

# NEWSLETTER

September Issue

## Highlights in this issue:

- Tyre plant plan worth over USD 300 million in Sihanoukville SEZ
- RCEP and FTA boost growth in Cambodia's manufacturing sector
- Investment projects worth USD 17 million in Kandal and Sihanouk provinces approved
- Cambodia's banking industry enjoys robust growth in H1 of 2022
- Thai investors eye new projects in Cambodia
- Japan to support Sihanoukville Autonomous Port
- Cambodia sees an increase in tourists in the first weekend of August
- Cambodia's international trade was up 21 percent from January-July
- Cambodia's rubber exports were worth nearly USD 255 million in January-July
- Three factory projects in Kampong Speu province and Phnom Penh worth USD 15.7 million approved
- USD 30 million Loan pact to promote the agriculture sector
- Cambodia-US trade surges USD 5,892 million
- Cambodia to strengthen bilateral ties with the EU and Australia

## Tyre plant plan worth over USD 300 million in Sihanoukville SEZ



In a meeting on July 28, 2022, between Mr. Chen Jiangang, Chairman of the Board of Directors of SSEZ, and H.E Ith Samheng, Minister of Labour and Vocational Training, Mr. Chen Jiangang shared the news of a Chinese firm's plans to invest over USD 300 million to build the largest tyre plant at Sihanoukville Special Economic Zone (SSEZ) in 2023 while the firm will also import Cambodian agricultural products to China.

In the first half of 2022, the export-import volume at SSEZ was valued at nearly USD 1.4 billion. SSEZ currently hosts around 170 factories from the EU, US, China, and Southeast Asian region which has generated around 30,000 jobs.

## RCEP and FTA boost growth in Cambodia's manufacturing sector

The Regional Cooperation Economic Partnership (RCEP) and the Free Trade Agreement with China have increased manufacturing factories in Cambodia to a total of 1,947 as of June 2022 with a registered investment value of USD 15.7 billion as of June 2022, according to the Ministry of Industry, Science, Technology, and Innovation (MISTI) report. From January to July of 2022, 112 new factories opened while 47 were closed.

In the first half of 2022, the manufacturing factories produced products worth USD 7.57 billion, a remarkable rise of 75 percent year-on-year, while USD 5.26 billion was exported based on the report by MISTI.

RCEP, FTA, and strong demand for Cambodia-made products in the US and Europe have built confidence for investors to invest in Cambodia.



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## Investment projects worth USD 17 million in Kandal and Sihanouk provinces approved

In August 2022, the Council for the Development of Cambodia (CDC) approved four new investment projects worth USD 17 million located in Kandal and Sihanoukville provinces. These projects are covering footwear, furniture, wood accessories, sofa, and packaging materials which are expected to create around 2,800 jobs.

The increase in investment projects across Cambodia reflects the country's revival in economic prospects following the adverse impact of Covid-19



## Cambodia's banking industry enjoys robust growth in H1 of 2022

According to the latest report of the National Bank of Cambodia (NBC), Cambodia's banking industry showed robust growth in both loans and deposits in the first half of 2022, reflecting that all socio-economic activities in the Kingdom have been fully resumed. By June 2022, outstanding loans rose by 23.4 percent year-on-year to USD 51.5 billion and customers' deposits increased by 16 percent to USD 42 billion.

Currently, there are 58 commercial banks, nine specialized banks, and 86 microfinance institutions that are operating in the kingdom which accounts for 13.2 million deposit accounts and 3.5 million credit accounts, the NBC stated.



## Thai investors eye new projects in Cambodia

In the first week of August, Sanan Angubolkul, Chairman of the Thai Chamber of Commerce and Board of Trade of Thailand, led around 60 businesspeople from Thailand to visit Cambodia and the delegation held a discussion with the Minister of Industry, Science, Technology, and Innovation, H.E. Cham Prasidh.

The investors have expressed their interest in setting up joint investments in Cambodia in some sectors, including processed food, agriculture, tourism, renewable energy, plastic, services, gems, and jewelry.

The bilateral trade between both countries rose around 23 percent to USD 2.297 billion in the first half of 2022 compared with USD 1.870 billion in the previous year, according to the data from the General Department of Customs and Excise.



## Japan to support Sihanoukville Autonomous Port



According to a press release of the Ministry of Foreign Affairs and International Cooperation on August 6, 2022, the Exchange of Notes and related documents of loan amounting to 41,388,000,000 Yen for the implementation of the Sihanoukville Port New Container Terminal Expansion Project (I) in Sihanoukville were signed by H.E PRAK Sokhonn, Deputy Prime Minister, Minister of Foreign Affairs and International Cooperation of Cambodia, and H.E HAYASHI Yoshimasa, Foreign Minister of Japan, presided over by Prime Minister HUN Sen.



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## Cambodia sees an increase in tourists in the first weekend of August

According to the Ministry of Tourism, from 06-07 August, the Kingdom recorded a remarkable increase in domestic tourists at 224,993 tourists, including 21,202 foreigners showing an increase of 11.42 percent in tourist numbers from the previous week.

## Cambodia's international trade was up 21 percent from January-July

From January to July, Cambodia's international trade amounted to USD 32.82 billion, a year-on-year increase of 21.3 percent. According to the General Department of Customs and Excise report, Cambodia exported USD 13.78 billion worth of goods to foreign markets, up 30.7 percent in the first seven months, while imports rose by 15.4 percent to USD 19.05 billion compared to the same period last year.

The report illustrates that the US remains the biggest market for Cambodian exported products followed by Vietnam and China, which accounted for USD 5.69 billion, USD 1.32 billion, and USD 701 million, respectively.



  
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## Cambodia's rubber exports were worth nearly USD 255 million in January-July

According to the General Directorate of Rubber report, Cambodia exported 161,562 tons of dry rubber in the first seven months of 2022, earning USD 254.8 million in revenue, a year-on-year down of 6 percent from USD 271 million. The average price of dry rubber was USD 1,577 per ton dropped by USD 95 compared to the same period last year.

Cambodia has planted rubber trees on a total area of 404,044 hectares while trees on 310,193 hectares are old enough to be tapped.





## Three factory projects in Kampong Speu province and Phnom Penh worth USD 15.7 million approved

The Council for the Development of Cambodia (CDC) has approved the new projects in Kampong Speu province and Phnom Penh with a total capital of USD 15.7 million. These projects are estimated to create around 2,279 jobs.

In the first week of August, CDC approved five investment projects worth USD 26.3 million, expecting to generate a total of 4,192 jobs for the locals



Meridian International is a multi-national corporation which was established more than three decades ago. The foundation of the company was built from textiles and garments and from these humble beginnings, the Group has diversified its business through property development and investments. [Read more](#)

## USD 30 million Loan pact to promote the agriculture sector

The Agriculture and Rural Development Bank of the Ministry of Economy and Finance have signed the USD 30 million subsidiary loan agreement with 3 banks and micro-financial institutions including AMK microfinance, Cambodia Post Bank Plc., and Chamreoun microfinance.



The agreement aims to promote financial inclusion and support production chains and agriculture sector diversification in the targeted 13 capitals/provinces which provide loans to farmers, small and medium enterprises, agricultural cooperatives, and producers for all agricultural products except rice with an annual interest rate of 5 percent.

According to the Ministry of Agriculture, Forestry, and Fisheries, the export of non-rice agricultural amounted to 3.23 million tons, inching up by 0.13 million tons from a year earlier – valued at nearly USD 1.4 billion.

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## Cambodia-US trade surges USD 5,892 million

According to the General Department of Customs and Excise, the bilateral trade between Cambodia and the United States in the first seven months was USD 5,892 million, a year-on-year increase of 45 percent. Cambodia's export to the US surged 47 percent to USD 5,695 million while imports from the US rose moderately by three percent year-on-year to USD 196 million.

Cambodia's major exports to the US include textiles, footwear, travel goods, and agricultural products, while the country imports vehicles, animal feed, and machinery.



## Cambodia to strengthen bilateral ties with the EU and Australia

On the sideline of the 55th ASEAN Foreign Ministers' Meeting and Related Meeting, H.E Prak Sokhonn, Cambodian Deputy Prime Minister and Foreign Minister, and H.E Josep Borrell Fontelles High Representative of the European Union for Foreign Affairs and Security Policy and also serves as Vice President of the European Commission have committed to strengthening the cooperation ties. With the continuous steady progress of the cooperation, both countries discussed ways to further enhance mutual understanding to further promote trade and investment.

In another meeting under the same occasion, H.E PRAK Sokhonn, held bilateral talks with H.E Penny Wong, Minister of Foreign Affairs of Australia. Both parties expressed satisfaction over the progress of bilateral cooperation and reaffirmed the joint commitment to further strengthen the long-term relationship within the bilateral and multilateral framework, especially the framework of the ASEAN-Australia Dialogue Partnership.

*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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