



## Doing Business in Cambodia: 2009 Country

### Commercial Guide for U.S. Companies

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## Chapter 1: Doing Business In Cambodia

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### Market Overview

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Cambodia is a developing market economy that has grown at an average rate of over 10 percent since 2004; however growth is projected to slow in 2009 due to the global economic crisis. Roughly one-third of 13.3 million Cambodians live in poverty, however the government hopes to raise the living standard of citizens through one of the most liberal investment regimes in Asia.

A democratic system and constitutional monarchy were re-established in 1993 after more than two decades of civil war and communist rule, including the period 1975 – 1979 when the Mao-inspired Khmer Rouge killed most of Cambodia's intellectuals and capitalists. Following peace accords between Cambodia's warring parties, the country held national parliamentary elections in 1993, 1998, 2003, and 2008. Coalition governments between the formerly antagonistic Cambodian People's Party (CPP) and royalist FUNCINPEC party emerged from the 1993, 1998, 2003 elections. In the July 2008 election, the CPP won an outright majority, but accepted FUNCINPEC as a minority coalition partner. In September 2008, a government with the CPP's Hun Sen as Prime Minister was sworn in; all ministers and all National Assembly committee chairpersons were from the CPP. The most recent 2008 coalition government pledged to devote its full energies to accelerate economic development through the implementation of an ambitious economic and political reform program.

Cambodia is one of the few Least Developed Countries (LDCs) to export over \$2 billion. Since Cambodia became the first LDC to join the World Trade Organization (WTO) in 2004, trade has steadily increased, and the U.S. has been Cambodia's largest trading partner. In 2008, exports to the U.S. were \$2.4 billion, at least 60 percent of Cambodia's total exports, primarily consisting of garments and footwear. U.S. exports to Cambodia in 2008 were \$154 million, up 11 percent from 2007. In July 2006, the United States signed a Trade and Investment Framework Agreement (TIFA) with Cambodia to promote greater trade and investment in both countries and provide a forum to address bilateral trade and investment issues.

Cambodia is also a member of the Association of Southeast Asian Nations (ASEAN) and the Asia Free Trade Area (AFTA), which will enhance regional trade as tariffs within ASEAN are lowered to zero to five percent by 2015. Concurrent with ASEAN integration, an interconnected series of highways, railways, power, and telecommunications is being implemented in the Greater Mekong Subregion (GMS)

countries of China, Thailand, Myanmar, Laos, Cambodia, and Vietnam which will greatly enhance intra-regional trade.

Cambodia's rapidly expanding tourism industry is led by the spectacular cultural attraction of Angkor Wat. Tourist arrivals increased by 6 percent in 2008 with 2.1 million tourists primarily coming from Korea, Vietnam, Japan, China, the U.S., and the EU. Tourism has increased more than eleven-fold since 1998 when Cambodia received a modest 187,000 tourists. The government is now looking to diversify tourism options by opening up ecotourism and beach tourism attractions throughout the country, as well as taking advantage of UNESCO World Heritage status granted in July 2008 to the Preah Vihear temple.

Despite rapid growth in garments and tourism, Cambodia remains an agrarian society, with the agriculture sector employing approximately 80 percent of Cambodia's population. Cambodia's primary crop is rice, the cultivation of which yielded 6.8 million tons of husked rice and 1.4 million tons of milled rice in 2008, however the country also exports fish, rubber, cassava, corn, and other plantation crops. Improvements in infrastructure, agricultural inputs, and farming practices could significantly increase agricultural yields. Cambodia also has a large amount of uncultivated arable land; however, due to decades of civil war and communist rule, determining legal ownership is tenuous in many cases as most land ownership is not yet titled.

Donors have been a driving force behind the development efforts of Cambodia with financial support accounting for at least 50% of the government budget. Bilateral and multilateral donors such as the World Bank, IMF, and Asian Development Bank support and closely monitor the government's reform program. The U.S. is one of Cambodia's largest donors and official U.S. assistance amounted to \$61.7 million in 2008, up from \$36 million in 2002.

Foreign investment in Cambodia has increased significantly since 2004 led by Asian investors from countries such as Malaysia, China, Korea, Thailand, and Vietnam. Approved investment proposals by the Council for the Development of Cambodia surpassed \$11 billion in 2008. The Cambodian government currently offers a generous package of incentives to foreign investors and imposes few restrictions on imports from abroad.

## **Market Challenges**

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While Cambodia presents many opportunities as it emerges from its history of civil war and communist rule, the country ranks very poorly on World Bank, Transparency International, and the Global Forum surveys related to business climate. Significant challenges commonly cited by the private sector include pervasive corruption, poor infrastructure, weak institutions, and undeveloped human resources.

## **Market Opportunities**

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Cambodia offers potential investment opportunities in tourism infrastructure and resorts; education; architecture, construction, and engineering services; household goods and appliances; agribusiness and food processing; used cars and automotive parts; power generation equipment; fast food and beverage franchises; pharmaceuticals, medical supplies, and medical equipment; and banking.

Obtaining a local partner, such as an agent or distributor, is the preferred means of entering the Cambodian market for the first time as it is one of the most efficient and effective ways to reach Cambodian buyers. The agent or distributor can facilitate and expedite the market entry with their market knowledge and established networks. Personal relationships are key to locating suitable Cambodian business partners for successful business transactions.

Please refer to Chapter 3 of the Country Commercial Guide for further information on access to the Cambodian market.

American companies may also wish to contact the American Cambodian Business Council (AmCham) or the U.S.-ASEAN Business Council.

**American Cambodian Business Council (AmCham)**

# 56, Samdech Sothearos Blvd., Phnom Penh

Tel: (855-23) 362-670

Fax: (855-23) 362-671

Contact: Mr. Bretton Sciaroni (President)

**U.S.-ASEAN Business Council**

1101 17th Street NW, Suite 411

Washington, DC 20036

Tel: 202 289-1911

Fax: 202 289-0519

Email: [mail@usasean.org](mailto:mail@usasean.org)

Internet: <http://www.us-asean.org>

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## **Chapter 2: Political and Economic Environment**

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/2732.htm>

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### Using an Agent or Distributor

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Many Cambodian firms wish to become agents or distributors of U.S. companies, since U.S. goods and services are well received here.

Using agents and distributors is one of the most efficient and effective ways to sell U.S. products in Cambodia. The local agents and distributors could help facilitate and expedite the market entry with their market knowledge and established network. Local agents are accustomed to local business practices and requirements. They are the people who know how to deal with bureaucratic inertia.

U.S. companies should, however, conduct sufficient due diligence on potential local agents or distributors to ensure they have the necessary credentials and qualifications for business deals. Commercial agreements must thoroughly document the rights and obligations of each party and clearly stipulate dispute resolution procedures, for example.

One way to locate or seek help to identify Cambodian agents, partners or distributors is to contact the Phnom Penh Chamber of Commerce (<http://www.ppcc.org.kh/>), American Cambodian Business Council (AmCham), or International Business Club. Another channel to find local partners is through local business associations such as the Rice Miller Association or Hotel Association.

### Establishing an Office

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The Council for the Development of Cambodia (CDC) approves applications for investment incentives pursuant to the amended Investment Law adopted in 2003. The Cambodian Investment Board (CIB), a division of the CDC, is responsible for accepting and reviewing applications for investment incentives.

Investors seeking incentives (see Chapter 6 of this guide for details) should file an application together with an investment proposal with the CIB. Included should be an application fee of approximately \$1,750 representing the processing fees.

From the date of submission of the application, the CIB has three working days to issue a Conditional Registration Certificate or a Letter of Non-Compliance to investors. If the CIB fails to issue the Conditional Registration Certificate or Letter of Non-Compliance within three working days, then the Conditional Registration will be taken to have been approved.

A Final Registration Certificate must be issued within 28 working days of the issuance of the Conditional Registration Certificate. A Final Registration Certificate will be revoked if the investor does not carry out an investment activity within six months of the receipt of all the required documents or the investor obtained a Final Registration Certificate through fraud or misrepresentation.

Upon receipt of an agreement in principle from the CIB, the investor prepares registration forms for filing with the Ministry of Commerce. The Ministry of Commerce issues the formal business license.

Investors not seeking incentives, or who are ineligible, must register companies directly with the Ministry of Commerce. The CDC-promoted sectors include agriculture and agro-processing industries, manufacturing, export-oriented industries, infrastructure development, international standard hotels, and environmental protection activities.

U.S.-trained attorneys who wish to establish an office in Cambodia are required by terms of the bar statute, passed in June 1995, to affiliate with an attorney licensed in Cambodia.

The Law on Commercial Enterprise, promulgated in 2005, provides a comprehensive legal framework for the establishment and operation of businesses. The forms of business organization include a limited liability company, branch office, representative office, partnership, and sole proprietorship.

A limited liability company refers to a company in which liability of shareholders is limited to capital contribution. It is the most common business form. The establishment requires a minimum capital at \$1,000. It can be 100% Cambodian-owned, 100% foreign-owned or any combination thereof.

Another legal form of business that can be established by eligible investors is a representative office, which is primarily designed to serve as a channel for promoting and marketing products. Thus, such an office can be well suited for American firms wishing to sell products in the country to gain entry to the Cambodian market. A representative office can also facilitate sourcing local goods and services and collecting local information for the home company.

## **Franchising**

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While Cambodia currently has no special laws regulating franchises, the Commercial Enterprise Law has a provision to cover franchises. Cambodian businesses are eager to

become a franchisee of U.S. brand-name companies.

## **Direct Marketing**

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Cambodia is flooded with foreign-made products, particularly from neighboring countries. The main attraction of foreign products is their perceived superior quality, reliability, and status. Products from developed countries such as the U.S. and Japan are perceived as having the highest quality and status. Products from the U.S. are highly thought of and popular in Cambodia. As a result, a wide variety of U.S products, often purchased through U.S. wholesale outlets and shipped for resale in Cambodia, are available in Cambodian markets.

There is little direct marketing of U.S. products in Cambodia. In general, direct marketing techniques such as telemarketing and door-to-door sales are new concepts to Cambodian consumers, albeit some businesses have used these techniques to promote their products.

## **Joint Ventures/Licensing**

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Joint ventures are common, but no special laws apply. Selection of a suitable joint venture partner is very important, and great care should be taken to ensure that potential partners are suitable for your business. After entering into a local partnership, it may be difficult to dissolve the relationship without consent of the local partner. The prevailing commercial environment requires significant due diligence review of potential joint venture partners, and all terms of the agreement should be clearly articulated including provisions for dispute resolution.

Joint ventures with the government exist; the government contributes a majority share, generally in real estate, while the foreign joint venture partner, with a minority share, brings cash or equipment to the deal. The government percentage fluctuates widely.

## **Selling to the Government**

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Cambodia's government procurement regime is governed by a 1995 sub-decree. The sub-decree requires that all international purchases over 200 million Riel (\$50,000) for civil work and 100 million Riel (\$25,000) for goods be made through public tender.

While Cambodia has clear regulations pertaining to government procurement, the conduct of procurement is often nontransparent. The Cambodian government often provides short time frames to respond to public announcements of tenders, which frequently are not widely publicized.

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There are three widely used distribution channels. Wholesalers import goods and then sell the goods to retailers. In some cases, the wholesalers provide delivery service, credit, and warranties to small shops or stands in the local markets. Some sellers reach consumers through their own retail shops or via vans travelling throughout the country. Finally, sellers who have no retail shops sell directly to customers by advertising in newspapers, and on radio and television.



Legitimate importers may obtain exclusive rights to import products of particular brand names from the Ministry of Commerce. Cambodia places almost virtually no restriction on foreign participation in the import/export and distribution sectors.

In addition to the traditional markets, Cambodia's retail landscape is undergoing rapid transformation. Cambodia has witnessed a growth of western-style shopping malls, mini-marts, convenience stores and supermarkets, catering mostly to social elites, the urban middle class, and expatriates. Some of the western-style markets in town include Lucky Market, Super Pencil, Thai Huot Market and Bayon Market. Shopping malls include Sorya and Sovanna Malls, with several more ambitious projects proposed by various Cambodian and international developers.

### **Selling Factors/Techniques**

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The adult literacy rate in 2008 is about 74 percent, and approximately 80 percent of the population lives in rural areas. Print media is unlikely to be the most effective method to reach potential consumers. Broadcast advertising is likely more effective as it reaches the widest audience. Foreign companies also make use of trade fairs. The Cambodian Ministry of Commerce and foreign companies from Thailand, China, and Vietnam have organized a number of trade fairs, which are gaining popularity.

Awareness of brands is still limited and low in Cambodia although brand loyalty has increasingly become a trend for durable products and health-related products among the elite class. In general, as most Cambodians are poor, prices still matter the most.

### **Electronic Commerce**

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E-commerce is relatively undeveloped, although some local banks have begun to issue credit cards in order to facilitate purchases made via the Internet. Some of the impediments to the development of the e-commerce include inadequate internet infrastructure, low levels of internet use, and extremely limited credit card use.

### **Trade Promotion and Advertising**

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Advertising and trade promotion are important marketing tools in Cambodia. Local vendors use a variety of advertising methods. Special promotional campaigns might be conducted at local markets, shops, restaurants, Internet cafés, and movie theaters to reach the public. Giving gifts, discount coupons, or lucky draws for items including money, gold, motorcycles, cars, or electrical appliances is a common and effective promotion technique.

Although newspaper advertising is often used, radio and television are also effective means of reaching the Cambodian public. Khmer language newspapers are often linked to political parties, and press runs for the smaller publications are very limited.

Published in the capital, the major dailies are distributed to the larger provincial cities. Ratings and market share of various broadcast outlets and programs are not routinely determined, since no local equivalent of Nielsen or Arbitron exists. Instead, stations commission occasional small surveys to determine audience size and programming

preferences, and university students sometimes do similar studies as academic projects.

According to a public survey on radio programming conducted by the International Republican Institute (IRI), FM 105 and FM 103 are the most popular radio stations in Cambodia. The most popular television channel is CTN.

Billboards are present on many streets in Phnom Penh and are used in provincial capitals as well. Leaflets and mobile loudspeakers are also popular advertising and campaigning techniques, especially among political parties.

Following is a brief listing of major newspapers, and radio and television stations:

**Newspapers:**

A) Phnom Penh Post (English language)  
Address: 8<sup>th</sup> Floor, Building F, Phnom Penh Center  
Tel.: (855) 23-214-311/17  
Fax: (855) 23-214-318  
Email: [michael.hayes@phnompenhpost.com](mailto:michael.hayes@phnompenhpost.com)  
Website: [www.phnompenhpost.com](http://www.phnompenhpost.com)

B) The Cambodia Daily (English language)  
Address #129, Street 228, Phnom Penh  
Phone: (855) 23-426-602  
Fax: (855) 23-426-573  
Email: [editor@cambodiadaily.com](mailto:editor@cambodiadaily.com)

C) Cambodge Soir (French language)  
Address: 26 CD, Street 302, Phnom Penh  
Phone: (855) 23-726-804  
Fax: (855) 23-211-424  
Email: [cambodgesoirpnh@online.com.kh](mailto:cambodgesoirpnh@online.com.kh)

D) Reasmey Kampuchea (Khmer language)  
Address: 476E, Monivong Blvd., Phnom Penh  
Phone: (855) 23-772-6655 / 23-224-605  
Fax: (855) 23-726-655  
Email: [rasmei\\_kampuchea@yahoo.com](mailto:rasmei_kampuchea@yahoo.com)

E) Koh Santepheap Daily (Khmer language)  
Address: 165E0, Street 169, Phnom Penh  
Phone: (855) 23-987-119  
Fax: (855) 23-220-150  
Email: [kohsantepheap@camnet.com.kh](mailto:kohsantepheap@camnet.com.kh)  
Website: [www.kohsantepheapdaily.com.kh](http://www.kohsantepheapdaily.com.kh)

F) Kampuchea Thmey (Khmer language)  
Address: 805, Kampucheakrom Blvd., Phnom Penh  
Phone: (855) 23-882-990  
Fax: (855) 23-882-656  
Email: [kampucheathmey@gmail.com](mailto:kampucheathmey@gmail.com)

## **Radio Stations:**

A) National Radio of Cambodia FM 96 Mhz  
Address: 20, Street Preah Kosamak, Phnom Penh  
Mobile: (855) 12-931-429  
Phone: (855) 23-725-383  
Fax: (855) 23-427-319

B) Radio Station FM 97 Mhz  
Address: 69, Street 57, Phnom Penh  
Tel: (855) 11-878-431  
Fax: (855) 23-214-302

C) Radio Station FM 98 Mhz  
Address: 169, Borey Keyla, Phnom Penh  
Phone: (855) 23-333-925  
Fax: (855) 23-884-245

D) Radio Station FM 99 Mhz  
Address: 41, Street 360, Phnom Penh  
Mobile: (855) 12-813-699  
Tel/fax: (855) 23-212-376

E) Phnom Penh Municipality Radio Station FM 103 Mhz  
Address: 2, Russian Federation Blvd., Phnom Penh  
Tel: (855) 16-880-461  
Fax: (855) 23-360-800

F) Radio Station FM 105 Mhz (Beehive Radio)  
Address: 44G, Street 360, Phnom Penh  
Mobile: (855) 12-994-939  
Tel: (855) 23-210-401  
Fax: (855) 23-210-439  
Email: [sbk@online.com.kh](mailto:sbk@online.com.kh)  
Website: [www.sbk.com.kh/index.htm](http://www.sbk.com.kh/index.htm)

G) Radio Station FM 90 Mhz  
Tel.: (855) 12 891-549

H) Love FM English 97.5 Mhz (English language)  
Address: # 2, Russian Federation Blvd, Phnom Penh  
Tel: (855) 16-880-461  
Fax: (855) 23 360 800  
Email: [lovefm@everyday.com.kh](mailto:lovefm@everyday.com.kh)

I) Women's Media Center Radio FM 102 Mhz  
Address: 30, Street 488, Phnom Penh  
Tel.: (855) 23-212-264  
Fax.: (855) 23-364-882

## Television Stations:

### A) National TV (TVK) of Cambodia

Address: 62 Monivong Blvd., Phnom Penh

Phone: (855) 23-430-752

Fax: (855) 23-426-407

Email: [tvk@camnet.com.kh](mailto:tvk@camnet.com.kh)

Website: [www.tvk.gov.kh](http://www.tvk.gov.kh)

### B) Military TV 5

Address: 169, Borey Keyla, Phnom Penh

Phone: (855) 23-333-925

Fax: (855) 23-884-245

Email: [info@ch5cambodia.com](mailto:info@ch5cambodia.com)

Website: [www.ch5cambodia.com/](http://www.ch5cambodia.com/)

### C) TV9 (Khmer Television 9)

Address: 18, Street 562, Phnom Penh

Tel: (855) 23-428-047

Fax: (855) 23-368-212

Email: [sales@tv9.com.kh](mailto:sales@tv9.com.kh)

Website: [www.tv9.com.kh](http://www.tv9.com.kh)

### D) Apsara Television

Address: 69, Street 57, Corner Street 360, Phnom Penh

Tel: (855) 11-878-431

Fax: (855) 23-214-302

Website: [www.apsaratv.fr](http://www.apsaratv.fr)

### E) Phnom Penh Municipality TV-3 Station

Address: 2, Russian Federation Blvd., Phnom Penh

Tel: (855) 16-880-461

Fax: (855) 23-360-800

Website: [www.tv3.com.kh](http://www.tv3.com.kh)

### F) Bayon TV

Address: Phnom Penh

Tel: (855) 12-813-695

Fax: (855) 23-363-795

Website: [www.bayontv.com.kh/](http://www.bayontv.com.kh/)

### G) CTN (Cambodian TV Network) and MYTV (Cambodia Youth Channel)

Address: National Road # 2, Khum Prek Ho, Kandal Province

Tel: (855) 12-800-966

Fax: (855) 12-999-421

Website (CTN): [www.ctncambodia.com/](http://www.ctncambodia.com/)

Website (MYTV): [mytv.com.kh/](http://mytv.com.kh/)

**Pricing**

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Most Cambodian consumers are very price sensitive, since roughly 80 percent of Cambodians are rural, and more than 30 percent live in poverty. Over the years, however, the middle class has expanded, yielding a growing class of urban dwellers, particularly in Phnom Penh, that seeks status or quality through imported products and are willing to pay higher prices for branded consumer goods. Evidence of increasing numbers of vehicles, fast food outlets, and shopping facilities suggest the emergence of this new consumer class.

## **Sales Service/Customer Support**

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After-sales service and customer support are new concepts which are important to both current and future sales of products in Cambodia. The limited supply of spare parts for some brands of automobiles has contributed to the failure of those makes to increase market share against brands whose parts are more readily available. The arrival of company certified maintenance facilities for specific product lines, particularly for electronic equipment, indicates that the local market is beginning to evolve away from a “fix it shop” approach to a more formal system of repair.

Depending on the products and services to be exported, Cambodian agents, distributors and consumers may expect after-sale services from their U.S. suppliers, including product warranty for a specified period, training, advertising and promotion, and availability of spare parts. Providing after-sale service could be an effective method of boosting sales and winning customer loyalty and contrasts sharply with the preponderance of imports which consumers buy at their own risk.

## **Protecting Your Intellectual Property**

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Several general principles are important for effective management of intellectual property rights (IPR) in Cambodia. First, it is important to have an overall strategy to protect IPR. Second, IPR is protected differently in Cambodia than in the U.S. Third, rights must be registered and enforced *in Cambodia*, under local laws. Companies may wish to seek advice from local attorneys or IPR consultants.

It is vital that companies understand that intellectual property is primarily a private right and that rights holders’ representatives at overseas embassies cannot enforce rights for private individuals in Cambodia. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. While the U.S. Government is willing to assist companies based in the United States, little can be done if the rights holders have not taken the fundamental steps necessary to securing and enforcing their IPR in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights in the mistaken belief that foreign or domestic third parties can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should any third party advice be seen as a substitute for the obligation of rights holders to promptly pursue their case.

It is always advisable to conduct due diligence on partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IPR. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Cambodia require constant attention. Work with legal counsel familiar with Cambodian laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-sized companies understand the importance of working together with trade associations and organizations to support efforts to protect IPR and stop counterfeiting. There are a number of these organizations, both Cambodian or U.S.-based. These include:

- The U.S. Chamber of Commerce ([www.uschamber.com](http://www.uschamber.com)) and the local Cambodian American Business Council (AmCham)
- National Association of Manufacturers ([www.nam.org](http://www.nam.org))
- International Intellectual Property Alliance ([www.iipa.com](http://www.iipa.com))
- International Trademark Association ([www.inta.org](http://www.inta.org))
- The Coalition Against Counterfeiting and Piracy ([www.thecacp.org](http://www.thecacp.org))
- International Anti-Counterfeiting Coalition ([www.iacc.org](http://www.iacc.org))
- Pharmaceutical Research and Manufacturers of America ([www.phrma.org](http://www.phrma.org))
- Biotechnology Industry Organization ([www.bio.org](http://www.bio.org))

#### IPR Resources

A wealth of information on protecting IPR is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: 1-866-999-HALT or register at [www.StopFakes.gov](http://www.StopFakes.gov).
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: 1-800-786-9199.
- For more information about registering for copyright protection in the US, contact the U.S. Copyright Office at: 1-202-707-5959.
- For U.S. small and medium-sized companies, the Department of Commerce offers a "SME IPR Advisory Program" available through the American Bar Association that provides one hour of free IPR legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and Thailand. For details and to register, visit: [http://www.abanet.org/intlaw/intlproj/iprprogram\\_consultation.html](http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html)
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: [www.StopFakes.gov](http://www.StopFakes.gov). This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs officials in blocking imports of IPR-infringing products), and allows you to register for Webinars (internet-based seminars) on protecting IPR.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers Cambodia at: [http://www.buyusa.gov/thailand/en/contact\\_us.html](http://www.buyusa.gov/thailand/en/contact_us.html)

## IPR Climate in Cambodia

Cambodia has passed trademark, patent, and copyright legislation. The Ministry of Commerce registers trademarks. The Ministry of Industry, Mines, and Energy registers patents for locally manufactured goods. The Ministry of Culture and Fine Arts controls copyrights for printed material, music, motion pictures, and videos. The Ministry's approval is required for production and sale of movies and videos. Enforcement of existing legislation is still weak, although some action has been taken against attempts to import counterfeit goods or locally produced goods.

The government has made some effort to combat illegal optical media, but it has been largely limited to locally produced products. The Cambodian legal system is not proactive, generally waiting for victims to ask for assistance. In the past, foreign producers have had to ask for, and largely fund, any sustained effort by Cambodian authorities to stop the distribution and sale of bootleg materials. In 2005, at the request of the Philip Morris Company, the police raided a factory producing counterfeit Marlboro and L&M cigarettes. Local producers often complain about the difficulty of obtaining cooperation from the authorities without paying money. Corruption and a weak judicial system have made enforcing IPR regulations inconsistent at best.

### Due Diligence

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It is difficult to understate the importance of sufficient due diligence for the Cambodian market. Cambodia ranked 166 out of 180 countries on Transparency International's 2008 corruption index. There are no publicly held companies in Cambodia, besides the Naga World Casino which is listed in Hong Kong, and transparency throughout the commercial and government sectors is minimal. It is very important to screen potential partners for reliability and trustworthiness, and ensure that all terms of any potential agreement are clearly articulated, including processes for dispute resolution.

Companies can hire international or local lawyers or professional services to assist with due diligence requirements (see list of local professional services).

### Local Professional Services

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#### **BNG – Advocates & Solicitors**

Contact person: Mr. Hem Naryth  
Address: #84, Street 217, Phnom Penh  
Tel: (855) 23 217 510  
Fax: (855) 23 212 840  
Email: [hnh@bngkh.net](mailto:hnh@bngkh.net)  
Website: [www.bngkh.net](http://www.bngkh.net)

#### **DFDL**

Contact person: Mr. Martin DeSautels  
Address: #45, Preah Suramarit Blvd., Phnom Penh  
Mobile: (855) 12 815 274  
Tel: (855) 23 210 400  
Fax: (855) 23 428 227



Email: [cambodia@dfdlmekong.com](mailto:cambodia@dfdlmekong.com)  
Website: [www.dfdlmekong.com](http://www.dfdlmekong.com)

**KPMG Cambodia Limited**

Contact person: David King, Director  
# 2, Street 208, Sangkat Boeung Prolit, Phnom Penh  
Tel: (855) 23 216 899  
Fax: (855) 23 216 405  
Email: [davidking@kpmg.com.kh](mailto:davidking@kpmg.com.kh)  
Website: [www.kpmg.com](http://www.kpmg.com)

**Morrison, Kak, and Associates**

Contact person: Mr. Key Kak  
#25, Street 360, Sangkat Boeung Keng, Kang, Phnom Penh  
Tel: (855) 16 884 887  
Fax: (855) 23 218 993  
Email: [mka.audit@morrisonkak.com](mailto:mka.audit@morrisonkak.com)  
Website: <http://www.morrisonkak.com>

**PriceWaterhouseCoopers**

Contact person: Mr. Senaka Fernando  
#124, Norodom Blvd., Phnom Penh  
Tel: (855) 23 218 086  
Fax: (855) 23 211 594  
Email: [senaka.fernando@kh.pwc.com](mailto:senaka.fernando@kh.pwc.com)  
Website: [www.pwc.com/cambodia](http://www.pwc.com/cambodia)

**Sarin & Associates**

Contact Person: Mr. Denora Sarin  
Address: #45, Street 355, Phnom Penh  
Tel: (855) 12 828 007  
Fax: (855) 23 882 943  
Email: [sarin-associates@camnet.com.kh](mailto:sarin-associates@camnet.com.kh)

**Sciaroni and Associates (Legal Advisors)**

# 56, Samdech Sothearos Blvd, Phnom Penh  
Tel: (855) 23 210 225  
Fax: (855) 23 213 089  
Contact: Mr. Bretton Sciaroni  
Email: [info@sa-cambodia.com](mailto:info@sa-cambodia.com)  
Website: [www.sa-cambodia.com](http://www.sa-cambodia.com)

**Web Resources**

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NOTE: This section lists helpful websites not otherwise found in other sections of the Cambodia Country Commercial Guide.

**Phnom Penh Hotel Association (PPHA)**

Website: [www.phnompenh-hotels.org](http://www.phnompenh-hotels.org)



**Cambodian Postal Service**

Email: [mptc@cambodia.gov.kh](mailto:mptc@cambodia.gov.kh)

Website: [www.mptc.gov.kh](http://www.mptc.gov.kh)

**Cambodian Telephone Service**

**Telecom Cambodia**

Email: [customer-td-mptc@camnet.com.kh](mailto:customer-td-mptc@camnet.com.kh)

Website: [www.tc.com.kh](http://www.tc.com.kh)

**Cambodian Yellow Pages**

Email: [yp@interquess.com](mailto:yp@interquess.com)

Website: [www.yip.com.kh](http://www.yip.com.kh)

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## **Chapter 4: Leading Sectors for U.S. Export and Investment**

### **Commercial Sectors**

- Tourism Infrastructure and Resorts
- Education
- Architecture, Construction, and Engineering Services
- Household Goods and Appliances
- Agribusiness and Food Processing
- Used Cars and Automotive Parts
- Power Generation Equipment
- Fast Food and Beverage Franchises
- Pharmaceuticals, Medical Supplies, and Medical Equipment
- Banking

## **Tourism Infrastructure and Resorts**

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### **Overview**

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Tourism has been one of the fastest growing industries in Cambodia as increasing numbers of tourists are attracted to the historical/cultural complex of Angkor Wat. Since 1998 when Cambodia received 187,000 tourists, numbers have dramatically increased annually, and in 2008 Cambodia received 2.1 million tourists, a 6 percent increase from 2007, and double the number of tourists from 2004. Cambodia is estimated to have brought in over \$1 billion in tourism revenue in 2008. The Cambodian government hopes to attract over 3 million tourists by 2010. Cambodia currently has an estimated 350 hotels offering 20,000 rooms.

### **Best Prospects/Services**

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The government expects tourist numbers to continue increasing as it opens up new attractions in different parts of Cambodia. The airport in the southern beach town of Sihanoukville is being expanded to accommodate large aircraft, and the government has approved many resort development projects by international and local developers for local islands, the southern coastline, and mountain properties. The government is also looking to open up the country's ample forested areas to ecotourism which include natural resources such as mountains, rivers, lakes, waterfalls, and rare species such as the Mekong dolphin.

### **Opportunities**

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Collectively, these developments will likely significantly broaden the potential experiences for tourists and present very good market opportunities for American companies in developing resorts, tourist attractions, or supplying tourism-related products or infrastructure.

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Ministry of Tourism: [www.mot.gov.kh](http://www.mot.gov.kh)

## Education

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Demand for education services is very high, as the majority of the population is still school-age, and many Cambodians recognize the importance of education in securing better opportunities. Ever since the Khmer Rouge regime eliminated the intellectual classes in Cambodia from 1975 - 1979, the country has been struggling to redevelop its human resources. To this day, the country remains woefully short of well-educated people to develop the sciences, professions, and vocations. A common complaint among local companies is difficulty in finding well-qualified employees, particularly for technical positions. Well educated and trained individuals are increasingly required as Cambodia's economy grows and diversifies.

### Best Prospects/Services

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Both formal and vocational training is still lacking in quality. Local schools have mushroomed in response to the enormous demand for all types of education, however overall quality remains relatively low, with some exceptions. NGOs provide a great deal of useful vocational training for underprivileged Cambodians to join the work force, but professional vocational training targeted at mid-level workers is particularly underdeveloped. Cambodians are eager to learn, and U.S.-sourced education is very highly regarded in all fields.

### Opportunities

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Significant commercial opportunities exist in vocational, specialized, pre-school, elementary, secondary, and post-secondary education resources.

### Resources

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Ministry of Education, Youth, and Sport, [www.moeys.gov.kh](http://www.moeys.gov.kh)

## Architecture, Construction, and Engineering Services

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After over 25 years of war, Cambodia is reconstructing its devastated infrastructure, principally with assistance from international donors. Given the extent of the collapse of infrastructure elements such as the road network, construction and engineering services will be in great demand for the foreseeable future. Public works and transportation are a high priority for the Cambodian government and donors alike.

In addition to infrastructure reconstruction, Cambodia has witnessed a major boom in residential and commercial construction over the last few years. Several large residential, office, and commercial development projects have been approved including several skyscrapers, shopping malls, and suburban commercial-residential developments. However, due to the global economic slowdown, some of these projects are unlikely to proceed as quickly as originally planned.

### Best Prospects/Services

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The Japanese government, World Bank, and Asian Development Bank are especially active in road construction in Cambodia. The Cambodian government has also offered Build-Operate-Transfer (BOT) concessions to several companies to rehabilitate portions of Cambodia's badly degraded national highway system. Cambodia is also eager to upgrade its provincial airports. Because there is no money in the national budget to perform these activities, Cambodia has offered BOT concessions for the provincial airports as well.

The government has shown a willingness to grant rights of operation and maintenance of already paved roads to private sector companies due to a shortage of public funding. A local company, AZ distribution, has been awarded a contract by the government to maintain and operate the U.S.-built National Route 4.

Several special economic zones (SEZ) located near the borders of Thailand and Vietnam as well in Phnom Penh, Sihanoukville, and Kampot are being developed to provide a one-stop-shop for production and export. The SEZs approved by the Council for the Development of Cambodia and developed by private companies present numerous opportunities for development of power, water, and road infrastructure within the zones.

The main sources of foreign expertise and construction materials for large commercial and residential projects are currently from Korea, Thailand, Vietnam, and China, but high quality American materials and fixtures, such as ceramic sanitary ware, enjoy a market with Cambodia's urban elite and foreign residents.

### Opportunities

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Prospects exist in road, commercial, and residential construction working with international donors or private companies.

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World Bank: [www.worldbank.org/kh](http://www.worldbank.org/kh)

Asian Development Bank: [www.adb.org/cambodia](http://www.adb.org/cambodia)

Ministry of Public Works and Transport: [www.mpwt.gov.kh](http://www.mpwt.gov.kh)

Council for the Development of Cambodia: [www.cambodiainvestment.gov.kh](http://www.cambodiainvestment.gov.kh)

## Household Goods and Appliances

### Overview

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As Cambodia's economy has boomed in recent years, averaging over 10 percent growth for the past 5 years, new wealthy and middle classes have emerged. Although few, but increasing in number, Cambodia's urban elite are willing to pay for quality. Cambodia's emerging middle class also increasingly demands higher levels of comfort and convenience. Anecdotal evidence such as crowded shopping malls indicates a growing demand for new and innovative devices to increase quality of life for Cambodians.

### Best Prospects/Services

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Numerous American food and consumer products, from condiments to cleansers, are available in Phnom Penh's expanding number of supermarkets. U.S. appliances such as refrigerators and washing machines are sold. They sell well against the poor-quality goods now sold in Cambodia, but they still have not achieved a large market share. As the economy grows and families in urban areas enjoy more disposable income, there is also potential for items such as domestic water purification equipment, for example.

Because of Cambodia's tropical climate, there is significant demand for air conditioning equipment, and several U.S. brands are available in Cambodian markets. The most popular models are split units with remote control features. Very few buildings have central air conditioning, but there is a market for industrial scale equipment in Cambodia's garment and footwear industries. High electricity and fuel costs mean that energy efficiency is a strong selling point for any type of appliance in Cambodia.

### Opportunities

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Domestic water purification equipment, refrigerators, washing machines, air conditioning equipment, and energy-efficient household appliances are all in demand.

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Lucky Market Group: [www.luckymarketgroup.com](http://www.luckymarketgroup.com)

## Agribusiness and Food Processing

### Overview

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With a low population density and abundant arable land, the conventional wisdom is that Cambodia's comparative advantage is in the agricultural sector. Cambodia has approximately 2 million hectares of unforested, uncultivated land which is arable if provided with irrigation. Roughly 80 percent of Cambodia's population is engaged in agriculture. As a matter of policy, the Cambodian government encourages investment in agriculture, diversification of agricultural products, and investment in improved irrigation and water control, but the government lacks funds to promote such activities on a large scale. Most of the demand for water pumps, well-drilling machines, tractors, tilling equipment, rice milling, drying, and packaging equipment, fertilizers, insecticides, and seed currently comes from NGOs and private agribusiness investors.

### Best Prospects/Services

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There is significant potential to expand the production and processing of high yield varieties of rice, corn, and other crops, and several investment projects in oil palm, tapioca, rubber, cotton, corn, and cashew plantations are underway.

### Opportunities

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Higher quality seeds, fertilizers, and other agricultural inputs and equipment would greatly benefit the agriculture sector which currently relies on outdated methods of farming.

The presence of an increasing number of plantations also creates growing opportunities for the establishment of processing plants to add value to basic products for export and domestic consumption. Relatively high operating costs, including electricity, however, limit opportunities for establishment of processing plants. The special economic zones (SEZ), with efficient and accessible supplies of electricity, labor force, and government services, being established near Phnom Penh, Sihanoukville, and the borders of Thailand and Vietnam are providing more attractive sites to establish processing plants in the future.

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Ministry of Agriculture, Forestry, and Fisheries: [www.maff.gov.kh](http://www.maff.gov.kh)

Ministry of Industry, Mines, and Energy: [www.mime.gov.kh](http://www.mime.gov.kh)

Council for the Development of Cambodia: [www.cambodiainvestment.com](http://www.cambodiainvestment.com)



## Used Cars and Automotive Parts

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Cambodia has no municipal public transportation. The majority of people travel via motorbike or car. With Cambodia's growing prosperity, automobile ownership is rapidly increasing. The vast majority of cars are imported second-hand vehicles. The most popular models are 4-wheel drive vehicles and mid-sized Japanese sedans; the latter are usually U.S.-made models. All car imports must be left-hand drive.

The actual size of the automobile market is difficult to estimate due the routine occurrence of smuggling and theft from Thailand. However a local company estimates Cambodian demand as 2,500 new vehicles and 40,000 used vehicles per year. The U.S. appears to be the largest supplier of used vehicles. U.S. export of new and used passenger cars to Cambodia accounted for some \$86 million in 2007, nearly double the \$44 million exported in 2006.

A number of companies sell used and new cars in Phnom Penh. Ford has a local dealership, and the market also supports Chevrolet, Humvee, Mercedes, Ssanyong, Nissan, and Peugeot dealers as well as representatives of all major Japanese companies such as Toyota, Nissan, and Mitsubishi.

### Best Products/Services

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Automobile parts and accessories from the U.S. are available in Cambodian markets, particularly for Toyota vehicles. Limited availability of parts for other companies' models has led customers to choose Toyotas because parts are available and affordable. As with other products, U.S. auto parts have a reputation for quality and attract a higher price than parts produced in Thailand, Taiwan, or other Asian countries.

### Opportunities

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Further opportunities exist in used cars, accessories, and spare parts.

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Ministry of Public Works and Transport: [www.mpwt.gov.kh](http://www.mpwt.gov.kh)

## Power Generation Equipment

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Cambodia's public utilities are unreliable, expensive and cover only the major cities. Cambodian electricity is among the most expensive in the region as 90 percent is generated using imported fuel oil. Power in provincial cities is priced even higher than the \$0.21 per kilowatt-hour in Phnom Penh. As only roughly 20 percent of Cambodians are connected to the electricity grid, in rural areas, the only source of electricity is often an automobile battery charged by an entrepreneur with a small portable generator.

### Best Products/Services

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There is tremendous demand in Cambodia for diesel generators as back up power, on-site power plants, and for power generation in rural areas not served by public utilities. One Cambodian government source estimates that there are 25,000 privately owned generators in Phnom Penh alone as short-term power outages are a regular feature of life in the capital. Power supply for Phnom Penh was only 200 MW per day in 2008 while demand was 250 MW per day. Demand in Phnom Penh is estimated to be growing 20 percent annually.

The Ministry of Industry, Mines and Energy has prepared a detailed energy development plan involving the proposed construction of several hydropower and thermal power plants. As with other types of infrastructure development, the government does not have funding for all of these proposed facilities, but U.S. suppliers should check World Bank and ADB web sites regularly for potential new projects in the energy sector. The Cambodian government has stated that it is amenable to private ownership and private financing of power plants, and that it is seeking \$3 billion in investment over the next 10 years. Some build-operate-transfer (BOT) hydropower deals have already been concluded.

### Opportunities

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Opportunities exist for power generation and transmission equipment in cooperation with international donors or private companies.

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World Bank: [www.worldbank.org/kh](http://www.worldbank.org/kh)

Asian Development Bank: [www.adb.org/cambodia](http://www.adb.org/cambodia)

Ministry of Industry, Mines, and Energy: [www.mime.gov.kh](http://www.mime.gov.kh)

Electricite du Cambodge: [www.edc.com.kh](http://www.edc.com.kh)

## Fast Food and Beverage Franchises

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Most of the best-known fast food and beverage franchises are absent from Cambodia; however, it appears that franchises are slowly beginning to arrive. Despite Cambodia's poverty, there may be a sufficiently large urban middle class to support such businesses. The few local enterprises emulating U.S.-style fast food restaurants are popular and busy. In 2005, Thailand's The Pizza Company was the first international-standard pizza business in Cambodia, and the company has done well and is expanding. In November 2008, Swensen's opened its first ice cream outlet, which remains popular, and is expanding nationally. In April 2008, KFC was the first American fast food brand to enter Cambodia, and the company has plans to expand rapidly throughout the country.

### Best Products/Services

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The U.S. Embassy has received numerous inquiries from local businesses about joint-venture possibilities with well-known U.S. franchises. The major American soft-drink companies have bottling plants in Phnom Penh. Cambodia's air and land links to Thailand and Vietnam make it easy for local restaurants to secure adequate supplies of fresh ingredients which meet western standards, and the government offers generous investment incentives in the agricultural sector, which would potentially be available to any franchise interested in local production.

### Opportunities

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Significant opportunities exist in the range of fast food/drink options from hamburgers to coffee shops to mid-range restaurant franchise chains.

### Resources

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The Pizza Company: [www.pizza.co.th](http://www.pizza.co.th)

KFC: [www.kfc.com](http://www.kfc.com)

Swensen's: [www.swensensicecream.com](http://www.swensensicecream.com)

Lucky Market Group: [www.luckymarketgroup.com](http://www.luckymarketgroup.com)

## Pharmaceuticals, Medical Supplies, and Medical Equipment

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Due to years of war and civil conflict, the health system in Cambodia remains relatively primitive, but is improving as the country modernizes. While the population remains overwhelmingly young, an estimated \$100 million of specialized medicines is consumed annually in Cambodia, the vast majority of which is imported. Only companies licensed by the Ministry of Health may import drugs, medical supplies, or medical equipment. Approximately 4,000 pharmacies exist in Cambodia, about 50 percent of which are officially registered. In addition to the formal market, there is a large parallel market of smuggled (and often counterfeit) pharmaceuticals.

### Best Products/Services

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The Ministry of Health is the single largest purchaser of drugs, medical supplies, and medical equipment, but the proportion of health care provided by the private sector is increasing. A number of new private hospitals and clinics have opened in the past few years, and more are expected in the future, offering potential opportunities for sales of medical supplies and medical equipment. Furthermore, in 2009, the government raised the possibility of privatizing public hospital operations, which may lead to more opportunities for high quality American pharmaceuticals and medical goods.

### Opportunities

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Since U.S.-made drugs and medical equipment are well perceived here, there is great potential for increasing the market share. Local major pharmaceutical importers are eager to import U.S.-made products, and Cambodian consumers are keen to receive high-quality options presented by American medical equipment.

### Resources

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Ministry of Health: [www.moh.gov.kh](http://www.moh.gov.kh)

Royal Rattanak Hospital: [www.royalrattanakhospital.com](http://www.royalrattanakhospital.com)

## Banking

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The banking sector has experienced significant growth recently as Cambodia's economy has boomed. Banking activity in Cambodia is gradually improving (bank lending to the private sector is roughly 27 percent of GDP) and public confidence in local banks is improving, albeit still low. Cambodia had 25 commercial banks and 17 microfinance institutions as of January 2009. The total assets of Cambodia's banking system as of July 2008 were approximately \$4 billion, an increase of nearly 50% from the end of 2005. Loans account for about 56% of the banking system's assets, and credit granted by the commercial banks amounted to \$2.2 billion. Loans made to services and the wholesale and retail sectors accounted for over 50% of total loans. As of December 30, 2008, the outstanding loans for Cambodian microfinance institutions were \$438 million to more than one million borrowers, with a collective savings balance of \$492 million.

### Best Products/Services

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Some relatively strong domestic banks are likely to seek foreign partners who can bring capital and expertise to their operations, as the National Bank of Cambodia recently tripled minimum capital requirements from \$12.5 million to \$37.5 million by 2010. In 2005, Australia's ANZ Bank partnered with a local Cambodian company to create ANZ Royal Bank which has become one of the biggest banks in Cambodia in only a few years of operation. Malaysian, Thai, Korean, and Japanese banks have also entered the banking sector in recent years.

### Opportunities

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In the future, there may be limited opportunities for U.S. commercial banks to operate in Cambodia, as there is currently no significant U.S. presence in the industry. Beyond commercial banking, as an LDC, Cambodia also presents notable opportunities in microfinance. There is a small but growing market for retail credit, which a few of the local bank networks could support. There is also a market for money transfer services in Cambodia to meet the needs of foreign investors, expatriates, and Cambodian families receiving remittances from abroad. In 2007, private transfers amounted to \$381 million.

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National Bank of Cambodia: [www.nbc.gov.kh](http://www.nbc.gov.kh)

ANZ Royal Bank: [www.anzroyal.com](http://www.anzroyal.com)

Acleda Bank: [www.acledabank.com.kh](http://www.acledabank.com.kh)

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## Chapter 5: Trade Regulations and Standards

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- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
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### Import Tariffs

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Importers have to pay three types of duties and taxes before the imports are released: customs import duties with an ad-valorem rate, special tax for certain goods, and value added tax (VAT). All imports are subject to a 10% flat rate of VAT. Under the ASEAN Free Trade Area (AFTA), Cambodia has specific commitments and obligations to reduce and eliminate tariffs on imports from ASEAN member countries by 2018. The tariff lines are to be scheduled between 0% - 5% by 2010, 0% starting in 2015 with some sensitive items retaining a 5% duty until 2018, and 0% by 2018 for all tariff lines. The rates depend on the types of imports. Customs duties have been reduced from a twelve- to a four-band system, with rates ranging from 0 to 35 %, as follows:

- There are certain goods which government policy exempts from duty. (See below)
- Raw materials and primary products carry a tariff of 7% percent.
- Capital goods, machinery, and equipment carry tariffs of 15%.
- Finished products, alcohol, petroleum products, vehicles, and precious metals and stones carry a tariff of 35%.

The following items are exempt from import duties: agricultural equipment and inputs, school materials and equipment, pharmaceutical products, and sporting goods, but importers of these products must pay a 10% VAT, except for agricultural equipment and inputs which are subject to 0% VAT. Duties are not levied on exports, except for the following restricted products: natural rubber, unprocessed or uncut precious stones, processed wood, and fish, crustaceans, mollusks, and other aquatic products.

In May 2008, the government declared a reduction of certain existing customs tariffs to 0% and placed VAT obligation the government as an incentive to promote investment and trade in the agricultural sector. Goods receiving this tariff reduction and VAT exemption include agricultural equipment and inputs, such as tractors, machines, seeds, animal feeds, physical chemical substances to make fertilizers, and agriculture-related raw materials.

The complete listings of tariff rates can be found in Cambodia's Customs Tariff Nomenclatures 2008, available for purchase at the General Department of Customs and Excise.

Under WTO requirements, Cambodia is obligated to fully implement the WTO Customs Valuation Agreement commencing January 2009. However, due to the current low capacity of the General Department of Customs and Excise in legal drafting and enforcement, Cambodia requested a two-year delay of the implementation of the WTO Valuation Agreement until January, 2011. A new Law on Customs, based on the Kyoto Convention on the Simplification and Harmonization of Customs Procedures, was promulgated in July 2007.

## Trade Barriers

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Cambodia has increased trade with the region and the world since its critical economic reforms and accession to ASEAN in 1999 and the WTO in 2004. The government has taken measures to reduce technical and non-technical trade barriers. Since its admission to the WTO, Cambodia has been working on trade and trade-related laws and regulations to comply with the WTO principles. The Cambodian government has so far eliminated most non-tariff barriers to trade.

In 2007, the United States and Cambodia held a consultative dialog under the Trade and Investment Framework Agreement (TIFA) signed in 2006. This dialog was intended to promote trade and investment between the two countries, to help monitor and support Cambodia's efforts to implement its WTO commitments, and to address bilateral trade issues and coordinate on regional and multilateral issues.

Cambodia currently operates a Pre-Shipment Inspection (PSI) program, which requires that imported goods shipped in a container and worth a minimum of \$4,500 undergo pre-shipment inspection. Cambodia signed an agreement with a new inspector, BIVAC International of Bureau Veritas Group in February 2006. Under the PSI program, importers have to pay fees for PSI service. Importers and exporters are advised to contact the Cambodian Customs or BIVAC International concerning fees payment for the service and goods exempted from PSI and/or refer to the Regulation on the Implementation of PSI Services at [www.customs.gov.kh/regulation.pdf](http://www.customs.gov.kh/regulation.pdf). Certain imports are exempt from PSI.

The following is a list of PSI-exempt goods:

- Imports with a FOB value below \$4,500
- Precious stones and metals
- Objects of arts
- Explosives and pyrotechnic products
- Ammunition, weapons, implements of war
- Live animals
- Postal shipments and commercial samples
- Household and personal effects
- Grants in-kind
- Goods shipped for government use under government order, and
- Gifts and supplies to diplomatic and consular missions

## **Import Requirements and Documentation**

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As part of its WTO accession, Cambodia adopted a new Customs Law in June 2007 to bring the country into conformity with the terms of GATT/WTO Codes on Customs Valuation. The Cambodian government has been making efforts to modernize and harmonize its customs administration. Cambodian customs requires importers and exporters to lodge declarations accompanied by such documents as a bill of lading/airway bill, packing list, or invoice and insurance, inspector report of finding, if applicable, and other documents as well if required. Lodgment fee for imports and exports is \$40.

Transportation and inspection lead time for both imports and exports have recently been reduced. The government has encouraged the use of single administrative document (SAD) system and one-stop service mechanism to facilitate trade and risk management. Under the one-stop-service mechanism, there is only one inspection by the inter-ministerial joint body and customs operation procedures are reduced and made more facilitative, reducing bureaucracy and paperwork to serve investors. However, the One-Stop Service is still limited to the currently operating Special Economic Zones (SEZs), and it is not yet available at land border crossings.

For details on the import and export clearance procedures, please visit:  
General Department of Customs and Excise: [www.customs.gov.kh/](http://www.customs.gov.kh/)

## **U.S. Export Controls**

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For information on the latest U.S. export and re-export regulations, please visit the following website: [www.bis.doc.gov](http://www.bis.doc.gov).

## **Temporary Entry**

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A certain number of goods may be temporarily imported. These commodities need to be re-exported within certain periods as specified by the Cambodian Customs Law. The commodities can be granted partial or full exemption from payment of import duties and taxes, but importers should contact Customs Administration to ensure re-exportation within the specified period. The Customs Administration may require the importers to deposit security to guarantee import taxes and duties, which is not to exceed the amount of taxes and duties of taxed imports.

Additional details on temporary entry can be found at the Customs and Excise Department's website: [www.customs.gov.kh/temp\\_admission.html](http://www.customs.gov.kh/temp_admission.html)

## **Labeling and Marking Requirements**

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Labels or marks are not mandatory for all imports. However, all regulated products must have a label or mark issued by the Industrial Standards Department and these products must be registered. The Institute of Standards of Cambodia (ISC) is charged with issuing the label or the mark and the certificate.



Each ministry has their own regulated products. Mandatory standards required by ISC include electrical and electronic products, for example. The ISC is charged with drafting and issuing regulations, while CamControl of the Ministry of Commerce is charged with registration of regulated products.

More information on labeling and marking requirements can be found at the ISC website, at: [www.isc.gov.kh](http://www.isc.gov.kh)

## Prohibited and Restricted Imports

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Cambodia currently prohibits the commercial importation of the following products: narcotics, psychotropic substances and their precursors, toxic waste and poisonous chemicals and substances, and pesticides. Government regulations also prohibit the importation of used computers and spare parts, household waste (discarded from dwellings, public buildings, factories, markets, hotels, business buildings, restaurants, transport facilities, recreation sites, etc.) and hazardous waste (for example PCB waste from discarded air conditioners.)

To curb the spread of bird flu, Cambodia created and implemented more stringent quality control and inspection of poultry imports.

Certain imports are subject to quantitative restrictions and importers of these products are required to seek approval from relevant government agencies. Import permission or license is required from relevant government agencies depending on the nature and type of the import commodity. Import licenses are required for firearms and pharmaceuticals. Firearm import licenses can be obtained from the Ministry of Interior, while pharmaceutical licenses can be obtained from the Ministry of Health. There are other special requirements and among the special requirements are: food and pharmaceuticals must have a 50 percent minimum remaining shelf life at the time of inspection, and pharmaceuticals must have a minimum 18 months remaining shelf life.

- Ministry of Interior: [www.interior.gov.kh](http://www.interior.gov.kh)
- National Laboratory for Drug Quality Control, Ministry of Health: [www.moh.gov.kh/](http://www.moh.gov.kh/)

## Customs Regulations and Contact Information

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The government adopted a new Customs Law and issued an implementing sub-decree on the promulgation of lists of prohibited and restricted goods in 2007.

Further details on customs regulations can be found at:

General Department of Customs and Excise  
#6-8, Norodom Blvd., Phnom Penh  
Tel & Fax: (855) 23 214 065  
Email: [customs@camnet.com.kh](mailto:customs@camnet.com.kh) or [info@customs.gov.kh](mailto:info@customs.gov.kh)  
Website: [www.customs.gov.kh/](http://www.customs.gov.kh/)

## Standards

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## Overview

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Cambodia has a body of law governing standards for imports and exports. The sub-decree on Industrial Standards, passed in 2001, provides the basis for rules and procedures for developing new standards, technical regulations and conformity assessment procedures. Cambodia adopted the Law on Standards of Cambodia in 2007 with stated goals to improve the quality of products, services and management; raise and rationalize production efficiency; ensure fair and simplified trade; rationalize product use; and to enhance consumer protection and public welfare. Several government bodies and agencies share oversight and control over these standards.

## Standards Organizations

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The Department of Industrial Standards of Cambodia was elevated to the Institute of Standards of Cambodia (ISC) in June 2008 and officially established in January 2009. ISC has a mandate to draft laws and regulations, conduct production surveillance, provide supervision and technical support, provide training and consultancy to help companies register and certify their products, and to develop national standards for products and management. The Ministry of Industry, Mines, and Energy is developing a new product certification scheme conforming to the requirement of ISO/IEC Guide 65 and on the establishment of standards and other technical measures based on international standards, conformity, guidelines and recommendations. The Ministry of Health is charged with prescribing standards, quality control, distribution and labeling requirement for pharmaceuticals, medical equipment, and cosmetics. The Ministry of Agriculture, Forestry and Fisheries is responsible for agricultural products.

- Institute of Standards of Cambodia (of Ministry of Industry, Mines, and Energy)  
Website: [www.isc.gov.kh](http://www.isc.gov.kh)

### **NIST Notify U.S. Service**

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries.

**Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at [www.nist.gov/notifyus/](http://www.nist.gov/notifyus/)

## Conformity Assessment

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The Institute of Standards of Cambodia (ISC) develops national standards, performs conformity assessment, inspects and controls the quality of laboratories, and certifies both product and service standards for locally consumed goods and export goods. It helps rectify minor errors in standards compliance. The Ministry of Health and Ministry of Agriculture, Forestry, and Fisheries are each responsible for implementing their own regulations on standards, safety and quality of respective imports, exports, and locally consumed goods. On the whole, ISC has a mandate to supervise and provide technical support to the line ministries to help these ministries develop their standards to conform to the national standards. ISC also tests for compliance with mandatory Cambodian standards and conducts conformity assessment and production surveillance, and monitors and verifies the compliance of the technical regulations by each respective ministry/agency.

## Product Certification

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The responsibility for establishing industrial standards and certifications resides with the Institute of Standards of Cambodia (ISC). Not all imports require a certificate or license. Importers of regulated products, however, must request a certificate or a license before importing.

To date, the ISC has not suspended, withdrawn, or cancelled any product certificate or license.

## Accreditation

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The Institute of Standards of Cambodia (ISC) is responsible for accreditation. However, the ISC currently does not provide any accreditation services due to limited capacity and resources.

## Publication of Technical Regulations

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Law, rules, and regulations on Standards of Cambodia were published and made available after their adoption in 2007. Most rules and regulations concerning standards are available at the ISC homepage. Hard copies of the law, rules and regulations are published in the Royal Gazette by the General Directorate of Royal Gazettes and Computer Services of the Council of Ministers.

- Institute of Standards of Cambodia of Ministry of Industry, Mines, and Energy  
[www.isc.gov.kh](http://www.isc.gov.kh)
- General Directorate of Royal Gazettes and Computer Services, Office of the Council of Ministers: [www.pressocm.gov.kh](http://www.pressocm.gov.kh)

## Labeling and Marking

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See Labeling and Marking Requirement in Chapter 5: Trade Regulations and Standards.

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Further information can be obtained from the website of the Institute of Standards of Cambodia at [www.isc.gov.kh](http://www.isc.gov.kh)

## Trade Agreements

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Cambodia joined the International Organization for Standardization (ISO) in 1995 and is also a member of the ASEAN Consultative Committee on Standards and Quality (ACCSQ). Cambodia ratified the ASEAN Framework Agreement on Mutual Recognition Arrangements. It has also signed numerous trade agreements, including the U.S.-Cambodia Trade and Investment Framework Agreement (TIFA) in 2006, which facilitates and promotes greater trade and investment of the two countries and provides a forum to address bilateral trade and investment issues. Two successful meetings were held under the TIFA in 2007 in which the U.S. and Cambodian governments discussed WTO accession requirements, trade facilitation and economic development initiatives, and progress on intellectual property rights. In 2008, several bilateral working level meetings were held to advance the TIFA agenda.

Additional information on trade agreements can be found at:

- Bilateral Trade Department of Ministry of Commerce  
Website: [www.moc.gov.kh/moc](http://www.moc.gov.kh/moc)
- Cambodian Investment Board of the Council for the Development of Cambodia  
Website: [www.cambodiainvestment.gov.kh](http://www.cambodiainvestment.gov.kh)

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- Institute of Standards of Cambodia of Ministry of Industry, Mines, and Energy  
[www.isc.gov.kh](http://www.isc.gov.kh)
- General Directorate of Royal Gazettes and Computer Services,  
Office of the Council of Ministers  
[www.pressocm.gov.kh](http://www.pressocm.gov.kh)
- General Department of Customs and Excise  
[www.customs.gov.kh](http://www.customs.gov.kh)
- Ministry of Interior  
[www.interior.gov.kh](http://www.interior.gov.kh)
- National Laboratory for Drug Quality Control, Ministry of Health  
[www.moh.gov.kh](http://www.moh.gov.kh)
- Bilateral Trade Department of Ministry of Commerce  
[www.moc.gov.kh/moc](http://www.moc.gov.kh/moc)

- Cambodian Investment Board of the Council for the Development of Cambodia  
[www.cambodiainvestment.gov.kh](http://www.cambodiainvestment.gov.kh)

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## Chapter 6: Investment Climate

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### Openness to Foreign Investment

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Cambodia officially welcomes foreign direct investment. Cambodia's 1994 Law on Investment established an open and liberal foreign investment regime. All sectors of the economy are open to foreign investment and 100 percent foreign ownership is permitted in most sectors. Article 44 of the Constitution provides that only Cambodian citizens and legal entities have the right to own land. Aside from this, there is little or no discrimination against foreign investors either at the time of initial investment or after investment. However, some foreign businesses have reported that they are at a disadvantage vis-à-vis those Cambodian or other foreign rivals who engage in acts of corruption or tax evasion or take advantage of Cambodia's poor enforcement of legal regulations.

In addition, there are a few sectors open to foreign investors which are subject to conditions, local equity participation, or prior authorization from relevant authorities. These sectors include manufacture of cigarettes, movie production, rice milling, exploitation of gemstones, publishing and printing, radio and television, manufacturing wood and stone carvings, and silk weaving. The government has issued a sub-decree restricting foreign ownership of hospitals and clinics and forbidding the employment of non-Cambodian doctors in any specialty in which the Ministry of Health considers there to be an adequate number of Cambodian practitioners.

Under a sub-decree dated September 2005, Cambodia prohibits certain investment activities, including investment in production or processing of psychotropic and narcotic substances, poisonous chemicals, agricultural pesticides and insecticides, and other goods that use chemical substances prohibited by international regulations or the World Health Organization that affect public health and the environment. Production of electric

power by using waste imported from foreign countries is prohibited, as is forestry exploitation.

The privatization of state enterprises and transactions involving state property has not always been carried out in a transparent manner. In several instances, the public learned that enterprises were for sale or swap only after the government announced a sale or deal to a particular buyer.

Investor rights (investment guarantees) provided for in the Law on Investment include:

Foreign investors shall not be treated in a discriminatory manner by reason of being a foreign entity, except in respect to land ownership as provided for in the Constitution of the Kingdom of Cambodia;

The Royal Government of Cambodia shall not undertake a nationalization policy that adversely affects the private property of investors;

The Royal Government of Cambodia shall not fix the price of products or fees for services; and

The Royal Government of Cambodia, in accordance with relevant laws and regulations, shall permit investors to purchase foreign currencies through the banking system and to remit abroad those currencies as payments for imports, repayments on loans, payments of royalties and management fees, profit remittances and repatriation of capital.

## **Conversion and Transfer Policies**

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There are no restrictions on the conversion of capital for investors. The Foreign Exchange Law allows the National Bank of Cambodia (the central bank) to implement exchange controls in the event of a crisis; the law does not define what would constitute a crisis. The U.S. Embassy is not aware of any cases in which investors have encountered obstacles in converting local to foreign currency or in sending capital out of the country.

The U.S. dollar is widely used and circulated in the economy. The 2008 exchange rate was stable, although slightly depreciated compared to 2007. At the end of 2008, the exchange rate was \$1 = 4,049 riel. The government is committed to maintaining exchange rate stability.

## **Expropriation and Compensation**

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Article 44 of the Cambodian Constitution, which restricts land ownership to Cambodian nationals, also states that "the [state's] right to confiscate properties from any person shall be exercised only in the public interest as provided for under the law and shall require fair and just compensation in advance." Article 58 states that "the control and use of state properties shall be determined by law." The Law on Investment provides that "the Royal Government of Cambodia shall not undertake a nationalization policy which adversely affects the private property of investors."

In spite of various legal protections, protection of immovable property rights is complicated by the fact that most property holders do not have legal documentation of their ownership rights. Numerous cases have been reported of influential individuals or groups acquiring property through means not entirely in keeping with the Constitution or laws. These actions are usually directed at poor people and those unable to protect their due process rights. Human rights NGO ADHOC reported receiving 195 land-related cases from January to August 2008. During the same period, another NGO received 51 land-related cases in Phnom Penh and 13 other provinces affecting a total of 3,275 families. Compensation in these types of cases has usually been less than the market value of the property being taken, although more recent cases have shown payments more closely adhering to market values.

The Ministry of Economy and Finance is drafting a law on expropriation which will set broad guidelines on land-taking procedures for public interest purposes and define public interest activities such as construction of infrastructure projects, development of buildings for national protection and civil security, construction of facilities for research and exploitation of natural resources, and construction of oil pipeline and gas networks.

To date, there are no known investment disputes involving government expropriation of property belonging to U.S. citizens. Up to 17 Thai businesses sustained varying degrees of damage during anti-Thai rioting in Phnom Penh on January 29, 2003. The Cambodian government pledged to compensate Thai business owners, and all of the claims have been resolved.

## **Dispute Settlement**

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Cambodia's legal system is a mosaic of pre-1975 statutes modeled on French law, communist-era legislation dating from 1979-1991, statutes put in place by the UN Transitional Authority in Cambodia (UNTAC) during the period 1991-93, and legislation passed by the Royal Government of Cambodia since 1993.

Cambodian culture and its legal system have traditionally favored negotiation and conciliation over adversarial conflict and adjudication. Thus, compromise solutions are the norm, even in cases where the law clearly favors one party in a dispute. In civil cases, courts will often try conciliation before proceeding with a trial. The Ministry of Commerce is currently finalizing draft legislation to create a Commercial Court that will likely include a pre-trial mediation component. A number of draft bills are slated to be considered by the National Assembly during its fourth term (2008-2013); no date has been set for consideration of Commercial Court legislation.

Cambodia's court system is generally seen as non-transparent and subject to outside influence. Judges, who have been trained either for a short period in Cambodia or under other systems of law, are rarely able to access a comprehensive collection of current Cambodian statutes. Judges can be inexperienced and courts often have few staff with experience, particularly in adjudicating commercial disputes. The local and foreign business community reports frequent problems with inconsistent judicial rulings as well as outright corruption.

The Cambodian judiciary system is beginning to undergo reform. To provide the necessary background knowledge, judges and court staff from around the country are



being trained by the Royal Academy for Judges and Prosecutors, which was created in 2002. In an effort to clean up the court system, the Prime Minister has announced ad hoc anti-corruption measures, including the dismissal, replacement, and transfer of judges and prosecutors. The Supreme Council of Magistracy, comprised of a president (the King) and 8 other members, is responsible for the appointment and conduct of judges and prosecutors.

To handle specific disputes with regard to labor, the Ministry of Labor and Vocational Training established an Arbitration Council in May 2003. Basing its decision on the provisions of the Labor Law, the Council has 30 arbitrators. The Council is an independent body whose function is to resolve collective labor disputes that the Ministry is unable to solve by conciliation. The Council's decisions are non-binding but it has been very successful in reducing the number of industrial actions in the garment sector. The Council plays a vital role in contributing to the development of healthy industrial relations in Cambodia. The Council's success in the garment industry has prompted unions in other sectors, e.g., the hospitality and tourism sectors, to seek the Council's arbitration and mediation services.

Under the 2006 Law on Commercial Arbitration, a National Arbitration Center (NAC) will be established in the Ministry of Commerce. When active, parties involved in a commercial dispute that have a written arbitration agreement will be able to settle commercial disputes by means of quasi-judicial methods without involvement of the Cambodian courts. Parties will be able to select arbitrators without direct government interference. The law also allows the Cambodia Chamber of Commerce to establish its own arbitration center for disputes between members or between members and third parties. Neither of these proposed arbitration centers has been established to date. However a subdecree on the establishment of the National Arbitration Center is currently awaiting approval by the Council of Ministers. The Law on Commercial Arbitration also mandates recognition of arbitral awards made outside of Cambodia. Arbitration awards can be appealed to the Appellate and Supreme Court of Cambodia based on limited grounds.

Although party to the Convention for the Settlement of Investment Disputes between States and Nationals of Other States since 2005, Cambodia has not yet had any cases taken to the International Center for the Settlement of Investment Disputes.

## **Performance Requirements and Incentives**

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The Council for the Development of Cambodia (CDC), Cambodia's foreign investment approval body, administers a package of investment incentives. The CDC was created as a one-stop shop to facilitate foreign direct investment.

Seeking to increase government revenue, the international financial institutions recommended that the Cambodian government scale back its investment incentives. Consequently, the Cambodian government amended the Law on Investment in 2003. The law creates regimes for profit (20%), salary (5 to 20%), withholding (4 to 15%), value-added (10%) and excise taxes (rates vary). While some incentives have been eliminated, the law provides a simplified, more transparent, and faster mechanism for investment approval.

Under the amended Law on Investment, the profit tax exemption is allocated automatically on the basis of activity and minimum investment amounts as set out in the sub-decree. To maintain the incentives under the law, qualified investment projects (QIP) are required to obtain an annual Certificate of Compliance from the CDC and file this with the annual tax return.

The amended Law on Investment includes the following provisions, which include the exemption, in whole or in part, of customs duties and taxes, for QIPs:

An exemption from the tax on profit imposed under the Law on Taxation for a set period. The tax exemption period is composed of a trigger period + three years + n years (a number of years determined according to the Financial Management Law and depending on the economic sector). The maximum allowable trigger period is to be the first year of profit or three years after the QIP earns its first revenue, whichever is sooner.

100% exemption from import duties for construction material, production equipment and production input materials for export QIPs and supporting industry QIPs in accordance with the provisions of the sub-decree on the Implementation of the Amendment to the Law on Investment

Transfer of incentives by merger or acquisition.

Renewable land leases of up to 99 years on concession land for agricultural purposes and land ownership permitted to joint ventures with over 50% equity owned by Cambodians.

No price controls on goods produced or services rendered by investors.

No discrimination between foreign and local investors.

100% exemption from export tax or duty, except for activities specifically mentioned in the Law on Customs.

Employment of foreign expatriates where no qualified Cambodians are available. QIPs are entitled to obtain visas and work permits.

A QIP that is located in a designated special economic zone (SEZ) is entitled to the same incentives and privileges as other QIPs as stipulated in the law.

The September 2005 sub-decree on the Implementation of the Amendment to the Law on Investment also details investment activities that are not eligible for incentives, although investment is permitted. They include the following sectors: retail, wholesale, and duty-free stores; entertainment (including restaurants, bars, nightclubs, massage parlors, and casinos); tourism service providers; currency and financial services; press and media related activities; professional services; and production and processing of tobacco and wood products.

Incentives are also not available for production of certain products with an investment of less than \$500,000 such as food and beverages; textiles, garments and footwear; and plastic, rubber, and paper products. Investors are encouraged to refer to the sub-decree for details of other investment activities that are not eligible for incentives.

Investment activities that are eligible for customs duty exemption, but not eligible for the profit tax exemption, are telecommunication basic services; exploration of gas and oil, including supply bases for gas and oil activities; and mining.

Cambodia allows foreign lawyers to supply legal services with regard to foreign law and international law, and allows them to supply certain legal services with regard to Cambodian law in "commercial association" with Cambodian law firms. Cambodia's WTO General Agreement on Trade in Services (GATS) commitment defines "commercial association" as any type of commercial arrangement, without any requirement as to corporate form. Thus, there are no equity limitations on the practice of foreign and international law by foreign enterprises and there are no equity limitations on the formation of "commercial associations" under which foreigners may practice certain legal services with regard to Cambodian law.

Investors who wish to take advantage of investment incentives must submit an application to the Cambodian Investment Board (CIB), the division of the CDC charged with reviewing investment applications. Investors not wishing to apply for investment incentives, or who are ineligible, may establish their company simply by registering corporate documents with the Department of Legal Affairs of the Ministry of Commerce. Once an investor's application is submitted, the CDC will issue to the applicant either a Conditional Registration Certificate or a Letter of Non-Compliance within three workdays. The Conditional Registration Certificate will set out the terms, such as approvals, authorization, clearances, permits or registrations required. If the CDC fails to issue the Conditional Registration Certificate or Letter of Non-Compliance within three workdays, then the Conditional Registration Certificate will be considered approved.

The CDC has the responsibility to obtain all of the licenses from relevant government agencies on behalf of the applicants. The relevant government agencies must issue the required documents no later than 28 workdays from the date of the Conditional Registration Certificate. At the end of the 28 days, the CDC will issue a Final Registration Certificate.

The Sub-decree on the Implementation of the Amendment of the Law on Investment adopted on September 27, 2005 does not require investors to place a deposit guaranteeing their investment except in cases in which the deposit is required in a concession contract. Investors who wish to apply are required to pay an application fee of seven million riel (approx. \$1,750) representing the administration fees for securing the approvals, authorizations, licenses, or registrations from all relevant ministries and entities including stamp duty.

Under a 2008 sub-decree, the CDC is required to submit investment proposals to the Council of Ministers for approval if they: have an investment capital of \$50 million or more; involve politically sensitive issues; involve the exploration and the exploitation of mineral or natural resources; may have a negative impact on the environment; have long-term strategy; or, involve infrastructure concessions.

After receiving several billion dollars of real estate development proposals, the Ministry of Economy and Finance (MoEF) proposed new regulations in July 2008 to protect against housing fraud. The proposed rules require all developers to obtain licenses from an Inter-Ministerial Task Force, purchase construction site insurance, and deposit two percent of total project costs in a non-interest bearing MoEF account at the National Bank of Cambodia. License fees and the period of the license would be determined by the type and size of development. It also requires developers to create a housing development account at a commercial bank into which buyers can make down payments on units. Developers would need approval from an inter-ministerial working group to access the account, and the working group can intervene if the company fails to honor its contracts. The rule was originally slated to take effect from September 30, 2008 but was postponed amid complaints from international developers. After receiving support from the Prime Minister at the Government-Private Sector Forum in November 2008, the MoEF intended to reintroduce the regulations in early 2009.

### **Right to Private Ownership and Establishment**

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There are no limits on the rights of foreign and domestic entities to establish and own business enterprises or to compete with public enterprises. However, the Constitution provides that only Cambodian citizens or legal entities have the right to own land. A legal entity is considered to be Cambodian when at least 51% of its shares are owned by Cambodian citizen(s) or by Cambodian legal entities. Investment incentives vary depending on the nature of the investment project.

Under the 2001 Land Law, foreign investors may secure control over land through concessions, long-term leases, or renewable short-term leases. If investors intend to take a long-term lease interest in land or ownership interest through a 51% Cambodian company, it is essential that caution be exercised to ensure that clear and unencumbered ownership of the land is verified.

The Land Law establishes a comprehensive legal framework for long-term leasing. The leaseholder has a contractual interest in the land, which means the lease can be sold or transferred through succession and can be pledged as security in order to raise financing. It is also important to make sure that the land ownership is clearly and legally established before entering into any leasing agreement.

Qualified investors approved by the Council for the Development of Cambodia have the right to own buildings built on leased property. However the law is unclear as to whether buildings from qualified projects can be transferred between foreign investors or whether foreign investors can own buildings built through projects not approved by the CDC. To remove the ambiguity, several real estate developers and members of the legal community are urging the government to issue formal regulations for foreign ownership rights on buildings such as apartments and condominiums.

### **Protection of Property Rights**

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Cambodia has adopted legislation concerning the protection of property rights, including the Land Law and the Law on Copyrights and Law on Patent and Industrial Design. Cambodia is a member of the World Intellectual Property Organization (WIPO) and the Paris Convention for the Protection of Industrial Property.

Chattel and real property: The 2001 Land Law provides a framework for real property security and a system for recording titles and ownership. Land titles issued prior to the end of the Khmer Rouge regime in 1979 are not recognized due to the severe dislocations that occurred during the Khmer Rouge period. The government is making efforts to accelerate the issuance of land titles, but in practice, the titling system is cumbersome, expensive, and subject to corruption. The majority of property owners lack documentation proving ownership. Even where title records exist, recognition of legal title to land has been a problem in some court cases where judges have sought additional proof of ownership. Although foreigners are constitutionally forbidden to own land, the 2001 law allows long or short-term leases to foreigners.

Intellectual property rights (IPR): As a WTO member, Cambodia's IPR regime is in compliance with its WTO commitments; however, comprehensive enforcement remains problematic. The 1996 U.S.-Cambodia Trade Agreement contained a broad range of IPR protections, but given Cambodia's very limited experience with IPR, the WTO agreement granted phase-in periods for the Cambodian government to fully implement IPR protections. On November 9, 2005, the WTO granted a deadline extension until 2013 for Cambodia and other least developed countries to enforce copyright laws and begin accepting patents.

In a significant step toward consolidating IPR policy-making, enforcement and technical assistance, the Council of Ministers created the National Committee for Intellectual Property Management on September 18, 2008 with its secretariat within the Ministry of Commerce. Once operational, this committee will develop national policy on intellectual property, strengthen interagency cooperation, prepare and disseminate new laws and regulations, and act as a clearinghouse for technical assistance relating to the intellectual property sector. This new interagency IPR committee chaired by the Minister of Commerce includes a broad range of IPR actors including representatives from the Council of Ministers and the Ministries of Industry Mines and Energy; Culture and Fine Arts; Interior; Economy and Finance; Posts and Telecommunications; Health; Agriculture, Forestry and Fisheries; Environment; Justice; Education; and Tourism.

Trademarks: The Cambodian National Assembly approved the Law Concerning Marks, Trade Names and Acts of Unfair Competition to comply with Cambodia's WTO obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Signed in February 2002, the law outlines specific penalties for trademark violations, including jail sentences and fines for counterfeiting registered marks. It also contains detailed procedures for registering trademarks, invalidation and removal, licensing of marks, and infringement and remedies.

Despite lacking clear legal authority to conduct enforcement activities, the Ministry of Commerce has taken effective action against trademark infringement in several cases since 1998. The Ministry has ordered local firms to stop using well-known U.S. marks, including Pizza Hut, McDonalds, Nike, Scotties, Marlboro, Seven Eleven, and Pringles. In 2008, the Ministry of Commerce resolved 12 cases of trademark infringement.

Since 1991, the Ministry of Commerce has maintained an effective trademark registration system, registering more than 30,000 trademarks (nearly 6,000 for U.S. companies) under the terms of a 1991 sub-decree, and has proven cooperative in preventing unauthorized individuals from registering U.S. trademarks in Cambodia.

Copyrights: Copyrights are governed by the Law on Copyrights and Related Rights, which was enacted in January 2003. Responsibility for copyrights is split between the Ministry of Culture and Fine Arts, which handles phonograms, CDs, DVDs, and other recordings, and the Ministry of Information, which deals with printed materials. Pirated CDs, videos, textbooks, and other copyrighted materials are widely available in Cambodian markets and used throughout the country. Before the adoption of the law, there were no provisions for enforcement of copyrights.

To protect and manage their economic rights, authors and related rights holders are allowed by law to establish a collective management organization (CMO). The creation of the CMO requires authorization from either the Ministry of Culture and Fine Arts or the Ministry of Information, depending on the nature of their work. The Ministry of Culture and Fine Arts hopes to draft a sub-decree on collective management in 2009. In mid-2007, the Ministry of Culture and Fine Arts created a Copyright Department which is gradually building capacity.

Patents and industrial designs: Cambodia has a very small industrial base, and infringement on patents and industrial designs is not yet commercially significant. With assistance from WIPO, the Ministry of Industry, Mines, and Energy (MIME) prepared a comprehensive law on the protection of patents and industrial designs which went into force in January 2003. The law provides for the filing, registration, and protection of patents, utility model certificates and industrial designs. The MIME issued a declaration in June 2006 on granting patents and registering industrial designs.

Encrypted satellite signals, semiconductor layout designs, and trade secrets: The Ministry of Commerce is preparing a draft law for trade secrets while the Ministry of Industry, Mines, and Energy is drafting a law on integrated circuit protection. Cambodia has not yet made significant progress toward enacting required legislation on encrypted satellite signals, although it obtained a model law on encrypted satellite signals and semiconductor layout designs from WIPO in March 1999. Cambodia has committed to the WTO to promulgate a law by 2009 but is unlikely to meet this goal.

IPR enforcement: With the exception of the trademark enforcement, the Cambodian government has taken few significant actions to enforce its IPR obligations. However, in January 2008, at the annual conference of the Ministry of Culture and Fine Arts, the government suggested it would increase prosecutions for copyright violations on domestically produced products before expanding prosecutions to foreign products. Cambodian copyright law allows IPR owners to file a complaint with the authorities to take action. Law enforcement action taken at the request of owners has been directed against the piracy of domestically produced music or video products, but not against piracy of foreign optical media. The owners requesting crackdowns have paid support costs to the authorities for conducting the operation. Crackdowns on such IPR violations are not conducted on a consistent basis.

Infringement of IPR is pervasive, ranging from software, compact discs, and music, to photocopied books and the sale of counterfeit products, including cigarettes, alcohol, and pharmaceuticals. The Business Software Alliance recently estimated a 95 percent software piracy rate in Cambodia which cost the industry \$47 million in 2007. Although Cambodia is not a major center for the production and export of pirated CDs, videos, and other copyrighted materials, local businesses report Cambodia is becoming an

increasingly popular source of pirated material due to weak enforcement. The Ministry of Commerce has plans to put in place measures to stop IPR-violated products at borders, as post-inspection mechanisms are unlikely to be effective. During the TIFA discussions in November 2007, Cambodia requested technical assistance for a draft Sub-decree on Border Measures detailing procedures at the borders allowing IPR owners to file an application with customs to suspend clearance of suspected counterfeit or pirated goods.

## Transparency of Regulatory System

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There is no pattern of discrimination against foreign investors in Cambodia through a regulatory regime. Numerous issues of transparency in the regulatory regime arise, however, from the lack of legislation and the weakness of key institutions. Investors often complain that the decisions of Cambodian regulatory agencies are inconsistent, irrational, or corrupt.

The Cambodian government is still in the process of drafting laws and regulations that establish the framework for the market economy. In addition to existing laws and regulations, in 2008 the government adopted the Law on Civil Aviation and the Law on Plant Breeder Rights. A commercial contract law and other important business-related laws such as commercial court, e-commerce, telecommunications, and personal property leasing laws are in draft or still pending promulgation.

Cambodia currently has no anti-monopoly or anti-trust statutes. On a practical level, Cambodia has indicated a desire to discourage monopolistic trading arrangements in most sectors.

Cambodia is currently working on the establishment of standards and other technical measures based on international practice, guidelines, and recommendations. Under the Law on Standards in Cambodia, passed in 2007, the Institute of Standards in Cambodia (ISC) was created within the Ministry of Industry, Mines, and Energy (MIME) as a central authority to develop and certify national standards for products, commodities, materials, services, and practices and operations. When fully functional, the ISC will serve as the secretariat of the National Standards Council which will consist of representatives from various government ministries, state-controlled academic/research institutions, the private sector, and a consumer representative created to advise as well as approve standards.

The responsibility for establishing industrial standards and certifications currently resides with the Department of Industrial Standards of Cambodia of MIME which will become part of the Institute of Standards of Cambodia in the future. The ISC has been assigned as the focal point for technical barriers to trade (TBT) and as the agency responsible for notifications and publications required by the WTO TBT Agreement. The Ministry of Health is charged with prescribing standards, quality control, distribution and labeling requirement for medicines, but this responsibility is likely to be brought under the ISC in the future.

Quality control of foodstuffs, plant and animal products is currently under the Department of Inspection and Fraud Repression (CamControl) of the Ministry of Commerce. Cambodia is a member of the Codex Alimentarius Commission. Currently CamControl is

the national contact point for Codex Alimentarius. Its primary responsibility is the enforcement of quality and safety of products and services relating to sanitary and phytosanitary (SPS) measures.

The Cambodian Constitution and the 1997 Labor Code provide for compliance with internationally recognized core labor standards. The law authorizes the Ministry of Labor and Vocational Training to set health, safety and other conditions for the workplace. (The "Labor" Section of this report discusses the labor situation in more detail.)

The National Bank of Cambodia supervises Cambodia's banks and financial institutions while the Ministry of Economy and Finance regulates the insurance industry. The insurance market in Cambodia is relatively new, but has recently begun to gain credibility and expand its scope. Currently, there are a few major insurance companies operating here such as Asia Insurance, the state-owned insurance company Caminco, Forte Insurance, and Infinity Insurance.

To help Cambodian businesses stay competitive in the world market, the government introduced specific measures to facilitate business, in particular exports, by attempting to reduce informal costs and streamline bureaucratic hurdles. Measures included: (1) reduction of the costs of business registration from \$615 to \$177 and of the time limit for Cambodian government issuance of registration from 30 days to ten and a half working days; (2) introduction of a joint inspection by CamControl and the Customs and Excise Department and issuance of a common inspection report valid for both agencies and the "Federal Office" in order to reduce the amount of time spent applying for goods inspection; (3) based on this common report, MIME and the Ministry of Commerce will issue the Certificate of Processing (CP) and the Certificate of Origin (CO), respectively; and (4) reduction of time required to acquire documents related to the CO of exports and for goods inspection.

Cambodia has renewed its commitment to creating a favorable environment for investment and trade. During the Trade and Investment Framework Agreement (TIFA) discussions in November 2007, the government further committed to reducing unofficial fees and costs related to imports and exports.

## **Efficient Capital Markets and Portfolio Investment**

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Cambodia is moving to address the need for capital markets. In November 2006, the National Assembly passed legislation to permit the government to issue bonds and use the capital to make up budget deficits. The Budget Law for 2007 permitted the government to issue bonds worth \$250,000. However no 2007 bonds were sold to investors and Prime Minister Hun Sen mentioned in 2008 that the government does not plan to issue bonds in the near future. In 2007, the government also passed the Law on the Issuance and Trading of Non-government Securities, and, in partnership with the Korean Stock Exchange, plans to establish a stock market by the end of 2009.

The Cambodian government does not use regulation of capital markets to restrict foreign investment. Domestic financing is difficult to obtain at competitive interest rates. A new law addressing secured transactions, which includes a system for registering such secured interests, was promulgated in May 2007. Most loans are secured by real



property mortgages or deposits of cash or other liquid assets, as provided for in the existing contract law and land law.

The total assets of Cambodia's banking system as of July 2008 were approximately \$4 billion, an increase of nearly 50% from the end of 2005. Loans account for about 56% of the banking system's assets. Nonperforming loans have fallen to historic lows, between 2 - 4 percent, likely due to dramatic increases in property values through mid-2008, but banking experts predict an increase in future nonperforming loans as property prices decline. As of July 2008, credit granted by the commercial banks amounted to \$2.2 billion. Loans made to services and the wholesale and retail sectors accounted for over 50% of total loans.

The banking sector has shown significant improvement, but requires continued progress to gain international confidence. Under the amended Law on Banking and Financial Institutions, all of Cambodia's commercial banks had to reapply for licenses from the NBC and meet new, stricter capital and prudential requirements by the end of 2001. As a result, there was a significant shakeout and consolidation within the banking sector with the closure and liquidation of 12 banks. Since the shakeout, Cambodian banks have gradually increased in number with 25 commercial banks in operation as of January 2009. As a supplement to commercial banking, six specialized banks and seventeen microfinance institutions also offer financial services to the public. In September 2008, the National Bank of Cambodia moved to slow the rapid growth in the number of commercial banks, which increased by more than 20 percent in the first nine months of 2008, giving commercial banks without an investment grade shareholder until the end of 2010 to triple minimum capital from \$12.5 million to \$37.5 million. In January 2008, Cambodia's banks were given their first-ever risk assessment from Standard & Poor's. Their placement was alongside that of banks in Venezuela, Bolivia, Ukraine, and Jamaica.

## **Political Violence**

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Cambodia is relatively peaceful compared to its pre-UNTAC history. Election-related violence has decreased in each national election held at five-year intervals since 1993. Cambodia's 2007 commune council elections followed by the July 2008 National Assembly election had little of the pre-election violence or intimidation that preceded the previous elections. The 2007 and 2008 polls resulted in clear victories for the Cambodian People's Party, with the Sam Rainsy Party emerging as the main opposition party.

Cambodian political activities have turned violent in the past, and the possibility for politically motivated violence remains. In November 2000, an anti-government group based in the U.S. led an attack against government buildings in Phnom Penh. The leader of the Cambodian Freedom Fighters group has since been convicted in a U.S. District Court. During the anti-Thai riots in 2003, the Royal Embassy of Thailand and Thai-owned commercial establishments were attacked. In November 2006, police arrested six people for allegedly plotting to conduct bomb attacks in Phnom Penh during the Water Festival.

On July 29, 2007, three improvised explosive devices (IEDs) were planted at the Vietnam-Cambodia Friendship Monument in Phnom Penh. One of the IEDs partially

exploded, but the others failed to detonate and were recovered by Cambodian authorities. No one was injured. On January 2, 2009, two undetonated IEDs were found near the Ministry of National Defense and state-owned TV3. While there is no indication these incidents were directed at U.S. or other Western interests, the possibility remains that further attacks could be carried out.

Following the July 2008 UNESCO World Heritage Site inscription of the Preah Vihear Temple, thousands of Thai and Cambodian soldiers amassed in various areas along the Thai-Cambodian border, particularly near the disputed Preah Vihear temple area. Soldiers clashed October 15, 2008 near the temple resulting in deaths on both sides, but the outbreak of violence was isolated and lasted only a few hours.

## **Corruption**

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Despite increasing investor interest, Cambodia continues to rank poorly on global surveys of competitiveness and corruption. The World Economic Forum's 2008 competitiveness survey ranked Cambodia 109 out of 134 countries surveyed, slightly better than its 2007 rating of 110 out of 131. The World Bank also ranked Cambodia in the lower half of the list, 134 of 181, on business climate. The 2007 Transparency International Global Corruption Barometer ranked Cambodia second-worst in corruption with 72% of those surveyed reporting that they paid a bribe to receive a service in the previous 12 months.

Business people, both local and foreign, have identified corruption, particularly within the judiciary, as the single biggest deterrent to investment in Cambodia. Corruption was cited by a plurality of respondents to the World Economic Forum survey as the most problematic factor for doing business in Cambodia. A 2007 USAID-funded survey of the Phnom Penh Chamber of Commerce also found that corruption is considered to be the main obstacle to doing business.

Public sector salaries range from \$25-60 per month for working level officials, and around \$2000 per month for high-ranking officials. Although there has been a recent salary increase of 15% for some officials, these wages are far below the level required to maintain a suitable quality of life in Cambodia, and as a result, public employees are susceptible to corruption and conflicts of interest. Local and foreign businesses report that they must often pay extra facilitation fees to expedite any business transaction. Additionally, for those seeking to enter the Cambodian market, the process for awarding government contracts is not transparent and is subject to major irregularities.

Current Cambodian laws and regulations and their application are insufficient to address the problem of corruption. Laws dating from the UNTAC period (1991-93) against embezzlement, extortion, and bribing public officials exist, but are enforced rarely, often for political reasons.

Cambodia is not a signatory to the OECD Anti-Bribery Convention, but has endorsed the ADB/OECD Anti-Corruption Action Plan for Asia and the Pacific. In 2007, the government signed a regional anti-corruption pact with eight other ASEAN countries, and in September of the same year, also signed the UN Convention Against Corruption. Cambodia is considering joining the Extractive Industries Transparency Initiative (EITI) governing the oil and mining sectors.

After a draft national anti-corruption law was sent to the National Assembly but not voted on in 2003, the Cambodian government undertook to revise the draft with cooperation from local and international NGOs, and international donors. The draft, which is still pending, falls short of international standards due to limited independence of the proposed anti-corruption body and weak declaration of assets provisions.

Cambodia is under increasing pressure from donors to address the issue of good governance in general, and corruption in particular. In a draft action plan on good governance presented to donors in May 2000, Cambodia promised to pass anti-corruption legislation by late 2001. After missing the first deadline, the government again promised to pass anti-corruption legislation by July 2003. In the December 2004 Consultative Group (CG) meeting of development assistance agencies, donors established a benchmark to have a new anti-corruption law submitted to the National Assembly before the next CG meeting, which was held June, 2006. However, this deadline was not met and donors have become increasingly frustrated with the government's failure to act. The passage of new anti-corruption legislation is reportedly a high priority for the fourth mandate government.

The Ministry of National Assembly-Senate Relations and Inspection (MONASRI) has an anti-corruption mandate, but is largely inactive. In 2007, however, MONASRI, with technical assistance from USAID, created a draft Access to Information Policy, intended as a basis for a future Access to Information Law. The draft has yet to be forwarded to the Council of Ministers. The government also created an anti-corruption commission within the cabinet in late 1999, which has undertaken a few investigations, one of which resulted in the dismissal of a mid-level official in late 2001. Also in 2001, the government established a National Audit Authority, which has been ineffective because of its secrecy and lack of independence.

Ignoring the existing anti-corruption commission, the government established the Anti-Corruption Unit (ACU) in August 2006, a temporary body designed to address corruption until the anti-corruption legislation is passed. The mission of the ACU is to focus on preventing corruption, strengthening law enforcement, and obtaining public support for combating corruption. The first investigation of ACU resulted in the arrest of five illegal car importers and 39 officials; 10 mid-level officials have been removed from their positions. Other investigations are underway. However the ACU is considered to be ineffective because of its lack of independence and limited resources.

In its most comprehensive reform strategy, the Rectangular Strategy Phase II, adopted as the government platform in 2008 following phase I begun in 2004, the Cambodian government once again renewed its commitment to fight corruption and make good governance the centerpiece of reform. The strategy acknowledges the importance of taking action against corruption, but the challenge remains a daunting and long-term one that will require political will at the highest levels of the government.

## **Bilateral Investment Agreements**

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Cambodia has signed bilateral investment agreements with China, Croatia, Cuba, the Czech Republic, France, Germany, Indonesia, Kuwait, Japan, Laos, Malaysia, the Netherlands, North Korea, the Organization of the Petroleum Exporting Countries (OPEC), Pakistan, the Philippines, Singapore, South Korea, Switzerland, Thailand, and

Vietnam. Future agreements with Algeria, Burma, Egypt, Hungary, Russia, the United Kingdom, and Ukraine are planned. The agreements provide reciprocal national treatment to investors, excluding benefits deriving from membership in future customs unions or free trade areas and agreements relating to taxation. The agreements preclude expropriations except those that are undertaken for a lawful or public purpose, are non-discriminatory, and are accompanied by fair and just compensation in advance of expropriation. The agreements also guarantee repatriation of investments and provide for settlement of investment disputes via arbitration.

In addition, in July 2006, Cambodia signed a Trade and Investment Framework Agreement (TIFA) with the United States, which will promote greater trade and investment in both countries and provide a forum to address bilateral trade and investment issues. Two successful meetings were held under the TIFA in 2007 in which the U.S. and Cambodian governments discussed WTO accession requirements, trade facilitation and economic development initiatives, and progress on intellectual property rights. In 2008, several bilateral working level meetings were held to advance the TIFA agenda.

### **OPIC and Other Investment Insurance Programs**

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Cambodia is eligible for the Quick Cover Program under which the Overseas Private Investment Corporation (OPIC) offers financing and political risk insurance coverage for projects on an expedited basis. With most investment contracts written in U.S. dollars, there is little exchange risk. Even for riel-denominated transactions, there is only one exchange rate, which is fairly stable.

Cambodia is a member of the Multilateral Investment Guarantee Agency (MIGA) of the World Bank, which offers political-risk insurance to foreign investors.

### **Labor**

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The country has an economically active population (defined as being ten years of age and older) of some 7.8 million people out of a population of 13.4 million. According to the EIC, the labor participation rate was 70 percent in 2008. While government statistics are somewhat higher, they do not fully capture the problems of unemployment and underemployment in Cambodia.

The economy is not able to generate enough jobs in the formal sector to handle the large number of entrants to the job market. This dilemma is likely to become more pronounced over the next decade. Cambodia suffers from a large demographic imbalance. According to the 2004 Intercensal Population Survey (CIPS), persons 20 years of age or younger account for 53 percent of the total population. As a result, over the next decade at least 275,000 new job seekers will enter the labor market each year.

Approximately 65 - 70 percent of the labor force is engaged in subsistence agriculture. At the end of 2008, about 337,000 people, the majority of whom are women, were employed in the garment sector, with 300,000 Cambodians employed in the tourism sector, and a further 50,000 people in construction.

The 2008-2009 Global Competitiveness Report of the World Economic Forum identified an inadequately educated workforce as one of the most serious problems in doing business in Cambodia. Given the severe disruption to the Cambodian education system and loss of skilled Cambodians during the 1975-79 Khmer Rouge period, workers with higher education or specialized skills are few and in high demand. A Cambodia Socio-Economic Survey conducted in 2004 found that about 12 percent of the labor force has completed at least an elementary education. Only 1.2 percent of the labor force completed post-secondary education.

Overall literacy, for those aged fifteen and over, is 74 percent with male literacy rates considerably higher than those for females in both urban and rural areas. Many adults and children enroll in supplementary educational programs, including English and computer training. Employers report that Cambodian workers are eager to learn and, when trained, are excellent, hardworking employees.

Cambodia's 1997 labor code protects the right of association and the rights to organize and bargain collectively. The code prohibits forced or compulsory labor, establishes 15 as the minimum allowable age for paid work, and 18 as the minimum age for anyone engaged in work that is hazardous, unhealthy or unsafe. The statute also guarantees an eight-hour workday and 48-hour work week, and provides for time-and-a-half pay for overtime or work on the employee's day off. The law gives the Ministry of Labor and Vocational Training (MOLVT) a legal mandate to set minimum wages after consultation with the tripartite Labor Advisory Committee. In January 2007, the minimum wage for garment and footwear workers was officially set at \$50 per month. In April 2008, a temporary \$6 per month cost of living allowance was instituted to offset high levels of inflation. There is no minimum wage for any other industry. To increase competitiveness of garment manufacturers, the labor code was amended in 2007 to establish a night shift wage of 130 percent of day time wages.

Aceda Bank, a local commercial bank, is currently managing Cambodia's first National Social Security Fund (NSSF), which protects workers against occupational risks and workplace accidents. The fund was established by subdecree in 2007 and requires employers to contribute 0.8 percent of each employee's salary to the NSSF. As of October, 2007 approximately 250,000 workers, most from the garment sector, contribute to the fund through their employer. A second phase of the fund, to be implemented in 2010, will focus on health care for employees, followed by pensions in 2012.

Enforcement of many aspects of the labor code is poor, albeit improving. Labor disputes can be problematic and may involve workers simply demanding conditions to which they are legally entitled. In labor disputes in which workers complain of poor or unhealthy conditions, MOLVT and the Ministry of Commerce have ordered the employer to take corrective measures. The U.S. Government, the ILO, and others are working closely with the Royal Government of Cambodia to improve enforcement of the labor code and workers' rights in general. The U.S.-Cambodia Bilateral Textile Agreement linked Cambodian compliance with internationally recognized core labor standards with the level of textile quota the U.S. granted to Cambodia. While the quota regime ended on January 1, 2005, a "Better Factories" program attempts to build on the labor standards established.

For the past few years, Cambodia has enjoyed high economic growth and low inflation of approximately 4-6 percent, keeping inflation-driven wage increases in check. However, the early part of 2008 saw inflation skyrocket, driven in part by high oil and food prices. After peaking in May, inflation has slowly been declining to about 18 percent in November, year-on-year.

## Foreign-Trade Zones/Free Ports

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To facilitate the country's development, the Cambodian government has shown great interest in increasing exports via geographically defined special economic zones (SEZs), with the goal of attracting much-needed foreign direct investment.

Cambodia has yet to pass the Law on Industrial Zones which will define SEZs and establish the rules under which they will operate. The law is currently being drafted by the Council for the Development of Cambodia and may be submitted for approval of the Council of Ministers in 2009.

In late December 2005, the Council of Ministers passed a sub-decree on Establishment and Management of Special Economic Zones to speed up the creation of the zones. The sub-decree details procedures, conditions and incentives for the investors in the zone.

Since issuing the sub-decree, the Cambodia Special Economic Zones Board (CSEZB) has approved 19 SEZs, located near the borders of Thailand and Vietnam, and in Phnom Penh, Kampot, and Sihanoukville.

## Foreign Direct Investment Statistics

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Foreign Direct Investment (FDI) proposals approved by the Council for the Development of Cambodia (CDC) have dramatically increased in recent years, with approved FDI reaching \$10.9 billion in 2008, compared with \$201 million in 2004. FDI registered capital however, has been modest since 1995, with an average annual inflow of \$304 million in the period 1995-2008. The FDI registered capital figures probably understate actual investment, since they report only registered capital and not fixed assets. CDC statistics for fixed assets, however, are based on projections, and the CDC has no effective monitoring mechanism to determine the veracity of the numbers. The FDI registered capital flow into Cambodia is uneven and gradually declined from \$135 million in 1999 to \$30 million in 2003. FDI registered capital increased to \$260 million in 2008.

Total FDI registered capital flows into Cambodia for the years 1995-2008 are presented in the table below, in US\$ million. (Source: CDC) (Note: statistics from the National Bank of Cambodia differ significantly from CDC's figures.)

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
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351	294	320	135	74	81	50	30	45	383	209	473	260

Figures from the CDC for registered capital of approved projects, including domestic investment, and broken out by country of origin and economic sector, are provided below. The FDI registered capital figures below may overstate investment because they include projects that have not yet been, or may never be, fully implemented and retention of dormant or defunct projects from earlier years makes the investment figures appear higher.

**Total cumulative registered investment projects approved, by country of origin, August 1994 to December 2008** (source: CDC)

<b>Country</b>	<b>US\$ millions</b>	<b>Pct.</b>
Malaysia	1,736	32.79
Cambodia	1,509	28.50
China	569	10.27
Taiwan	400	7.56
Thailand	206	3.89
Singapore	194	3.67
South Korea	165	3.12
U.K.	130	2.46
USA	70	1.32
Vietnam	61	1.15
Indonesia	54	1.02
Australia	54	1.02
France	40	0.76
Japan	23	0.43
Other	82	3.06
<b>Total</b>	<b>5293</b>	<b>100.00</b>

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**Total cumulative registered investment capital by sector, from January 1998 to December 2008** (source: CDC)

<b>Sector</b>	<b>US\$ millions</b>	<b>No. of Projects</b>
Industry	1,482.0	699
- Food Processing	91.5	12
- Garments	449.4	401
- Petroleum (retail)	203.0	5
- Wood Processing	98.3	15
- Footwear	27.8	21
Agriculture	177.1	74
Services	338.8	78
- Construction	63.6	14



- Telecommunications	92.5	15
Tourism	434.4	88
<b>Total</b>	<b>2432.4</b>	<b>839</b>

New investment projects in US\$ millions, by country of origin, 1998-2008(source: CDC)

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Malaysia	22.6	17	1.6	28	na	3.6	7.8 1	0.6	2.5	19.8	1
Cambodia	110.0	98	28	47	21	44	15	78.5	116.8	264.3	99.8
USA	2.3	4.4	3.7	5.2	na	na	2.1	2.2	4.3	6.5	12.3
Taiwan	79.0	29	16	35.6	5	1	4.6	4.1	16.4	14	9.5
Singapore	12.0	2.3	3.1	na	10	3.3	1.6	5.3	3.8	1	12
China	75.0	36	3.9	4.2	8	14	24	38	28.3	40.4	37.9
South Korea	4.0	na	10	2	7.6	1	4.1	16	4.5	22	19.5
Hong Kong	48.0	22	4	0.7	1	1	na	0.3	1.5	0.6	na
France	0.6	0.6	3	na	na	1.7	0.6	0.4	na	0.3	2.3
Thailand	53.0	16	17	3.1	na	3.1	2	15	10	13.8	30.6
U.K.	0.4	1.5	6.5	1.5	0.4	0.5	1.5	1	1	1.5	1
Canada	2.1	0.2	1	na	2.2	na	1.7	0.6	1.5	na	4.8
Indonesia	10	0.4	3	na	na	na	na	na	na	na	na
Australia	1.4	0.02	0.8	na	na	0.6	na	7	na	3.5	1
Japan	2	2.1	0.2	na	1.2	na	0.7	na	1	7.54	4.6
Other	8.3	2.8	1.3	1.7	13.6	na	na	na	8.1	78.5	4.1
<b>Total</b>	<b>430</b>	<b>233</b>	<b>103</b>	<b>129</b>	<b>69</b>	<b>74.3</b>	<b>66</b>	<b>379</b>	<b>209.7</b>	<b>473.7</b>	<b>259.9</b>

New investment projects in US\$ millions, by sector, 1998-2008 (source: CDC)

Sector	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Industry	298	101	48	61	22.5	41	53.5	325	173.4	269.9	90
-Food Processing	8	2.4	27	1.5	na	1.6	1	na	22	24	4
-Garments	91.6	49.5	28	17	12.6	42	19	54	41.9	45.1	49
- Petroleum	1	1	na	na	na	na	1	200	na	na	na
- Wood Processing	92	na	na	1	1	1.3	1	na	na	2	na
-Mining	5	na	na	na	na	2	na	30	1	149	4
Agriculture	44	31.3	8.5	1	6.2	2	2	4	2	50.1	26
Services	22.1	55	10	5.2	18	5.5	5	32	16.3	127.2	43
-Construct	1.2	16.4	na	na	na	na	3	31	6	5	1
-Telecom	13.4	22	na	na	2.9	10	na	na	na	42.2	2
- Infrastructure	2	na	na	1.5	4.1	na	na	na	na	65	na
Tourism	67	45.5	36.5	61	22	26	5.5	18	18	33.5	101



Total	430	233	103	129	69	74	66	379	210	473	261
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The CDC has registered approximately \$70 million in U.S. investment since August 1994. Caltex has a chain of service stations and a petroleum holding facility in Sihanoukville; Crown Beverage Cans Cambodia Limited, a part of Crown Holdings Inc., produces aluminum cans; and Chevron is actively exploring offshore petroleum deposits. There are also U.S. investors in a number of Cambodia's garment factories.

In 2008, several Cambodia-focused private equity funds emerged seeking to raise between \$100 and \$500 million each for investments in infrastructure, agriculture, tourism, and real estate development, among other sectors. However it appears the global economic slowdown is limiting fund-raising abilities, and major investments by these funds have not yet materialized.

Major non-U.S. foreign investors include Asia Pacific Breweries (Singapore), Asia Insurance (Hong Kong), ANZ Bank (Australia), BHP Billiton (Australia), Oxiana (Australia), Infinity Financial Solutions (Malaysia), Total (France), Cambodia Airport Management Services (France), Samart Mobil Phone (Malaysia), Shinawatra Mobile Phone (Singapore), Thakral Cambodia Industries (Singapore), Petronas Cambodia (Malaysia), Charoewn Pokphand (Thailand), Siam Cement (Thailand), and Cambrew (Malaysia).

Since 2007, several well-known U.S. companies opened or upgraded their presence in Cambodia. General Electric opened a representative office in July 2007. In 2008, Cargill and Dupont established representative offices. Otis Elevators, a division of United Technologies, also upgraded to a branch office, and Microsoft initiated a presence through its Market Development Program.

Some major local companies and their sectors are: Sokimex (petroleum, tourism, garment), Royal Group of Companies (mobile phone, telecommunication, banking, insurance), AZ Distribution (construction, telecommunication), Mong Rethy Group (construction, agro-industry, rubber and oil palm plantations), KT Pacific Group (airport project, construction, tobacco, food and electronics distribution), Hero King (cigarettes, casinos and power), Anco Brothers (cigarettes, casinos and power), Canadia Bank (banking and real estate), Acleda Bank (microfinance), and Men Sarun Import and Export (agro-industry, rice and rubber export).

In January 2008, Acleda Bank announced it obtained permission to operate in Laos, and the bank has plans for further expansion into Vietnam and China. Statistics on Cambodian investment overseas are not available, but such investments are likely minimal.

## Web Resources

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World Bank-International Finance Corporation Doing Business in Cambodia 2009  
[www.doingbusiness.org/ExploreEconomies/?economyid=33](http://www.doingbusiness.org/ExploreEconomies/?economyid=33)

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## Chapter 7: Trade and Project Financing

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### How Do I Get Paid (Methods of Payment)

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The most common method of payment is the use of Letters of Credit. Other payment methods such as Forward Exchange Contract, Standby Letters of Credit, Foreign Currency Loans, Import and Export Letters of Credit can be tailor-made to an individual importer or exporter. Instruments that banks offer and methods of payment vary, ranging from Import and Export Documentary Collections, Documentary Export and Import Credits, and Guarantees. For a large-scale business transaction, exporters and importers are required to have Bank Guarantees, such as Shipping, Bid, Payment, Advance Payment, Performance, and Retention Money guarantees.

Letters of Credit are more common than bank guarantees, cash-in advance, and open account. Private commercial banks, including ANZ Royal Bank, Acleda Bank, Campu Bank, Canadia Bank, Foreign Trade Bank, and several others provide trade finance services and have their foreign correspondent banks in the U.S., Europe, Asia, and elsewhere. However, not all Cambodian commercial and specialized banks handle trade finance. Letters of Credit, the most commonly used payment method, are available through those banks having correspondent banking relationships with banks in the United States.

In 2007, Acleda Bank signed an agreement with International Finance Corporation (IFC) to facilitate Acleda's trade finance operations world-wide. Under the arrangement IFC provides bank guarantees to cover all trade instruments issued by Acleda Bank, allowing the bank to extend its trade finance services more widely within the business community and offer its customers access to international trade opportunities through its extensive network of 412 correspondents throughout the world.

Cambodia does not have a credit rating agency. Commercial banks in Cambodia may use an external credit rating agency, such as Standard & Poor's.

### How Does the Banking System Operate

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Cambodia's banking sector is relatively small but is rapidly expanding, with 25 commercial banks (an increase of ten in the last year), and 17 licensed Micro Finance Institutions (MFIs). The banking sector has shown significant improvement, but requires continued progress to gain international confidence. With increased political stability and the gradual return of normalcy in Cambodia after decades of war and instability, bank deposits rose on average by approximately 41.6% per year from 2004 to 2007. From January to August of 2008, deposits grew on average by 52%, due in part to new

increased deposit requirements. The financial sector shows some signs of deepening as domestic business activities continue to increase in urban areas.

The total assets of Cambodia's banking system as of July 2008 were approximately \$4 billion, an increase of nearly 50% from the end of 2005. Loans account for about 56% of the banking system's assets. Nonperforming loans have fallen to historic lows, between 2 - 4%, likely due to dramatic increases in property values through mid-2008, but banking experts predict an increase in future nonperforming loans as property prices decline. As of July 2008, credit granted by the commercial banks amounted to \$2.2 billion. Loans made to services and the wholesale and retail sectors accounted for over 50% of total loans. Despite an increase in the use of banking and finance systems, overall lending and banking activities remain low due to lack of trust and prohibitive interest rates on loans. Increased borrowing and loans are due mainly to expansion in the construction and real estate sectors. Economists note that while a typical country would have a bank deposit to GDP ratio of roughly 60%, Cambodia's ratio is only 26.2% (August 2008), low even by developing economy standards. Cambodia's banking system is highly consolidated, with two banks—Canadia Bank and ANZ Royal—accounting for more than 30% of all bank deposits. Interest rates on commercial loans are fully liberalized for all operations by commercial banks, specialized banks, and MFIs.

## Foreign-Exchange Controls

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Cambodia has a free exchange system. Under the 1997 Foreign Exchange Law, there is no restriction on foreign exchange operations, including the purchases and sales of foreign exchange, and the transfer of all types of international settlements. The government intervenes, however, to promote macroeconomic stability by managing the exchange rate to fluctuate at a rate of US\$1=4,000 Riels.

The law stipulates that only authorized intermediaries may perform these transactions. In reality, many unregistered money exchangers perform currency exchange services. The authorized financial intermediaries are lawfully established banks, which are required to report to the National Bank of Cambodia (NBC) on the types of transfers and outflow or inflow of capital. Investors are not required to report on transactions of funds. The burden rests solely on the bank as the authorized intermediary. Article 13(1) of the Law of Foreign Exchange requires the import or export of any means of payment equal to or exceeding U.S. \$10,000 or equivalent to be reported to the Customs authorities at the border crossing point and Customs should transmit this information on a monthly basis to the NBC.

While foreign exchange transfers are not currently restricted, the law does allow the National Bank to implement exchange controls in case of a foreign exchange crisis. However, Cambodia does not clearly specify what constitutes a crisis. There are currently no restrictions on the repatriation of profits or capital derived from investments either in Cambodia or on most transfers of funds abroad. The 1994 Investment Law guarantees that investors may freely remit foreign currencies abroad for the purpose of the following payments:

- Payment for imports and repayment of principal and interest on international loans;
- Payment of royalties and management fees;
- Remittance of profits; and

- Repatriation of invested capital on dissolution of an investment project.

## U.S. Banks and Local Correspondent Banks

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The following are the major banks that have correspondent U.S. banking arrangements:

- Angkor Capital Bank Plc.  
Tel: (855-23) 993168  
Fax: (855-23) 994168  
Email: [info@angkorcapitalbank.com.kh](mailto:info@angkorcapitalbank.com.kh)
- Acleda Bank Plc.  
Tel: (855-23) 998-777  
Fax: (855-23) 998-666  
Email: [acledabank@acledabank.com.kh](mailto:acledabank@acledabank.com.kh)
- ANZ Royal Bank  
Tel: (855-23) 999-000  
Fax: (855-23) 221-310  
Email: [ccc@anz.com](mailto:ccc@anz.com)
- Campu Bank  
Tel: (855-23) 214-111  
Fax: (855-23) 217-655  
Email: [campupnh@campubank.com.kh](mailto:campupnh@campubank.com.kh)
- Canadia Bank  
Tel: (855-23) 215-286  
Fax: (855-23) 427-064  
Email: [canadia@canadiabank.com.kh](mailto:canadia@canadiabank.com.kh)
- Foreign Trade Bank  
Tel: (855-23) 724 466  
Fax: (855-23) 426 108  
Email: [ftb@camnet.com.kh](mailto:ftb@camnet.com.kh)

## Project Financing

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Commercial lenders rely more on collateral rather than financial cash flow. Trade and investment financing is available through most foreign bank branches and local banks. There is a large but unmet demand for loans for local small and medium enterprises (SMEs). Most loans are short-term and provide working capital to traders. The average interest rate on loans in US dollars is about 16 per cent. Additionally, repayment terms are short. Loan interest rates vary according to banks and types of loans.

Cambodia became a member of the World Bank in 1970, and began borrowing in 1993. The World Bank has a country office in Phnom Penh and has provided more than U.S.\$837 million in loans since 1994 in a variety of sectors with energy, road rehabilitation, education, governance and public sector reform, trade and poverty reduction, disease control and health, and social fund projects constituting the largest shares. The International Monetary Fund (IMF) and other banks have also provided loans, such as Japan Bank for International Cooperation (JBIC).

In 1966, Cambodia became a member of the Asian Development Bank (ADB). Since 1992, ADB has approved U.S.\$947.34 million in loans as of December 2007 in a variety of sectors, but with emphasis on infrastructure, including road and irrigation, the energy and power sectors, private sector development, health, and education. The U.S. Government maintains a commercial liaison office at ADB headquarters in Manila, which reports directly to the Office of Multilateral Development Banks at the Commerce Department in Washington. It assists U.S. companies in bidding on contracts and activities funded by the ADB.

Commercial financial leasing, which allows commercial and specialized banks to provide financial leasing to SMEs, started in May 2008. However, large-scale and long-term financial leasing is still minimal. For the private sector to access commercial loans for private projects, collateral or other forms of guarantees are required. Through financial leasing, small and medium investment projects can get capital lease assets from leasing firms. Commercial and specialized banks may provide loans for most private sector projects.

Cambodia is eligible for the Quick Cover Program under which the Overseas Private Investment Corporation (OPIC) offers financing and political risk insurance coverage for projects on an expedited basis. With most investment contracts written in U.S. dollars, there is little exchange risk. Even for riel-denominated transactions, there is only one exchange rate, which is fairly stable. Cambodia is a member of the Multilateral Investment Guarantee Agency (MIGA) of the World Bank, which offers political-risk insurance to foreign investors.

## Web Resources

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Angkor Capital Bank Plc: [www.angkorcapitalbank.com](http://www.angkorcapitalbank.com)

Asian Development Bank (ADB): [www.adb.org](http://www.adb.org)

Acleda Bank Plc: [www.acledabank.com.kh](http://www.acledabank.com.kh)

ANZ Bank: [www.anzroyal.com](http://www.anzroyal.com)

Campu Bank: [www.campubank.com.kh](http://www.campubank.com.kh)

Canadia Bank: [www.canadiabank.com](http://www.canadiabank.com)

Foreign Trade Bank: [www.ftbbank.com](http://www.ftbbank.com)

Export-Import Bank of the United States: [www.exim.gov](http://www.exim.gov)

Country Limitation Schedule: [www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)

OPIC: <http://www.opic.gov>

Trade and Development Agency: [www.tda.gov](http://www.tda.gov)

SBA's Office of International Trade: [www.sba.gov/oit](http://www.sba.gov/oit)

USDA Commodity Credit Corporation: [www.fsa.usda.gov/ccr/default.htm](http://www.fsa.usda.gov/ccr/default.htm)

U.S. Agency for International Development: [www.usaid.gov](http://www.usaid.gov)

Multilateral Investment Guarantee Agency (MIGA): [www.miga.org](http://www.miga.org)

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## Chapter 8: Business Travel

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### Business Customs

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Like many other countries in Asia, many business relationships in Cambodia have their foundations in personal relationships. Connections are important in making contacts and establishing trust. Cambodians are open, approachable and friendly. It is recommended that you approach potential business contacts with a prior introduction or personal reference. Cambodians are more receptive if you arrive with an introduction or letter from a known government official or business contact. Although not absolutely required, small gifts with a company logo are appreciated, as are luncheon or dinner invitations.

Business travelers to Cambodia should have business cards. As in many countries, the cards are exchanged to formalize the introduction process. Always distribute and receive business cards with both hands as a sign of respect to the person you are dealing with and always take a few seconds to study a person's card after it has been handed to you. This is particularly important when dealing with Cambodia's ethnic Chinese minority, many of whom hold influential positions in the country's business community.

Cambodian names are in most cases not anglicized. It is customary for Cambodians to address each other by their given names rather than their family names. Addressing people by their family name is considered rude. The "Sampeah" – placing your palm together in a prayer-like position – remains a traditional gesture of greeting particularly for women although it is becoming more popular to shake hands. Foreigners may shake hands with men and women, but should wait until the woman offers her hand, otherwise you should go with the traditional greeting Sampeah. Touching someone on the head, pointing with your feet, or pointing in someone's face are deemed extremely rude and offensive. Wearing hats in houses, buildings, and particularly in temples is also considered rude.

Cambodia is a tropical hot country, which is not suitable for formal western business attire. But in a strictly formal meeting, it is advisable that you wear a suit and tie for men and dress for women. In a less formal setting, shirt and tie (or pant suit for women) would be suitable.



## Travel Advisory

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Travel within cities and provincial towns is generally safe, but business travelers should consult with the U.S. Department of State prior to arrival in Cambodia for a current travel advisory (this information is available on the web at <http://travel.state.gov>). Travelers should also consult the U.S. Embassy's current Consular Information Sheet, available at [http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1080.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_1080.html)

Americans may register on-line with U.S. Embassy Phnom Penh to obtain updated information on travel and security within Cambodia.

[http://cambodia.usembassy.gov/register\\_your\\_stay\\_abroad.htm](http://cambodia.usembassy.gov/register_your_stay_abroad.htm)

## Visa Requirements

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A valid passport and a Cambodian visa are required. Tourist and business visas for U.S. passport holders are valid for one month beginning with the date of entry into Cambodia. Cambodia offers on-line visa processing at <http://evisa.mfaic.gov.kh>. You may also apply in person at the Cambodian Embassy located at 4530 16th Street NW, Washington, DC 20011, tel. 202-726-7742, fax 202-726-8381. Tourists and business travelers may also obtain a Cambodian visa upon arrival at the airports in Phnom Penh, Siem Reap, and at all major border crossings. Any method of obtaining a Cambodian visa requires passport-sized photographs and a passport that is valid for a minimum of six months beyond the date of entry into Cambodia.

The fee is \$20 for tourist visas and \$25 for business visas. Travelers should bring with them two passport-sized photos for the visa application. A tourist visa can be extended for one month, but only one time. For individuals who need to stay longer than the standard one month, a three-month visa will be granted upon application to the Ministry of Interior; the fee for this visa is \$60. Business visas can be extended for \$45 for one month, \$75 for three months, \$155 for six months, and \$285 for one year. These fees are for fast track processing (two working days). Fees for normal processing are lower. Individuals with a business license issued by the Council for the Development of Cambodia (CDC) may apply for a business visa valid for a year. The fee is \$180. The Ministry of Interior has a team at the CDC to assist investors in obtaining long-term business visas.

Travelers should note that Cambodia regularly imposes fines for overstay on an expired visa. If the overstay is 30 days or less, the charge is USD 5.00 per day, while for overstays of over 30 days, the charge is USD 6.00 per day.

Overseas inquiries may be made at the nearest embassy or consulate of Cambodia or visit the Embassy of the Kingdom of Cambodia web site [www.embassyofcambodia.org/](http://www.embassyofcambodia.org/) for the most current visa information.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security opinions are handled via an interagency process. Visa applicants should go to the following links:

State Department Visa Website: <http://travel.state.gov/visa/index.html>



United States Visas.gov: <http://www.unitedstatesvisas.gov/>

U.S Embassy in Phnom Penh: [http://cambodia.usembassy.gov/general\\_information.html](http://cambodia.usembassy.gov/general_information.html)

## Telecommunications

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Telephone (landlines as well as cell phones), fax, Internet, and telegram services are available in Cambodia. Telephone service may be unreliable (more so for landlines than cell phones), especially for calls coming into Cambodia, or in remote areas. International telephone charges are relatively expensive compared to other countries in the region although phone tariffs are trending downward. The cost of connection /installation of telephone landlines has gone down. However, there are often long delays in installation and telephone exchanges and cables are subject to problems; most people opt to use cell phones exclusively, which are inexpensive and readily available.

Cell phone service covers most urban areas throughout the country and is provided by several companies, including M Fone ([www.mfone.com.kh](http://www.mfone.com.kh)), Mobitel ([www.mobitel.com.kh](http://www.mobitel.com.kh)), and Hello ([www.hellogsm.com.kh](http://www.hellogsm.com.kh)). International roaming service for mobile phones is available but can be very expensive. Internet services are rapidly improving both in terms of prices and service. However, unlimited broadband is still relatively expensive. Internet access via a wireless system is provided in major hotels, but there is also a plethora of Internet cafés in Phnom Penh, Battambang, Preah Sihanouk, and other major provinces, prices of which have recently been reduced substantially. Cambodia currently has seven Internet providers:

Citylink: [www.citylink.com.kh](http://www.citylink.com.kh)

Camnet: [www.camnet.com.kh](http://www.camnet.com.kh)

Camintel: [www.camintel.com](http://www.camintel.com)

Online: [www.online.com.kh](http://www.online.com.kh)

WiCam: [wicam.com.kh](http://wicam.com.kh)

Telesurf: [www.telesurf.com.kh](http://www.telesurf.com.kh)

Angkor: [www.angkornet.com.kh](http://www.angkornet.com.kh)

## Transportation

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Cambodia currently has two international airports: Phnom Penh International Airport and Siem Reap International Airport. These two airports have been dramatically upgraded over recent years with modern terminals. Domestic air service links Phnom Penh with Siem Reap.

There have been great improvements to the Cambodian road network over the last several years. While connections are not perfect, it is much easier to move around the country now than it was just a few years ago. The safety of road travel outside urban areas varies; traveling only during daylight hours can reduce the potential risk. During the rainy season, some locations cannot be reached by road. Persons planning a lengthy visit to Cambodia should register with the U.S. Embassy Consular Section upon arrival in Cambodia.

Cars and buses offer a cheap way to travel to most provincial capitals. Phnom Penh does not have a bus system and has very few metered taxis. Motorcycle-taxi (locally known as motodup) and cyclos are popular forms of transportation. The U.S. Embassy does not recommend using motodup or cyclos mainly because they are prone to accidents and street crime. Private cars are available for rental in most cities upon arrival. Rental fees run between \$25 and \$50 per day. If contracting with an independent taxi service, visitors should agree on the price with the driver before embarking. In Phnom Penh, travel at night on foot or motorbike is not recommended.

Cambodia has an international and commercial deepwater port at Sihanoukville.  
<http://www.pas.gov.kh/>

## Language

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Khmer is the official language. Even with the increasing use of English, it is advisable to hire a reliable interpreter, as most business and official meetings are conducted in Khmer. Chinese, French, Thai, and Vietnamese are also widely spoken.

## Health

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Medical facilities and services in Cambodia do not meet international standards. Both Phnom Penh and Siem Reap have a limited number of internationally-run clinics and hospitals that can provide basic medical care and stabilization. Medical care outside these two cities is almost non-existent. Local pharmacies provide a limited supply of prescription and over-the-counter medications, but because the quality of locally obtained medications can vary greatly, travelers should bring adequate supplies of their medications for the duration of their stay in Cambodia.

A current list of clinics, hospitals, and pharmacies with names, addresses and telephone numbers may be obtained from the U.S. Embassy consular section website, at:  
[http://cambodia.usembassy.gov/medical\\_information.html](http://cambodia.usembassy.gov/medical_information.html)

For information on avian influenza (bird flu), please refer to the Department of State's Avian Influenza Fact Sheet. The U.S. Department of State is unaware of any HIV/AIDS entry restrictions for visitors to or foreign residents of Cambodia.

Information on vaccinations and other health precautions, such as safe food and water precautions and insect bite protection, may be obtained from the Centers for Disease Control and Prevention's hotline for international travelers at 1-877-FYI-TRIP (1-877-394-8747) or via the CDC's web site at <http://wwwn.cdc.gov/travel/default.aspx>. For information about outbreaks of infectious diseases abroad consult the World Health Organization's (WHO) web site, at <http://www.who.int/en>. Further health information for travelers is available at <http://www.who.int/ith/en>.

The Department of State strongly urges Americans to consult with their medical insurance company prior to traveling abroad to confirm whether their policy applies overseas and whether it will cover emergency expenses such as a medical evacuation. Please see our information on [medical insurance overseas](#), at:  
[http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1470.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_1470.html).

**Local Time**

During U.S. Eastern Standard Time, Cambodia is twelve hours ahead of the U.S. East Coast. Cambodia consists of a single time zone and is GMT + 7.

**Business Hours**

Business hours for commercial offices are usually from 0730 to 1200 in the morning and from 1330 to 1700 in the afternoon Monday through Saturday morning. Government offices are officially open from 0730 to 1130 and from 1400 to 1730.

**Holidays for 2009:**

January 1	International New Year's Day
January 7	Victory Over Genocide Regime
February 9	Meak Bochea Day (Buddhist Conference Day)
March 8	International Women's Day
April 14-16	Khmer New Year
May 1	Labor Day
May 8	Visaka Bochea Day (Buddhish Death, Birth Day)
May 12	Royal Ploughing Ceremony
May 13-15	King Sihamoni's Birthday
June 18	King Mother's Birthday
September 18- 20	Pchum Ben Day
September 24	Constitution Day and Coronation Day
October 29	Coronation of Preah Boromneath Norodom Sihamoni
October 31	King father's Birthday
November 1-3	Water Festival
November 9	Independence Day
December 10	International Human Rights Day

The U.S. Embassy will also observe the following U.S. holidays in 2009:

January 1	New Year's Day
January 19	Martin Luther King's Birthday
February 16	George Washington's Birthday
May 25	Memorial Day
July 4	Independence Day
September 7	Labor Day
October 12	Columbus Day
November 11	Veterans Day
November 26	Thanksgiving Day
December 25	Christmas

**Temporary Entry of Materials and Personal Belongings**

Certain articles can be temporarily imported to be re-exported and are exempt from import duties and taxes. The importers are required to pledge that such articles will be re-exported within the specified period and may be required to provide a guarantee which is refunded after all the obligations under the pledge have been fulfilled.

Below are a listing of goods allowed for temporary entry:

1. Display or Exhibition goods in appropriate amount
  - a. Display or Exhibition goods in trade fair or conference
  - b. Goods necessary to display the machines or foreign equipment
  - c. Construction equipment and ornaments
  - d. Advertisement equipment and for display of foreign goods such as film, sound, and documents used in advertisement
  - e. Translation equipment, filming and videoing equipment, and cultural or scientific films used in international conference
2. Technical equipment for technicians, experts, or other professionals used to perform their duties or in the field of expertise (such as PC, phone, fax machine, camera, voice recorder, and LCD), apart from the machinery used in manufacturing, packaging, or natural resource exploitation
3. Container, packages, samples of goods (with no commercial value), and other imports related to, but not part of, commercial transactions when sold or purchased
4. Goods for educational purposes and parts of scientific goods
5. Sports equipment and sportswear
6. Equipment for advertising and attracting tourists to visit other countries
7. Personal effects/belongings
8. Goods imported for humanitarian use/purposes
9. Transportation means for commercial purposes

Additional details on temporary entry can be found at the Customs and Excise Department's website: [http://www.customs.gov.kh/temp\\_admission.html](http://www.customs.gov.kh/temp_admission.html)

#### Web Resources

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- Cambodian Immigration Department: [www.cambodia-immigration.com/](http://www.cambodia-immigration.com/)
- Royal Embassy of Cambodia in Washington D.C.: <http://www.embassyofcambodia.org/visa.htm>

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## Chapter 9: Contacts, Market Research, and Trade Events

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### Contacts

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#### U.S. AND CAMBODIAN CONTACTS

##### A – Royal Government of Cambodia

##### 1 - Key Cambodian Government Agencies

###### **Council for the Development of Cambodia (CDC)**

Sangkat Wat Phnom, Phnom Penh, Cambodia

Contact: H.E. Mr. Sok Chenda Sophea, Secretary General

Tel: (885-23) 981-183 or 981-162

Fax: (855-23) 360-636

Website: [www.cambodiainvestment.gov.kh](http://www.cambodiainvestment.gov.kh)

[www.cdc-crdb.gov.kh](http://www.cdc-crdb.gov.kh)

###### **Ministry of Commerce**

No. 22, Preah Norodom Blvd., Phnom Penh, Cambodia

Contact: H.E. Cham Prasidh, Minister

Tel: (855-23) 366-871

Fax: (855-23) 426-396

Website: [www.moc.gov.kh](http://www.moc.gov.kh)

###### **Ministry of Industry, Mines and Energy**

No. 45, Preah Norodom Blvd., Phnom Penh, Cambodia

Contact: H.E. Suy Sem, Minister

Tel: (855-23) 723-077/428-263/427-852

Fax: (855-23) 428-263

Email: [mine@cambodia.gov.kh](mailto:mine@cambodia.gov.kh)

Website: [www.mine.gov.kh](http://www.mine.gov.kh)

###### **Ministry of Public Works and Transport**

Preah Norodom Blvd., Phnom Penh, Cambodia

Contact: H.E. Sun Chanthol, Minister

Tel: (855-23) 722-615

Fax: (855-23) 723-708

Email: [mpwt@mpwt.gov.kh](mailto:mpwt@mpwt.gov.kh)

Website: [www.mpwt.gov.kh](http://www.mpwt.gov.kh)

**Ministry of Agriculture, Forestry and Fisheries**

200 Preah Norodom Blvd., Phnom Penh, Cambodia

Contact: H.E. Chan Sarun, Minister

Tel: (855-23) 211-051/322-893

Fax: (855-23) 217-320

Email: [icomaff@camnet.com.kh](mailto:icomaff@camnet.com.kh)

Website: [www.maff.gov.kh](http://www.maff.gov.kh)

**Ministry of Posts and Telecommunications**

Corner Street 13 and 102, Sangkat Wat Phnom, Phnom Penh, Cambodia

Contact: H.E. So Khun, Minister

Tel: (855-23) 426-993/426-510

Fax: (855-23) 426-992

Email: [mptc@cambodia.gov.kh](mailto:mptc@cambodia.gov.kh)

Website: [www.mptc.gov.kh](http://www.mptc.gov.kh)

**Ministry of Tourism**

No. 63, St/348, Tuol Svay Prei II., Preah Monivong Blvd., Phnom Penh, Cambodia

Contact: H.E. Thong Khon, Minister

Tel: (855-12) 827-664

Fax: (855-23) 426-877

Email: [Tourism@camnet.com.kh](mailto:Tourism@camnet.com.kh)

Website: [www.mot.gov.kh](http://www.mot.gov.kh)

**Ministry of Economy and Finance**

60 Street 92, Phnom Penh, Cambodia

Contact: H.E. Keat Chhon, Minister

Tel: (855-23) 428-634

Fax: (855-23) 427-798

Email: [mefcg@hotmail.com](mailto:mefcg@hotmail.com)

Website: [www.mef.gov.kh](http://www.mef.gov.kh)

**General Department of Customs and Excise**

Preah Norodom Blvd., Phnom Penh

Contact: H.E. Pen Siman, Director General

Mr. Kun Nhem, Deputy Director General

Tel: (855-23) 214 065

Fax: (855-23) 214 065

Email: [customs@camnet.com.kh](mailto:customs@camnet.com.kh)

Website: [www.camnet.com.kh/customs](http://www.camnet.com.kh/customs)

**Municipality of Phnom Penh**

#69, Preah Monivong Boulevard, Phnom Penh

Contact: H.E. Kep Chuktema, Governor

Tel: (855-23) 428-627  
Fax: (855-23) 724-156  
Email: [phnompenh@phnompenh.gov.kh](mailto:phnompenh@phnompenh.gov.kh)  
Website: [www.phnompenh.gov.kh](http://www.phnompenh.gov.kh)

**The National Bank of Cambodia (NBC)**

No 22-24, Preah Norodom Blvd., Phnom Penh, Cambodia  
Contact: H.E. Chea Chanto, Governor  
Mr. Kim Vada, Director of Bank Supervision  
Tel: (855-23) 722-221/275-063/724-866  
Fax: (855-23) 426-117  
Email: [ftb@camnet.com.kh](mailto:ftb@camnet.com.kh)  
Website: [www.ftbbank.com](http://www.ftbbank.com)

**2 – Cambodian Government Offices in the United States**

**Cambodian Embassy in the USA**

4500 16th St. NW, Washington DC, 20011  
Tel: (202) 726 7742  
Fax: (202) 726 8381  
Contact: H.E. Mr. Hem Heng, Ambassador  
Email: [cambodia@embassy.org](mailto:cambodia@embassy.org)  
Website: [www.embassy.org/cambodia](http://www.embassy.org/cambodia)

**Permanent Mission of the Kingdom of Cambodia to the United Nations**

866 U.N. Plaza, Suite 420, 4th Floor, New York, N.Y. 10017  
Tel: (212) 223-0676  
Fax: (212) 223-0425  
Contact: H.E. Dr. Sea Kosal  
Email: [cambodia@un.int](mailto:cambodia@un.int)  
Website: [www.un.int/cambodia](http://www.un.int/cambodia)

**B – U.S. Government Contacts**

**United States Embassy Phnom Penh**

Cambodian Mailing Address: #1, St. 96, Phnom Penh, Cambodia  
U.S. Mailing Address: Box P, APO AP 96546  
Ambassador: Carol A. Rodley  
Economic/Commercial Officer: Ms. Melissa A. Sweeney  
Economic/Commercial Specialist: Mr. Chheng Kimlong  
Tel: (855-23)728-116  
Fax: (855-23)728-800  
E-mail: [SweeneyMA@state.gov](mailto:SweeneyMA@state.gov)  
E-mail: [ChhengK@state.gov](mailto:ChhengK@state.gov)

Website: [www.cambodia.usembassy.gov](http://www.cambodia.usembassy.gov)

**United States Commercial Service**

(Washington, DC)

**Trade Information Center**

Tel: (800) USA-TRADE

Fax: (202) 482-4473

Website: [www.ita.doc.gov/uscs](http://www.ita.doc.gov/uscs)

**United States Commercial Service**

U.S. Embassy Bangkok

Diethelm Tower A, 304, 93/1 Wireless Rd., Bangkok 10330, Thailand

Contact: Ann Bacher, Commercial Counselor

Tel: [66](2) 205-5090

Fax: [66](2) 255-2915

E-Mail: [Ann.Bacher@mail.doc.gov](mailto:Ann.Bacher@mail.doc.gov)

Website: [www.buyusa.gov/thailand/en/](http://www.buyusa.gov/thailand/en/)

**Export-Import Bank of the United States (Exim Bank)**

811 Vermont Ave. NW

Washington, DC 20571

Tel: 202-565-3510

Fax: 202-565-3380

Website: [www.exim.gov](http://www.exim.gov)

**Overseas Private Investment Corporation (OPIC)**

Mr. Bruce Cameron, Business Development Officer

1100 New York Avenue NW

Washington, DC 20527, USA

Tel: (202) 336-8745

Fax: (202) 408-5154

E-Mail: [Bcame@opic.gov](mailto:Bcame@opic.gov)

Website: [www.opic.gov](http://www.opic.gov)

**C – Multilateral Contacts:**

**Asian Development Bank (ADB)**

Box 789, 0890 Manila, Philippines

Tel: [63](2)632-6050

Fax: [63](2)632-4003

[manila.adb.office.box@mail.doc.gov](mailto:manila.adb.office.box@mail.doc.gov)

Website: [www.adb.org](http://www.adb.org)



**International Finance Corp. (IFC)**

1850 I (Eye) St. NW  
Room I-11-063  
Washington, DC 20433, USA  
Cambodia Investment Officer: Mr. Morgan Landy  
Tel: 202-473-9350  
Fax: 202-676-0820  
Website: [www.ifc.org](http://www.ifc.org)

**Multilateral Investment Guarantee Agency (MIGA)**

1818 H St. NW  
Washington, DC 20433  
Tel: 202-477-1234  
Fax: 202-522-2630  
Website: [www.miga.org](http://www.miga.org)

**D – Trade Associations****Phnom Penh Chamber of Commerce**

7B Street 81 corner Street 109,  
Sangkat Beung Raing, Khan Daun Penh, Phnom Penh, Cambodia  
Contact: Okhna Kith Meng, President  
Tel: (855-23) 212-265  
Fax: (855-23) 212-270  
Email: [ppcc@camnet.com.kh](mailto:ppcc@camnet.com.kh)  
Website: [www.ppcc.org.kh](http://www.ppcc.org.kh)

**Cambodia Federation of Employers and Business Associations  
(CAMFEBA)**

#56, Sothearos Blvd., Phnom Penh, Cambodia  
President – Mr. Van Sou leng  
Tel: (855-23) 218-858  
Fax: (855-23) 311-181  
E-mail: [camfeba@bigpond.com.kh](mailto:camfeba@bigpond.com.kh)

**The Garment Manufacturers Association in Cambodia (GMAC)**

# 175, Jawaharlal Nehru Blvd., (St. 125), Phnom Penh, Cambodia  
Chairman – Mr. Van Sou leng  
Tel: (855-23) 301-180  
Fax: (855-23) 311-181  
Contact person: Dr. Ken Loo  
Email: [ray@online.com.kh](mailto:ray@online.com.kh)  
Website: [www.gmac-cambodia.org](http://www.gmac-cambodia.org)

### **Phnom Penh Hotel Association (PPHA)**

Hotel Cambodiana  
# 313, Sisowath Quay Phnom Penh  
Tel: (855-23) 990-577  
Email: [info@phnompenh-hotels.org](mailto:info@phnompenh-hotels.org)  
Website: [www.phnompenh-hotels.org](http://www.phnompenh-hotels.org)

### **E– Local Professional Services**

Some professional services, local law firms, or U.S. law firms affiliated with Cambodian attorneys can be contacted through the following entities (listed alphabetically):

#### **BNG – Advocates & Solicitors**

Contact person: Mr. Hem Naryth  
Address: #84, Street 217, Phnom Penh  
Tel: (855-23) 217-510  
Fax: (855-23) 212-840  
Email: [hnh@bngkh.net](mailto:hnh@bngkh.net)  
Website: [www.bngkh.net](http://www.bngkh.net)

#### **DFDL Mekong**

Contact person: Mr. Martin DeSautels  
Address: #45, Preah Suramarit Blvd., Phnom Penh  
Tel: (855-23) 210-400  
Fax: (855-23) 428-227  
Email: [cambodia@dfdlmekong.com](mailto:cambodia@dfdlmekong.com)  
Website: [www.dfdlmekong.com](http://www.dfdlmekong.com)

#### **KPMG Cambodia Limited**

Contact person: David King, Director  
# 2, Street 208, Sangkat Boeung Prolit, Phnom Penh  
Tel: (855-23) 216 899  
Fax: (855-23) 216 405  
Email: [davidking@kpmg.com.kh](mailto:davidking@kpmg.com.kh)  
Website: [www.kpmg.com](http://www.kpmg.com)

#### **Morrison, Kak, and Associates**

Contact person: Mr. Key Kak  
#25, Street 360, Sangkat Boeung Keng, Kang, Phnom Penh  
Tel: (855-16) 884-887  
Fax: (855-23) 218-993  
Email: [mka.audit@morrisonkak.com](mailto:mka.audit@morrisonkak.com)  
Website: [www.morrisonkak.com](http://www.morrisonkak.com)

#### **Price Waterhouse Coopers**

Contact person: Mr. Senaka Fernando  
#124, Norodom Blvd., Phnom Penh  
Tel: (855-23) 218 086  
Fax: (855-23) 211 594

Email: [senaka.fernando@kh.pwc.com](mailto:senaka.fernando@kh.pwc.com)  
Website: [www.pwc.com/cambodia](http://www.pwc.com/cambodia)

**Sarin & Associates**

Contact Person: Mr. Denora Sarin  
Address: #45, Street 355, Phnom Penh  
Tel: (855-12) 828 007  
Fax: (855-23) 882-943  
Email: [sarin-associates@camnet.com.kh](mailto:sarin-associates@camnet.com.kh)

**Sciaroni and Associates (Legal Advisors)**

# 56, Samdech Sothearos Blvd., Phnom Penh  
Tel: (855-23) 210 225  
Fax: (855-23) 213-089  
Contact: Mr. Bretton Sciaroni  
Email: [info@sa-cambodia.com](mailto:info@sa-cambodia.com)  
Website: [www.sa-cambodia.com](http://www.sa-cambodia.com)

**United Studies Group Ltd**

Contact: Mr. Christian Berger  
Tel/Fax: (855-23) 212-872  
Email: [info@usg-cambodia.com](mailto:info@usg-cambodia.com)  
Website: [www.usg-cambodia.com](http://www.usg-cambodia.com)

**F– Foreign Business Association**

**U.S.-ASEAN Business Council**

1101 17th Street NW, Suite 411  
Washington, DC 20036  
Contact: Ms. Frances Zwenig  
Tel: 202 289-1911  
Fax 202 289-0519  
Email: [mail@usasean.org](mailto:mail@usasean.org)  
Website: [www.us-asean.org](http://www.us-asean.org)

Description: The U.S.-ASEAN Business Council is a private Organization in the United States representing private sector interests in ASEAN, the Association of Southeast Asian Nations.

**American Cambodian Business Council (AmCham)**

# 56, Samdech Sothearos Blvd., Phnom Penh  
Tel: (855-23) 362-670  
Fax: (855-23) 362-671  
Email: [info@sa-cambodia.com](mailto:info@sa-cambodia.com)  
Website: [www.sa-cambodia.com](http://www.sa-cambodia.com)  
Contact: Mr. Bretton Sciaroni (President)  
Note: AmCham represents U.S. Business interests in Cambodia

**Australian Business Association of Cambodia**

#9, Mao Tse Toung Blvd., 245, Phnom Penh

Tel: (855-23) 213-470

Email: [abac@irl.com.kh](mailto:abac@irl.com.kh)

Website: [www.abac.com.kh](http://www.abac.com.kh)

**BBAC - British Business Association of Cambodia**

# 124, Norodom

Tel: (855-23) 218-086

Mobile: (855-12) 803-891

Email: [britemb@online.com.kh](mailto:britemb@online.com.kh)

**Chambre de Commerce Franco-Cambodgienne**

# 313, Sisowath, Office 13A, Ground Floor, Hotel Cambodiana

Tel & Fax: 023 221 453

Mobile: 012 801 950

Email: [ccfc@online.com.kh](mailto:ccfc@online.com.kh)

[www.cfcambodge.org](http://www.cfcambodge.org)

**International Business Club of Cambodia**

# 56, Samdech Sothearos (St. 3)

Tel: (855-23) 210-225

Tel: (855-23) 362-671

Fax: (855-23) 362-871

Mobile Phone: (855-12) 819-596

Email: [zirconium@online.com.kh](mailto:zirconium@online.com.kh)

**Canadian Trade Commissioner Service**

# 9, Senei Vinna Vaut Oum (St. 254), Embassy of Canada

Tel: (855-23) 213-470, Ext 417

Fax: (855-23) 211-389

[www.infoexport.gc.ca/kh](http://www.infoexport.gc.ca/kh)

**BCC - Malaysian Business Council of Cambodia**

# 113, Mao Tse Toung (St. 245), Unit G21, Ground Floor, Parkway Square

Tel & Fax: (855-23) 221-386

Mobile: (855-16) 229-168 or (855-12) 808-852

Email: [mbcc.secretariat@gmail.com](mailto:mbcc.secretariat@gmail.com)

**International Business Club**

# 56, Samdech Sothearos Blvd., Phnom Penh

Tel: (855-23) 362-670

Fax: (855-23) 362-671

Email: [info@sa-cambodia.com](mailto:info@sa-cambodia.com)

Contact: Mr. Bretton Sciaroni (President)

**Japanese Business Association**

# 75-5, Preah Sisowat Blvd., Phnom Penh, Cambodia

Tel: (855-23) 426 506  
Fax: (855-23) 426 505  
Email: [mcpnh.manager@online.com.kh](mailto:mcpnh.manager@online.com.kh)

**Singapore Business Club (Cambodia)**

# 92, Preah Norodom Blvd., Phnom Penh  
Tel: (855-23) 360-855  
Fax: (855-23) 360-850  
Email: [singcamb@online.com.kh](mailto:singcamb@online.com.kh)

**Thai Business Council of Cambodia**

# 196, Preah Norodom Blvd., Phnom Penh  
Tel: (855-23) 428-596  
Fax: (855-12) 218-578  
Email: [thaibusinesspnp@yahoo.com](mailto:thaibusinesspnp@yahoo.com)  
Or [mpp.admin@online.com.kh](mailto:mpp.admin@online.com.kh)

**Market Research**

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To view market research reports produced by the U.S. Commercial Service, please go to the following website: <http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

**Trade Events**

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents.html>

Readers may also contact the U.S.-ASEAN Business Council for information on possible events:

**U.S.-ASEAN BUSINESS COUNCIL**

1101 17th Street NW, Suite 411  
Washington, DC 20036  
Tel: 202 289-1911  
Fax: 202 289-0519  
Email: [mail@usasean.org](mailto:mail@usasean.org)  
Internet: [www.us-asean.org](http://www.us-asean.org)

Note: The US-ASEAN Business Council is the premier national private organization in the United States representing private sector interests in ASEAN, the Association of Southeast Asian Nations.

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## Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

[www.buyusa.gov/asianow/southeastasia\\_home.html](http://www.buyusa.gov/asianow/southeastasia_home.html)

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U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.