

# NEWSLETTER

MONTHLY

Business

Geo-politics

Economy

**CAMBODIA:  
A BEACON OF  
HOPE IN 2023?**

Page 2

**HUMAN CAPITAL  
PRIORITIZED  
BY GOVERNMENT**

Page 3

**AMCHAM LAUNCH  
LEGAL CONCLAVE  
TO AID BUSINESS**

Page 4



**NEW PROJECTS  
WORTH \$60M GET  
CDC APPROVAL**

Page 5

**GOVERNMENT  
BONDS ISSUED  
WITH CSX**

Page 6

**INDOCHAM x SBIF NIGHT  
HIGHLIGHTS OPPORTUNITIES**

Page 7

**NIS REVISES EXPECTED  
GDP WITH IMF**

Page 8

**PHILLIP BANK LAUNCHES  
EXCITING NEW OFFER**

Page 9

**IN THE SPOTLIGHT:  
RHTLaw**

Page 10



# CAMBODIA: A BEACON OF HOPE

Amid the predictions by major global institutions about a slowdown across developed economies and the impact on developing nations, ASEAN countries like Cambodia remain a beacon of hope in 2023, according to a number of international institutions.

## POSITIVE NEWS FROM INTERNATIONAL REPORTS



According to global macro models and analysts', Trading Economics, global macro models and analysts', predict the gross domestic product (GDP) of Cambodia as likely to reach \$28.58 billion by the end of this year.

"In the long term, the Cambodian GDP is projected to be around \$30.24 billion in 2024 and \$38.39 billion in 2025, as per the econometric models."



According to the Economist Intelligence Unit (EIU), the real GDP growth of the Southeast Asian country will moderate to 5 percent in 2023, after reaching an estimated 5.5 percent in the previous year, as the economy continues to recover from the pandemic and benefit from new regional trade agreements, which promote inward investments and exports.

“ All these stand in stark contrast to the World Bank cutting its global economic growth outlook for 2023 to 1.7 percent from 3 percent. ”

The Cambodian economy will grow stronger this year at 5.5 percent, said the Siam Commercial Bank (SCB) of Thailand in its latest report. The Economic Intelligence Centre (EIC) of the bank said in a report on Wednesday that Cambodia, Laos, Myanmar and Vietnam (grouped as CLMV) will report stronger growth this year with an increase in domestic demand and revival of the tour and travel sector, one of the major pillars of their economies.

While Vietnam is expected to report 6.2 percent economic expansion, the economy of the other two CLMV countries – Laos and Myanmar – may expand at the rate of 3 percent this year. However, the rebound will be uneven across countries, depending on economic fundamentals and country-specific risks, the EIC said.

Given the substantial contribution of the tour and travel sector to the gross domestic product (GDP) of Cambodia (18.2 percent) and Vietnam (9.8 percent), any increase in domestic and international tourism will play a significant role in the revival of both the ASEAN (Association of Southeast Asian Nations) economies, stated the Thai bank report.

Meanwhile, Vongsey Vissoth, the Ministry of Economy and Finance. He said that the Cambodian economy is estimated to grow at 5.6 percent this year against the earlier estimate of 6.6 percent, while taking part in an event on macroeconomic management and the 2023 budget law this month. [Read more here](#)

# HUMAN CAPITAL PRIORITIZED IN CAMBODIA'S RECTANGULAR STRATEGY

His Excellency Dr. Ith Samheng has said the government's has made significant efforts to prioritize human resources as part of its Rectangular Strategy, to power the Kingdom's development.



EuroCham's HR forum

Dr. Ith Samheng said the development of human resources is key to organizational growth, and the government prioritizes it as a top agenda in Cambodia's development.

"Improving human resources creates more decent job opportunities, promotes the dignity of the people, and develops their capacities and skills," he added. [Read more here](#)

He added that although Cambodia has a significant workforce, it still lacks high-skilled labor to meet the demands of employers. As a result, the Ministry is focusing on developing the workforce and resolving labor disputes, which could potentially increase foreign investment and enhance the value of Cambodian-made products.

The SDF has already implemented 95 projects in priority sectors such as manufacturing, construction, ICT, electronics, and tourism. The private and public sectors are committed to providing the necessary framework to upskill and protect workers as Cambodia strives to maintain its economic and societal growth.

EuroCham Chairman Tassilo Brinzer commented, "We all understand the significance of human resources for the growth of the economy and wider society, and we're working together to further strengthen this key theme in our development agenda."

As the country continues to grow, it is crucial to prioritize human resources and ensure that the workforce is equipped with the necessary skills and support to drive the economy forward. Increasing productivity levels amongst Cambodia's workforce has been a top priority for development organizations to assist the country to achieve its ambitious aim of becoming an upper-middle country by 2030.

# AMCHAM LEGAL COMMITTEE LAUNCHES INAUGURAL LEGAL CONCLAVE

The American Chamber of Commerce in Cambodia (AmCham) held its first annual Business Law Conclave in Phnom Penh this month, with the goal of the Conclave being to provide important legal insights to businesses operating in Cambodia and to promote collaboration between AmCham, the Ministry of Justice, and other organizations.

H.E. Chiv Songhak, Secretary of State at the Ministry of Justice, said the government has made efforts to promote sustainable development through trade and investment,, which is why the government has proposed the establishment of a commercial court in Phnom Penh to deal with commercial disputes



**The legal conclave was launched this month**

“

Amendments to the current commercial procedure law will be necessary to define commercial matters and create a fair, efficient, and corruption-free court.

”

At the event, Mr. Jay Cohen from Tilleke & Gibbins in Cambodia also spoke about recent changes in e-commerce and website law. Companies are required to use a .com.kh domain name and email address, which must be provided to the Ministry of Commerce.

Mr. Matt Rendall, the Managing Partner at Sok Siphana & Associates, talked about new advertisement laws in Cambodia. These laws require advertisers to get a license for advertising commercial goods and services, and they must follow regulations for accuracy and appropriateness. Advertisements also have to be in Khmer or a dual language with Khmer being bigger.

As for the Law on Consumer Protection, Ms. Sok Vansaka provided brief highlights on the Prakas on Unfair Contract Term, which requires the business operators not to put any unfair contract clause in their standard form of contract based on the abuse of circumstances that the consumers cannot negotiate or request for making any change on such form of contract.

Furthermore, Ms. Sok Vansaka also noted the recent issuance of regulations on investigation and negotiated settlement under the Law on Competition on any horizontal agreement, vertical agreement, market dominance, and merger and acquisition that negatively impact competition in Cambodia. [Read more here](#)

## CDC OKAYS 11 VENTURES WORTH \$60M



E-commerce was resilient to the effects of the pandemic

The Council for the Development of Cambodia (CDC) on February 7 announced that it had approved final registration certificates for nine textile-related investment projects, one in office supplies and another in furniture.

The CDC – the government’s highest decision-making body for large-scale investments – indicated in a notice that the 11 ventures have total registered capital of nearly \$60 million and plans to generate 12,710 new jobs in all.

Among the projects, Tiens Textile (Cambodia) Co Ltd’s homewear factory on National Road 41, and All Win Shoes (Cambodia) Co Ltd’s footwear factory are expected to create 531 and 1,478 jobs, respectively. Each of these has registered capital of \$6.4 million and is located in Kampong Speu province’s Kong Pisei district.

Precision Garment & Bag Industries Co Ltd’s \$5.8 million bag, garments, lanyard, facemask and apron factory – also in Kong Pisei – and Jungkwang Evergreen Garment Co Ltd’s \$ 5.5 million garment factory in Phnom Penh’s Por Sen Chey district, Phnom Penh are set to deliver 1,263 and 2,610 jobs.

Funday Garment Co Ltd’s \$5.5 million garment factory in Kandal province’s Ang Snoul district, and Hanwangda Bags (Cambodia) Co Ltd’s \$5.4 million bag factory in Kampong Speu’s Phnom Sruoch district are anticipated to bring 2,047 and 2,135 jobs.

Everich Outdoor Products (Cambodia) Co Ltd’s \$5.2 million bag factory in Kampong Speu’s Kong Pisei district, and Bright Lucky Enterprise (Cambodia) Co Ltd’s \$5.1 million footwear components factory in Phnom Penh’s Prek Pnov district are each envisioned to add 798 new jobs.

The remaining three investment projects are located in special economic zones, including Ontime Industrial Co Ltd’s \$9 million metal furniture frame assembly plant in Preah Sihanouk province’s Cambodian Zhejiang Guoji SEZ, which is predicted to provide about 500 new jobs.

[Read more here](#)

## GOVERNMENT BONDS TO BE ISSUED THROUGH SECOND PLATFORM



Government bonds are known for their low risk, due to backing by high government liquidity

The government will issue bonds in the primary market in the second quarter of this year through a second platform called the Government Securities Auction Platform (GSAP), in addition to the National Bank of Cambodia Auction Platform (NBCP).

Institutional investors will be able to enter the auctions of the government bonds through the new platform

Developed by the Cambodia Securities Exchange (CSX), CEO Hong Sok Hour said that the first auction of the government bonds through the GSAP is expected in the second quarter this year.

GSAP is a soon-to-be-launched platform developed by the Cambodia Securities Exchange (CSX) in addition to the NBCP, with both auction platforms putting emphasis on different maturity periods.

The two auction platforms will allow institutional investors including commercial banks, microfinance institutions, securities firms, insurance companies, the National Social Security Fund, other fund managers and custodians to enter the market directly in accordance with the government's issuance plan. Government bonds are known to have the lowest risk – almost zero, because they are backed by a country's government with high liquidity, Sok Hour said.

Investors in sovereign bonds will enjoy a 50 percent deduction of withholding tax on the interest earned from holding and trading the bonds, and tax exemption on capital gains from purchasing and trading the bonds for three years, the ministry pointed out. [Read more](#)

**RHTLaw** Cambodia

RHTLaw Cambodia offers clients access to a network of more than 2,000 legal professionals across 16 jurisdictions in Asia.

Contact us [here](#) to find out more.

## INDOCHAM AND SBIF EVENT PUTS CAMBODIA ON THE MAP FOR BUSINESS AND INVESTMENT



Key speakers at the event, organised by AquariiBD

The Indonesian Chamber of Commerce (IndoCham) and the Singaporean Business Investment Forum (SBIF) co-hosted an inaugural Business Networking Reception to provide an update on reciprocal visits from Indonesia and the formal introduction of the SBIF and its goals.

The by-invitation only event, which was organised by in-market business consultancy AquariiBD with the support of Khmer Enterprise. [Read more](#)

CEO of AquariiBD, Mr. Michael Tan, said events like this are necessary as there is still a gap in awareness of the potential and opportunities in the Kingdom, and a deficit in trust or confidence of foreign businesses and investors when considering the Cambodian market.

"Creating touch points and points of contact have proved to be effective and we also learned that having a delegation whose composition is largely private-sector and a more discreet government involvement worked best."

"Some of you may be aware that we had mounted a business delegation visit to Indonesia in 2022 where we conducted an in-country seminar that was attended by 81 Indonesian business personalities. The 33-member delegation from Cambodia comprised not only Cambodian businesses and personalities but also foreign companies established in Cambodia and from the feedback we have received, 3 delegations from Indonesia – eco-tourism, retail, and manufacturing – are keen to visit Cambodia this year".

Mr. Tan ended with an announcement of the Annual Investment Meeting (AIM) which will be held in Abu Dhabi, UAE in May this year. Aquarii and KE have been exploring the idea of replicating the success of the Jakarta visit in Oct 2022 by organizing a mixed delegation comprising Cambodian and foreign businesses operating in Cambodia to Abu Dhabi.



## NIS: CAMBODIA'S ECONOMY SET TO GROW BY 30% IN UPCOMING GDP REVISION

Cambodia's National Institute of Statistics (NIS) is set to revise the country's Gross Domestic Product (GDP) estimates upward by around 30% in the coming months, from approximately \$30 billion to \$40 billion USD. This comes after a review by the International Monetary Fund (IMF), which aims to provide a more accurate reflection of Cambodia's economy. [Read more](#)



The revision is good news for Cambodia

The current GDP estimates are based on the year 2000 and do not consider the structural transformation, inflation impacts, and technological progress that the country has experienced over the past 23 years. The NIS has used 2014 as a new base year, which is still not completely up to date but more recent than the previous estimate, according to the locally-based financial consultancy firm Mekong Strategic Capital.

“ In 2022, Cambodia exported \$36.839 million worth of goods to Indonesia and imported \$911.694 million worth of goods from Indonesia. ”

The revision is expected to have a significant impact on perception and investor confidence, with Cambodia's private debt to GDP ratio set to fall from around 180% to approximately 140%. Cambodia's already low public debt will decrease further, and GDP per capita is expected to increase by around 30%, bringing the country closer to achieving high middle-income status. Moreover, the bigger economy is likely to be more attractive to investors than a smaller one.

On the other hand, there are some negative impacts that come with the revision. For instance, the increase in GDP means that Cambodia's tax base as a percentage of GDP will decrease by around 30%, indicating that there is more work to do in growing the tax base.

DON'T JUST WORK FROM HOME!

### WORK-FROM-ANYWHERE

WITH OUR **DATA2GO BUNDLES**

4G SIM + DEVICE + 20GB DATA

STARTING FROM **\$12** PER MONTH

Call **012 999 712**

cellcard BUSINESS

## PHILLIP BANK LAUNCHES HIGH-INTEREST DEPOSIT PROMOTION WITH PRIZES



Phillip Bank launched the promotion this month

Phillip Bank, the only Singaporean-owned commercial bank in Cambodia, has launched an exciting new promotion for its customers.

Starting from February 15, 2023, until December 31, 2023, customers can enjoy high deposit rates of up to 8.25% per annum and stand a chance to win exciting prizes. [Find out more here.](#)

Customers that maintain a \$1,000 daily average in their savings account will receive a ticket while those who make term deposits during the promotion period can enjoy attractive annual interest rates of up to 8.25% for Khmer Riel and 8% for US Dollar deposits between 12 and 36 months. Additionally, customers will receive one lucky draw ticket for every US\$10,000 deposited, with unlimited tickets for customers who make multiple deposits during the promotion period.

“ Prizes included Ford Everest Titanium 2023, a Ford Ranger Wildtrak 2023, 15 of Samsung Galaxy Z Fold4, and 15 cash prizes of \$888 each ”

Phillip Bank has positioned itself as a leading digital bank in Cambodia, offering a wide range of innovative and secure digital banking services to its customers. The bank's services include the Phillip Mobile application, digital payment, ATM services, Internet Banking, and many more.

Mr. Chan Mach, CEO of Phillip Bank, expressed his excitement about the promotion and the bank's digital banking services, saying, “At Phillip Bank, our customers' satisfaction and security are our top priorities, and we continue to innovate to provide the best banking experience to our customers. The promotion is our way of giving back to our customers and thanking them for their trust and support.”

# RHTLaw Cambodia



## COMPANY OVERVIEW:

As a young and vibrant law firm backed by an experienced team to deliver intelligent and innovative legal solutions, RHTLaw Cambodia offers clients access to a network of more than 2,000 legal professionals across 16 jurisdictions in Asia. We proactively grow our practice in tandem with regional and international fast-growing industries. These industries complement our core areas of practice in Corporate and Capital Markets, Financial Services, Intellectual Property and Technology, Litigation and Dispute Resolution, and Real Estate.

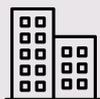
## SERVICES:



### FINANCIAL INSTITUTIONS



### PRIVATE WEALTH



### REAL ESTATE/INFRASTRUCTURE



### TECHNOLOGY, MEDIA & COMMUNICATIONS



### TRANSPORTATION/LOGISTICS



### CONSUMER BRANDS



### EDUCATION

Launched in 2014, the APG saw a group of full-services law firms coming together to blend the best of knowledge, culture, and international expertise. APG firms have a strong presence in Asia with offices located in Australia, Bangladesh, Cambodia, Hong Kong, India, Indonesia, Mainland China, Malaysia, Philippines, Singapore, South Africa, South Korea, Taiwan, Thailand, United Arab Emirates, and Vietnam.

[FIND OUT MORE](#)

## LATEST FROM RHTLAW:

- [Commercial law & registration](#)
- [Business & Investment News](#)
- [Standard Information for consumers](#)

### CONTACT



+855 (0)23 886 616



[enquiries@rhtlawcambodia.com](mailto:enquiries@rhtlawcambodia.com)



[www.rhtlawcambodia.com](http://www.rhtlawcambodia.com)

### ADDRESS



HW2Q+P9M  
Street 78  
Phnom Penh  
Cambodia