



Cambodia attracts USD 3 billion investment in H1 2022

The Council for Development of Cambodia (CDC) registered 98 projects with a total investment of USD 3 billion between January-June 2022, reflecting the firm confidence of investors in the Kingdom's growth prospects.

According to a CDC report, local investment projects accounted for 53.23 percent of total investment at USD 1.59 billion while investment from China accounted for USD 1.29 billion or 43.02 percent.

Foreign investments in Cambodia for the first half of the year include Thailand, Samoa, the British Virgin Islands, South Korea, Singapore, Cayman Islands, Malaysia, Japan, and Australia. Investment projects are in agriculture and agro-industry sectors, manufacturing, tourism, and infrastructure.

CDC approves four projects worth more than USD 100 million

In July 2022, the Council for the Development of Cambodia (CDC) issued registration certificates for 4 investment projects which are factories or production facilities for solar panel, steel pipes, plywood, and garment. These projects accounted for more than USD 100 million and are expected to create 2,050 jobs.

Cambodia has been attracting more investment projects due to the simplification of the Law on Investment and the provision of new incentives for investors.



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New garment factory investment worth USD 3.5 million approved



The Council for the Development of Cambodia (CDC) issued another investment registration certificate for the construction of a new garment factory in Bosta Village, Kaheng Commune, Samrong Tong District, Kampong Speu province. The project has an investment capital of about USD 3.5 million and is expected to create about 700 jobs.

According to the Economic and Financial Statistics Bulletin, in the first quarter of 2022, more than USD 60 million was invested in agriculture, an increase of 108 percent, and investment in the energy sector reached USD 389 million, an increase of 607 percent. Industry investment was over USD 200 million, down 65 percent, while investment in tourism reached USD 129 million.

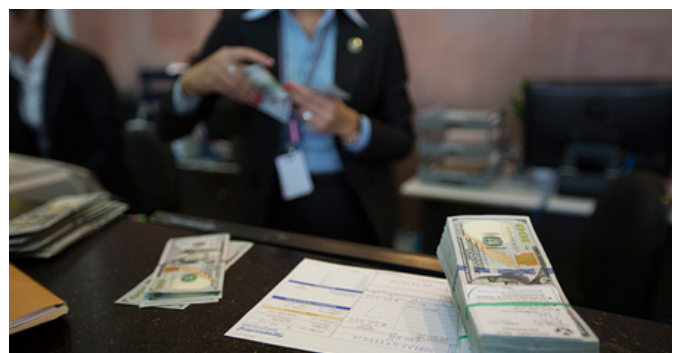
Acceleration and diversification of Cambodia's goods exports in Q1 2022

According to the World Bank, Cambodia's merchandise exports have seen accelerated growth in the first quarter of 2022, despite an anticipated slowdown in global demand. The manufacturing exports of the top three items, which are garments, travel goods, and footwear products reached USD 3.1 billion or a 25.2 percent increase year-on-year. Goods (excluding gold) exports reached USD 4.8 billion, growing at 26.5 percent year-on-year, surpassing the pre-pandemic growth rate, which peaked at 25.5 percent in January 2020.

Cambodia collects USD 3.6 billion in tax revenue in H1

In the first half of 2022, Cambodia collected USD 3.26 billion from all sources of taxes, up 22 percent from 2.67 billion dollars in the same period in 2021. Cambodia has two institutions responsible for collecting taxes - the General Department of Taxation (GDT) which is focused on in-country taxes such as income tax, salary tax, value added tax and property tax, and the General Department of Customs and Excise (GDCE) which collects taxes on goods entering and leaving the country.

During the first half of 2022, GDT collected USD 1.97 billion in tax revenue, up 29.8 year-on-year, while GDCE collected USD 1.29 billion in customs and excise revenue, up 11 percent year-on-year.

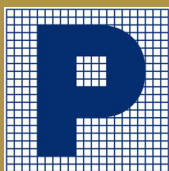


Foreign investment to boost construction sector

According to a report from the Ministry of Land Management, Urban Planning and Construction (MLMUPC), 1,982 projects at a total investment value of USD 1.041 billion received construction permits in the first half of 2022.



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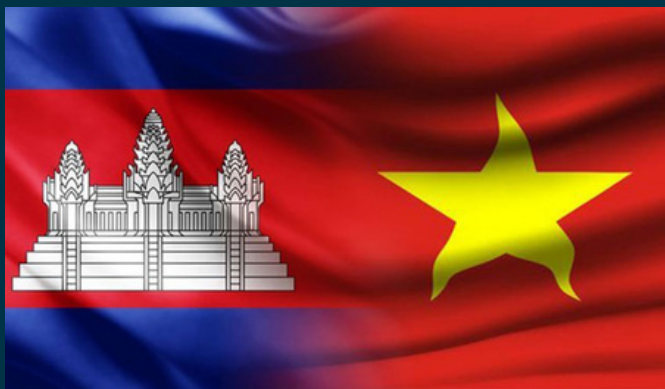


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Driven by an influx of foreign investment, the Cambodian construction sector is projected to continue to recover in 2023. According to forecasts from the Ministry of Economy and Finance, the construction and real estate sectors will continue to grow after the easing of the Covid-19 crisis; the construction sector is projected to increase by 4 percent in 2022 and grow at a rate of 5.2 percent in 2023.

Vietnam and Cambodia agree to open seaways to boost tourism sector



Cambodia and Vietnam have agreed to boost cooperation to promote tourism in the two countries' seaside border provinces by the end of 2022.

According to H.E Thok Sokhom, Undersecretary of State of the Ministry of Tourism, the sea connection would cover Cambodia's Preah Sihanouk, Koh Kong, Kep, and Kampot provinces and southern Vietnam's Kieng Giang and Can Tho provinces. This move will boost and facilitate the travel of tourists between the countries' coastal provinces.

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Cambodia and Bangladesh aim to further promote ties and cooperation

During an official visit of Bangladeshi Foreign Minister H.E AI Abdul Momen to the Kingdom, Cambodia and Bangladesh pledged to further strengthen bilateral ties and cooperation for mutual benefits, particularly to promote cooperation on economy and food security.



Chinese-Invested economic zone in Cambodia registers trade increase of 38 percent in H1 2022



The total value of imports and exports through the Chinese-invested Sihanoukville Special Economic Zone (SSEZ) in Cambodia reached USD 1.37 billion in the first half of 2022, up 38 percent year-on-year, according to a report by SSEZ.

Situated in the southwestern coastal province of Preah Sihanouk, the SSEZ is the country's largest industrial zone in terms of size and occupancy.

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May records decade's highest inflation in Cambodia



According to the National Bank of Cambodia (NBC), inflation rose to 7.2 percent in May 2022, the highest in the last decade in the Kingdom. The NBC is trying to control inflationary pressures and support the economic recovery of the Kingdom and ensure macroeconomic stability mainly through financial policies and a stable USD/KHR exchange rate.

According to its Financial Stability Review 2021 in June, NBC sold nearly USD 600 million during the year to banks and other financial institutions through auctions to stabilize the exchange rate. Other than Riel-denominated overnight loans, the central bank's monetary policy framework also includes Liquidity-Providing Collateralized Operations (LPCO) – financial tools that allow the NBC to lend to financial institutions in the local currency – and Marginal

Lending Facility (MLF) to address the short-term liquidity needs of the banks and other financial institutions in the country. On top of these measures, the exchange rate guidance, a tool to set the official interest rate by the NBC, has also been implemented.

Cambodia's digital economy continues to rise as internet subscribers surge to 17.7 million

A report from the Telecommunication Regulator of Cambodia (TRC) showed that as of March 2022, the number of internet subscribers increased from 16.1 million in 2019 to 17.7 million, reflecting the strong growth in e-commerce, fintech and education technology.



According to the National Bank of Cambodia (NBC), the Kingdom recorded a total of 13.6 million mobile payment users in 2021, up 42 percent from 9.56 million in 2020, indicating that 69 financial institutions are providing mobile payment services in the Kingdom. To facilitate e-payment and encourage national currency usage, 29 banking and financial institutions successfully launched a trial run for the KHQR code payment service for goods with roughly 230,000 merchant stores across the country.

Cambodia reported that the market value of e-commerce increased to USD 970 million in 2021, up 19 percent from USD 813 million in 2020.

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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