

# NEWSLETTER

MONTHLY

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# FDI GROWTH FOR KINGDOM BUOYANT IN 2023

**POLICY DIRECTIVES ARE DRIVING THE ONGOING GROWTH**



The Council for the Development of Cambodia (CDC) reported that from the start of 2023 until September, 191 new Foreign Direct Investment (FDI) projects have been approved, representing a 27 percent growth over last year's approvals, with multinational investment interests continuing to line up.



The new approvals will likely improve Cambodia's Gross Domestic Product (GDP) performance this year, given that FDI accounted for 38 percent of the overall national GDP in 2022.

The new statistics also suggest a strong third quarter for the investment sector, as CDC's July 2023 reports from the CDC had confirmed 113 fixed asset investment projects worth more than US\$1.1 billion for the first half of this year.

Chinese investors were the largest source of FDI in the Kingdom, accounting for US\$588 million for the H1 spending. Other investors to the country included Vietnam, Seychelles, Thailand, South Korea, Samoa, the US, Singapore, and Sweden.

In Q3, Cambodia has also seen new projects from Malaysia, Singapore, Vietnam and the British Virgin Islands investors, among others.

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## ICAPP PRAISES CAMBODIA OVER SMOOTH POWER TRANSITION

Cambodia has won praise for its successful “transfer of power” from the International Conference of Asian Political Parties (ICAPP) Standing Committee, composed of representatives from across Asia, ensuring continuing political stability, a key consideration for long-term investments.



**Suos Yara at the Asia-Europe Political Forum in Nepal**

The four days of the 40th Standing Committee meeting of the ICAPP and the fifth annual meeting of the Asia Europe Political Forum in Kathmandu, Nepal concluded this month.

The ICAPP is one of the biggest political groupings in the world, representing over 350 political parties from 52 countries in Asia. The leaders of the Asian and European political parties and experts discussed contemporary issues related to the shared future of both continents.

Several dignitaries, including ministers, lawmakers and leaders of 26 political parties from various countries such as China, South Korea, Indonesia, the Czech Republic and the Netherlands, participated in the conference.

Suos Yara, First Chair of the Foreign Affairs Committee of the ruling Cambodian People's Party (CPP) and Asian Cultural Council (ACC) Director-General, led a Cambodian delegation to attend the events.

**“ Cambodia is recognised as a country that connects culture and civilisation between the Himalayan highlands and the lowlands of Southeast Asia, as well as a country that promotes and maintains the values of peace, democracy and religious beliefs. ”**

Yang Peou, Secretary-General of the Royal Academy of Cambodia (RAC), said yesterday that he agreed with ICAPP about the smooth power transition in Cambodia after the election.

“The CPP under the leadership of Samdech Techo Hun Sen has made the transfer of power in the country smooth, and the working processes of the new government which led the country for almost two months now, is also smooth,” Peou said, adding that such a power transition has ensured political stability, peace and socio-economic development.

# LIFESTYLE IN CAMBODIA

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

## CHINA FIRM ON TRACK TO BUILD AIRPORT METRO

Phnom Penh could take a headlong leap into the future with a world-class rapid transit or mass rapid transit (MRT) system.

The Council for the Development of Cambodia (CDC) in a statement revealed plans by Chinese firm Guangzhou Metro Group for an airport metro. [Read more](#)



## CAMBODIA AWARDED CULTURE, YOUTH TRAVEL AWARDS



The Kingdom secured the titles of “Asia’s Leading Cultural Destination” and “Asia’s Leading Youth Travel Destination” at the September 6 event in Ho Chi Minh City, Vietnam, according to the Ministry of Tourism, which is expected to allure tourists.

[Read more](#)

## LEGEND PREMIUM CINEMA X AAIFF FILM FESTIVAL

Legend Premium Olympia celebrated the opening of the All Asian Independent Film Festival and European Independent Film Festival (AAIFF/ÉCU) On-The-Road Tour this month. The festival screened 39 films from 22 countries between the 20th to 22nd October.

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## KINGDOM'S EXPORTS TO RCEP REACH US\$5.2B IN EIGHT MONTHS



**A busy port in Cambodia**

Cambodia's exports to the members of the Regional Comprehensive Economic Partnership (RCEP) countries continued to see positive growth, reflecting the potential market for Cambodia's products and contributing to sustainable economic growth.

A Ministry of Commerce report showed that Cambodia exported US\$5,261 million worth of goods to RCEP countries in the first eight months of this year, a 22 percent increase compared to last year.

The mega trade pact has given a major boost to Cambodia's exports and attracted new investments to Cambodia, contributing to the economic development, said Lim Heng, vice president of the Cambodia Chamber of Commerce.

**“ Export to the RCEP countries, which are Cambodia's potential market, will complement the markets of EU and America under the trade preferences – EBA and GSP. ”**

The mega-regional pact will eliminate as much as 90 percent of the tariffs on goods traded among signatory countries over the next 20 years.

Cambodia expects to see export growth between 9.4 percent and 18 percent, which will contribute to the national economic growth between 2 percent and 3.8 percent, stated the Ministry of Commerce.

Being the world's largest trade bloc, the RCEP trade deal has a combined GDP of US\$26.2 trillion, representing around 30 percent of the global GDP, 28 percent of global trade, and 32.5 percent of global investment.

According to a Ministry of Commerce report, Cambodia's exports to RCEP countries reached US\$6.34 billion in 2022, a year-on-year increase of seven percent.

# LOOKING FORWARD: CAMBODIA UNVEILS FINTECH POLICY 2023-28

Deputy Prime Minister and Minister of Economy and Finance Aun Pornmoniroth unveiled Cambodia's Financial Technology (Fintech) Development Policy for 2023-2028, asserting its potential to harness the advantages of digital transformation in the financial sector and invigorate the country's socio-economic landscape.



Pornmoniroth, who also serves as the chairman of the Digital Economy and Business Committee, highlighted the increasing prominence of digital technology in the context of the Fourth Industrial Revolution, or Industry 4.0, at a workshop last month.

**“ I firmly believe that the effective execution of this policy will empower Cambodia to fully benefit from the digital overhaul in the financial sector. This, in turn, will pave the way for everyone involved to hasten Cambodia's digital, economic and societal progression. ”**

He underscored its crucial influence in today's interconnected world, spotlighting its transformative effects on strengthening global socio-economic relationships.

He particularly highlighted how digital tools have not only revolutionised business models but also brought about significant advancements in communication, public service delivery and work efficiency.

He said that economies, irrespective of their development stage, can transition from traditional industries to contemporary ones in a short span.

The minister stated that this evolution can be achieved by three primary activities: The deployment of digital systems as a cornerstone for economic growth; digital technology acting as a catalyst to bolster various economic sectors; and leveraging digital means to link local businesses and investors to international production chains to inspire innovation in product and service offerings.

## CELLCARD TO LIST FIRST US\$20M SUSTAINABILITY BOND ON CSX



Cellcard flagship store in Phnom Penh

In a market first, CAMGSM (Cellcard), has obtained an approval in-principle for its sustainability bond listing from the Cambodia Securities Exchange (CSX).

This marks the first instance of a sustainability bond to be issued in the country, underscoring CAMGSM PLC.'s pioneering role in the Cambodian financial landscape.

The approval, which was granted by CSX on 28 September, 2023, comes after CAMGSM PLC. had received authorization from the Securities and Exchange Regulator of Cambodia (SERC). The company aims to issue a sustainability bond of up to USD 20 million with a 10-year maturity period. Set to be effective from the end of October 2023, the specific interest rate and creditors are still under negotiation and will be publicly disclosed in due time.

Cellcard CEO Simon Perkins elaborated on the company's ongoing mission, saying, "Cellcard has been a cornerstone in Cambodia's development, offering reliable and affordable communication services to millions."

**“ This year marks our 26th year of service. We remain focused on delivering long-term value to our customers through quality, innovation, and service excellence. We are excited to contribute to Cambodia's future growth and support the Royal Government's vision for a Digital Economy. ”**

In July of this year, the Board of Directors of CAMGSM PLC. had authorized the issuance of debt securities up to US\$70 million, a strategic move designed to attract capital for business expansion in the telecommunication sector.

Founded in 1997, Cellcard is the longest-serving and the only 100% Cambodian-owned telecom operator in the country. Servicing over four million customers with a comprehensive distribution network, Cellcard has received more than forty global and regional awards.

## HUN MANET REVEALS INFORMAL ECONOMY REFORMS



Tuk Tuks in Phnom Penh

Prime Minister Hun Manet has unveiled the National Strategy for Informal Economic Development 2023-28, aiming to alleviate poverty, reduce social inequality, bolster socio-economic resilience and stimulate economic growth.

The strategy also intends to not only enhance protection and resilience within the unregulated sector but also to bolster participation, trade and investment.

Manet said the government does not solely rely on theoretical models or foreign documents for policy formulation. Instead, it uses practical experiences and concrete measures, adapted to the available budget, ensuring tangible results for the citizens.

“

**Achieving better livelihoods in the informal economy allows us to meet three key objectives: to reduce poverty and inequality, strengthen our economic resilience and spur national growth.**

”

A primary challenge identified by Manet is registering individuals in the informal economy, a sector where many remain out of the government's purview. However, with proper registration, these individuals can benefit from a suite of developmental tools and resources.

He assured citizens that their involvement in these developments would be voluntary, stressing that they offer multiple benefits such as penalty waivers, previous non-compliance tax forgiveness and various tax incentives. He added that individuals in the informal economy would gain access to training in enterprise management and skill development to enhance productivity.

Minister of Industry, Science, Technology and Innovation Hem Vandy detailed the initial phase of the strategy's implementation, identifying priority sectors and occupations. These encompass a diverse range, from wholesale enterprises, accommodation services and artisanal communities to professions like construction, entertainment and transportation services, including tuk-tuk and taxi drivers. Other sectors include market vendors, artists, journalists, street sellers and agricultural workers.

## INVESTMENT PROMOTION CONFERENCE TACKLES CHALLENGES OF ATTRACTING INVESTMENT TO RURAL CAMBODIA



The conference was held in Siem Reap

In a bid to attract investment to Cambodia's less developed regions, the "Investment Promotion Conference 2023" was recently held in Siem Reap. Co-organized by the Council for the Development of Cambodia (CDC) and the German development agency, GIZ.

The event was convened to bring together industry leaders and experts to discuss the myriad possibilities for business and investment in Cambodia's northwestern provinces.

The one-day conference delved into various facets of investment promotion, provincial development, export opportunities, and the impact of Environmental, Social, and Governance (ESG) criteria on businesses. It culminated in a panel discussion, summarizing the event's key themes such as diversification, the role of data in expansion, and the Sustainable Development Goals (SDGs) as a unified agenda for all stakeholders.

Dennamanith Premprey, Business Development Manager at Aquarii BD, urged for solutions addressing the unique hurdles faced by both local SMEs and international investors, such as gaps in communication, language barriers, and differences in business practices.

**“ We need targeted solutions. Although significant issues like access to finance are being addressed through collaboration between the government and the development sector, smaller yet important matters often go unnoticed. ”**

Dr. Alavi Panah, a GIS and Remote Sensing Expert from the Banteay Meanchey Administration, highlighted the challenges of inadequate data sharing between governmental bodies and the private sector. He said it is crucial to have accurate data for investment decisions. The current lack of data sharing across sectors hampers this, Panah said. He argued that more companies should collaborate on data sharing to amplify investment opportunities.



## FOREIGN ARRIVALS UP 250.8% IN FIRST EIGHT MONTHS

Cambodia received some 3.5 million foreign visitors in the first eight months of 2023, a year-on-year increase of 250.8 percent, said the Ministry of Tourism.

1.2 million arrived by air, up 206.1 percent; and 2.28 million by land and waterways, said the report, noting that most of the foreign tourists came to

Cambodia from neighbouring countries, a key priority tourism market in the post-COVID-19 era.



**A busy Angkor Wat**

The Kingdom is expected to welcome between 4.5 and 5 million international tourists by the end of this year, up from 227 million in 2022. Tourism is one of the four pillars supporting Cambodia's economy, in addition to garment export, agriculture, and construction and real estate.

This growth reflects the renewed confidence of travellers considering visiting Cambodia's cultural and natural attractions.

The Cambodian government has and is actively implementing a range of comprehensive plans and strategies to ensure the tourism sector rebounds strongly. This will aid the economic growth of the Kingdom following COVID-19 pandemic.

**“ The Cambodian government has a target of 4.5 million international tourists in 2023. ”**

According to the Asian Development Bank (ADB), Cambodia's economy is projected to grow at a rate of 5.5% in 2023 and 6.0% in 2024, mainly driven by the recovery of tourism and the services sector. The recovery of the tourism sector will also result in the growth of the trade, transport, and hospitality sectors.

To achieve a sustainable and competitive tourism industry, the Cambodian government introduced a roadmap for the recovery of Cambodia's tourism sector from 2020 to 2025.

Among the measures are plans to develop new tourism products, provide training to enhance the skills of the workforce, and also offer more tourism diversity and ecotourism.

## CAMBODIA & THAILAND PLEDGE TO BOOST TRADE, AIMING FOR US\$15BN BY 2025



The Prime Ministers met last month

In a harmonious display of regional cooperation, Cambodia and Thailand have joined forces to tackle cross-border trade challenges with the ambitious goal of reaching a staggering US\$15 billion in trade volume by 2025.

This commitment underscores their shared dedication to advancing mutual prosperity and peace, as declared in a press release from the Ministry of Foreign Affairs and International Cooperation.

During a high-level meeting between Cambodia's Prime Minister, Hun Manet, and his Thai counterpart, Prime Minister Setha Thavisin, the leaders reaffirmed the paramount importance of bolstering trade and investment ties between their nations.

A key focus of their discussions was the expeditious negotiation of a Memorandum of Understanding (MoU) concerning transit goods between Cambodia and Thailand.

This MoU aims to iron out any lingering issues related to the transportation of goods originating from third countries, streamlining cross-border trade processes.

In a decisive move towards their US\$15 billion trade target for 2025, both prime ministers have empowered relevant authorities to harness existing mechanisms effectively while exploring additional avenues to augment cross-border trade.

This ambitious endeavour promises not only economic growth but also reinforces the enduring spirit of collaboration between these neighbouring nations.



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## CAMBODIAN TRUST REGULATOR EXPLORES TRUST MARKET INNOVATIONS WITH PHILLIP TRUSTEE



In a strategic effort to strengthen Cambodia's rapidly growing trust market and explore international best practices, Sok Dara, Director General of the Trust Regulator (TR), led a high-level study visit to Singapore, with the delegation coordinated by Phillip Trustee (Cambodia) Co. Ltd, a subsidiary of Phillip Bank.

The delegation engaged in high-level dialogues with Singapore's financial powerhouses, including the Monetary Authority of Singapore (MAS), Singapore Trustees Association (STA), and leading companies in the trust sector. The visit aimed to gain insights into Singapore's well-established trust ecosystem, covering aspects from operating norms and regulatory frameworks to the role of Fintech in trust management.

Facilitating the visit, Phillip Trustee (Cambodia) emphasized its commitment to leveraging its resources and expertise to support both domestic and foreign investors in Cambodia.

“ **We are deeply invested in the growth and sophistication of Cambodia's trust market. With our extensive experience and resources, we can guide investors through the complexities of the trust law, offering customized solutions for each unique situation.** ”

He said that the Phillip Trustee service is designed for both individual and institutional investors as well as family trust administration by ensuring not only for trustor's protection but also their assets are managed and distributed according to the trustor's terms and conditions.

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## PRIME MINISTER HUN MANET WELCOMES EU BUSINESS DELEGATION TO DISCUSS INVESTMENT OPPORTUNITIES IN CAMBODIA



**The delegation consisted of 70 members**

Prime Minister Hun Manet welcomed a high-level delegation from the European Union – led by Mr. Jens Rueddert – this month, to explore investment opportunities and expand existing investments in Cambodia.

The 70-member delegation was organized in partnership with Bower Group Asia and included staff from the EU-ASEAN Business Council (EU-ABC) and member companies.

In his dialogue with the delegation, the Prime Minister reaffirmed the Royal Government of Cambodia's (RGC) stance on welcoming investments from all around the world, including the European Union. He elaborated on the government's incentive policies aimed at attracting foreign investments.

Jens Rueddert, Chairman of EU-ABC, found the meeting with the Prime Minister "very informative," stating that Hun Manet "clearly outlined his priorities for the economic and social development of the country." He added that the discussions covered various important areas including health, education, environment, foreign policy, trade, and investment opportunities, aligning well with the general economic outlook and positive growth prospects of Cambodia.

The Prime Minister also emphasized the role of foreign investments, particularly from the private sector, as pivotal to Cambodia's ambitions of becoming a middle-income country and beyond. He provided many practical recommendations in line with the Pentagonal Strategy of the Royal Government of the 7th legislature of the National Assembly. These insights were highly regarded by the EU business community, as they raised concerns and questions related to the RGC's priority programs for the private sector during the meeting.

As for the delegation's agenda, their busy schedule reflected the importance that both the EU and Cambodia place on their economic partnership. Starting on October 24th, the delegation had an audience with the EU Ambassador at the EU Delegation, followed by key meetings with the Council for the Development of Cambodia (CDC), the Ministry of Environment (MoE), the Ministry of Industry, Science, Technology & Innovation (MISTI), the National Bank of Cambodia (NBC), and the Ministry of Agriculture, Forestry, and Fisheries (MAFF).



# THE LATEST FROM AQUARIII

## REVAMPED WEBSITE READY FOR LAUNCH



We will be launching a new and improved version of our platform in November

The new-look, free-to-use platform is designed to provide a more streamlined and user-friendly experience, catering to the needs of businesses in Cambodia and international investors exploring opportunities within the Cambodian market.



CEO of Aquarii Michael Tan said, "Our redesigned website reflects our dedication to accessibility, recognizing the value of time and efficiency. The refreshed interface ensures easier navigation and user-friendly features."

The updated website features improved sections dedicated to news, events, updates and business FAQs, serving as a valuable resource for staying informed on the latest developments, market trends and opportunities. Significant improvements include expanded advertising opportunities, leveraging the website's increased visitor traffic to reach a diverse and extensive audience. Tan noted, "Our multi-channel media platform now serves as an ideal showcase for businesses, promoting collaboration and investment growth within Cambodia."

## UPCOMING EVENTS IN NOVEMBER



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 CAMBODIA INVESTMENT REVIEW

 **SMEs JOURNEY**   
TOWARDS INVESTMENT READINESS  
Friday, 17th November 2023  
@ Capri by Fraser, Phnom Penh

Join us for a better understanding of the expectations and concerns of international businesses and investors when they consider doing business or when exploring potential collaboration opportunities in Cambodia, and more.

Hear from our speakers about their insights and experiences, as they share practical insights and useful tips on how to bridge the underlying gaps and better address or mitigate the pain points and challenges encountered during the various stages of a business process – from exploratory / discovery to deal-making stages. Use the opportunity to establish new connections and explore possible opportunities for collaboration. Click [here](#) for more details on the workshop.

# PROPERTIES OF THE MONTH



## THE VIEW SERVICED RESIDENCES

Rising to 34 storeys high The View Serviced Residences offers unparalleled views across Phnom Penh city center as well as the Bassac and Mekong Rivers. Upon arrival at The View Serviced Residences, you will be greeted at the grand lobby with its luxurious chandeliers and onsite refreshments including tea and coffee provided by the property management team.

Residential suites including studio, 1 and 2 bedroom serviced apartments before ending your property tour at the famous View rooftop which features an infinity rooftop swimming pool, communal dining area and sky bar, gym, business suite and Japanese Furo all for residents use only.

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## GIA TOWER COMMERCIAL



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Not far from Swan Bridge and positioned close to the river's edge of Diamond Island, this property thus offers a relaxing view while bringing you all the conveniences of inner-city venues. It's an ideal headquarters for your startup or any other venture, with good visibility and accessibility within the GIA Tower.

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