

Phnom Penh attracts 1,000 construction projects worth over USD 2.26 billion

Phnom Penh Governor, H.E Khoung Sreng shared that Phnom Penh has attracted around 1,000 new investment projects covering a construction area of 4.63 million square meters, with an investment capital of more than USD 2.26 billion.

The construction sector is among the Royal Government's top priorities along with agriculture, industry, and tourism. To bolster the sector, the Cambodian government has introduced support policies such as investment laws and reforms to help investors.

According to the Ministry of Economy and Finance, strong domestic investment and demand as well as an increase in foreign direct investments have pushed the growth rate of Cambodia's real estate sector to 2.4 percent in 2021 and is expected to rise another 4.8 percent in 2022.



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Cambodia's rice exports reached USD 564 million

According to the Cambodia Rice Federation, Cambodia earned USD 564 million from rice exports - USD 173 million from milled rice exports and USD 391 million from paddy rice between between January and May 2022.

China remained the top buyer of Cambodia's rice followed by European Union. Cambodia exported 88,167 tons of milled rice to 23 European countries between January and May 2022, an increase of over 49 percent year-on-year.

Exporters have said major European buyers have increased their orders from Cambodia and Thailand specifically in 2022 due to the discovery of high levels of agrochemicals that exceeded EU food safety limits in milled rice from Vietnam.



Solar panel investment to rise in Cambodia as US exempts import tax

Foreign investments in solar panels are expected to grow after a US government announcement to grant temporary suspension on import duties on solar and modules from Cambodia and three other Southeast Asia countries.

Rubber exports up 3% year-on-year from January to May



Cambodia has exported 105,048 tons of natural rubber latex in the January to May period of 2022, according to the General Directorate of Rubber.

In the report by the Ministry of Agriculture, Forestry, and Fisheries, the export of latex reached 105,048 tons, up three percent year-on-year while commercial shipments of rubber wood stood at 13,026 cubic meters. Revenue from the exports was USD 168,468,640 for latex and USD 1,813,391 for rubberwood.

Cambodia has 404,044 ha dedicated to rubber production, of which 310,193 ha or 77 per cent are mature enough to be tapped for latex. It is estimated that from 2022, the Kingdom will be able to export an annual average of 400,000 tons of rubber to international markets such as China, Vietnam, Singapore, and Malaysia.

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CDC approved four manufacturing projects worth USD 24 million



The Council for the Development of Cambodia (CDC) has approved four new projects worth USD 23.8 million to build factories and create over 2,400 jobs in the Kingdom.

In the first four-month of 2022, the CDC approved 52 fixed-asset investment projects worth USD 2.46 billion that are expected to create 47,700 new jobs. The projects include garment, footwear, and travel goods factories, hotels, hospitals, automobile assembly factories, electronic factories, and fruit processing and packaging factories.

25 Capital-Provincial Investment Sub-Committees established to accelerate the application process for investment projects

Prime Minister Samdech Hun Sen issued a sub-decree on the establishment of Capital-Provincial Investment Sub-Committees (CPISC) under the Council for the Development of Cambodia (CDC),

which allows the sub-committee to review and approve private investment with capital under USD 5 million and resolve disputes related to investment projects. The sub-committee is responsible for reviewing and deciding on the registration, providing incentives, purchasing and assurance, merging, deleting and resolving disputes related to private investment projects.

H.E Hong Vannak, Director of International Economics at the Royal Academy of Cambodia mentioned that the decision to set up the sub-committees would provide more benefits and opportunities for both domestic and foreign investors to obtain investment permits in the capital or the provinces.



USD 530 million disbursement for development plan in first quarter

The Cambodian government has disbursed USD 529.79 million from existing concessional loans, an increase of 21 percent compared to the same period in 2021.

H.E Vasim Sorya, spokesman at the Ministry of Public Works and Transport, said that the ministry is prioritizing infrastructure projects according to the available budget for implementation, and the funds for roads and bridge construction have contributed to improvement of road infrastructure and economic growth.



Cambodia's dollarization level remains over 80%

The level of dollarization in Cambodia is over 80 percent despite continuing efforts to promote the use of the Khmer Riel (KHR), according to the publication by the National Bank of Cambodia (NBC) on Financial Stability Report 2021.

The NBC has put efforts into gradually de-dollarizing the economy through the facilitation of the use of the KHR regulation setting that aims to boost loans in KHR and public awareness of the role of the national currency in strengthening economic resilience.

The central bank hopes that a more KHR-based economy will allow it to better implement monetary policy in response to economic shocks.



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USD 952 million of construction projects approved in five months

The Ministry of Land Management, Urban Planning and Construction (MLMUPC) has approved 1,679 construction projects nationwide totaling 2.2 million square meters at about USD 952 million between January to May 2022. The figure is about 60 percent less than the same period of last year with 1,879 projects at over \$2.35 billion and 5.6 million square meters.

Nearly 160 tall buildings — residential, commercial, mixed-use, hospitality, and government, by developers from Cambodia, China, Singapore, Taiwan, South Korea, Japan, Hong Kong, and Canada — are expected to be completed this year.



According to the Cambodian Government's Macroeconomic and Budget Strategies for 2023, construction is expected to grow by 7.2 percent in 2023, backed by the rising inflow of FDI for construction, while low- and medium-priced housing projects are expected to improve as the real demand for households are forecasted to grow amidst rising domestic investment.

Cambodia's industry is forecast to grow by 9.2% in 2023



Cambodia's industrial sector is expected to grow by 9.2 percent in 2023 and the garment sector by 8.1 percent due to higher demands in the United States, the European Union, and the Southeast Asian region.

In a recent press release by the Cambodian government, the local economy is forecasted to grow by 6.6 percent in 2023, 1.2 percent higher than the projected 5.4 percent with the support of better trends in global demand and higher investor confidence.

Foreign Direct Investment (FDI) for 2022 and 2023 are expected to recover to around 12 percent and 11.6 percent of Gross Domestic Product (GDP) respectively. The recovery of FDI is expected to increase Cambodia's international reserves to about USD 21 billion in 2022 and around USD 22 billion in 2023.

The sources for some of the above information include our preferred partners Khmer Times and Cambodia Investment Review, as well as relevant government ministries, agencies, and news media such as Khmer SME and US News.

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