



Trade Sector Wide Approach (Trade SWAp) Retreat 2013



INVESTMENT PROMOTION SUB WORKING GROUP

CAMBODIA



Supported by:



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Achievements in Investment Promotion



Approval of Investment Projects:

- In 2012 CDC approved 176 projects with investment capital of USD 2,511,763,171 million and created employment to 217,265 people in different workplaces.
- In 2011 CDC approved 161 projects with investment capital of USD 7,312,215,787 million and created employment to 272,896 people in various workplaces.
- In 2010 CDC approved 118 projects with investment capital of USD 2,934,571,945 million and created jobs to 161,855 people in various workplaces
- In 2009 CDC approved 105 projects with investment capital of USD 6,036,038,032 million and created jobs to 146,018 people in various workplaces.

Achievements on Investment Promotion...

Approved projects in SEZs

- In 2011 CDC approved 39 projects amounting to about USD 672,692,858 million in SEZs.
- In 2012 CDC approved 42 projects amounting to about USD 453,774,481 million in SEZs and created jobs to 17,681 people in various workplaces.

Achievements on Investment Promotion...

Big Projects in 2011

- The big projects that were registered in 2011 include: Fertilized Factory Project with investment capital USD 2,221 million; Boeung Kok Development Project with investment capital USD 2,171 million; Trade Centre and Five Star Hotel Naga 2 Project with investment capital USD 206 million; and Trade Centre and Goal Table Project of Vattanac Properties Limited with investment capital USD 200 million.

Other Achievements in Investment Promotion in 2012

- Conducted 4 trainings programs and workshops /workshops on raising awareness on law and regulations on investment to sub-municipal and provincial investment board.
- Conducted 7 workshops overseas on Cambodia investment.
- Met and discussed 10 times with investment delegations from Japan.
- Met and discussed 52 times with investment delegations coming from Malaysia, Switzerland, Korea, China, France, Thai, Sweden, Indonesia, Loa PDR and Vietnam.

Other Achievements....

- Conducted two joint meetings between Cambodia- Japan.
- Prepared the 3rd Cambodia-Vietnam conference on investment cooperation in Vietnam.
- Joined the 3rd workshop with Ministry of Economic Trade and Industry (METI) of Japan on Economic Development in Cambodia.
- Sent the CIB and CESZB officers and sub-municipal and provincial investment officers to attend the training programs within the country and in other countries such as Japan, China, Brunei Darussalam and S. Korea.
- Published and distributed the investment law books.

Challenges and Issues on Investment Promotion

- ❖ The economic crisis in the World has also affected the level of foreign direct investment (FDI) in Cambodia.
- ❖ The crisis also creates opportunity for the Cambodian Investment Board (CIB) to rethink and retool itself in order to retain existing investment and attract more FDI into Cambodia.
- ❖ The management of the CDC/CIB is working with the development partners to address the following key action and challenges:

Short-term

- ❖ Cambodia is not immune from factory closing during this economic hardship. Retaining existing investment is a key challenge for the CIB. In this connection, the CIB is requesting the development partners to provide the technical assistance and resources to implement the following action plans.
- ❖ Design and install the Investment Tracking System
- ❖ Train and provide equipment to the newly created Investor Aftercare Unit
- ❖ Update the CIB Website

Challenges and Issues on Investment Promotion

Medium-term

- ❖ Effective Investment promotion strategy and resources are very critical in attracting FDI. In this regard, the CIB is requesting the development partners to assist in the following areas:
- ❖ Assist in the preparation of the investment promotion strategy at the National, Provincial and Municipality levels.
- ❖ Prepare the investment material and brochures
- ❖ Create and support the Information Technology Unit
- ❖ Dispatch a full time and long term investment promotion expert to the CIB
- ❖ Assess the existing Capacity of CIB staff and design a comprehensive Capacity Improvement Program

Long-term

- ❖ The CIB is working with JICA team to conduct a study on the institutional strengthening of the investment promotion agency in the Kingdom of Cambodia and expected to finish by 2010. The outcome of this study will help the government to position itself in making decision and transforming the investment promotion agency in Cambodia into a more effective institution.
- ❖ Build a new facility for CIB

Challenges and Issues on Investment Promotion



Other Challenges and Issues

- CDC and CIB has been using the old and amendment Law on Investment and regulations.
- The Law on Economic Special Zone has not yet been approved.
- Other laws and regulations related to investment have not been approved and or amended. For example Sub degree 111 is not consistent with current investment environment.
- Inadequate manpower to promote investment.

Plans for 2013



- Strengthen the one stop service.
- Review bilateral agreement on investment between Cambodia and other partner countries.
- Review with line ministries on sub degree on concessional law implementation.
- Review with line ministries on the draft law on Special Economic Zone.
- Review with line ministries on the draft law on amendment law on investment.
- Prepare training and workshop for 24 sub municipal and provincial investment boards.

Conclusion

- Investment projects in 2012 has increased but the total investment capital has decreased 37.13% as compare with 2011. Because of the big projects with big investment capital have registered in 2011.
- With the launch of the Cambodian Stock Exchange (CSE) and signs of the government being less dependent on foreign aid, the next few years will be a period of positive transition for the country.
- The economy is set to accelerate next year with the GDP growth increasing to 7%.
- Cambodia is still a frontier economy, emerging from a low economic base. The economy is still dependent on garment manufacturing and rural agriculture. However, the soaring numbers of construction approvals will boost the property market and provides strong indication of the high demand currently experienced in the market.

Thank You!

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