



## Doing Business in Cambodia:

### 2012 Country Commercial Guide for U.S. Companies

**INTERNATIONAL COPYRIGHT, U.S. & FOREIGN COMMERCIAL SERVICE AND U.S. DEPARTMENT OF STATE, 2010. ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES.**

- [Chapter 1: Doing Business In Cambodia](#)
- [Chapter 2: Political and Economic Environment](#)
- [Chapter 3: Selling U.S. Products and Services](#)
- [Chapter 4: Leading Sectors for U.S. Export and Investment](#)
- [Chapter 5: Trade Regulations, Customs and Standards](#)
- [Chapter 6: Investment Climate](#)
- [Chapter 7: Trade and Project Financing](#)
- [Chapter 8: Business Travel](#)
- [Chapter 9: Contacts, Market Research and Trade Events](#)
- [Chapter 10: Guide to Our Services](#)

[Return to table of contents](#)

## Chapter 1: Doing Business In Cambodia

- [Market Overview](#)
- [Market Challenges](#)
- [Market Opportunities](#)
- [Market Entry Strategy](#)

### Market Overview

[Return to top](#)

In the decade prior to the global financial crisis in 2009, Cambodia was the 7th fastest growing economy in the world with double-digit average annual growth rates. After contracting 2.5 percent in 2009, the economy rebounded quickly by growing over 6 percent in 2010 and nearly 7 percent in 2011. The economy is expected to continue to grow by 6-7 percent in 2012. All of this positive economic growth, however, should be taken in context as Cambodia is still one of the poorest countries in Asia. The country is heavily reliant on foreign aid, with donor support accounting for over half of the government's budget. Despite strong performance in the garment and tourism sectors, Cambodia remains an agrarian country. The agriculture sector employs approximately 80 percent of the Cambodian population.

Since Cambodia became the first least-developed country (LDC) to join the World Trade Organization (WTO) in 2004, trade has steadily increased. The United States is Cambodia's largest trading partner. Approximately 83 percent of Cambodia's total exports are destined for the United States -- primarily garment and footwear products. In 2011, Cambodian exports to the United States were valued at \$2.714 billion. For the same year, U.S. exports to Cambodia were \$185.8 million. The United States and Cambodia are signatories to a 2006 Trade and Investment Framework Agreement (TIFA) to promote greater trade and investment in both countries and to provide a forum for addressing 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).

### Market Challenges

[Return to top](#)

Significant challenges to doing business in Cambodia commonly cited by the private sector include weak rule of law, poor infrastructure, high energy costs, corruption, and under-developed human resources.

### Market Opportunities

[Return to top](#)

Cambodia offers potential investment opportunities in agribusiness and food processing, tourism infrastructure and resorts; education; architecture, construction and engineering services; household goods and appliances; used cars and automotive parts; power

generation equipment and power transmission infrastructure; fast food and beverage franchises; pharmaceuticals; and medical supplies and equipment.

## **Market Entry Strategy**

[Return to top](#)

Obtaining a local partner, such as an agent or distributor, is the most effective way to reach Cambodian consumers. The local partner can facilitate and expedite market entry with their market knowledge and established networks. In Cambodia, personal relationships can be the key to successful business transactions. Please refer to Chapter 3 of the Country Commercial Guide for further information on access to the Cambodian market.

[Return to table of contents](#)

[Return to table of contents](#)

## **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>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 3: Selling U.S. Products and Services

- [Using an Agent or Distributor](#)
- [Establishing an Office](#)
- [Franchising](#)
- [Direct Marketing](#)
- [Joint Ventures/Licensing](#)
- [Selling to the Government](#)
- [Distribution and Sales Channels](#)
- [Selling Factors/Techniques](#)
- [Electronic Commerce](#)
- [Trade Promotion and Advertising](#)
- [Pricing](#)
- [Sales Service/Customer Support](#)
- [Protecting Your Intellectual Property](#)
- [Due Diligence](#)
- [Local Professional Services](#)
- [Web Resources](#)

### **Using an Agent or Distributor**

[Return to top](#)

American goods and services are well regarded in Cambodia. As such, Cambodian firms are increasingly interested in becoming agents or distributors of U.S. companies. U.S. companies should conduct due diligence on potential local partners to ensure they have the necessary credentials and qualifications for business deals. U.S. companies should also ensure that the partnership agreements they put into place are in compliance with Cambodian law, thoroughly documenting the rights and obligations of each party and clearly stipulate dispute resolution procedures.

### **Establishing an Office**

[Return to top](#)

Cambodia's Law on Commercial Enterprise 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. Investors not seeking incentives, or who are ineligible, must register directly with the Ministry of Commerce.

The Cambodian Investment Board (CIB), a division of the Council for the Development of Cambodia (CDC), is responsible for accepting and reviewing applications for investment incentives pursuant to the amended Investment Law of 2003. Sectors eligible for investment incentives include agriculture and agro-processing, manufacturing-for-export, infrastructure development, international-standard hotels, and environmental protection activities. 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. 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 (Final Registration Certificate) from the CIB, the investor prepares registration forms for filing with the Ministry of Commerce. The Ministry of Commerce issues the formal business license.

## **Franchising**

[Return to top](#)

Cambodia's Commercial Enterprise Law has a provision which sets forth the regulations covering franchises. As mentioned above, American brands and products are highly regarded in Cambodia resulting in attractive franchise opportunities.

## **Direct Marketing**

[Return to top](#)

Telemarketing via mobile phone sms messages and online sales is increasingly used to target younger Cambodian consumers. Even though direct marketing is still a relatively new concept in Cambodia, techniques such as telemarketing and door-to-door sales are starting to be introduced.

## **Joint Ventures/Licensing**

[Return to top](#)

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 screen potential partners. 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**

[Return to top](#)

Cambodia enacted a new law on public procurement in January 2012 which codified the pre-existing patchwork of sub-decrees and other regulations governing the sector. Cambodia is not a signatory to the WTO Agreement on Government Procurement.

## **Distribution and Sales Channels**

[Return to top](#)

Cambodia places minimal restrictions on foreign participation in the import/export and distribution sectors. Cambodia's retail landscape is undergoing rapid transformation. In addition to stalls and shops at traditional markets, goods are increasingly sold at small-

scale western-style shopping malls, mini-marts, convenience stores, and supermarkets, catering mostly to social elites, the urban middle class, and expatriates. Legitimate importers may obtain exclusive rights to import products of particular brand names from the Ministry of Commerce.

### **Selling Factors/Techniques**

[Return to top](#)

Approximately 80 percent of the Cambodia's population lives in rural areas. The disparity in development conditions between those rural areas and Phnom Penh is striking. Within Phnom Penh, traditional sales techniques are more likely to apply. In the rural areas, the most effective way to reach potential consumers is through broadcast media. In particular, radio programming has deep penetration in rural Cambodia. Trade fairs are an increasingly popular way to market products.

### **Electronic Commerce**

[Return to top](#)

E-commerce is relatively undeveloped. Some impediments to the development of e-commerce include inadequate internet infrastructure, low levels of internet use, and extremely limited credit card use. Some local banks have begun to issue credit cards in order to facilitate purchases made via the Internet. There is a growing number of online shopping websites that cater mostly to the small number of urban consumers with access to the internet.

### **Trade Promotion and Advertising**

[Return to top](#)

Local vendors use a variety of advertising methods. Special promotional campaigns such as coupons, lucky draws, and discounts are popular, targeting consumers at local markets, shops, restaurants, Internet cafés, and movie theaters. Although newspaper advertising is often used, radio and television appear to be the most effective means of reaching the Cambodian public. 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.

### **Pricing**

[Return to top](#)

Most consumers are price sensitive, since Cambodia is a developing country with most of its population concentrated in the rural areas. While American products are generally seen as higher quality, many consumers will opt for products from China or Thailand because they are cheaper. In Phnom Penh, where government and industry is centered, prices are higher and branded products are more popular. There is evidence of an expanding middle class, supported by the presence of numerous international organizations, diplomatic missions, and international businesses.

### **Sales Service/Customer Support**

[Return to top](#)

After-sales service and customer support are new concepts in Cambodia. The limited supply of spare parts for some brands of automobiles, for example, has contributed to the failure of those makes to increase market share against brands whose parts are more readily available. Depending on the products and services, 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-sales service could be an effective method of boosting sales and winning customer loyalty.

## Protecting Your Intellectual Property

[Return to top](#)

### Protecting Your Intellectual Property in Cambodia:

Several general principles are important for effective management of intellectual property (“IP”) rights in Cambodia. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Cambodia than in the U.S. Third, rights must be registered and enforced in Cambodia, under local laws. Your U.S. trademark and patent registrations will not protect you in Cambodia. There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Cambodia market. It is vital that companies understand that intellectual property is primarily a private right and that the US government generally 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. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Cambodia law. The U.S. Commercial Service can provide a list of local lawyers upon request.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential 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 IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. 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 Cambodia laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

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

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

## **IP Resources**

A wealth of information on protecting IP 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 US Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at [www.stopfakes.gov](http://www.stopfakes.gov).
- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and . 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 in blocking

imports of IP-infringing products) and allows you to register for Webinars on protecting IP.

- 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: Peter N. Fowler, Regional Intellectual Property Attaché for Southeast Asia, U.S. Embassy Bangkok, [Peter.Fowler@trade.gov](mailto:Peter.Fowler@trade.gov)

## Due Diligence

[Return to top](#)

It is difficult to understate the importance of sufficient due diligence for the Cambodian market. Cambodia ranked 164 out of 182 countries on Transparency International's 2011 corruption index. 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 are advised to hire international or local lawyers or professional services to assist with due diligence requirements.

## Local Professional Services

[Return to top](#)

### **BNG Legal**

Address: #64, Street 111, P.O.Box No. 172, Sangkat Boeung Prohit, Khan 7 Makara, Phnom Penh, Cambodia

Contact person: Mr. Hem HourNaryth, Managing Director

Tel: (855) 23 217 510

(855) 23 212 740

Fax: (855) 23 212 840

e-Fax: +1 (503) 828 9033

Email: [hnn@bngkh.net](mailto:hnn@bngkh.net) / [info@bnglegal.com](mailto:info@bnglegal.com)

Website: <http://www.bnglegal.com>

### **DFDL Mekong Legal and Tax Advisers**

Address: 33, Street 294 (Corner Street 29), Sangkat Tonle Bassac, Khan Chamkarmon, Phnom Penh, Cambodia

P.O. Box: 7

Contact person: Mr. Martin DeSautels, Regional Managing Partner

Tel: (855) 23 210 400

Fax: (855) 23 214 053

Email: [cambodia@dfdlmekong.com](mailto:cambodia@dfdlmekong.com)

Website: <http://www.dfdlmekong.com>

### **KPMG Cambodia Limited**

Address: Delano Center, 4<sup>th</sup> Floor, No. 144, Street. 169, Sangkat Veal Vong, Khan 7 Makara, 12253, Phnom Penh, Cambodia

Contact person: Craig McDonald, Senior Partner

Tel: (855) 23 216 899

Fax: (855) 23 217 279

Email: [kpmg@kpmg.com.kh](mailto:kpmg@kpmg.com.kh)

Website: <http://www.kpmg.com.kh>

**Morison Kak & Associé**

Address: #25, Street 360, Sangkat Boeung Keng Kang I, 12302, Phnom Penh, Cambodia

Contact person: Mr. Key Kak, Chairman

Tel: (855) 23 218 994

Fax: (855) 23 218 993

Email: [mka.audit@morisonkak.com](mailto:mka.audit@morisonkak.com)

Website: <http://www.morisonkak.com>

**PriceWaterhouseCoopers** Address: #35, Sihanouk Blvd, Tonle Bassac, Chamkar Morn, 12301, Phnom Penh

Contact Person: Kuy Lim, Director

Tel: (855) 23 218 086

Fax: (855) 23 211 594

Email: [lim.kuy@kh.pwc.com](mailto:lim.kuy@kh.pwc.com)

Website: <http://www.pwc.com/kh>

**Sarin & Associates (Law Firm)** Address: #45, Street 355, Phnom Penh

Contact Person: Mr. Denora Sarin, Lawyer

Mobile: (855) 98 777 007

Tel: (855) 23 882 943

Fax: (855) 23 882 943

Email: [sarin-associates@camnet.com.kh](mailto:sarin-associates@camnet.com.kh)

**Sciaroni and Associates (Legal Advisors)** Address: #24, Street 462, Sangkat Tonle Bassac, Khan Chamkarmorn, Phnom Penh, Cambodia

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: <http://www.sa-cambodia.com>

**Web Resources**[Return to top](#)

World Bank-International Finance Corporation Doing Business in Cambodia 2012 data

Website: <http://www.doingbusiness.org/data/exploreconomies/cambodia/>

Cambodia Hotel Association

Website: <http://www.cambodiahotelassociation.com.kh/>

Cambodian Postal Service

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

Website: <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: <http://www.tc.com.kh>

Cambodian Yellow Pages  
Email: [yp@interquess.com](mailto:yp@interquess.com)  
Website: <http://www.yp.com.kh>

The Phnom Penh Post – Cambodia's Newspaper  
Website: <http://www.phnompenhpost.com/>

The National Bank of Cambodia  
Website: <http://www.nbc.org.kh/index.asp>

The Cambodia Microfinance Association  
<http://cma-network.org/drupal/>

[Return to table of contents](#)

[Return to table of contents](#)

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

### **Commercial Sectors**

- [Agribusiness and Food Processing](#)
- [Architecture, Construction, and Engineering Service](#)
- [Tourism Infrastructure and Resorts](#)
- [Education](#)
- [Household Goods and Appliances](#)
- [Used Car and Automotive Parts](#)
- [Power Generation Equipment](#)
- [Fast Food and Beverage Franchises](#)
- [Pharmaceuticals, Medical Supplies, and Medical Equipment](#)

## Agribusiness and Food Processing

### Overview

[Return to top](#)

Roughly 80 percent of Cambodia's population is engaged in the agriculture sector. As a matter of policy, the Cambodian government encourages investment in agriculture, diversification of agricultural products, and investment in improved irrigation and water control. The government, however, lacks funds to promote such activities on a large scale. Most of the current demand for water pumps, well-drilling machines, tractors, tilling equipment, rice milling, drying, and packaging equipment, fertilizers, insecticides, and seed comes from private agribusiness investors and NGOs

### Sub-Sector Best Prospects

[Return to top](#)

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

### Opportunities

[Return to top](#)

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.

### Web Resources

[Return to top](#)

Ministry of Agriculture, Forestry, and Fisheries: <http://www.maff.gov.kh>

Ministry of Industry, Mines, and Energy: <http://www.mime.gov.kh>

Council for the Development of Cambodia: <http://www.cambodiainvestment.com>

## Architecture, Construction, and Engineering Service

### Overview

[Return to top](#)

Cambodia is in the process of rehabilitating its hard infrastructure, principally with assistance from international donors. Given the extent of damage to infrastructure 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. In addition to infrastructure construction, Cambodia has witnessed a major boom in residential and commercial construction over the last few years. Several residential and commercial development projects are underway such as mixed-use towers, shopping malls, and suburban commercial-residential developments.

### Sub-Sector Best Prospects

[Return to top](#)

The Japanese government, World Bank, Asian Development Bank, and the Chinese government 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 have been developed to provide a one-stop shop for production and export. The SEZs have been developed by private companies and 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 enjoy a market with Cambodia's urban elite and foreign residents.

### Opportunities

[Return to top](#)

Prospects exist in road, commercial, and residential construction working with international donors or private companies. There is also a growing market for engineering service providers.

### Web Resources

[Return to top](#)

World Bank: <http://www.worldbank.org/kh>

Asian Development Bank: <http://www.adb.org/cambodia>

Ministry of Public Works and Transport: <http://www.mpwt.gov.kh>

Council for the Development of Cambodia: <http://www.cambodiainvestment.gov.kh>

## Tourism Infrastructure and Resorts

### Overview

[Return to top](#)

The tourism industry in Cambodia has matured steadily over the past few years due to political and economic stability with the number of foreign arrivals reaching nearly 3 million in 2011 with more direct flights both domestically and from foreign countries. The majority of tourists are attracted to the historical/cultural complex of Angkor Wat and an increasing number to the beaches at the southern town of Sihanoukville. Earnings from the sector are estimated at more than \$1.5 billion annually or about 10 percent of total GDP.

### Sub-Sector Best Prospects

[Return to top](#)

The government expects tourism to continue increasing as it opens up new attractions in different parts of Cambodia. The airport in the southern beach town of Sihanoukville was recently expanded and upgraded to accommodate larger 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 forested areas to ecotourism which feature such natural resources as mountains, rivers, lakes, waterfalls, and rare animal species such as the Mekong dolphin.

### Opportunities

[Return to top](#)

Collectively, these developments present good market opportunities for American companies to develop resorts, tourist attractions, or supply tourism-related products or infrastructure.

### Web Resources

[Return to top](#)

Ministry of Tourism: <http://www.mot.gov.kh>



## Education

### Overview

[Return to top](#)

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. A common complaint among local companies is difficulty in finding well-qualified employees, particularly for technical positions or those requiring vocational skills.

### Sub-Sector Best Prospects

[Return to top](#)

There is significant demand for all types of education. The overall quality of education, however, remains relatively low. NGOs provide 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. English language training is also an increasingly attractive prospect.

### Opportunities

[Return to top](#)

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

### Web Resources

[Return to top](#)

Ministry of Education, Youth, and Sport: <http://www.moeys.gov.kh>

## Household Goods and Appliances

### Overview

[Return to top](#)

An increasing number of Cambodia's urban elite are willing to pay for quality products. Cambodia's emerging middle class also increasingly demands higher levels of comfort and convenience. Anecdotal evidence from shopping mall outlets indicates a growing demand for new and innovative devices to increase the quality of life for Cambodians.

### Sub-Sector Best Prospects

[Return to top](#)

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. 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

[Return to top](#)

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

### Web Resources

[Return to top](#)

Lucky Market Group: <http://www.luckymarketgroup.com>  
Shopping Center Sorya Ltd.: <http://www.shoppingcentersorya.com>  
Sovanna Shopping Center: <http://www.sovannashoppingcenter.com>

## Used Car and Automotive Parts

### Overview

[Return to top](#)

Cambodia has no public transportation network. The majority of people travel by 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. All car imports must be left-hand drive. Local dealers estimate that Cambodia's demand for new vehicles could be around 2,000 cars annually and the demand of the second-hand cars is about 10,000 units annually. The United States appears to be the largest supplier of used vehicles in Cambodia. A number of companies sell used and new cars in Phnom Penh. Ford has a local dealership, and the market also supports Chevrolet, Mercedes, Ssangyong, Nissan, Subaru, Great Wall Motor, Hyundai and Peugeot dealers as well as representatives of all major Japanese companies such as Toyota, Honda, Nissan, and Mitsubishi.

### Sub-Sector Best Prospects

[Return to top](#)

Automobile parts and accessories from the United States are available in Cambodian markets, particularly for Ford, and General Motors vehicles. Limited availability of parts for other makes and 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

[Return to top](#)

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

### Web Resources

[Return to top](#)

Ministry of Public Works and Transport: <http://www.mpwt.gov.kh>

## Power Generation Equipment

### Overview

[Return to top](#)

Electricity prices in Cambodia are among the most expensive in the region. Power in provincial cities is more expensive and less reliable than the supply in Phnom Penh. There is no national electricity grid. In extreme rural areas, the only source of electricity may be a small portable generator charged by an automobile battery.

### Sub-Sector Best Prospects

[Return to top](#)

There is tremendous demand in Cambodia for diesel generators as backup power, on-site power plants, and for power generation in rural areas not served by public utilities. Sources from Electricite du Cambodge state that capacity output in Phnom Penh was only 1,271 GWh in 2008 and is projected to grow to 16,244 GWh in 2024. By 2011, only around 26 percent of households had access to electricity. Average annual per capita energy consumption is 103 KWh. 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

[Return to top](#)

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

### Web Resources

[Return to top](#)

World Bank: <http://www.worldbank.org/kh>

Asian Development Bank: <http://www.adb.org/cambodia>

Ministry of Industry, Mines, and Energy: <http://www.mime.gov.kh>

Electricite du Cambodge: <http://www.edc.com.kh>

## Fast Food and Beverage Franchises

### Overview

[Return to top](#)

Cambodia's growing urban middle class, supplemented by a significant expatriate community, are increasingly interested in frequenting restaurant franchises. A few local "mom and pop" stores emulating U.S.-style fast food restaurants are popular and busy, such as doughnut and hamburger establishment. In 2005, Thailand's The Pizza Company was the first international-standard pizza business in Cambodia, and the company has done well. In 2008, Swensen's opened its first ice cream outlet, which remains popular, and is expanding nationally. Also in 2008, KFC became the first American fast food brand to enter Cambodia and the company has expanded rapidly throughout the country.

### Sub-Sector Best Prospects

[Return to top](#)

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

[Return to top](#)

Significant opportunities exist in the range of fast food/drink options from hamburgers to coffee shops to mid-range restaurant franchise chains. Casual sit-down dining establishments could be promising in Phnom Penh, especially.

### Web Resources

[Return to top](#)

The Pizza Company: <http://www.pizza.co.th>  
KFC: <http://www.kfc.com>  
Swensen's: <http://www.swensensicecream.com>  
Lucky Market Group: <http://www.luckymarketgroup.com>

## Pharmaceuticals, Medical Supplies, and Medical Equipment

### Overview

[Return to top](#)

Only companies licensed by the Ministry of Health may import drugs, medical supplies, or medical equipment. In 2011, there were 1,521 registered pharmacies in the country and eight medical manufacturing institutions. In addition to the formal market, there is a gray market of smuggled and often counterfeit pharmaceuticals.

### Sub-Sector Best Prospects

[Return to top](#)

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.

### Opportunities

[Return to top](#)

Since U.S.-made drugs and medical equipment are well perceived here, there is great potential for increasing 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.

### Web Resources

[Return to top](#)

Ministry of Health: <http://www.moh.gov.kh>

Royal Rattanak Hospital: <http://www.royalrattanakhospital.com>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 5: Trade Regulations, Customs and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
- [Customs Regulations and Contact Information](#)
- [Standards](#)
- [Trade Agreements](#)
- [Web Resources](#)

### Import Tariffs

[Return to top](#)

Importers have to pay three types of duties and taxes before imports are released: (1) customs import duties with an ad-valorem rate, (2) a special tax for certain goods, and (3) a value added tax (VAT). All imports are subject to a 10 percent flat VAT but certain imports receive special preferences such as under the ASEAN Free Trade Area (AFTA). The following items are exempt from import duties: agricultural equipment and inputs, school materials and equipment, pharmaceutical products, and sporting goods. However, importers of these products must pay a 10 percent VAT.

A complete listing of tariff rates can be found in Cambodia's Customs Tariff Nomenclatures 2010, available for purchase at the General Department of Customs and Excise. Additional regulations on tariff rates can be requested electronically through the Ministry of Economy and Finance homepage.

General Department of Customs and Excise website: <http://www.customs.gov.kh>

Ministry of Economy and Finance website: <http://www.mef.gov.kh>

### Trade Barriers

[Return to top](#)

Cambodia's trade volume has increased significantly since the country's accession to ASEAN in 1999 and to the WTO in 2004. Since its accession to the WTO, Cambodia has been working on trade-related laws and regulations to comply with the WTO obligations. The Cambodian government has eliminated most non-tariff barriers to trade. In 2006, the U.S. and Cambodia signed a Bilateral Trade and Investment Framework Agreement (TIFA). Several rounds of discussions have been held 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 will benefit from

the removal of numerous tariff lines by 2015 under the ASEAN-China Trade Agreement, ASEAN-Japan, ASEAN-Australia-New Zealand, and ASEAN-Korea.

## **Import Requirements and Documentation**

[Return to top](#)

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. 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. 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. In 2009, Customs launched the Automatic System for Customs Data (ASYCUDA) operations at the Sihanoukville Autonomous Port, Phnom Penh International Airport, Phnom Penh Dry Port, and Exports Office and Excise Department, to facilitate customs procedures as part of one-stop service implementation. For details on the import and export clearance procedures, please visit the General Department of Customs and Excise's website: <http://www.customs.gov.kh>

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

[Return to top](#)

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

## **Temporary Entry**

[Return to top](#)

A certain number of goods may be temporarily imported. These commodities need to be re-exported within a certain period as specified by the Cambodian Customs Law. The commodities can be granted partial or full exemption from payment of import duties and taxes. Importers should contact the Customs Administration to ensure re-exportation within the specified period. The Customs Administration may require the importers to pay a security deposit 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 General Department of Customs and Excise's website: [http://www.customs.gov.kh/temp\\_admission.html](http://www.customs.gov.kh/temp_admission.html)

## **Labeling and Marking Requirements**

[Return to top](#)

Labels or marks are not mandatory for all imports. However, all regulated products must have a label or mark issued by the Institute of Standards of Cambodia (ISC) and these products must be registered. The 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 the 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: <http://www.isc.gov.kh>

## Prohibited and Restricted Imports

[Return to top](#)

Cambodia currently prohibits the commercial importation of the following products: narcotics, psychotropic substances and their precursors, toxic waste and poisonous chemicals and substances, and certain pesticides. Government regulations also prohibit the import 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 avian influenza, 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 ministries or technical agencies. Import permits or licenses are 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. Other special requirements apply to imports of food products and pharmaceuticals to 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: <http://www.interior.gov.kh>
- National Laboratory for Drug Quality Control, Ministry of Health: <http://www.moh.gov.kh>

## Customs Regulations and Contact Information

[Return to top](#)

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: <http://www.customs.gov.kh>

## Standards

[Return to top](#)

- [Overview](#)
- [Standards Organizations](#)
- [Conformity Assessment](#)
- [Product Certification](#)
- [Accreditation](#)
- [Publication of Technical Regulations](#)

- [Labeling and Marking](#)
- [Contacts](#)

## Overview

[Return to top](#)

Cambodia adopted the Law on Standards of Cambodia in 2007 to improve the quality of products, services and management; raise and rationalize production efficiency; ensure fair and simplified trade; rationalize product use; and enhance consumer protection and public welfare. Several government bodies and agencies share oversight and control over these standards.

## Standards Organizations

[Return to top](#)

The Department of Industrial Standards of Cambodia (ISC) was officially established in January 2009. ISC drafts laws and regulations, conducts production surveillance, provides supervision and technical support, provides training and consultancy to help companies register and certify their products, disseminates technical regulations, and develops national standards for products and management. The Ministry of Health is charged with prescribing standards, quality control, distribution, and labeling requirements for pharmaceuticals, medical equipment, and cosmetics. The Ministry of Agriculture, Forestry and Fisheries is responsible for agricultural products. The National Standards Council (NSC), established in 2009, leads coordination of development of national standards, advises the ISC the criteria and procedures pertinent to the preparation, approval, acceptance and selection of the standards, and considers and approves proposals for Cambodian standards prepared and recommended by ISC to develop, adopt, review, revise and cancel Cambodian standards. The NSC is chaired by the Minister of Industry, Mines and Energy, with representatives from relevant technical line ministries, including Ministry of Agriculture, Forestry and Fisheries, Ministry of Health, and Ministry of Commerce. Overall, the NSC is the national secretariat which oversees, regulates, verifies, and adopts or certifies standards proposed by each technical ministry. The mandate of the NSC is to ensure quality and standard conformity with national and international standards.

□ Institute of Standards of Cambodia (of Ministry of Industry, Mines, and Energy)  
Website: <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 Internet URL: <http://www.nist.gov/notifyus/>

## Conformity Assessment

[Return to top](#)

The ISC develops national standards, performs conformity assessment, inspects and controls the quality of laboratories, and certifies product and service standards and compliance for locally consumed goods and export goods. It helps rectify minor errors in standards compliance. The Ministry of Health and the 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, the ISC has a mandate to supervise and provide technical support to the line ministries to help these ministries develop their standards to conform to national standards. The ISC also tests for compliance with mandatory Cambodian standards, conducts conformity assessment and production surveillance, and monitors and verifies the compliance of the technical regulations by each respective ministry/agency. Other services provided include education, training, consultancy, and dissemination of technical information on standards and quality.

## Product Certification

[Return to top](#)

The responsibility for establishing industrial standards and certifications resides with the ISC. Certification includes product standard compliance, product safety standard compliance, and production and service management system compliance. 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 strictly inspected standard compliance or regularly certified product standards for both locally consumed goods and products for export. It has not suspended, withdrawn, or revoked any product certificate or license.

## Accreditation

[Return to top](#)

The 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

[Return to top](#)

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 <http://www.isc.gov.kh>
- General Directorate of Royal Gazettes and Computer Services, Office of the Council of Ministers: <http://www.pressocm.gov.kh>

## Labeling and Marking

[Return to top](#)

For information on standards related to this issue, see “Labeling and Marking Requirements” earlier in Chapter 5: Trade Regulations, Customs and Standards.

## Contacts

[Return to top](#)

Further information can be obtained from the website of the Institute of Standards of Cambodia at <http://www.isc.gov.kh>

The U.S. Embassy point of contact on standards-related issues is Commercial Specialist Sokros Chann: (855) 23728158, [ChannS@state.gov](mailto:ChannS@state.gov)

## Trade Agreements

[Return to top](#)

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 signed numerous trade agreements, including the U.S.-Cambodia Trade and Investment Framework Agreement (TIFA) in 2006, and several rounds of discussion have been held since to promote greater trade and investment between the two countries and to help monitor and support Cambodia’s efforts to implement its WTO commitments. The TIFA also provides a forum to address bilateral trade issues and allows us to coordinate on regional and multilateral issues. Additional information on trade agreements can be found at:

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

## Web Resources

[Return to top](#)

- Institute of Standards of Cambodia of Ministry of Industry, Mines and Energy  
<http://www.isc.gov.kh>
- General Directorate of Royal Gazettes and Computer Services, Office of the Council of Ministers <http://www.pressocm.gov.kh>
- General Department of Customs and Excise  
<http://www.customs.gov.kh>
- Ministry of Interior  
<http://www.interior.gov.kh>

- National Laboratory for Drug Quality Control, Ministry of Health  
<http://www.moh.gov.kh>
- Bilateral Trade Department of Ministry of Commerce  
<http://www.moc.gov.kh>
- Cambodian Investment Board of the Council for the Development of Cambodia  
<http://www.cambodiainvestment.gov.kh>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 6: Investment Climate

- [Openness to Foreign Investment](#)
- [Conversion and Transfer Policies](#)
- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
- [Transparency of Regulatory System](#)
- [Efficient Capital Markets and Portfolio Investment](#)
- [Competition from State Owned Enterprises](#)
- [Corporate Social Responsibility](#)
- [Political Violence](#)
- [Corruption](#)
- [Bilateral Investment Agreements](#)
- [OPIC and Other Investment Insurance Programs](#)
- [Labor](#)
- [Foreign-Trade Zones/Free Ports](#)
- [Foreign Direct Investment Statistics](#)
- [Web Resources](#)

### Openness to Foreign Investment

[Return to top](#)

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. In a few sectors, foreign investment is subject to conditions, local equity participation, or prior authorization from authorities. These include the manufacturing of cigarettes, movie production, rice milling, exploitation of gemstones, publishing and printing, radio and television, manufacturing wood and stone carvings, and silk weaving. 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-a-vis 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.

#### *Rankings*

The following table lists Cambodia's most recent rankings by organizations that monitor economies' economic freedom, business regulations, and perceived level of corruption.

Measure	Year	Index/Ranking
TI Corruption Index	2011	164/ 183
Heritage Economic Freedom	2011	57.9/179

World Bank Doing Business	2012	138/183
MCC Govt Effectiveness	2011	0.16/60 percent
MCC Rule of Law	2011	-0.12/42 percent
MCC Control Corruption	2011	-0.41/21 percent
MCC Fiscal Policy	2011	-0.8/77 percent
MCC Trade Policy	2011	70.0/58 percent
MCC Regulatory Quality	2011	0.32/76 percent
MCC Business Start Up	2011	0.852/17 percent
MCC Land Rights Access	2011	0.642/62 percent
MCC Natural Resource Mgmt	2011	67.52/66 percent

### **Conversion and Transfer Policies**

[Return to top](#)

There are no restrictions on the conversion of capital for investors. The Foreign Exchange Law allows the National Bank of Cambodia (NBC) to implement exchange controls in the event of a foreign exchange crisis. In the event of such a crisis, the NBC may issue regulations to be implemented for a maximum period of three months, imposing certain temporary restrictions on the activity of authorized intermediaries, or their foreign exchange position, or any loans in domestic currency extended to nonresidents. The Department of State 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.

### **Expropriation and Compensation**

[Return to top](#)

Land rights are a contentious issue in Cambodia, complicated by the fact that most property holders do not have legal documentation of their ownership rights as a result of the Khmer Rouge era. Numerous cases have been reported of influential individuals or groups acquiring land titles or concessions through political and/or financial connections, and then using strong arm measures to displace communities to make way for commercial enterprises. In late 2009, the National Assembly approved the Law on Expropriation which sets broad guidelines on land-taking procedures for public interest purposes. It defines public interest activities to include 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. Property can also be expropriated for natural disasters and emergencies, as determined by the government. Legal procedures regarding compensation and appeals are expected to be established in a forthcoming sub-decree. The Department of State is not aware of any cases in which Cambodia has expropriated a U.S. investment.

### **Dispute Settlement**

[Return to top](#)

American investors are generally reluctant to resort to the Cambodian judicial system to resolve commercial disputes because the courts are perceived as unreliable and susceptible to external political and commercial influence. The local and foreign

business community reports frequent problems with inconsistent judicial rulings, corruption, and difficulty enforcing judgments. For these reasons, most commercial disputes are currently resolved by negotiations facilitated by the Ministry of Commerce, the Cambodian Chamber of Commerce, and other concerned institutions.

Cambodia adopted a Commercial Arbitration Law in 2006. In 2010, the government established the National Arbitration Center, Cambodia's first alternative dispute resolution mechanism, to enable companies to resolve commercial disputes more quickly and inexpensively than through the court system. However, official operation of the center has been delayed until early 2012. Commercial disputes can also be resolved through international arbitration. In 2009, the World Bank's International Center for the Settlement of Investment Disputes (ICSID) approved a U.S. investor's Request for Arbitration in a case against the Kingdom of Cambodia; the case is ongoing.

## **Performance Requirements and Incentives**

[Return to top](#)

In 2003, Cambodia amended its Law on Investment. The amended law creates regimes for profit (20 percent), salary (5 to 20 percent), withholding (4 to 15 percent), value-added (10 percent) and excise taxes (rates vary). While some incentives have been eliminated, the law provides a simplified, more transparent, and faster mechanism for investment approval. Investors who wish to take advantage of investment incentives must submit an application to the Cambodian Investment Board (CIB), the division of the Council for the Development of Cambodia (CDC) charged with reviewing investment applications. The September 2005 Sub-Decree on the Implementation of the Amendment to the Law on Investment details investment activities that are excluded from incentives. 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 excluded in the production of certain products with an investment of less than USD 500,000 such as food and beverages; textiles, garments and footwear; and plastic, rubber, and paper products. The sub-decree does not require investors to place a deposit guaranteeing their investment except in cases in which the deposit is required in a concession contract or real estate development project. Investors who wish to apply are required to pay an application fee of seven million riel (approx. USD 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 to the Council of Ministers for approval investment proposals with an investment capital of USD 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.

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

[Return to top](#)

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, only Cambodian citizens or legal entities have the right to own land. Under the 2001 Land Law, foreign investors may secure control over land through concessions, long-term leases, or



renewable short-term leases. Qualified investors approved by the CDC 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. In 2010, Cambodia adopted a law allowing limited foreign ownership in multi-story buildings from the second floor up, such that ownership may not exceed 70 percent of the area size of all private units of the co-owned building. Foreigners are not authorized to acquire ownership rights in buildings located within 30 kilometers of the land borders of Cambodia except in Special Economic Zones and in other areas, as determined by the government.

## **Protection of Property Rights**

[Return to top](#)

Cambodia has adopted legislation concerning the protection of property rights, including the Land Law, the Law on Copyrights, and the 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. Cambodia is a party to the ASEAN Framework Agreement on Intellectual Property Cooperation. Cambodia has also concluded bilateral agreements on intellectual property protection and cooperation with the United States and Thailand.

**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 in which 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):** Cambodia's IPR legal regime is in compliance with its WTO member commitments. Copyrights are governed by the Law on Copyrights and Related Rights, which was enacted in January 2003. Trademarks are governed by the Law Concerning Marks, Trade Names and Acts of Unfair Competition, which was enacted in 2002. A patent law was enacted in 2003. 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. 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. In 2008, the Business Software Alliance estimated a 95 percent software piracy rate in Cambodia which cost the industry USD 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. An inter-ministerial committee was established to combat piracy of VCDs and DVDs in the domestic market. Infringement complaints may be made to the

Economic Police, Customs, CamControl, or the Ministry of Commerce. However, the division of responsibility among each agency has not been clearly defined. The National IPR Committee has tasked its Sub-Committee on Enforcement to address this issue.

### **Transparency of Regulatory System**

[Return to top](#)

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. 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

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

[Return to top](#)

The Cambodian government does not use regulation of capital markets to restrict foreign investment. Domestic financing is difficult to obtain at competitive interest rates. Banks have been free to set their own interest rates since 1995. The average annual interest rate on loans stood at 14.87 percent by September 2011. A 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. Overall bank lending increased by 26.7 percent in 2010 to USD 3.18 billion. The ratio of non-performing loans dropped to 3 percent at the end of 2010, compared to 6 percent in 2009. Complete figures for 2011 are not yet available.

In January 2008, Cambodia's banks were given their first-ever risk assessment from Standard & Poor's of a "B+/B" rating with stable outlook. Their placement was alongside that of banks in Venezuela, Bolivia, Ukraine, and Jamaica. In 2008, the NBC raised the minimum capital reserve requirements for banks from USD 13 million to USD 37.5 million. By the end of 2011, the banking system in Cambodia consisted of 33 commercial banks, 6 specialized banks (banks set up to finance specific turn-key projects such as real estate development), 27 licensed microfinance institutions, of which 7 were licensed microfinance deposit taking institutions, and 28 registered rural credit operators. Total assets in the banking system grew by 28 percent in 2010 reaching USD 6.3 billion, an equivalent of 56% to GDP. Such growth was largely due to the capital of new entrant banks and additional customer deposits. Cambodia is moving to address the need for capital markets. The Cambodian Securities Exchange launched in July 11, 2011. Three state-owned enterprises -- the Autonomous Port of Sihanoukville, Telecom Cambodia, and the Phnom Penh Water Supply Authority -- are preparing for initial public offerings but trading is not expected until 2012. In November 2006, the National Assembly passed legislation to permit the government to issue bonds and use the capital to make up budget deficits. However no bonds have been issued since 2007 and Prime Minister Hun Sen said 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.

## **Competition from State Owned Enterprises**

[Return to top](#)

Cambodia has several state-owned enterprises and two joint-venture enterprises with a majority state holding. These include seven rubber plantations; the Agricultural Inputs Company which is engaged in the importation, purchase and sale of agricultural products; the Green Trade Company which manages Cambodia's national reserve of rice through purchases and sales made at market prices; infrastructure operating companies such as the Phnom Penh Water Supply, the Electricity Authority of Cambodia, the Rural Development Bank; and two joint-venture companies – telecommunication operator Camintel and the Cambodian Pharmaceutical Enterprise. Currently, the country does not have a sovereign wealth fund. Each SOE is under the supervision of a line ministry or government institution and is overseen by a board of directors drawn from among senior government officials. Private enterprises are generally allowed to compete with public enterprises under the same terms and conditions. Cambodia has yet to pass the Law on Competition as part of its WTO accession obligations. Under the draft law, a National Committee on Competition will be established.

## **Corporate Social Responsibility**

[Return to top](#)

Corporate social responsibility (CSR) is a new concept to Cambodia and is not widely understood among local producers or consumers. However, certain labor and social standards have been established in key industries, particularly in the garment sector. Under the terms of the 1999 U.S.-Cambodia Trade Agreement, the U.S. government committed to increase the size of Cambodia's garment export quota if the country demonstrated improvements in labor standards. This was the first bilateral trade agreement to positively link market access with progress in compliance with labor obligations. Currently labor standard monitoring in the garment sector is conducted by the International Labour Office (ILO) in coordination with the government. The ILO project succeeded in improving compliance with labor standards, virtually eliminating the worst labor abuses such as forced labor and child labor within the garment sector. Socially responsible businesses continue to source garments from Cambodia due to its well-deserved reputation for high labor standards. Currently, the ILO's Better Work and Better Factories Cambodia program is developing a training package on planning and implementing the transition of the inspections regime towards substantial compliance with international labor standards such as the OECD Guidelines for Multinational Enterprises. In addition, several multinational enterprises conduct CSR programs in Cambodia that are viewed favorably by the local community.

## **Political Violence**

[Return to top](#)

The risk of political violence directed at foreign companies operating in Cambodia is small. Some violent protests have occurred in the past, such as anti-Thai riots in 2003 against the Embassy of Thailand and Thai-owned commercial establishments. However, the Department of State is unaware of any recent incidents directed at American or other Western interests.

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. Public sector salaries range from USD 25-60 per month for working level officials. Although there is an annual salary increase of 10-15 percent, 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 significant irregularities.

The Anti-corruption Law was adopted in 2010 with the objective to combat corruption through education, prevention, and law enforcement with public participation and support and international cooperation. Under the new law, all civil servants are obligated to declare their financial assets to the government every two years. The newly formed Anti-Corruption Unit launched several high-profile prosecutions against public officials, including members of the judiciary, in 2011.

**Assistance for U.S. Businesses:** The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company's overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at [www.trade.gov/cs](http://www.trade.gov/cs).

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department's Advocacy Center and State's Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center "Report A Trade Barrier" Website at [tcc.export.gov/Report\\_a\\_Barrier/index.asp](http://tcc.export.gov/Report_a_Barrier/index.asp).

**Guidance on the U.S. FCPA:** The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at [www.justice.gov/criminal/fraud/fcpa](http://www.justice.gov/criminal/fraud/fcpa). Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html). More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic

laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

*POST INPUT: Public sector corruption, including bribery of public officials, [remains a major/minor challenge for U.S. firms operating in xxx xxx. Insert country specific corruption climate, enforcement, commitment and information about relevant anticorruption legislation.*

## **Anti-Corruption Resources**

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: [http://www.oecd.org/departement/0,3355,en\\_2649\\_34859\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html). See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html).
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2009](http://www.transparency.org/policy_research/surveys_indices/cpi/2009). TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of

the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.

- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

## **Bilateral Investment Agreements**

[Return to top](#)

Cambodia has signed bilateral investment agreements with Australia, 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, Bulgaria, Burma, Egypt, Hungary, Libya, Malta, Qatar, 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 prompt, adequate and effective compensation at the fair market value of the property prior to expropriation. The agreements also guarantee repatriation of investments and provide for settlement of investment disputes via arbitration. In July 2006, Cambodia signed a Trade and Investment Framework Agreement (TIFA) with the United States to promote greater trade and investment in both countries and provide a forum to address bilateral trade and investment issues.

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

[Return to top](#)

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. The Export-Import Bank of the United States (Ex-Im Bank) provides financing for purchases of U.S. exports by private-sector buyers in Cambodia on repayment terms of up to seven years. Ex-Im Bank support typically will be limited to transactions with a commercial bank functioning as an obligor or guarantor; however, it will consider transactions without a bank undertaking on a case-by-case basis.

Approximately 65 - 70 percent of the labor force is engaged in subsistence agriculture. Around 300,000 people, the majority of whom are women, are employed in the garment sector. An additional 300,000 Cambodians are employed in the tourism sector, and a further 50,000 people in construction. 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 since Cambodia suffers from a large demographic imbalance. According to the 2008 General Population Census of Cambodia, Cambodia's annual population growth rate is 1.54 percent. Over 70 percent of the population is under the age of 30. As a result, over the next decade at least 275,000 new job seekers will enter the labor market each year. 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. The Cambodia Socio-Economic Survey conducted in 2004 found that about 12 percent of the labor force had completed at least an elementary education. Only 1.2 percent of the labor force had completed post-secondary education. The 2009-2010 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.

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. As of October 2010, the minimum wage for garment and footwear workers was officially set at USD 61 per month. In November 2011, to help workers meet basic needs like health care, the government awarded a USD 5 per month pay raise starting in January 2012, thus bringing the minimum monthly wage up to USD 66. 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 daytime wages.

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. Collective labor disputes between employers and employees could be resolved through conciliation and arbitration by the arbitration council which is an independent, national institution with quasi-judicial authority derived from Cambodian labor law. The U.S. government, the ILO, and others are working closely with 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 United States granted to Cambodia. While the quota regime ended on January 1, 2005, a "Better Factories" program continues to build on the labor standards established.

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. The government adopted the Sub-Decree on Special Economic Zones which define SEZs and establishes the rules under which they operate. In late December 2005, the Council of Ministers passed the 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) had approved 22 SEZs by the end of 2011, of which 14 were established and five are in operation, located near the borders of Thailand and Vietnam, and in Phnom Penh, Kampot, and Sihanoukville. Main sectors of investment include garments, shoes, bicycles, food processing, and electrical equipment industries.

## Foreign Direct Investment Statistics

[Return to top](#)

Foreign direct investment (FDI) registered capital into Cambodia has been modest since 1998, with an average inflow of USD 180 million in the period 1998-2010. 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. By October 2011, investment was concentrated in the following sectors: agriculture (46.89 percent), garment factories (32 percent), tourism (5.13 percent), mining (3.52 percent) and telecommunication (0.29 percent).

Figures from the CDC for registered capital of approved projects, including domestic investment, and broken down 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, by Country of Origin  
August 1994 to October 2011 (Source: CDC)

Countries	USD million	Pct
Malaysia	1,605.7	26.76
Cambodia	1,605.1	26.75
China	680.9	11.35
Taiwan	471.0	7.85
Vietnam	259.5	4.33
Korea	225.0	3.75
Thailand	218.9	3.65
Singapore	207.0	3.45
Hong Kong	152.3	2.54
United Kingdom	128.1	2.14
United States	77.4	1.29
Canada	65.3	1.09
Australia	57.6	0.96
Indonesia	55.7	0.93
Others	190.5	3.18
<b>Total</b>	<b>6,000.1</b>	<b>100</b>



The CDC has registered approximately USD 77.4 million in U.S. investment since August 1994. Caltex has a nationwide 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; GE Health Care and GE Consumer and Industrial have local distributors, and Chevron is actively exploring offshore petroleum deposits. W2E Siang Phong Co., Ltd., a joint venture between U.S. and Dutch investors, invested in biogas power generation. 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 USD 100 million and USD 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 fundraising success and widespread 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 (CAMS) (France), Smart Mobil Phone (Malaysia), Shinawatra Mobile Phone (Singapore), Thakral Cambodia Industries (Singapore), Petronas Cambodia (Malaysia), Charoeun Pokphand (Thailand), Siam Cement (Thailand), Bank of China (China), and Cambrew (Malaysia).

Since 2007, several well known U.S. companies opened or upgraded their presence in Cambodia. General Electric and DuPont have 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 Group (petroleum, tourism, garments), Royal Group of Companies (telecommunication and information technology, banking and insurance, media and entertainment, hotel and resort, properties and development, trading, transportation), AZ Distribution (construction, telecommunication), Mong Rethy Groups (construction, agro-industry, rubber and palm oil 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 2009 Acleda Bank opened its first bank branch outside of Cambodia in Laos and has announced plans for further expansion into Vietnam and China. Statistics on Cambodian investment overseas are not available, but such investments are likely minimal.

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

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

[Return to top](#)

Letters of Credit are the most common method used to facilitate payment, and preferred over bank guarantees, cash-in advance, and open accounts. 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, Open Account, Consignments, Cash-in-Advance 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. Private commercial banks 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. Commercial banks in Cambodia may use an external credit rating agency, such as Standard & Poor's.

### **How Does the Banking System Operate**

[Return to top](#)

Cambodia's banking sector is rapidly expanding, with 33 commercial banks, 6 specialized banks, and 27 licensed Microfinance Institutions (MFIs). Four banks—Cambodia Public Bank, Acleda Bank, Canadia Bank, and ANZ Royal—account for roughly 69 percent of all bank deposits. Total assets as of August 2011 were approximately US\$7.6 billion, of which loans accounted for about 51 percent. Loans made to services and the wholesale and retail sectors accounted for over 50 percent of total loans. Despite an increase in the use of banking and finance systems, overall lending and banking activities remain relatively low due to lack of trust and prohibitively high interest rates on loans. Economists note that while a typical country would have a bank deposit to GDP ratio of roughly 60 percent, Cambodia's ratio is only 42 percent (August 2011).

### **Foreign-Exchange Controls**

[Return to top](#)

Under the 1997 Foreign Exchange Law, there is no restriction on foreign exchange operations, including the purchase and sale 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= 4,050 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 US\$10,000 or equivalent to be reported to the Customs authorities at the border crossing point and the 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.

## U.S. Banks and Local Correspondent Banks

[Return to top](#)

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

[Return to top](#)

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 deposits in U.S. dollars ranges from 2-4.5 percent. The average interest rate on loans in U.S. dollars is approximately 16-17 percent. 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.

In June 2009, President Obama determined that Cambodia is no longer a Marxist-Leninist economy, as defined under section 2(b)(2B)(i) of the Export-Import Bank (Ex-Im Bank) Act of 1945, removing the long-standing determination which had prohibited the Ex-Im Bank from providing financing in Cambodia. The Ex-Im Bank now offers financing for the purchase of U.S. exports for private-sector buyers in Cambodia for the short-term (repayment up to one year) and the medium-term (repayment from one to seven years). Ex-Im Bank's support typically will be limited to transactions with a commercial bank functioning as an obligor or guarantor. Additionally, 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.

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 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. Cambodia is a member of the Multilateral Investment Guarantee Agency (MIGA) of the World Bank, which offers political-risk insurance to foreign investors. The International Monetary Fund (IMF) and other banks, such as Japan Bank for International Cooperation (JBIC), have also provided loans to finance the government's Public Investment Programs. In 1966, Cambodia became a member of the Asian Development Bank (ADB). Since the early 1990s, ADB has approved US\$1,482.5 million in loans as of December 2011 in a variety of sectors, but with emphasis on infrastructure, including road, rail 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. The Bank of China recently started to provide private loans to a Cambodian telecommunication firm.

## **Web Resources**

[Return to top](#)

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: [http://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: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

Multilateral Investment Guarantee Agency (MIGA): <http://www.miga.org>

Angkor Capital Bank Plc: <http://www.angkorcapitalbank.com>

Asian Development Bank (ADB): <http://www.adb.org>

Acleda Bank Plc: <http://www.acledabank.com.kh>

ANZ Bank: <http://www.anzroyal.com>

Campu Bank: <http://www.campubank.com.kh>

Canadia Bank: <http://www.canadiabank.com>

Foreign Trade Bank: <http://www.ftbbank.com>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 8: Business Travel

- [Business Customs](#)
- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
- [Transportation](#)
- [Language](#)
- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Temporary Entry of Materials and Personal Belongings](#)
- [Web Resources](#)

### **Business Customs**

[Return to top](#)

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.

The “Sampeah” – placing your palms 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 Sampeah greeting. 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

[Return to top](#)

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

[Return to top](#)

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

<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 evaluations are handled via an interagency process. Visa applicants should go to the following links.

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

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

[Return to top](#)

Telephone (landlines as well as cell phones), fax, Internet, and telegram services are available in Cambodia. International telephone charges are relatively expensive compared to other countries in the region. Cell phone service covers most areas throughout the country and is provided by several companies, including M Fone (<http://www.mfone.com.kh>), Mobitel (<http://www.mobitel.com.kh>), Hello (<http://www.hellogsm.com.kh>), and Beeline (<http://www.beeline.com.kh>). International roaming service for mobile phones is available but can be 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 and is free of charge in many restaurants and cafés.

## Transportation

[Return to top](#)

Cambodia has three airports: Phnom Penh International Airport, Siem Reap International Airport, and Sihanoukville Airport. These three airports have been upgraded over recent years with modern terminals. Domestic air service links Phnom Penh with Siem Reap and Siem Reap with Sihanoukville.

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. There have been notable improvements to the Cambodian road network over the last several years. 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 of road accidents. 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.

Cambodia has an international and commercial deepwater port at Sihanoukville.

<http://www.pas.gov.kh/>

## Language

[Return to top](#)



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

[Return to top](#)

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, Business Hours, and Holidays

[Return to top](#)

### 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 2012

January 1	International New Year's Day
January 7	Victory over Genocide Regime
February 7	Meaka Bochea Day
March 8	International Women's Day
April 13, 14, 15	Khmer New Year's Days
May 1	International Labour Day
May 5	Visaka Bochea Day
May 9	Royal Ploughing Ceremony
May 13, 14, 15	Birthday of His Majesty Preah Bat Samdech Preah Boromneath NORODOM SIHAMONI, King of Cambodia
June 1	International and Cambodian Children's Day
June 18	Birthday of Her Majesty the Queen-Mother NORODOM MONINEATH SIHANOUK of Cambodia
September 24	Constitution Day
October 14, 15, 16	Pchum Ben
October 29	Coronation Day of His Majesty Preah Bat Samdech Preah Boromneath NORODOM SIHAMONI, King of Cambodia
October 31	Birthday of His Majesty King Father Preah NORODOM SIHANOUK of Cambodia
November 9	Independence Day
November 27, 28, 29	Water Festival
December 10	International Human Rights Day

## **Temporary Entry of Materials and Personal Belongings**

[Return to top](#)

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

[Return to top](#)

- 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>

[Return to table of contents](#)

[Return to table of contents](#)

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

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

### Contacts

[Return to top](#)

#### U.S. AND CAMBODIAN CONTACTS

##### A – Royal Government of Cambodia

##### 1 - Key Cambodian Government Agencies

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

Address: Government Palace, Sisowath Quay, Sangkat Wat Phnom, Phnom Penh, Cambodia

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

Tel: (885) 23 427 597

(855) 23 428 954

Fax: (855)23 360-636

Email: [info@cambodiainvestment.gov.kh](mailto:info@cambodiainvestment.gov.kh)

Website: <http://www.cambodiainvestment.gov.kh>, <http://www.cdc-crdb.gov.kh>

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

Address: Lot 19-61, MOC Road (113B Road), Phum Teuk Thla, Sangkat Teuk Thla, Khan Sen Sok, Phnom Penh, Cambodia

Contact: H.E. Cham Prasidh, Minister

Tel: (855) 23 866 088

(855) 23 866 478

Fax: (855) 23 866 188

(855) 23 866 425

Email: [moccab@moc.gov.kh](mailto:moccab@moc.gov.kh)

Website: <http://www.moc.gov.kh>

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

Address: # 45, Preah Norodom Blvd., Phnom Penh, Cambodia

Contact: H.E. Suy Sem, Minister

Tel: (855) 23) 211 759

(855) 23 211 751

Fax: (855) 23 210 272

Email: [industry@camnet.com.kh](mailto:industry@camnet.com.kh)/ [mine@cambodia.gov.kh](mailto:mine@cambodia.gov.kh)

Website: <http://www.mine.gov.kh>

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

Address: Preah Norodom Blvd., Phnom Penh, Cambodia

Contact: H.E. Tram Iv Tek, Minister

Tel: (855)23427 845

Fax: (855) 23 426 640 Email: [info@mpwt.gov.kh](mailto:info@mpwt.gov.kh)

Website: <http://www.mpwt.gov.kh>

### **Ministry of Agriculture, Forestry and Fisheries**

Address: #200, Preah Norodom Blvd., Sangkat Tonle Bassac, Khan Chamkarmon, Phnom Penh, Cambodia

Contact: H.E. Chan Sarun, Minister

Tel: (855) 23211 351

(855) 23 211 352

Fax: (855) 23 217-320

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

Website: <http://www.maff.gov.kh>

### **Ministry of Posts and Telecommunications**

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

Contact: H.E. So Khun, Minister

Tel: (855) 23426-510

(855) 23 724 809

Fax: (855) 23 426 011

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

Website: <http://www.mptc.gov.kh>

### **Ministry of Tourism**

Address: #46, Street 205 Corner 388, Toul Svay Prey II, Khan Chamkarmon, Phnom Penh, Cambodia

Contact: H.E. Thong Khon, Minister

Tel: (855) 23 884 974 (Department of Administration & General Affairs)

(855) 23 880 539 (Department of Marketing & Promotion)

Fax: (855) 23 424 569

Email: [info@tourismcambodia.org](mailto:info@tourismcambodia.org)

Website: <http://www.mot.gov.kh>

### **Ministry of Economy and Finance**

Address: #60, Street 92, Sangkat Wat Phnom, Phnom Penh, Cambodia

Contact: H.E. Keat Chhon, Minister

Tel: (855) 23 724 664

Fax: (855) 23 427 798

Email: [admin@mef.gov.kh](mailto:admin@mef.gov.kh)

Website: <http://www.mef.gov.kh>

### **General Department of Customs and Excise**

Address: # 6-8, Preah Norodom Blvd., Sangkat Phsar Thmei III, Khan Daun Penh, 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: <http://www.customs.gov.kh>

### **Municipality of Phnom Penh**

Address: #69, Preah Monivong Boulevard, Sangkat Srah Chak, Khan Daun Penh, Phnom Penh

Contact: H.E. Kep Chuktema, Governor

General Information

Tel: (855) 23 722 054

Fax: (855) 23 725 626

Public Relations and International Cooperation Office

Tel: (855) 23 430 681

Fax: (855) 23 430 681

Email: [info@phnompenh.gov.kh](mailto:info@phnompenh.gov.kh)

Website: <http://www.phnompenh.gov.kh>

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

Address: # 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/

(855) 23 722 563

Fax: (855)23 426-117

Email: [info@nbc.org.kh](mailto:info@nbc.org.kh)

Website: <http://www.nbc.org.kh>

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

### **Cambodian Embassy in the USA**

Royal Embassy of Cambodia

4530 16th Street, NW

Washington, DC 20011Tel: (202) 726 7742

Fax: (202) 726 8381

Contact: H.E. Mr. Hem Heng, Ambassador

Email: [cambodian\\_embassydc@hotmail.com](mailto:cambodian_embassydc@hotmail.com)

Website: <http://www.embassyofcambodia.org>

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

Address: 327 East 58th Street, New York, N.Y. 10022

Tel: (212) 336-0777 / 759-7129

Fax: (212) 759-7672

Contact: H.E. Dr. Sea Kosal

Email: [cambodia@un.int](mailto:cambodia@un.int)

Website: <http://www.cambodiaun.org/>

## **B – U.S. Government Contacts**

### **United States Embassy Phnom Penh**

Cambodian Mailing Address: #1, St. 96, Phnom Penh, Cambodia

U.S. Mailing Address: Unit 8166, Box P, APO AP 96546

Chargé d’Affaires, a.i.: Jeff Daigle

Economic/Commercial Officer: Ms. Jenny Malheiro

Tel: (855) 23 728-401

E-mail: [MalheiroJH@state.gov](mailto:MalheiroJH@state.gov)

Economic/Commercial Specialist: Mr. Chheng Kimlong

Tel: (855) 23 728-116  
Fax: (855) 23 728-800  
E-mail: [ChhengK@state.gov](mailto:ChhengK@state.gov)  
Commercial Specialist: Ms. Chann Sokros  
Tel: (855) 23 728-158  
Fax: (855) 23 728-800  
Email: [channs@state.gov](mailto:channs@state.gov)  
Website: <http://cambodia.usembassy.gov/>

**United States Commercial Service Trade Information Center**

(Washington, DC)  
Tel: (800) USA-TRADE  
Fax: (202) 482-4473  
Website: <http://www.ita.doc.gov>

**United States Commercial Service**

U.S. Embassy Bangkok  
Address: 3<sup>rd</sup> Floor, Room 302, GPF Witthayu Tower A, 93/1 Wireless Rd., Bangkok  
10330, Thailand  
Contact: Michael L. McGee, Commercial Counselor  
Tel: [66](2) 205-5280  
Fax: [66](2) 255-2915  
E-Mail: [Michael.McGee@trade.gov](mailto:Michael.McGee@trade.gov)  
Website: [www.export.gov/thailand](http://www.export.gov/thailand)

**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: <http://www.exim.gov>

**Overseas Private Investment Corporation (OPIC)**

Address: 1100 New York Avenue NW, Washington, DC 20527, USA  
Mr. Bruce Cameron, Business Development Officer  
Tel: (202) 336-8745  
Fax: (202) 408-5154  
E-Mail: [Bcame@opic.gov](mailto:Bcame@opic.gov)  
Website: <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: <http://www.adb.org>

**Asian Development Bank (ADB) – Cambodia Resident Mission**

Address: # 29, Suramarit Boulevard, Sangkat Chaktomuk, Khan Daun Penh, Phnom Penh

Tel: (855) 23 215-805 / 215 806 / 216 417

Fax: (855) 23 215-807

Email: [adbcarm@adb.org](mailto:adbcarm@adb.org)

Website: <http://www.adb.org/cam>

**International Finance Corp. (IFC)**

Address: 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: <http://www.ifc.org>

**International Finance Corp. (IFC) – Cambodia Office**

Address: #70, Norodom Blvd., Sangkat Chaktomuk, Phnom Penh

Tel: (855) 23 210-922

Fax: (855) 23 215-157

Website: <http://www.ifc.org>

**Multilateral Investment Guarantee Agency (MIGA)**

Address: 1818 H St. NW, Washington, DC 20433 USA

Tel: 202-458-2538

Fax: 202-522-2630

Website: <http://www.miga.org>

**D – Local Business Associations**

**Cambodia Chamber of Commerce**

Address: Building Address: #7D7, Russian Address: Blvd, (st.110), Sangkat Toek Laak I, Khan Toul Kok, Phnom Penh, Cambodia

Contact: Okhna Kith Meng, President

Tel: (855) 23 880 795

Fax: (855) 23 881 757

Email: [info@ccc.org.kh](mailto:info@ccc.org.kh)

Website: <http://www.ccc.org.kh>

**Cambodia Association of Travel Agents (CATA)**

Address: #65, Street 240, Sangkat Chaktomuk, Khan Daun Penh, Phnom Penh, Cambodia

Tel: (855) 23 212 421

Fax: (855) 23 216 212

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

Website: <http://www.cata.org.kh>

**Cambodia Constructors' Association**

Address: Canadia Tower, 315, Ang Duong St, (Corner of Monivong Blvd), Phnom Penh, Cambodia

Contact: Mr. Pung Kheang Se President



Tel: (855) 23 868 222

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

Address: # 44A, Street 320, Sangkat Boeung Keng Kang III, Khan Chamkar Morn, Phnom Penh, Cambodia

Contact: Mr. Som Chamnan, Executive Manager

Tel: (855) 23 222-186

Fax: (855) 23 222-185

E-mail: [camfeba@camfeba.com](mailto:camfeba@camfeba.com)

Website: <http://www.camfeba.com>

**Cambodia Hotel Association**

Address: #128F, Sothearos Blvd, Corner of Russian Embassy, Phnom Penh, Cambodia

Contact: Luu Meng, President

Tel: (855) 16 9100 22

Email: [info@cambodiahotelassociation.com.kh](mailto:info@cambodiahotelassociation.com.kh)

Website: <http://www.cambodiahotelassociation.com.kh/>

**Garment Manufacturers Association in Cambodia**

Address: #175, Street 215, Phsar Dem Kor Quarter, Toul Kok District, Phnom Penh, Cambodia

Contact: Mr. Van Sou Ieng, Chairman

Dr. Ken Loo, Secretary General

Tel: (855) 12 563 082

(855) 23 301 181

Fax: (855) 23 882 860

Email: [info@gmac-cambodia.org](mailto:info@gmac-cambodia.org)

Website: <http://www.gmac-cambodia.org>

**Federation of Cambodian Rice Millers Associations**

Address: National Road No.5, Prey Kone Sek Village, Sangkat O'char, Battambang City, Battambang Province, Cambodia

Contact: Mr. Ny Lyheng, Managing Director

Tel: (855) 12 932 388/ (855) 88 932 3888

Email: [lyhengny@yahoo.com](mailto:lyhengny@yahoo.com)

**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 Legal**

Address: #64, Street 111, P.O.Box No. 172, Sangkat Boeung Prolit, Khan 7 Makara, Phnom Penh, Cambodia

Contact person: Mr. Hem HourNaryth, Managing Director

Tel: (855) 23 217 510 / (855) 23 212 740

Fax: (855) 23 212 840 / e-Fax: +1 (503) 828 9033

Email: [hnn@bngkh.net](mailto:hnn@bngkh.net) / [info@bnglegal.com](mailto:info@bnglegal.com)

Website: <http://www.bnglegal.com>

**DFDL Mekong Legal and Tax Advisers**

Address: #33, Street 294 (Corner Street 29), Sangkat Tonle Bassac, Khan Chamkarmon, Phnom Penh, Cambodia  
Contact person: Mr. Martin DeSautels, Regional Managing Partner  
Tel: (855) 23 210 400  
Fax: (855) 23 214 053  
Email: [cambodia@dfdlmekong.com](mailto:cambodia@dfdlmekong.com)  
Website: <http://www.dfdlmekong.com>

**KPMG Cambodia Limited**

Address: Delano Center, 4<sup>th</sup> Floor, No. 144, Street. 169, Sangkat Veal Vong, Khan 7 Makara, 12253, Phnom Penh, Cambodia  
Contact person: Craig McDonald, Senior Partner  
Tel: (855) 23 216 899  
Fax: (855) 23 217 279  
Email: [kpmg@kpmg.com.kh](mailto:kpmg@kpmg.com.kh)  
Website: <http://www.kpmg.com.kh>

**Morison Kak & Associé**

Address: #25, Street 360, Sangkat Boeung Keng Kang I, 12302, Phnom Penh, Cambodia  
Contact person: Mr. Key Kak, Chairman  
Tel: (855) 23 218 994  
Fax: (855) 23 218 993  
Email: [mka.audit@morisonkak.com](mailto:mka.audit@morisonkak.com)  
Website: <http://www.morisonkak.com>

**PriceWaterhouseCoopers**

Address: #35, Sihanouk Blvd, Tonle Bassac, Chamkar Morn, 12301, Phnom Penh  
Contact Person: Kuy Lim, Director  
Tel: (855) 23 218 086  
Fax: (855) 23 211 594  
Email: [lim.kuy@kh.pwc.com](mailto:lim.kuy@kh.pwc.com)  
Website: <http://www.pwc.com/kh>

**Sarin & Associates (Law Firm)**

Address: #45, Street 355, Phnom Penh  
Contact Person: Mr. Denora Sarin, Lawyer  
Mobile: (855) 98 777 007  
Tel: (855) 23 882 943  
Fax: (855) 23 882 943  
Email: [sarin-associates@camnet.com.kh](mailto:sarin-associates@camnet.com.kh)

**Sciaroni and Associates (Legal Advisors)**

Address: #24, Street 462, Sangkat Tonle Bassac, Khan Chamkarmorn, Phnom Penh, Cambodia  
Contact: Mr. Bretton Sciaroni  
Tel: (855) 23 210 225  
Fax: (855) 23 213 089  
Email: [info@sa-cambodia.com](mailto:info@sa-cambodia.com)  
Website: <http://www.sa-cambodia.com>

**United Studies Group Ltd**

Address: 1<sup>st</sup> Floor Hong Kong center, 108 – 112, Street Sothearos,  
Sangkat Chaktomuk, Khan Daun Penh, Phnom Penh, Cambodia

Contact: Mr. Christian Berger

Tel: (855) 23 636 0001

Fax: (855) 23 224 453

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

Website: <http://www.usgcambodia.com>

**F– Foreign Business Associations****American Cambodian Business Council (AmCham)**

Address: #24, Street 462, Sangkat Tonle Bassac, Phnom Penh, Cambodia

Contact: Mr. Bretton G. Sciaroni (President)

Tel: (855) 23 210 225

Fax: (855) 23 213 089

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

Website: [www.sa-cambodia.com](http://www.sa-cambodia.com)

Note: AmCham represents U.S. Business interests in Cambodia

**Australian Business Association of Cambodia (ABAC)**

Address: #20, Kramuon Sar (St.114), Corner Street 67, in ANZ Royal Bank

Contact: Mr. Derek Nayes, Secretary

Tel: (855) 12 385 157

(855) 12 797 111

Email: [abacambodia@gmail.com](mailto:abacambodia@gmail.com)

**British Business Association of Cambodia (BBAC)**

Address: Room number 153, Building A, Phnom Penh Center, Sihanouk (St. 274),  
corner of Sothearos (St.3), Phnom Penh, Cambodia Tel: (855) 23 997 492

Mobile: (855) 92 268 250 Fax: (855) 23 997 493

Email: [secretary@bbacambodia.com](mailto:secretary@bbacambodia.com)

Website: <http://www.bbacambodia.com>

**Canadian Trade Commissioner Service**

Address: # 9, Senei Vinna Vaut Oum (St. 254), Embassy of Canada, Phnom Penh,  
Cambodia

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

Fax: (855) 23 211-389

Email: [pnmpn@international.gc.ca](mailto:pnmpn@international.gc.ca)

Website: <http://www.infoexport.gc.ca/kh>

**European Chamber of Commerce (EUROCHAM)**

Address: 10<sup>th</sup> Floor, Phnom Penh Tower, #445 Monivong Blvd, Khan 7 Makara,  
Phnom Penh, Cambodia

Tel: (855) 10 801 950

Email: [info@eurocham-cambodia.org](mailto:info@eurocham-cambodia.org)

Website: <http://www.eurocham-cambodia.org>

**French Cambodian Chamber of Commerce**

Address: # 33E2, Sothearos (St.3), Corner of Preah Ang Makhak Vann (St.178),

Phnom Penh, Cambodia  
Contact: Mr. Daniel Zarba, Director  
Tel & Fax: (855) 23 221 453  
Mobile: (855) 12 801 950  
Email: [ccfc@online.com.kh](mailto:ccfc@online.com.kh)  
Website: <http://www.cfcambodge.org>

**International Business Chamber of Cambodia (IBC)/ International Business Club**

Address: # 24, Street 462, Sangkat Tonle Bassac, Khan Chamkamon, Phnom Penh  
Contact: Mr. Bretton G.Sciaroni, Chairman  
Tel: (855) 23 210-225  
Tel: (855) 23 362-670  
Fax: (855) 23 213 089  
Email: [zirconium@online.com.kh](mailto:zirconium@online.com.kh)  
[info@ibccambodia.com](mailto:info@ibccambodia.com)  
Website: <http://www.ibccambodia.com>

**Japanese Business Association of Cambodia**

Address: Unit 1721E2, Attwood Business Center, Russian Blvd, Sangkat Tek Thla, Khan Sen Sok, Phnom Penh  
Contact: Kiyotaka Doho, General Secretary  
Tel: (855) 23 866 253 Fax: (855) 23 866 220  
Email: [jimukyoku@jbac.info](mailto:jimukyoku@jbac.info)  
Website: <http://www.jbac.info>

**Korea Trade Center (KOTRA)**

Address: The Commercial Section Embassy of the Republic of Korea  
PGCT Center, Street 274, Phnom Penh  
Tel: (855) 23 214 465  
Fax: (855) 23 211 598  
Email: [kotraphn@gmail.com](mailto:kotraphn@gmail.com)  
Website: <http://www.kotra.or.kr>

**Malaysian Business Council of Cambodia (MBCC)**

Address: Holiday Villa, 89 Monivong Blvd, Sangkat Monorom, Khan 7 Makara, Phnom Penh, Cambodia  
Contact: Mr. Teh Sing, President  
Mobile: (855) 12 881 228  
Email: [mbcc.secretariat@gmail.com](mailto:mbcc.secretariat@gmail.com)  
Website: <http://www.mbccambodia.org.kh>

**Taiwan Commercial Association in Cambodia (TBAC)**

Address: #88, Duong Ngeap II Street, Sangkat Mean Chey, Khan Mean Chey Phnom Penh, Cambodia  
Contact: Mr. Chen KC, Secretary  
Tel: (855) 12 956 399  
(855) 23 982 222  
Fax: (855) 23 982 333  
Email: [tbac@camnet.com.kh](mailto:tbac@camnet.com.kh)

**Thai Business Council of Cambodia**

Address: # 196, Preah Norodom Blvd., Phnom Penh, Cambodia  
Contact: Ms. Ora Nooch Pakarat, President  
Tel: (855) 23 305 915  
Mobile: (855) 16 958 065

Email: [tbcc@mfone.com.kh](mailto:tbcc@mfone.com.kh)  
Website: <http://www.tbcccambodia.org>

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

1101, 17th Street NW, Suite 411

Washington, DC 20036

Contact: Mr. Carr Slayton

Tel: 202 289-1911

Fax 202 289-0519

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

Website: <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.

**Market Research**

[Return to top](#)

To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> 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, and is free.

**Trade Events**

[Return to top](#)

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

<http://www.export.gov/tradeevents/index.asp>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. 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
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: [www.export.gov](http://www.export.gov)

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

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.

[Return to table of contents](#)