To address this, the government introduced the **EV Development Policy (2024-2030)**, aiming to drive economic transformation toward high-value industries like EV assembly and advanced manufacturing. The policy includes 53 measures across 11 ministries to support a sustainable EV transition.

The policy includes:

- **Infrastructure Development:** Establishing EV-supporting infrastructure integrated with 5G technology.
- **Supply Chain Creation:** Developing supply chains for EV production.
- **Investment Incentives:** Attracting local and international stakeholders.

Cambodia's commitment to EVs not only supports global climate goals but also positions the nation as one of the regional players in the emerging EV industry.

Source:

- [Cambodia's EV registration sees big jump in 2024 | Khmer Times \(khmertimeskh.com\)](https://www.khmertimeskh.com)
- [Cambodia eyes 800,000 electric vehicles and comprehensive charging network by 2030 | Khmer Times \(khmertimeskh.com\)](https://www.khmertimeskh.com)

Cambodia’s New REC System: Supporting Renewable Energy and Manufacturing Competitiveness

A new Renewable Energy Certificate (REC) system will be launched to accelerate renewable energy growth and boost the competitiveness of Cambodia’s manufacturing sector, expanding its access to global markets.



- **REC Purpose:** RECs will **certify that electricity is generated from renewable sources**, such as solar or wind, and fed into the grid. They provide businesses with a transparent way to support Cambodia’s renewable energy transition and meet growing global sustainability demands, especially in markets like the U.S. and Europe, where proof of sustainable practices is increasingly required.
- **System Management and Pricing:** The REC system will be managed by Electricité du Cambodge (EDC), with pricing regulated by the Electricity Authority of Cambodia (EAC) and the Ministry of Mines and Energy (MME).
- **Application:** starting in early 2025, manufacturing factories can apply for RECs from EDC, enabling consumers to purchase RECs alongside their electricity, demonstrating their commitment to renewable energy.

- **Impact:** Each REC purchase will drive investment in Cambodia’s renewable energy sector, support technological innovation, and enhance local expertise. The REC system advances Cambodia’s commitment to sustainable energy, offering businesses a clear path to support renewable sources and align with international market expectations. This initiative also contributes to Cambodia’s goal of achieving 70% renewable energy by 2030.

Source: [Cambodia to launch new REC scheme to boost sustainability | Khmer Times \(khmertimeskh.com\)](https://www.khmertimeskh.com)



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Koh Kong Mangrove Restoration with South Korea's Trendtech – Carbon Credit Potential?

The Koh Kong provincial government, in partnership with South Korea's Trendtech Company, has committed to restoring **over 500 hectares of mangrove forests** across four districts—Sre Ambel, Botum Sakor, Kiri Sakor, and Koh Kong. This initiative aims to enhance biodiversity, strengthen ecosystems, and promote sustainable fisheries management in the region, while also creating economic opportunities through blue carbon credits that could potentially improve local livelihoods.

Koh Kong has become the fourth coastal province in Cambodia to launch a mangrove restoration project, joining initiatives in Kampot and Kep provinces that planted over 3,000 trees to boost marine biodiversity, protect against coastal erosion, and promote eco-tourism.

The mangrove restoration project in Koh Kong not only strengthens Cambodia's coastal ecosystems but also aligns with global blue carbon credit initiatives. By restoring and expanding mangrove forests, Cambodia enhances its biodiversity, protects vital ecosystems, and positions itself as a key player in the global carbon credit market.

Mangrove Benefits

Mangroves, known for their resilience to harsh conditions, provide crucial environmental and economic benefits. They support marine life such as fish, shrimp, and crabs, protect coastal areas from erosion, and play a significant role in global carbon sequestration. Recognized globally as nature's heroes in the fight against climate change, mangroves are central to Cambodia's conservation strategies.

Cambodia's Mangrove Coverage

Cambodia is home to **approximately 50,000 hectares of mangrove forests** across four coastal provinces: Kampot, Kep, Preah Sihanouk, and Koh Kong. Notably, Koh Kong alone boasts **more than 30,000 hectares of mangroves**, supporting **over 700 species** and contributing significantly to the province's ecological richness.

Source: [Koh Kong partners with S Korean company to restore mangroves | Khmer Times \(khmertimeskh.com\)](https://www.khmertimeskh.com)

Cambodia's Real Estate Market: At a Crossroads

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The Cambodian real estate sector is at a crossroads.

Plagued by a **glaring mismatch between supply and demand** and imprudent developer loans and practices since as far back as 2009, the challenging situation came to a head when the real estate bubble burst during the COVID-19 pandemic, leading to financial congestion and high-interest debts that burdened both developers and buyers.

In the **first week of January 2025**, the government launched timely interventions to address the crisis:

- The **Ministry of Economy and Finance (MEF)** announced tax incentives, including stamp duty exemptions for first-time homebuyers.
- The **Ministry of Land Management, Urban Planning & Construction (MLMUPC)** and the **National Bank of Cambodia (NBC)** introduced debt restructuring initiatives to ease financial strain on developers and homebuyers.
- A **Technical Working Group** was established to support affordable housing projects and evaluate infrastructure needs.

These measures reflect the new mandate government's **political will to act decisively and proactively**, which **augurs well for investor confidence**. For international investors, this presents a strategic opportunity to tap into the underserved middle- and lower-income housing segment, offering significant long-term growth potential.

By engaging in this nascent market, investors can align with Cambodia's broader economic ambitions, contribute to the country's development, and achieve sustainable returns.

This transformation is **key to Cambodia's long-term goals**, including becoming an upper-middle-income country by 2030 and a high-income country by 2050.

It is an opportune time for stakeholders to make common cause and build a more sustainable future for Cambodia's real estate sector.

Source: [Cambodia's Real Estate Market – Timely Government Interventions Transform Woes into Strategic Opportunity | Cambodia Investment Review \(cambodiainvestmentreview.com\)](http://cambodiainvestmentreview.com)

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Reduced E-Visa Fees for Tourists and Visitors

Starting January 1, 2025, the Cambodian government will reduce e-visa fees for both tourists and business travelers. The fee for **tourist e-visas** will drop **from USD 36 to USD 30**, while the fee for **regular e-visas** will be reduced **from USD 42 to USD 35**. This move aims to attract more tourists and investors to Cambodia.

In 2024, Cambodia recorded **6.7 million international tourists**, a **22.9% increase** from the previous year, with Thailand, Vietnam, China, Laos, and the U.S. being the top five countries of origin. Tourism is one of the four pillars supporting Cambodia’s economy, along with garment, footwear, and travel goods exports, agriculture, and construction and real estate.

Source: [Cambodia reduces e-visa fees for tourists | Khmer Times \(khmertimeskh.com\)](https://www.khmertimeskh.com)





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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