

# NEWSLETTER

MONTHLY

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Geo-politics

Economy

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# HUN MANET ANNOUNCES STRATEGIC BLUEPRINT FOR ECONOMIC TRANSFORMATION

This month, Prime Minister Hun Manet unveiled a strategic blueprint for Cambodia's economic transformation and articulated a comprehensive vision for the country's future, blending economic reforms with socio-political insights.



## A NEW STRATEGY FOR CAMBODIA

“Our goal is clear – to transition Cambodia into a high-middle-income country by 2030. We’re not just aiming for economic growth but equitable, sustainable development,” he stated at a high-level meeting this month.

“We understand the necessity of a conducive environment for business,” he said, outlining measures to streamline processes and enhance transparency. On easing compliance burdens, he remarked, “Our businesses need a climate that facilitates growth, not hinder it with unnecessary red tape.”

## COMMITMENT TO AGRICULTURE

He also spoke of agriculture as being the backbone of the nation, emphasizing that “Agriculture remains one of the main drivers of Cambodia’s economic development.”

This is following the government’s announcement of the implementation of a new strategic policy for agricultural development, aiming to upgrade agriculture from household to commercial farming and enhance farmers’ income through value-added products. [Read more](#)

According to the government’s 5th priority policy, a mechanism will be set up to facilitate, coordinate and finance programmes to enhance production, market access and price of the main agricultural products. The 6th priority policy says the government will deploy 250 agricultural officials and that the number will be raised to over 1,300 by 2025 in communes nationwide, to add human resources for the agricultural sector’s development. These officials will assist farmers, form agricultural cooperatives, link production chains and guide farmers to reduce production costs.

## FOREIGN DIPLOMACY



Government spokesman Pen Bona said. “The Prime Minister has already made overseas trips to Indonesia, New York and China and his foreign policy aims to fortify and broaden collaboration with foreign partners for the benefit of the people and the country’s economy.”

“As the new prime minister, Samdech Hun Manet will work to deepen and broaden bilateral relations with other countries by hosting foreign ambassadors in Cambodia and holding talks both at home and abroad,” he added.

Bona added that Cambodia conducts a foreign policy that upholds and advances its interests as a nation by focusing on the following major objectives: preserving peace, security, stability, order, and social cohesion; and defending national independence, sovereignty, territorial integrity, and neutrality. [Read more](#)

## BOOSTS FOR TRADE, FINANCE AND IN CAPACITY BUILDING

The Prime Minister has declared the waiver of customs duties on both imports and exports that are valued at less than USD 1,000.

The decision not only streamlines trade processes but also signifies a significant reduction in the customs clearance fee. From an initial 15,000 Riels, the fee has been slashed to 8,000 Riels per transaction, with scanning fees for unsealed containers also being eliminated. The comprehensive strategy underscores the government’s commitment to modernizing and facilitating trade, propelling Cambodia into a new era of economic efficiency and global competitiveness. [Read more](#)

Banking and finance sectors are also set for supportive measures from the National Bank of Cambodia following the Prime Minister’s recognition of the sector’s role in national development, saying, “A robust banking system is crucial for a healthy economy and we are ensuring that our financial institutions can continue to support our businesses effectively.”

The Government has also launched an IT platform to allow the public to access administration services online as part of its dedication to increasing the capacity of officials, with the view to creating more e-civil servants and e-citizens. [Read more](#)

Hun Manet also requested the Ministry of Interior to promote the transfer and delegation of powers to the sub-national level, focusing on tightening and promoting the provision of education, health, and local administrative services.

# CAMBODIA'S FINANCIAL MARKET EXPANDS WITH FIRST USD 200M COLLECTIVE INVESTMENT SCHEME MANDATING 10% INVESTMENT IN SECURITIES



Cambodia's financial landscape has reached a milestone with the launch of its first collective investment scheme, a strategic move in the nation's developing capital market.

The scheme is also distinctive in its requirement of a 10% investment in securities listed on the Cambodia Securities Exchange (CSX). Targeting annual returns between 7-10%, this pioneering initiative also sets its sights on amassing up to USD 200 million.

A collective investment scheme is a type of investment fund that aggregates capital from multiple investors to purchase a diversified portfolio of securities. This allows individuals to gain exposure to a range of assets, which might be difficult or costly to access individually. Sou Socheat, Delegate of the Royal Government in charge as Director General of the Securities and Exchange Regulator of Cambodia (SERC), detailed the significance of BAMC's recent announcement.

“ Obtained in March, this license makes BAMC the inaugural entity in Cambodia to be authorized for fund management, distribution, and for handling fund repurchases or repayments. ”

Sou Socheat further shed light on the current composition of CSX, which includes 20 listed companies, with 11 issuing securities and nine listing bonds. He emphasized the need for new investment products to stimulate the capital market's growth and to be aligned with international standards.

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# LIFESTYLE IN CAMBODIA

The latest round-up of lifestyle news in the Kingdom!

## WATER FESTIVAL RETURNS TO PHNOM PENH

Cambodia celebrated the annual three-day Water Festival this month with King Norodom Sihamoni and Prime Minister Hun Manet in attendance, reviving the more than 800-year-old tradition of boat racing after a 3-year suspension because of the Covid-19 pandemic. [Read More](#)



## MADAMA BUTTERFLY FEATURES IN SPECIAL PERFORMANCE



Cambodian sensation, Sethisak Khuon will take to the stage for what is being crowned a “once-in-a-lifetime” performance. The award-winning tenor is Cambodia’s first internationally trained opera singer. [Read More](#)

## A NEW ERA FOR CAMBODIAN WORKSPACES

CBRE Cambodia hosted an event focused on the evolution of Phnom Penh office environments, exploring how modern workspaces are increasingly incorporating lifestyle features and Environmental, Social, and Governance (ESG) considerations. [Read More](#)



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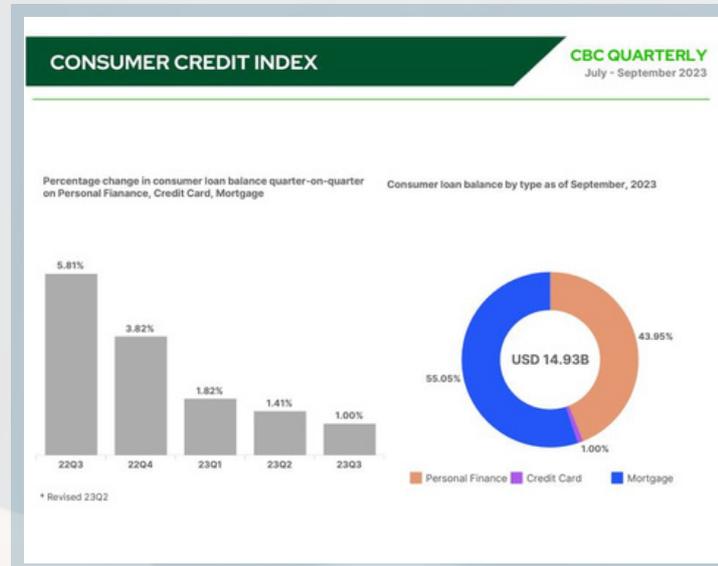
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# CONSUMER CREDIT IN CAMBODIA HITS RECORD USD 14.93 BILLION

Cambodia's consumer credit sector continued to reach new heights in the third quarter of 2023, with the total outstanding loan balance swelling to USD 14.93 billion.

This growth, however, comes hand-in-hand with a 20% hike in overdue payments from July to September this year totalling 4.71%.



Consumer credit is defined as personal debt taken and split into three sectors: personal finance, mortgage loans, and credit cards. The overall loan balance saw a modest 1% increase from the previous quarter. The number of consumer loan accounts also witnessed a 1.78% increase, bringing the total to approximately 1.68 million across the country.

“**The sharpest rise in overdue payments was observed in the Plain region, which saw a 25% escalation, followed by the Tonle Sap, Plateau, and Coastal regions. This uptick in late repayments suggests a potential ripple effect that could affect the health of the overall financial sector if the trend persists.**”

Despite the concerning rise in overdue payments, the distribution of loan types remained relatively stable. Mortgage loans, despite representing only 12.04% of the total number of loan accounts, accounted for over half of the total outstanding balance, indicating a substantial average loan size in the property sector. Conversely, personal finance loans, while making up a substantial 79.80% of loan accounts, represented just under 44% of the total loan balance.

“The demand for consumer credit in terms of both the number and quantum of applications has increased. Consumer credit performance was positive in terms of both the number of loan accounts and loan balance this quarter,” said Mr. Oeur Sothearoath, CEO of CBC.

He cautioned, however, that “loan quality dropped with an increase in the 30+ DPD ratio from 3.96% in the second quarter of 2023 to 4.71% in this quarter.”

# CAMBODIA, CHINA REACH COOPERATION ON FINANCIAL INNOVATION & PAYMENT SYSTEM



Cambodia and China have entered into cooperation on financial innovation and clearing and settlement arrangements, to facilitate efficient and secure cross-border payment transactions between the two countries.

The MoUs include the “Cooperation in the Area of Financial Innovation and Payment Systems”, and the “Establishment of a Clearing and Settlement Arrangement in Cambodia”

Dr. Chea Serey, Governor of NBC, and Dr. Pan Gongsheng, Governor of the People’s Bank of China were the signatories.

According to NBC, the first MoU intends to facilitate efficient and secure cross-border payment transactions between Cambodia and China and to foster innovation and the adoption of financial technology in the banking and financial services industry.

This cooperation will enhance confidence, security, efficiency, stability and inclusion in the sector, and support the policies of the Royal Government of Cambodia in the development of the economy and digital society.

For the second MoU, both parties agreed to enhance coordination and cooperation to strengthen the capabilities of the Cambodian banking sector to better serve the increasing bilateral trade, investments and financial flows between China and Cambodia.

By innovating financial products and services offered by Cambodian banks to Chinese investors, this MoU will contribute to enhancing Cambodia’s competitiveness and attractiveness as an investment destination.

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## WORKSHOP ADDRESSES CHALLENGES, EMBRACING GROWTH FOR SMES



The workshop was attended by local SMEs looking for financial advice

Aquarii BD hosted a collaborative workshop titled “SME Journey Towards Investment Readiness,” which explored the challenges faced by Small and Medium Enterprises (SMEs) and offered actionable insights for their growth journey.

Jointly organized with Khmer Enterprise, Swisscontact and Cellcard, the session addressed the issues SMEs face on their journey towards investment readiness.

Sokhuy Lay, Deputy Team Leader of Enhancing Entrepreneurial Ecosystem and Investment (3Ei) at Swisscontact Cambodia, said “Entrepreneurs encounter big obstacles, as they are the first movers in the market and are often those who take the biggest risks. But to access capital, entrepreneurs must still strive to understand where they are in terms of their idea or company’s development, at whatever stage.”

“**Entrepreneurs must also assess the stage of their development in order to know what the right option is for them, given the diverse capital options available.**”

A representative from Khmer Enterprise spoke on the government trust’s role in supporting SMEs through seed funding, business networking, entrepreneurial culture promotion, and capacity building.

CEO of Aquarii, Michael Tan, shared observations on the expectations, concerns, and gaps encountered in business discussions and negotiations. He stressed that these occurrences, which are also described as challenges and pain points, are merely manifestations or symptoms of the usual business process, and that it is important to identify the root causes, which are namely perception, trust, and communication.

Tan advised SMEs to develop a strategic narrative that not only addresses the misperception and outdated perspectives of Cambodia but also helps investors to have a realistic appreciation of the potential and opportunities that the Kingdom has to offer. [Read More](#)

## MOC SEE TRADE OPPORTUNITIES AND BENEFITS OF IMPLEMENTING CAMBODIA-UAE CEPA



The Minister of Commerce of Cambodia, Cham Nimul, briefed the representative of the Cambodian Private Business Centre in Dubai on the business opportunities in Cambodia and the expected benefits of implementing the Comprehensive Economic Partnership Agreement between Cambodia and the United Arab Emirates, which will be known as the Cambodia-UAE CEPA in the near future.

The remarks came as she led a delegation from the Ministry of Commerce to visit the Cambodia Private Commercial Centre in Dubai, located at the Burj Khalifa, to learn about the progress and work direction of the centre on November 28.

The visit of the Minister of Commerce comes as Cambodia and the United Arab Emirates are preparing to implement the Comprehensive Economic Partnership Agreement between Cambodia and the United Arab Emirates in the near future, after the agreement was officially signed on June 8.

On this occasion, Cham Nimul met with Chenling Zhang, General Director of OneRoad Group, to discuss work on strengthening and expanding investment activities and business activities of companies operating in both countries.



## CAMGSM PLC REPORTS HEALTHY Q3 PERFORMANCE, FINANCIAL POSITION

In a year-on-year comparison with Q3-2022, the company reported a 14% increase in operating profit, equivalent to 7.7 billion Riels (approximately USD 1.9 million). Profit before income tax rose by 3%, reaching 1.3 billion Riels (approximately USD 325,000), while total comprehensive income also experienced a 3% increase, coming to a total of 1.07 billion Riels (approximately USD 268,000).



Cellcard HQ shines bright

CAMGSM PLC achieved a total reported revenue of over 186 billion riels in Q3-2023, with net profit reaching 42.9 billion riels. This represents a 3% year-on-year growth compared to the net profit of 41.6 billion riels collected in the corresponding quarter of 2022.

The company attributed its success to ongoing initiatives aimed at optimising operating costs, along with a strong focus on enhancing network quality and coverage as part of its 2023 business turnaround strategy. The press release quoted Neak Oknha Kith Meng, Chairman of CAMGSM PLC, who expressed his satisfaction with the company's performance in the third quarter of 2023.

“ **CAMGSM’s significant closure of a 2011 financing arrangement was made with a banking consortium led by the Bank of China Limited, for the acquisition of Millicom’s 61.5% shareholding of CAMGSM.**

**The company’s successful reparation of principal and interest payments (totaling USD 723 million) demonstrates CAMGSM’s commitment to honoring its financial obligations.** ”

Kith Meng also announced the refinancing of the Bank of China facility, now supported by the Singapore branch of the Malayan Banking Berhad, Maybank (Cambodia) Plc, and Canadia Bank Plc. The new financing offers CAMGSM PLC lower costs and longer tenure, supporting increased capital investment in network coverage and capacity.

CAMGSM PLC received approval, in principle, from the Cambodia Securities Exchange (CSX) for its sustainability bond listing eligibility on September 28, 2023. If finalised, this will make CAMGSM the first issuer of a sustainability bond in Cambodia, marking a historic milestone for both the company and the Cambodian capital market.

## DIGITAL BUSINESS EXPO HELD TO ENHANCE DIGITAL TRANSFORMATION TO ENTREPRENEURS



The Techo Startup Centre organised a Digital Business Expo with the theme “Startup, Innovation, and Technology in the Context of the Digital Economy and Society.”

The expo was held with support from the Ministry of Economy and Finance and the Capacity Building Research and Development Fund of the Ministry of Post and Telecommunications.

According to the organisers, the expo aimed to achieve five main objectives, namely:

- 1) Enhance the digital transformation of enterprises and promote entrepreneurship and startups,
- 2) Raise awareness among stakeholders, particularly younger generations interested in building startups;
- 3) Promote understanding of the process of business and specialised license registration and other supporting services related to business operations and startup establishment;
- 4) Expand the supportive network and mobilising the stakeholders to strengthen the startup ecosystem; and
- 5) Connect entrepreneurs with innovation specialists.

**The expo was attended by representatives from relevant ministries and institutions, entrepreneurial support organisations, banking institutions, startups, educational institutions, development partners, enterprises, students, and the public.**

The two-day event showcased the products and services of various institutions.

The expo also included presentations and in-depth discussions on topics such as the digital economy, the strategies and uses of technology in business operations, as well as the strategies and services of the government and stakeholders to support enterprises in adopting digital solutions.

## INDONESIAN AMBASSADOR SEES TRADE UPGRADE AS PRIORITY

While trade relations between Cambodia and Indonesia are strong, the Ambassador of Indonesia hopes to see his nation move up the list of trading partners with Cambodia.

Ambassador Santo Darmosumarto made his intent known during his meeting with Minister of Commerce Cham Nimul on Wednesday.



The Ambassador highlighted that 2024 will be the 65th anniversary of Indonesia-Cambodia diplomatic relations and hoped that the two sides could organise events promoting trade, investment, and tourism cooperation throughout the year.

Ambassador Darmosumarto conveyed concerns faced by Indonesian businesses in Cambodia, but at the same time recognised that such concerns could be addressed through greater consultation, coordination, and cooperation among all relevant stakeholders.

“

**While Indonesia may have jumped to become Cambodia's 6th biggest trading partner this year, there remains much room for expanding trade and investment relations**

”

Nimul suggested creating a joint working committee on trade to improve communication and cooperation among relevant agencies.

The setup of a dialogue mechanism between the Ministry and the Indonesian business community in Cambodia would then complement this with the goals of streamlining business procedures, de-bottlenecking trade barriers, and pinpointing and suggesting solutions to business challenges.

Darmosumarto also highlighted the opportunities in agricultural export.

“The potential is there, and it is just a matter of us making sure that the right people are connected. I hope Indonesia will become Number 3 or at least Number 4 partner with Cambodia. The fact that a lot of them [Indonesia businesses] have been here for some time is an indication that they see a lot of potential here and trust the development in Cambodia,” he said.

## NEW AIRPORT IN CAMBODIA CATALYST FOR TOURISM & ECONOMIC GROWTH



**Tourists arrive in Cambodia**

The new Siem Reap Angkor International Airport (SAI) in northwest Cambodia will be a catalyst for the country's tourism and economic growth, the Cambodian Prime Minister Hun Manet said this month.

Located in the Souttr Nikom district in Siem Reap province, the 4E-level international airport covers an area of 700 hectares.

The new airport, built at a cost of around USD 1.1 billion, is designed to handle 7 million passengers a year – 2 million more than the previous Siem Reap International Airport (REP) – and has a 3,600-meter-long runway.

“

**It will become a strong and important absorbing potential for the tourism sector in Siem Reap province in particular as well as for the entire tourism industry in the country in general**

”

Hun Manet said the airport, situated roughly 40 km from the UNESCO-listed Angkor Archaeological Park and 50 km from Siem Reap provincial town, is a blend of “culture, nature and smartness”.

He added that the airport will help to promote connectivity and efficiency in the transportation and logistics sectors in the Southeast Asian country. The airport is invested by the Angkor International Airport Investment (Cambodia) Co., Ltd., an affiliate of China's Yunnan Investment Holdings Ltd.



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## FAPW: HOSTING THE 39TH WAGGGS WORLD CONFERENCE REFLECTS CAMBODIA'S CAPABILITIES & INFLUENCE



**A handshake is shared by thought leaders**

Visiting Founder of Friends of Asia Pacific World Association Girls Guides and Girls Scouts (FAPW) has congratulated the Kingdom of Cambodia on hosting the 39th WAGGGS World Conference in 2026, which reflects the capabilities and influence of Cambodia as well as the Asia Pacific region for securing the right to host this major international event.

The remarks were made by Dr Juseon Byun while paying a courtesy call on Cambodian Prime Minister Hun Manet, prior to the opening ceremony of the 7th General Assembly of FAPW in Siem Reap provincial city this month.

The FAPW founder noted and appreciated the activities and achievements of the Girl Guides Association of Cambodia (GGAC) which has the participation of many women and girls and demonstrates the leadership, responsibility and contribution of women and girls in society.

For his part, Hun Manet extended a warm welcome to Dr Juseon Byun and the delegates attending the 7th General Assembly of FAPW in Cambodia and thanked her for her support of the Kingdom of Cambodia's hosting of the 39th WAGGGS World Conference in 2026.

The 7th General Assembly of FAPW serves as more than just a gathering; it conveys a powerful message aimed at inspiring young Cambodians to actively participate.

Especially targeted at the participation of women and girls in the activities of GGAC, the conference aims to promote gender equality, and empowerment and give opportunities for women and girls in Cambodia to take part in social activities, the Premier underlined.

Themed "Imagine the Possibilities," the three-day 7th General Assembly of FAPW kicked off this morning under the presidency of Hun Manet.

# PROPERTIES OF THE MONTH



## SAMAKY TOWER

Located in Phnom Penh's Toul Kork district, Samaky Tower is designed to the highest Grade B office standard.

The pinnacle of state of the art for its classification the development boasts high end finishes throughout plus market leading property management from Knight Frank Cambodia.

Samaky Tower offers open plan office space with typical floor plates circa 641 Sqm Net. Access cards for tenants, state of the art fire fighting protection, shared pantry areas, modern high speed elevators and on-site car parking are also included.

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Contact our team on: [+855 85 321 121](tel:+85585321121)



# THE LATEST FROM AQUARII

## UPCOMING EVENT!

Aquarii is planning for a business seminar to be held in Singapore in March 2024. This private sector-led and government-supported outbound seminar is intended to raise awareness and investor interest in Cambodia. We are coordinating with business chambers in Singapore and several investor networks, to invite their members and network of contacts to the event.

*In 2022, Aquarii organized a 35-member mixed business delegation visit-cum-seminar to Jakarta, which raised awareness of Cambodia amongst the Indonesian business community.*

[Read More](#)



Limited slots are available on the delegation for logistic and facilitation reasons, and to ensure the right mix of businesses for diversity and representation of sectors of interest to the target participants in Singapore.



*In 2023, Aquarii organized a week long SBF delegation visit to Cambodia which explored and unlocked business and investment opportunities within the Cambodian market.*

[Read More](#)

## KEY OBJECTIVES OF THE UPCOMING BUSINESS SEMINAR:



### Raise Awareness of Cambodia:

We aim to highlight the investment potential and business opportunities that Cambodia has to offer, provide market updates and offer insights on the priority sectors and investment-friendly policies.



### Provide Visibility to Businesses and Projects in Cambodia:

Be part of the delegation and take advantage of the breakout sessions to showcase your project, business, products and services to international businesses and investors.



### Facilitate Networking and Collaboration:

Take advantage of this rare opportunity to meet and network with international participants, and establish connections with potential collaboration partners or investors!

**CONTACT US FOR MORE INFO:**



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