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## Cambodia-Singapore to further boost bilateral trade

At a video conference on March 16 2022, H.E. Pan Sorasak, Minister of the Ministry of Commerce and H.E. Gan Kim Yong, Singapore's Trade and Industry Minister agreed to strengthen Cambodia-Singapore trade relations and reaffirmed their commitment to continue cooperation on investment and trade.

The bilateral trade between Cambodia and Singapore was USD4.2 billion in 2021 while Singapore's cumulative investments in Cambodia between 1994 and 2020 were USD1.29 billion. Singapore will buy more agricultural products from Cambodia including Kampot Pepper, Palm Sugar, Mangoes, and Milled Rice while Cambodia will import oil, machinery, food and beverages, paper, precious stones, and electronic equipment from Singapore.

The discussion also included the exchange of views on post-Covid-19 pandemic recovery efforts, ASEAN's Covid-19 response, and the review and approval of recommendations from the 41st Meeting of the High-Level Working Group on ASEAN Economic Integration to the 28th ASEAN Economic Ministers' Meeting. Other topics discussed included the preparation of the official opening of negotiations on the improvement of trade agreements discussion on ASEAN strategies to enhance better relations with its partners, in particular, to expedite the timely completion of the proposed upgrades to the ASEAN-Australia-New Zealand Free Trade Area and ASEAN Leaders' Statement on Strengthening ASEAN Digital Transformation.

## Public-Private Partnership

According to the World Bank, Public-Private partnerships (PPPs) are a “mechanism for the government to procure and implement public infrastructure and/or services using the resources and expertise of the private sector”. It is a common practice in the world of business, especially in less developed nations.

For Cambodia, PPP investments can be witnessed in the Siem Reap Angkor International Airport (USD1 billion), Orussei Hydroelectric Power Plant (USD558 million) and the Stung Tatay Hydropower Plant (USD540 million), among other infrastructure projects.

Cambodia has nearly USD4.5 billion in total PPP investments which is a very high degree of competency in the World Bank's Benchmarking Infrastructure Development 2020 in the field of Contract Management (76). However, the Kingdom underperformed in Preparation (12) and Procurement (8).



## \$4.35 billion worth of investment in Cambodia in 2021

According to a report from the Council for the Development of Cambodia (CDC), the country attracted fixed asset investments totalling USD4.35 billion in 2021 in which China remained the largest foreign investor, despite the effects caused by the Covid-19 pandemic, having a fixed-asset investment of USD2.32 billion in 2021, an increase of 67 percent from 2020. The United States and Singapore were ranked second and third at USD163 million and USD 121 million respectively.

According to H.E Heng Sokkung, Secretary of State and Spokesman for the Ministry of Industry, Science, Technology and Innovation, aside from the Kingdom's favorable investment law, peace and political stability, the Cambodia-China Free Trade Agreement (CCFTA) and the Regional Comprehensive Economic Partnership (RCEP) are the key drivers in attracting Chinese investors to Cambodia.



## Malaysia Investment in Cambodia

In a recent meeting between H.E Nut Un Voanra, Deputy Secretary-General of the Cambodian Investment Committee of CDC, and visiting Governor of Malacca H.E Tun Mohd Ali Rustam and Ambassador of Malaysia to Cambodia H.E Eldeen Husaini Mohd Hashim, Malaysia is keen to invest in different sectors including vocational training, education, mining, energy sectors, and real estate.

The Council for the Development of Cambodia (CDC) has registered a total of 162 Malaysian investment projects worth USD3.2 billion (as of February 2022).



## Uptick in Cambodia-EU trade

Bilateral trade between Cambodia and the European Union (EU) accounted for USD 4.98 billion, a 4.6% YOY increase in 2021. Main Cambodian exports to EU are agricultural products, including milled rice, textiles, footwear, travel goods and bicycles, while key imports from EU to the Kingdom include construction materials, food and beverage, electronics and pharmaceutical products, among others.

## Third Lancang-Mekong business forum held in Cambodia

The third Lancang-Mekong Business Forum was hosted by Cambodia Chamber of Commerce and the Mekong Institute in Phnom Penh on March 30 2022 to explore business opportunities among the six



Lancang-Mekong Cooperation (LMC) countries- China, Myanmar, Thailand, Laos, Cambodia and Vietnam. More than 350 representatives from the public and private sectors of the six countries participated in person and online to discuss the theme of the forum, “Promoting Agribusiness and Investment in Processed Food Sector” and the challenges and opportunities for agribusiness in the processed food sector in the LMC countries.



## Co-op eyed with Francophone

During a high-level economic forum held in Phnom Penh on March 28 which was jointly organized by Ministry of Foreign Affairs and International Cooperation and the International Organization of La Francophonie (OIF), Neak Oknha Kith Meng, President of Cambodia Chamber of Commerce (CCC) encouraged the OIF’s 88 member states to invest in Cambodia in agro-industry, sustainable energy and technology.

Three Memorandums of Understanding (MoU) on economic cooperation were signed by CCC and the Chambers of Commerce and Industry of Benin and Ivory Coast.

## Japan to support two keys projects in Cambodia

The Government of Japan has agreed to pump in a total amount of USD4.3 million to support two Rural Renewable Energy projects (USD1.7 m and USD2.6 m) to boost renewable energy in the rural areas of Cambodia. The two projects include USD1.7 million Rural Renewable Energy Project and USD2.6 million Project.

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# Foreign companies to register for VAT

Noting that some of the foreign companies has yet to complete their Simplified VAT registration, the General Department of Taxation (GDT) has issued a reminder to foreign companies that supply digital goods, services, any e-commerce activity in Cambodia to fulfil the obligation before April 1st.



China, South Korea, Canada, the United Kingdom, Australia, India, New Zealand, and ASEAN of which the main exported items included garments, footwear, travel goods, bicycles, rice, machinery and electrical equipment, vegetables and fruits.



## Cambodia exports up 30 percent in the first two months

Prime Minister Hun Sen noted that Cambodia's total exports in January and February showed a remarkable increase. The Kingdom's exports to the Republic of Korea increased by 33 percent. Cambodia's major export markets were the European Union, the United States of America, Japan,

## Rubber and rubber wood exports record more than USD 77 million

According to the report of the General Department of Rubber, Cambodia earned a revenue of more than USD77 million from the export of rubber and rubber wood in the first two months of 2022. In terms of export volume, Cambodia has



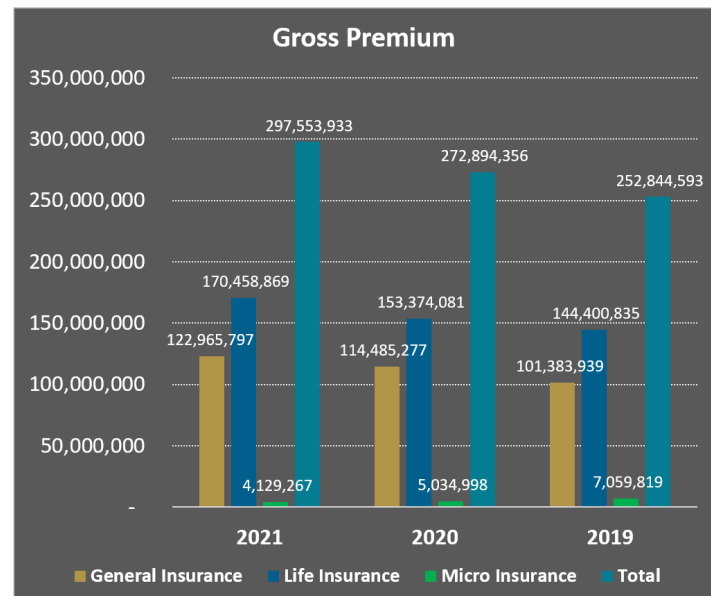
exported 48,509 tons of rubber and 808 cubic meters of rubber wood. In 2021, Cambodia earned more than USD 611 million from rubber and rubber wood exports.



## Cambodia Insurance Growth in 2021

According to a report of the Insurance Regulator of Cambodia (IRC), Cambodia's insurance industry reported a growth of USD293.4 million in 2021, up by 9.5% YOY. The gross premium of general insurance market increased 7.4 percent to USD123 million in 2021 while the life insurance premium increased 11 percent to USD170.4 million.

Insurance industry is one of the important drivers in the social and economic sectors as it contributed about 1.1 percent to the Kingdom's GDP.



*The sources for some of the above information include our preferred partners Khmer Times and Cambodia Investment Review, as well as relevant government ministries and agencies.*

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