

VII PRIVATE SECTOR IN CAMBODIA

VII-1 General Situation of Private Sector in Cambodia

Number of establishments in private sector

According to the preliminary results of the 2011 Economic Census of Cambodia¹, there were 503,008 establishments in Cambodia as of March 1, 2011, except those as classified in the United Nations International Standard Industrial Classification of Economic Activities, Revision 4 (hereinafter, quoted as the ISIC) into:

- "Section A: Agriculture, forestry and fishing", "Section O, Public administration and defense; compulsory social security"
- "Section T: Activities of households as employers; undifferentiated goods-and services-producing activities of households for own use" and;
- "Section U: Activities of extraterritorial organizations and bodies"

The number of establishment was increased by 34.1%, comparing to 375,095 establishments in Establishments Listing 2009 (EL2009)². Large-size firms³, 636 establishments, occupy only 0.13% in all Cambodian establishments, while Micro establishments, 483,117, occupy 98.0%.

On the other hand, in the Preliminary Results of the "Pilot Survey 2010 (PS2010) of 2011 Economic Census"⁴ which was conducted from 1 to 31 March 2010, the number of establishments was 533,516 in which the number of the street business was 82,891.

Number of establishment by sub-sector

In PS2010, the number of establishments by section of ISIC is as follows.

- "Wholesale and retail trade and repair of motor vehicles and motorcycles" was 299 thousand accounting for 56.0%.
- "Manufacturing" was 100 thousand or 18.7%
- "Accommodation and food service activities" was 49 thousand or 9.2%
- "Other service activities" was 37 thousand or 6.9%

Number of new Establishments

There were 89,580 new establishments which started business between 1 January 2009 and 1 March 2010. New establishments account for 16.8% of the total number of establishments. New establishments with one or two persons engaged account for 86.1%, more than three fourth of the total number of new establishments.

The number of new establishments by section of ISIC is as follows.

- "Wholesale and retail trade and repair of motor vehicles and motorcycles": 54 thousands accounting for 61.2%
- "Manufacturing": 10 thousands or 11.7%
- "Accommodation and food service activities": 10 thousands or 11.4%
- Other service activities": 8 thousands or 8.6%

In terms of the ratio of new establishments in each section of ISIC, new establishments account for 29.3% in "Information and communication" along with the popularization of mobile and Internet. In "Other service activities" the ratio was 21.0%, followed by 20.7% in "Accommodation and food service activities" and 20.1% in "Transportation and storage".

Street business

There were 82,891 street businesses which were not counted in EL2009. Street businesses account for 15.5% of the total number of establishments. Female representatives account for 76.9%, more than three fourth, of the total number of street businesses. Street businesses with one or two persons engaged account for 93.3% of the total number of street businesses.

Annual sales of establishments

The total amount of annual sales of establishments in Cambodia was USD 14.3 billion and annual sales per establishment in Cambodia were USD 27,292. The annual sales amount by the size of establishment was as follows.

- Establishments with employment 100 persons and over: USD 4.2 billion (29.0%)
- Establishments with employment of 50 to 99: USD 2.5 billion (17.5%)
- Establishments with employment of two: USD 2.3 billion (16.0%)
- Establishments with employment of one: USD 2.1 billion (14.8%)

Annual sales per large-size establishment can be ranked as follows according to its size.

- Establishment with employees of 1,000 and over: USD 13.7 million
- Establishment with employees of 500 to 999: USD 5.9 million
- Establishment with employees of 100 to 499: USD 7.7 million

In terms of sub-sector, annual sales amount was like below.

- "Wholesale and retail trade and repair of motor vehicles and motorcycles": USD 4.2 billion (29.0%)
- "Manufacturing": USD 3.5 billion (24.1%)
- "Information and communication": USD 2.4 billion (16.7%)
- "Accommodation and food service activities": USD 1.4 billion (9.5%)
- "Transportation and storages": USD 1.0 billion (6.9%)

(Source: Brief Analysis of Preliminary Results of the "Pilot Survey 2010 (PS2010) of 2011 Economic Census": http://www.nis.gov.kh/nis/ps_ec2010/PS2010_Brief_Analysis.pdf)

VII-2 Regional Distribution of Private Firms

Number of establishments by province and size of employment

In 2011EC, the top five and lowest provinces in terms of the number of establishments are as shown in Table VII-2-1. These five provinces are located in the plain areas, and cover more than 50% of the total number of establishments in the country.

Phnom Penh has a gigantic size of the number of establishments. This is partly because the recent amalgamation of Phnom Penh with 20 communes in Kandal Province. As observed in Phnom Penh, a large number of constructions of high-rise buildings are under way and there are many retail shops, restaurants, repair workshops and the formation of SEZ.

In Kampong Cham, there are six large-scale industries: rubber, starchy food, animal feed, footwear, timber and wearing apparel. Recently, some town streets have newly been paved and this improvement has

Note 1 : The 2011 Economic Census of Cambodia was conducted as of 1st March 2011 by National Institute of Cambodia (NIS).

Note 2 : Establishments Listing 2009 was taken from 9 February to 8 March 2009 as 9 February as reference date.

Note 3 : MIME defines large firms as those with employment more than 100, medium with 51-100, small with 11-50 and micro with 1-10 persons.

Note 4 : Preliminary Results of PS2010 was released by NIS on 27 October 2010.

expanded business areas. In addition, power supply from Viet Nam has been expanded to all over the Province and it enabled local people to do business throughout the Province.

In Kandal, two new bridges have been completed and they activated the economic activities and brought about a slight increase in number of establishments despite a decrease of area by merger of its 20 communes with Phnom Penh.

In Battambang, there are four main industries: rice milling, long distance bus services, hotel and hospital. Power supply has been expanded to the rural areas, roads have been newly paved up to remote areas, and modern markets have been developed. Now the farmers can enjoy easy access to the towns and they sell their products such as agricultural products, fishes or handicrafts. On the other hand, brick and tile manufacturing are decreasing. Since tourism is a main industry in Siem Reap, there are many hotels, guesthouses, restaurants, bars, etc. Clean water supply has been expanded recently as well as the expansion of power supply and roads paving. These improvements have brought about an increase in the number of tourists and enabled the tourists to visit remote places easily, which resulted in the more business chances there.

Number of establishment per 1,000 persons

Number of establishments per 1,000 persons is 34.6, an increase of 23.6% over 28.0 in 2009. The top five and lowest five provinces are shown in Table VII-2-2.

In Preah Sihanouk, there are three large-scale state-owned companies; autonomous harbor, water supply and electricity generation and supply. Besides, there are four large size private companies: wearing apparel, footwear, beer manufacturing and petroleum industry. Tourism is the main industry there as well. The number of visitors has increased recovering from global recession and there have been more new hotels, guesthouses, restaurants and bars to open.

In Kep, there are three main industries: hotel, salt production and fish sauces. Recently, the access to the natural resorts and tourism related facilities have been quickly renovated there and this has brought more national and international tourists to the Province.

In Kampong Chhunang, there are four main industries: wearing apparel and textile, footwear, brewery and medical supply manufacturing. Beverage, grocery and food product manufacturing are growing while rice milling is decreasing.

In Koh Kong, there are three main industries: sugar cane, tourism and sea transport. Since Road No.48 has been paved together with completion of construction of four bridges, the access from Phnom Penh was remarkably improved, which is bringing more and more tourists there. In addition, the hydroelectric power plants and SEZ already started to function.

Number of establishments per 1,000 households

Number of establishments per 1,000 households was 162.5 in Cambodia. The lowest province was Oddar Meanchey Kampot, Svay Rieng, Prey Veng and Pusat. These five provinces have fairly lower positions as compared with their positions in the establishment density except Pusat. It means

Table VII-2-1 Number of Establishments, Percent to Total & Size of Employee in 2011

Rank	Province	Establishments in 2011	% to total Cambodia	Size of Employee (Person)			
					11-50	51-100	100<
Cambodia Total		503,008	100.0	493,117	8,476	779	636
1	Phnom Penh	95,467	19.0	92,233	2,589	297	348
2	Kampong Cham	55,903	11.1	54,968	833	73	29
3	Kandal	40,359	8.0	39,667	571	72	49
4	Battambang	33,982	6.8	33,424	489	46	23
5	Siem Reap	32,034	6.4	31,304	627	64	39

Source: Preliminary Results of 2011 Economic Census of Cambodia, NIS

Table VII-2-2 Number of Establishments per 1,000 Persons by Province in 2011

Rank	Province	# of Establishments in 2011	Projected Population in 2011	# of Establishments per 1,000 Persons
Cambodia Total		503,008	14,521,275	34.6
1	Phnom Penh	95,467	1,744,901	54.7
2	Preah Sihanouk	10,649	247,355	43.1
3	Kep	1,643	40,142	40.7
4	Kampong Chhunang	19,655	512,667	38.2
5	Koh Kong	5,014	133,047	37.7
20	Banteay Meanchey	21,619	745,618	29.0
21	Preah Vihear	5,310	185,509	28.6
22	Pusat	12,007	425,704	28.2
23	Kampot	16,900	613,305	27.6
24	Oddar Meanchey	4,896	218,786	22.4

Source: Preliminary Results of 2011 Economic Census of Cambodia, NIS

Table VII-2-3 Number of Establishments per 1,000 Households by Province in 2011

Rank	Province	# of Establishments in 2011	Estimated # of Household in 2011	# of Establishments per 1,000 Households
Cambodia Total		503,008	3,095,242	162.5
1	Phnom Penh	95,467	348,980	273.6
2	Preah Sihanouk	10,649	51,532	206.6
3	Kep	1,643	8,192	199.5
4	Stung Treng	4,596	23,607	194.7
5	Koh Kong	5,014	27,718	180.9
20	Pusat	12,007	90,575	132.6
21	Prey Veng	29,863	233,492	127.9
22	Svay Rieng	15,054	119,113	126.4
23	Kampot	16,900	136,290	124.0
24	Oddar Meanchey	4,896	46,550	105.2

Source: Preliminary Results of 2011 Economic Census of Cambodia, NIS

there is a room to have more establishments in these five provinces as compared with their number of households. Top five and the lowest five provinces are shown in Table VII-2-3.

VII-3 Employment by Private Sector

Number of employment

According to PS2010, the number of persons engaged in the establishments was 1,820,342 composed of 761,109 males accounting for 41.8% and 1,059,234 females (58.2%). On the other hand, the number of establishments except street business was 450,625 and the number of persons engaged in these establishments was 1,700,263. Compared with the final results of EL2009, the number of persons engaged increased 15.7% and the estimated annual increase rate is 14.5%. It shows that the persons engaged in the primary sector have begun to move to the secondary or tertiary sector.

Employment by sub-sector and new establishments

The number of persons engaged by section of ISIC was as follows.

- "Manufacturing": 611 thousands accounting for 33.5%.
- "Wholesale and retail trade and repair of motor vehicles and motorcycles": 600 thousands (32.9%)
- "Accommodation and food service activities": 165 thousands (9.0%)
- "Other service activities": 142 thousands (7.8%)
- "Education" (Section P): 127 thousand (7.0%)

In terms of the number of persons engaged in new establishments by Section of ISIC, "Wholesale and retail trade and repair of motor vehicles and motorcycles" was the largest section with 94 thousands accounting for 49.1%, followed by "Manufacturing" with 38 thousands (19.9%), "Accommodation and food service activities" with 28 thousands (14.8%) and "Other service activities" with 15 thousands (7.8%).

(Source: Brief Analysis of Preliminary Results of the "Pilot Survey 2010 (PS2010) of 2011 Economic Census" of Cambodia)

VII-4 Recent Tendency in Manufacturing Sector

Factories registered under Ministry of Industry, Mines and

Energy

Manufacturing sector has been suffered when the recent global economic recession hit the wearing apparel industry since 2008. The share of manufacturing sector in GDP at current prices decreased in two consecutive years of 2008 and 2009. However, it started growing as the apparel industry recovered in 2010 and 2011. Table VII-4-1 shows the tendency of the share of each sub-sector and total manufacturing in GDP at current prices from 2006 to 2012 (estimated figure).

According to the database⁵ regarding the registered firms with Ministry of Industry, Mine and Energy (MIME) which was prepared basing on QIP approval information, the number of factories in manufacturing sector in 2012 was 869, an increase of 51.7% comparing with those in 2008. The registered companies employ 536,029 workers as a whole in 2012.

Table VII-4-1 Share of Manufacturing Sector in GDP at Current Prices (%)

	2006	2007	2008	2009	2010	2011	2012e
Food, Beverages & Tobacco	2.2	2.2	2.2	2.3	2.3	2.2	2.1
Textile, Wearing Apparel & Footwear	13.0	12.1	10.3	9.1	9.4	10.0	10.1
Wood Products, Paper & Publishing	0.6	0.6	0.6	0.6	0.6	0.6	0.5
Rubber	0.6	0.4	0.4	0.4	0.5	0.5	0.5
Others	2.2	2.1	1.9	2.0	2.0	1.9	1.8
Total Manufacturing	18.6	17.3	15.3	14.4	14.7	15.2	15.1

Source: MEF

Note 5 : MIME's database was provided by General Department of Industries in November 2012. It was created basing on the information provided by CDC but does not cover all the QIPs. It does not directly connect with the results of 2011 Economic Census, PS2010 and/or EL2009. The figures in this database show the general tendency of the manufacturing sub-sector in Cambodia.

Table VII-4-2 Number of Factories Registered under Ministry of Industry, Mines and Energy: 2008 & 2012

Classification			2008		2012	
			No of Factories	Share	No of Factories	Share
1. Food, Beverages & Tobacco			42	7.3%	70	8.1%
	A	Food	21	3.7%	42	4.8%
	B	Beverage	12	2.1%	16	1.8%
	C	Tobacco	9	1.6%	12	1.4%
2. Textile, Wearing Apparel & Leather Industries			450	78.5%	651	74.9%
	A	Textile, Embroidery & Printing	49	8.6%	71	8.2%
	B	Wearing Apparel	343	59.9%	476	54.8%
	C	Hat, Cap, Bag and Glove	8	1.4%	19	2.2%
	D	Jeans and Washing	16	2.8%	14	1.6%
	E	Shoes and Shoes part	32	5.6%	69	7.9%
	F	Leather	2	0.3%	2	0.2%
3. Wood Products (Including Furniture)			4	0.7%	12	1.4%
4. Paper, Paper product, Printing & Publishing			11	2.0%	16	1.8%
5. Chemicals, Petroleum, Coal, Rubber & Plastic Products			33	5.8%	58	6.7%
6. Non-metallic Mineral Products (except petroleum and coal)			9	1.6%	15	1.7%
7. Fabricated Metal Products			21	3.7%	38	4.4%
8. Other			3	0.5%	9	1.0%
Grand Total			573	100%	869	100%

Source: MIME

As shown in Table VII-4-2, among the sub-sectors in manufacturing, “Textile, Wearing Apparel and Leather Industries” still takes the largest share accounting for 74.9%, although it decreased by 3.6% comparing with those in 2008. The number of factories increased in all industries, in particular the number of factories in “Food” and “Chemicals, Petroleum, Coal, Rubber & Plastic Products” increased by more than 20 comparing with those in 2008.

SMEs

There was a 29.0% increase in total number of SME⁶ factories between 2005 and 2011, as shown in Table VII-4-3. The food, beverages and tobacco sector is by far the largest of all. This sector accounted for approximately 83.8% in 2011. There is no factory of basic metal industries in Cambodia. Manufacturing of fabricated metal accounts for approximately 5.5%.

In manufacturing SMEs, the number of employee increased by 58.2% between 2005 and 2011. The food, beverages and tobacco sector accounts for approximately 68.5% in 2011. The share of the manufacturing of fabricated metal production is 5.1% and that of manufacturing of non metallic mineral production (except production of petroleum & coal) is 8.6% in 2011.

The outputs of manufacturing SMEs increased 60.5% as a whole between 2005 and 2011. While “Food, Beverages and Tobacco” sector decreased in 2007 and 2008, but recovered in 2009 and increased by 36.0% in 2011. The outputs of “Manufacturing of Non Metallic Mineral Products” and “Fabricated Metal Products, Machinery & Equipment” steadily increased in 2010 and 2011 after sharp decrease in 2008 and 2009.

Table VII-4-3 Number of Registered Factories of Manufacturing SMEs: 2005-2011

Industrial Sector	2005	2006	2007	2008	2009	2010	2011
Food, Beverages, Tobacco	23,727	25,455	26,379	26,208	29,987	31,479	31,662
Textile, Wearing Apparel and Leather industry	1,665	1,689	1,474	1,478	1,443	1,485	1,551
Wood & Wood product	2	-	-	-	-	-	-
Paper product, Printing & Publishing	31	33	39	43	48	59	63
Chemicals	153	159	177	192	203	224	240
Non Metallic Mineral products except products of Petroleum & Coal	719	797	813	875	987	1,037	1,053
Basic Metal Industries	-	-	-	-	-	-	-
Fabricated Metal products, Machinery & Equipment	2,334	2,380	2,918	3,039	1,902	2,052	2,093
Other Manufacturing Industries	666	636	819	965	990	1,086	1,137
Total	29,297	31,149	32,619	32,800	35,560	37,422	37,799

Source: MIME

Note 6 : MIME categorizes manufactures in Cambodia based on investment capital excluding land, i.e., i) micro scale: USD 3,000 -50,000, ii) small scale: USD50,000 – 250,000, iii) medium scale: USD250,000-500,000 and iv) large scale: more than USD 500,000. Manufactures capitalized less than USD 3,000 are not required to register in MIME.

Table VII-4-4 Number of Employees in Manufacturing SMEs: 2005 - 2011

Industrial Sector	2005	2006	2007	2008	2009	2010	2011
Food, Beverages, Tobacco	57,557	58,512	60,262	57,496	90,148	93,704	94,382
Textile, Wearing Apparel and Leather industry	7,073	6,347	10,580	12,104	12,173	14,569	16,663
Wood & Wood product	4	-	-	-	-	-	-
Paper product, Printing & Publishing	338	351	849	884	923	1,207	1,275
Chemicals	1,393	1,448	1,542	1,678	1,810	2,000	2,079
Non Metallic Mineral products except products of Petroleum & Coal	8,505	8,932	9,298	11,615	10,737	11,570	11,767
Basic Metal Industries	-	-	-	-	-	-	-
Fabricated Metal products, Machinery & Equipment	9,741	8,243	9,407	9,821	6,170	6,722	6,950
Other Manufacturing Industries	3,205	3,239	2,897	3,285	3,371	3,909	4,230
Total	86,816	87,072	94,835	96,883	125,332	133,681	137,346

Source: MIME

Table VII-4-5 Outputs of Manufacturing SMEs: 2005-2011

(Million Riel)

Industrial Sector	2005	2006	2007	2008	2009	2010	2011
Food, Beverages, Tobacco	2,352,833	2,461,530	2,294,293	2,219,803	2,527,085	3,119,559	3,437,150
Textile, Wearing Apparel and Leather industry	14,212	12,933	14,072	75,426	21,136	26,040	27,006
Wood & Wood product	75	-	-	-	-	-	-
Paper product, Printing & Publishing	2,215	2,285	3,513	4,031	4,173	5,211	5,533
Chemicals	23,193	24,266	23,534	56,713	62,623	68,632	72,375
Non Metallic Mineral products except products of Petroleum & Coal	35,340	38,190	122,832	98,014	105,623	119,525	130,000
Basic Metal Industries	-	-	-	-	-	-	-
Fabricated Metal products, Machinery & Equipment	35,942	38,186	91,172	116,318	80,446	104,965	105,962
Other Manufacturing Industries	21,533	21,690	65,513	123,962	150,310	201,501	209,985
Total (million Riel)	2,485,343	2,599,080	2,614,929	2,694,267	2,951,396	3,645,433	3,988,237
Total (million USD)	621.3	649.8	653.7	673.6	737.8	911.4	997.1

Source: MIME

Note: Exchange rate: 4,000 Riel/ US\$

VII-5 Recent Situation of Major Sub-Sectors

Garment industry

Based on the GSP/MFN trade privileges provided by the USA and EU since 1996 as well as an export-oriented strategy taken by the RGC, garment industry has taken a role of leading force of Cambodian exporting industry, which accounts for 70-80% of the total export value continuously, and has contributed to the remarkable economic growth of Cambodia.

In this regard, the investment in the garment industry also has steadily increased from 2003 to 2007. Despite sharp decrease in 2008 and 2009, the investment started to recover in 2010 and drastically increased in 2011. In 2012, 63 projects related to garment industry were approved as QIP by CDC and its total approved investment amount reached to USD 346.11 million as of September 2012. The average investment amount per project in 2012 exceeded the level of 2011 which was peak in the last decade.

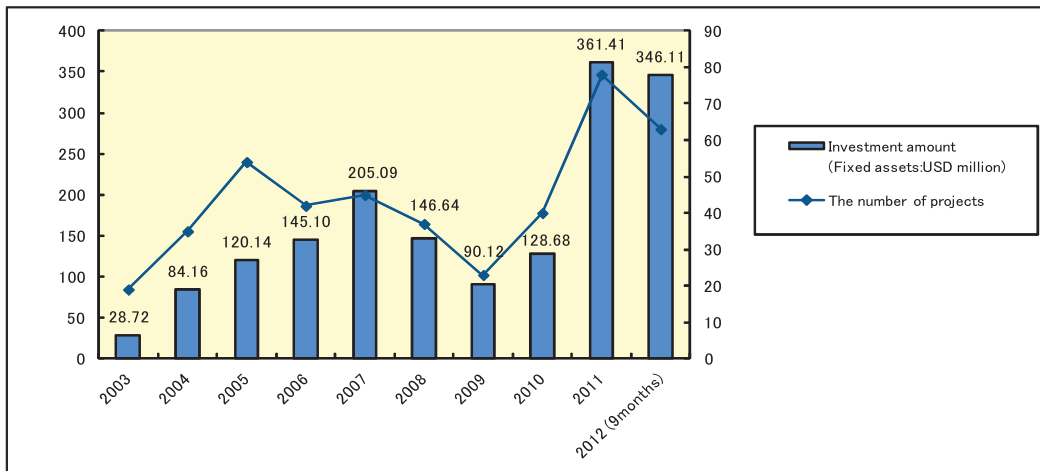
Cambodian garment industry has been developed by foreign direct investors such as Taiwan, China and Hong Kong with few Cambodian investors.

As can be seen from the Figure 5-2 which shows the composition of the members for Garment Manufacturers Association in Cambodian (GMAC), the ratio of the Cambodian owners is only around 6.7% of the 449 members as of October 2012.

Cambodian export amount of garment in 2011 reached USD 3,996.66 million and main destinations were the USA and EU. In 2011, the total export values to the USA and EU were USD 2,051.71 million and USD 1,156.81 million respectively.

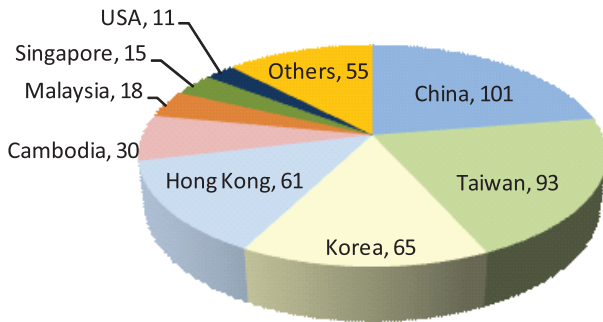
According to MIME, around 61.8% of large establishments are occupied by textile and wearing apparel industries and their total number of workforce reached around 487,134 in 2012.

In terms of the contribution to the GDP of Cambodia, textile, wearing apparel, and footwear sector has gained the ratio from 9% to 13% of the GDP between 2006 and 2012.



Source: CIB (CDC)

Figure VII-5-1 CDC-approved Investment Projects in Garment (2003-2012)



Source: GMAC

Figure VII-5-2 Composition of the GMAC Member Companies

Footwear industry

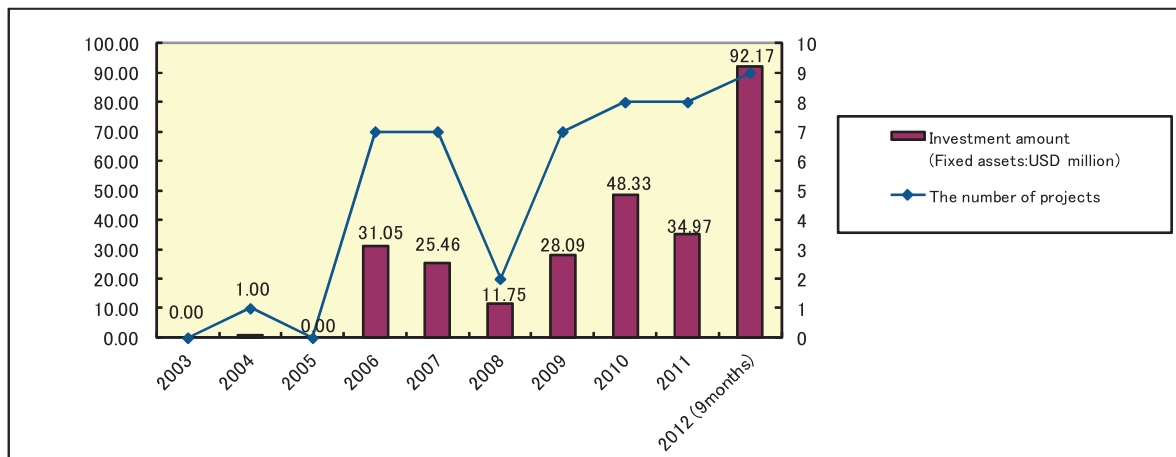
Footwear industry is a main exporting industry as well as garment industry in Cambodia. However, the production scale is of much smaller than that of garment industry. The growth of the footwear industry has been led by foreign enterprises which invested in Cambodia for enjoying the incentives

offered by the RGC and the benefits of GSP/MFN privileges provided by advanced countries such as EU and Japan.

Figure VII-5-3 shows the investment projects approved by the CDC. Since the sudden FDI increase in 2006 which might be caused by shifts in investment from China or Vietnam due to the application of anti-dumping to these countries by EU, the investment in footwear industry has remained stable until 2011 except for 2008 and drastically increased in 2012. 9 projects related to footwear industry were approved by CDC and its total approved investment amount reached to USD 92.17 million as of September 2012.

Footwear export from Cambodia amounted to UDD263.99 million in 2011, which is more than six times comparing to the export amount of USD 43.85 million in 2004. Main export markets are currently EU and Japan. According to the data of MOC, 58 enterprises have registered the GSP privilege since 1997. As of June 2012, 45 enterprises are operating their factories. Main investors are Taiwan, China and others. The footwear industry contributes to the job creation more than 74,000, which account for around 11.1% of the total workforce in large establishments of Cambodia. The average number of workers is about 1,180 persons in each factory.

In July 2011, the Footwear Association in Cambodia was approved by the RGC to operate under the Garment Manufacturers Association in Cambodia (GMAC) for enhancing their capacity on industrial policy dialogue with



Source: CIB (CDC)

Figure VII-5-3 CDC-approved Investment Projects in Footwear (2003-September 2012)

the RGC. As of October 2012, 38 footwear factories registered as the members of GMAC.

Machinery, fabricated metal, electric/electronics products industries

In 2008, 21 companies were registered under MIME⁷ in sub-sector of “Fabricated Metal Products” which include electric/electronics products. The number of companies increased to 30 in 2011 and its share among the manufacturing sector rose to 4.4% from 3.7% in 2008.

Among those 30 companies, there were 9 companies for assembling and repairing of cars, motorcycles and bicycles, followed by 8 companies for manufacturing construction materials and roof materials. Other 3 companies manufacture or assemble electric wire and cable and electric motors.

MOTORCYCLE:

Cambodia Suzuki Motor Co., Ltd., which was established as a joint venture between Suzuki (Japan) and OMC (Cambodia) in which Suzuki holds 85% shares and OMC 15%, has been assembling motorcycle of Suzuki since 1999.

Asia Motors Co., Ltd., a joint venture of Toyota Tsusho Corporation (Japan) and Kong Nuon Import & Export Company (Cambodia), imports the SKD set of Yamaha Motorcycle and assembles them. Although Yamaha Motor Co., Ltd. (Japan) established Yamaha Motor Cambodia Co., Ltd. in September 2008 as a joint venture with Toyota Tsusho Corporation (Japan) and Kong Nuon Import & Export Company (Cambodia), it has been suspending the factory construction until now, due to the weakening domestic market affected by global economy slow-down.

Honda motorcycles have been assembled by N.C.X. Company of Thailand at a factory near Phnom Penh since 1998 and they occupied the largest share in domestic market of motorcycle. Qianlima Vehicle Co., Ltd. also engages in vehicle assembling in Sihanoukville SEZ. There are several other local and Chinese motorcycle assemblers in operation.

BICYCLE:

The first bicycle manufacturing and assembling companies moved into Cambodia in 2005-6 from China and Vietnam where the supply chain for bicycle assembling had been furnished. The main reason for moving their factories from China/Vietnam to Cambodia was that the import duty rate levied in the importing countries such as EU became much lower if the assembled bicycle was exported from Cambodia comparing with those exported from China/Vietnam. Atlantic Cycle from China was registered as QIP by CIB in 2005, followed by Best Way Industry Co., Ltd. of Taiwan which has been operating as a QIP since 2006 in Manhattan SEZ.

Since many of the parts and components are being imported from or through Vietnam, these bicycle assembling factories tend to be accumulated in Bavet area near Vietnam border. In addition to Best Way and Seed Tech Industrial in Manhattan SEZ., Atlantic Cycle Co., Ltd., Smart Tech (Cambodia) Co., Ltd., A and J (Cambodia) Co., Ltd. operates in Tai Seng SEZ. On the other hand, Continental Cycles Cam Co., Ltd. locates in Sihanoukville SEZ 2.

MOTOR VEHICLE:

Camko Motor Company Ltd., which is a joint venture between KH Motors (domestic distributor of Hyundai vehicles) and Phnom Penh-based Ly Young Phat group, currently assembles Hyundai's USV in a factory locating at Neang Kok Koh Kong SEZ for domestic market, by importing CKD kits. Although the actual number of cars assembled in 2011 was 300, they plan to increase to 800 in 2013.

Khmer First Car Factory, the US\$15 million joint venture between Cambodian shareholders and Chinese car company, Beijing Automobile Works (BAW), was registered as QIP in 2010. The company currently assembles vehicles in Phnom Penh from the parts imported from China and plans to sell 1,000 cars of its three BAW models per year in Cambodia. R.M Asia Co., Ltd. also assembles Ford's ambulance cars in a warehouse of Sihanoukville Port and plans to construct own factory and increase its assembling capacity.

STEEL PROCESSING:

Eastern Steel Industry Corporation was incorporated as a joint venture between Sumitomo Corporation of Japan and a local company (currently Sumitomo holds 90% share of the company) and registered as Investment Project in 1996 for manufacturing of galvanized steel sheet for roofing. It imports the cold coil, galvanizes, forms and cuts into the final products, while other manufacturers of galvanized steel sheet in Cambodia import galvanized steel sheet and form and cut into the final products.

Cambodia Success Industries Co., Ltd., Wealth (Cambodia) Steel Industry Engineering Co., Ltd., Zhong Zheng (Cambodia) Co., Ltd and CH Steel Wire Industries (Cambodia) Co., Ltd. are among the companies engaging with steel processing for construction materials.

ELECTRIC WIRE AND CABLE:

KTC, a South Korean-owned company, was established in December 2005 and it manufactures the building wire, power cable, overhead electrical aluminum conductors, telecommunication cable, etc. Dy-Tech Cam Co., Ltd. of Korea was registered as a QIP in 2011 and plants to manufacture electric wires in Cambodia. There is other Chinese company called, Vinton Electric Cable and Equipment Co., Ltd., which is said to manufacture electric cables.

ELECTRIC AND ELECTRONICS PRODUCTS

Until recently, there was no notable manufacturer of electric or electronics products existed in Cambodia. However, Minebea of Japan established Minebea (Cambodia) Co., Ltd. and started assembling of small-size motor, which will be used for the mobile phone or other electronics products, from April 2011 in Phnom Penh SEZ's rental factory, which is the first motor assembling factory in Cambodia. They currently plan to employ 900 workers by the end of 2011. The construction of own 1st factory began in May 2011 and the second factory construction is also being planned. In future, they plan to hire maximum 5,000 workers in those two factories.

Following Minebea, many Japanese manufacturers of wire harness decided to invest in Cambodia in 2010 and 2011. Among them, there are Yazaki Cambodia Products Co., Ltd., Sumi (Cambodia) Wiring Systems Co., Ltd., a subsidiary of Sumitomo Wiring Systems, Ltd., Marunix (Cambodia) Co., Ltd, Asle Electronic (Cambodia) Co., Ltd. and G.S.Electech (Cambodia) Inc. They assemble the wire harness for automobile or electric equipment and appliance.

Among other electric and electronics parts and products manufacturers, “Soon-West (Cambodia) Co., Ltd. (Electronics parts and products)” of Japan and “Thibidi (Cambodia) Co., Ltd. (Electrical equipment)” of Vietnam locate in the Phnom Penh SEZ, Tokyo Parts Industrial (Cambodia) Co., Ltd. (Coils and transformers) in the Tai Seng SEZ and “Izumi (Cambodia) Co., Ltd. (TV frame and electric parts)” in the Sihanoukville SEZ 2.

Note 7 : Department of Industrial Affairs (DIA) of MIME

Food processing

The output of food, beverages & tobacco industries accounts for 14.7% of total manufacturing in 2011, increased by 5.8%, 9.5% and 8.6% annually from 2008 to 2011. However, the contributing ratio of the industries to the total GDP remained at 2.2% in 2011.

70 factories are registered in the field of food processing with the MIME as of 2012, which is an increase of 66.7% from 42 factories in 2008. Foreign enterprises accounts for around 51.4% of the total number of enterprises in the sector. The average number of workers is around 179, with the range between 8 and 1,546 and 4 factories employs more than 500 workers.

Among 42 food companies, 9 companies engage in the manufacture of rice mill, 5 companies in animal foods, 4 in the flour manufacturing and 4 in the sugar and alcohol. In beverage, 6 companies are the beer brewery out of total 16 companies. Among them, Ajinomoto (Cambodia) Co., Ltd., a global giant in food industry, has begun operation near Phnom Penh. It currently imports the Monosodium Glutamate and other seasoning from its factories in Thailand and China, processes them into a final package and sells directly to the domestic market.

As the Cambodian economy soundly grows and the household consumption increases, the food processing industry is expected to grow at faster speed in the coming years.

Agricultural, fishery and forestry

The agriculture, Fishery and Forest sector occupied the share of 29.7% in GDP (Current Prices) in 2007 and it took 34.6% share in 2011 as shown in Table VII-5-1. Among them, the steady growth of crops contributed to an increase of share in last five years.

AGRICULTURE:

Agriculture of Cambodia has been developed gradually as one of backbone industries of Cambodian economy contributing to 20.6 % of the GDP in 2011 as shown in Table VII-5-1. The Gross Valued Added (GVA) for agriculture increased from 7,174 billion Riels (Constant 2000 price)* in 2007 to 8,311 billion Riels in 2010 (an increase of 15.8%) and further to 8,567 billion Riels in 2011 (an increase of 19.4% over 2007) by having grown at 3.1% to 5.7% each year during the period.

Since the rice is a main crop for Cambodia, continuous efforts have been made by the government to increase the production. As a result, cultivated areas, yield per hectare and total production of rice has increased steadily from 2007 to 2011, while the harvested areas slightly decreased in 2011 as shown in Table VII-5-2. This result was based on the attempt to recover the damaged areas as well as the efforts made by farmers with better knowledge and know-how on rice, especially high-yielding rice seed.

Table VII-5-1 Transition of Share of Agriculture, Fishery and Forest Sector in GDP (Current Prices) (%)

	2007	2008	2009	2010	2011	2012e
Crops	15.5	17.9	18.4	19.0	20.6	20.8
Livestock & Poultry	4.4	4.4	4.5	4.5	4.2	3.9
Fisheries	6.9	7.4	7.7	7.5	7.2	9.6
Forestry & Logging	2.9	3.0	2.9	2.8	2.6	2.5
Total Agriculture, Fishery & Forest	29.7	32.8	33.5	33.9	34.6	36.8

Source: MEF

Table VII-5-2 Rice Production in Cambodia 2007-2011

Description	2007	2008	2009	2010	2011	Change 2011/2010 (%)
Cultivated Areas (ha)	2,585,905	2,615,741	2,719,080	2,795,892	2,968,529	6.17
Harvested Areas (ha)	2,566,952	2,613,363	2,674,603	2,776,323	2,766,617	-0.39
Rice Yield (t/ha)	2.621	2.746	2.836	2.97	3.17	6.85
Production (t)	6,727,127	7,175,473	7,585,870	8,249,452	8,779,365	6.42
Rice Surplus (t)	1,649,640	2,025,033	2,244,598	2,515,752	2,780,328	10.47
Paddy Surplus (t)	2,577,562	3,164,114	3,507,185	3,930,425	4,344,263	10.47

Source: Annual Report for Agriculture, Forestry and Fisheries 2011-2012, April 2012, MAFF

Table VII-5-3 Cultivated Areas for Four Main Crops 2007-2011 (Unit: Hectare)

Crop	2007	2008	2009	2010	2011
Maize	142,391	163,106	206,058	213,622	174,257
Cassava	108,122	179,945	160,326	206,226	391,714
Mung Bean	65,261	45,605	49,599	69,206	68,111
Soya Bean	76,981	74,413	96,388	103,198	70,584
Total 4 Crops	392,755	463,069	512,370	592,250	704,666

Source: Annual Report for Agriculture, Forestry and Fisheries 2011-2012, April 2012, MAFF

Note 8 : Annual Report for Agriculture, Forestry and Fisheries 2011-2012, April 2012, MAFF

Table VII-5-4 Livestock and Poultry Production in Cambodia 2007-2011

	2007	2008	2009	2010	2011
<i>Livestock</i>	6,530,618	6,593,383	6,445,832	6,243,986	6,195,133
<i>Cattle</i>	3,368,449	3,457,787	3,579,882	3,484,481	3,405,972
<i>Buffalo</i>	772,780	746,207	739,646	702,074	689,829
<i>Pig</i>	2,389,389	2,389,389	2,126,304	2,057,431	2,099,332
<i>Poultry</i>	15,825,000	16,928,000	20,193,000	20,834,000	21,619,000

Source: Annual Report for Agriculture, Forestry and Fisheries 2011-2012, April 2012, MAFF

The cultivated areas for four main cash crops have been fluctuated according to the market demand as shown in Table VII-5-3.

Livestock production in Cambodia has been declining slightly in the recent years, while the production of pig recovered in 2011 as indicated in Table VII-5-4. This result is explained by the diseases and unofficial inflow of pigs in to Cambodia as well as the increase of use of tractors by farmers. On the other hand, the production of poultry remarkably increased from 2007 and reached approximately 22 million in 2011.

FISHERY:

Fishery production is as presented in Table VII-5-5 with three categories, i.e. inland fish, marine fish and aquaculture fish. The production of inland fish has accounted for 73.2% of the total fishery production in 2011. While the production volumes of inland fish decreased by 7.6% in 2008, it started to recover in 2009 and has increased gradually up to 2011. The production of marine fish and aquaculture has drastically increased by 43.3% and 104.2% respectively from 2007 to 2011.

Forestry and Logging:

According to MAFF, the LANDSAT forest assessment was conducted by Forest Administration in 2010 and the results were verified in 104 areas of 13 provinces. Initial finding shows that there are 10,339,826 hectares of forest remained, which is equal to 56.94% of whole Cambodia.

In 2010, 68,340 cubic meters of logs and sawn woods have been supplied to local use. Such logs and sawn woods were collected from forest bidding by private companies, land clearance in some economic land concession areas and/or hydropower station clearance.

The reforestation activity covered 33,540 hectares in 2011. Among them, 1,820 hectares were planted by Forest Administration, 31,720 hectares by private companies and small-scale farmers or households. Forestry Administration cooperated with development partners and local communities to establish and develop 561 forest communities.

Natural rubber industry

Rubber has been supporting the society and economy of Cambodia as long-time major industrial product. Through the export of its latex and timber products, it contributed to the poverty reduction by generating employment and income in rural areas.

As tapping areas kept widening, the production and export amount also steadily grew. In 2011, the production and export amount increased by 21.5% and 7.1% respectively, comparing with these in the 2010. However, Cambodia's share in the world rubber production still remains at 0.46% in 2011, namely 45.0 thousand tons out of 10,100 thousand tons. The average price of Cambodian natural rubber, which was exported by rubber estate, was USD 4,309 tons in 2011. Transition of tapping area, production and export of Cambodian rubber in recent years is shown in Table VII-5-6.

There were 10 rubber estates, 67 rubber-planting Economic Land Concession companies and many small holders in 14 provinces at the end of 2011. The transition of total rubber plantation area by type of firm is shown in Table VII-5-7 and the current tapping and planting areas by development stage are shown in Table VII-5-8.

Cambodian rubber price is still lower than the average international market price. This is partly because the quality of Cambodian products is viewed as poorer, and partly because it is difficult for Cambodians to provide a large volume of products for foreign customers. The issues for Cambodian natural rubber industry are thought to be the low productivity, high processing cost and poor infrastructure.

Table VII-5-5 Fishery Production from 2007 to 2011 (Metric tons)

Type of Fish	2007	2008	2009	2010	2011
Inland Fish	395,000	365,000	390,000	405,000	445,000
Marine Fish	63,500	66,000	75,000	85,000	91,000
Aquaculture	35,260	40,000	50,000	60,000	72,000

Source: Annual Report for Agriculture, Forestry and Fisheries 2011-2012, April 2012, MAFF

Economic Land Concession

Although the ELC website of MAFF says there were 85 contracted and validated companies with total land area of 956,690 hectares located in 16 provinces as of October 2010, it is reported that MAFF has granted the ELC investment projects to 96 companies with total land of 1.012.902 hectares located at 17 provinces since 1993 till May 2011. Since MAFF has not clarified yet the currently validated ELC contracts, it is uncertain which ELC contracts have been cancelled and/or newly granted.

The RGC issued "Order #01 on the Measures to Strengthen and Increase the Effectiveness of the Management of Economic Land Concessions" on 7 May 2012. By this Order, the RGC ordered the relevant ministries and authorities to stop granting ELC immediately but temporarily, implement the Government policy regarding the ELC and focus on the implementation of contract on ELCs. The Order also describes that the RGC will seize ELCs from companies which obtained ELC but failed to develop the concession land or failed to comply with the ELC contracts.

The ELC website of MAFF currently carries the list of profiles of only 98 ELC contracts as shown in Table VII-5-9.

Table VII-5-6 Tapping Area, Production and Export of Rubber 2006-2011

Year	Tapping Area (Ha)	Production (Ton)	Export (Ton)
2006	20,583	36,400	31,184
2007	30,490	36,903	33,121
2008	33,670	37,050	36,000
2009	34,135	37,380	36,500
2010	38,406	42,247	42,000
2011	45,162	51,339	44,969

Source: Department of Rubber Development of General Department of Rubber, MAFF

Table VII-5-7 Transition of Total Rubber Plantation Area 2006-2011

Unit: thousand hectares

Type of Firm	Year					
	2006	2007	2008	2009	2010	2011
Rubber Estate	45	44	45	45	47	51
ELC Company	0	2	8	22	52	66
Small Holders	25	36	54	59	82	96
Total	70	82	107	126	181	213

Table VII-5-8 Cambodia Natural Rubber Plantation Area by Stage in 2011

Type of Firm	No. of Firm	Area (Ha)		
			Immature	Total
Rubber Estate	10	23,176	27,538	50,714
ELC Company	67	-	66,459	66,459
Small Holders	(14 Provinces)	21,986	73,944	95,930
Total	-	45,162	167,941	213,103

Source: Department of Rubber Development of General Department of Rubber, MAFF

Table VII-5-9 List of Economic Land Concessions related to Agro-industry

	Company Name	Nationality	Land Site	Land Area (ha)	Purpose of Investment
1	LEANG HOUR HONG Import and Export, Agro Industry Development and Processing	Cambodia	Battambang	8,000	Sugar Cane and Tapioca
2	Rath Sambath	Cambodia	Battambang	5,200	Rubber plantation
3	AGRO STAR Investment	Cambodia	Kampong Cham	2,400 + 2,000	Cashew-Apple plantation and Animal husbandry
4	Men Sarun Import Export	Cambodia	Kampong Cham	4,400	Rubber plantation and other crops
5	Mieng Ly Heng Investment	Cambodia	Kampong Cham	3,000	rubber plantation
6	TTY Industrial Crops Development Import-Export	Cambodia	Kampong Cham	1,070	Cassava plantation
7	VANNMA Import-Export Co., Ltd	Cambodia	Kampong Cham	1,200	Sugar Cane and Tapioca (Cassava)
8	Phea Phimex Co., Ltd	Cambodia	Kampong Chhnang	315,028	Trees Plantation and Papers Factory
9	C.J Cambodia Co., Ltd 1	Korea	Kampong Speu	5,000	Tapioca (cassava or manioc)
10	C.J Cambodia Co., Ltd 2	Korea	Kampong Speu	3,000	Tapioca (cassava or manioc)
11	Fortuna Plantation (Cambodia) Limited	Malaysia	Kampong Speu	7,955	Oil Palm and Jatropha plantation
12	Golden Land Development Co., Ltd	Taiwan	Kampong Speu	4,900 +4,900	Agro-Industrial Crops
13	Grandis Timber Ltd	USA	Kampong Speu	9,820	Maysak plantation
14	Uk Khun Industrial Plants and Other Development	Cambodia	Kampong Speu	12,506	Cashew apple, Agro-Industrial Crops, and Animal Husbandry
15	BNA (Cam) Corp	Korea	Kampong Thom	7,500	Rubber and Cassava plantation
16	An Mardy Group	Cambodia	Kampong Thom	9,863	Agro-industrial plantation and animal husbandry
17	BNA (Cam) Corp	Korea	Kampong Thom	7,500	Rubber and Cassava plantation
18	C C V Co., Ltd	Cambodia	Kampong Thom	5,730	Acacia plantation
19	C R C K Rubber Development Co., Ltd	Vietnam	Kampong Thom	6,155	Rubber Plantation
20	Gold Foison (Cambodia) A/C Import Export & Construction	China	Kampong Thom	7,000	Acacia plantation and construction processing factory
21	H.M.H Co., Ltd	Cambodia	Kampong Thom	5,914	Acacia plantation and other trees
22	Mean Rithy Co., Ltd	Cambodia	Kampong Thom	9,784	Agro-industry
23	Ta Bien Kampong Thom Rubber Development	Vietnam	Kampong Thom	8,100	Rubber Plantation
24	Cam Try Cooperation	Israel	Kampot	4,209	Acacia plantation
25	CAMLAND Co., Ltd.	Cambodia	Kampot	16,000	Oil Palms
26	FIRST BIO-TECH AGRICULTURAL (CAMBODIA) Co., Ltd	Cambodia	Kampot	10,000	Agro-industrial plantation and animal husbandry
27	WORLD TRISTAR ENTERTAINMENT (CAMBODIA) Co., Ltd	Cambodia	Kampot	9,800	Corn plantation and construction of processing factory
28	Asia World Agricultural Development (Cambodia) Co., Ltd	China	Kratie	10,000	Tectona replantation and construct processing factory
29	(Cambodia) Tong Min Group Engineering	China	Kratie	7,465	Rubber, acacia, jatropha plantation and construct processing factory
30	Agri-Industrial Crops Development (Cambodia)	China	Kratie	7,000	Rubber and acacia plantation
31	C & V Group	Vietnam	Kratie	7,000	Rubber Plantation
32	C X P B Development	Cambodia	Kratie	8,202	Rubber Plantation
33	Carmadeno Venture (Cambodia) Limited	India	Kratie	7,635	Sugar cane plantation
34	Central First Company Limited	USA	Kratie	7,000	Rubber plantation
35	Chhun Hong Rubber Better	Cambodia	Kratie	7,000	Rubber Plantation
36	Crops & Land Development (Cambodia)	China	Kratie	7,200	Rubber and acacia plantation
37	Doty Saigon-Binh Phouc (SBK)	Vietnam	Kratie	6,436	Rubber, cassava, cashew nut plantation and construct processing factory

38	Global Agricultural Development (Cambodia) Co., Ltd	USA	Kratie	9,800	Tectona replantation and construct processing factory
39	Great Asset Agricultural Development (Cambodia) Co., Ltd	China	Kratie	8,985	Pistacia Chinasis Bunge and other trees plantation
40	Great Wonder Agricultural Development (Cambodia) Limited	China	Kratie	8,231	Pistacia Chinasis Bunge and other trees plantation
41	Green Island Agricultural Development (Cambodia) Co., Ltd	USA	Kratie	9,583	Tectona replantation and construct processing factory
42	Mega Star Investment and Forestry Development	Vietnam	Kratie	8,000	Rubber Plantation
43	PDA (Cambodia) Co., Ltd	Korea	Kratie	5,256	Rubber, Acacia and Cassava plantation
44	Koh Kong Plantation Company Limited	Cambodia	Koh Kong	9,400	Sugar Cane
45	Koh Kong Sugar Company Limited	Thai	Koh Kong	9,700	Sugar Cane
46	The Green Rich Co., Ltd.	China	Koh Kong	60,200	Oil palms, fruit trees and acacia
47	Agro Forestry Research	China	Mondulkiri	7,000	Rubber and Acacia plantation
48	Benh Hoeurk Kratie Rubber 1 Co., Ltd	Vietnam	Mondulkiri	8,926	Rubber plantation
49	Covyphama Co., Ltd	Cambodia	Mondulkiri	5,345	Rubber plantation
50	D.T.C (Group)	Cambodia	Mondulkiri	4,000	Rubber plantation
51	HUOR LING (Cambodia) International Insurance	China	Mondulkiri	8,400	Pine plantation
52	Land and Developing (Cambodia)	China	Mondulkiri	7,000	Rubber and Acacia plantation
53	MO HY PA MASU ORN Kampuchea Co., Ltd	Malaysia	Mondulkiri	7,800	Rubber plantation
54	Mondul Agri-Resource Co., Ltd	Foreign	Mondulkiri	9,100	Rubber plantation
55	Pacific Lotus Yory Stock Co., Ltd	Vietnam	Mondulkiri	9,014	Rubber plantation
56	Seang Long Green Land Investment (Cambodia) Co., Ltd	China	Mondulkiri	7,000	Rubber and Acacia plantation
57	Unigreen Resource Co., Ltd	China	Mondulkiri	8,000	Rubber plantation
58	Wuzhishan L.S Group	China	Mondulkiri	10,000	Merkusii plantation and construct processing factory
59	P N T Co., Ltd	Vietnam	Preah Vihear	7,900	Rubber plantation
60	Thy Nga Development and Investment Co., Ltd	Vietnam	Preah Vihear	6,060	Rubber plantation
61	Ratana Visal Development Co., Ltd	Cambodia	Pusat	3,000	Cashew-apple and oil palms
62	30/4 Gialani Company Limited	Vietnam	Ratanakiri	9,380	Agro-industrial crops, animal husbandry and processing factory
63	CRD	Vietnam	Ratanakiri	7,591	Rubber plantation
64	CHAING LY Investment	Vietnam	Ratanakiri	1,900	Rubber plantation
65	Dai Dong Yoeurng Commercial Yornh Stock Co., Ltd	Vietnam	Ratanakiri	4,889	Rubber and Cashew plantation and animal husbandry
66	Global Tech Sdn., Bhd, Rama Khmer International and Men Sarun Friendship	Cambodia	Ratanakiri	20,000	Oil palms, Coffee and additional crops
67	Heng Brother	Vietnam	Ratanakiri	2,361	Rubber and Acacia plantation
68	Heng Development Co., Ltd	Cambodia	Ratanakiri	8,654	Agro-industry and other trees plantation
69	Heng Heap Investment	Cambodia	Ratanakiri	7,000	Rubber and Jatropha plantation
70	Holy Ykho Investment (Cambodia)	China	Ratanakiri	7,497	Rubber plantation and other industrial crops
71	Hong An Mang Yang K Rubber Development	Vietnam	Ratanakiri	6,891	Rubber plantation
72	Hornng An Oyadav Co., Ltd	Vietnam	Ratanakiri	9,000	Rubber plantation
73	Kao Su Ealev Bm Yoi Stock	Vietnam	Ratanakiri	8,400	Rubber plantation
74	Kiri Development	Cambodia	Ratanakiri	807	Rubber plantation
75	Krong Pok Ratanakiri Rubber Development Co.Ltd	Vietnam	Ratanakiri	6,695	Rubber plantation
76	Oryung Construction (CAM) Co., Ltd	Korea	Ratanakiri	6,866	Rubber plantation
77	Veasna Investment	Vietnam	Ratanakiri	5,080	Rubber plantation

78	Kain Co., Ltd	Cambodia	Siem Reap	4,535	Rubber and agro-industry plantation.
79	Samrong Rubber Industries Pte., Ltd	Cambodia	Siem Reap	9,658	Rubber and other trees plantation
80	Sophorn Theary Peanich Co., Ltd	Cambodia	Siem Reap	5,042	Rubber and agro-industry plantation
81	Mong Reththy Investment Cassava Cambodia Co., Ltd.	Cambodia	Preah Sihanouk	1,800	Cassava plantation and construct processing factory
82	Mong Reththy Investment Oil Palm Cambodia Co., Ltd.	Cambodia	Preah Sihanouk	11,000	Oil palms
83	(Cambodia) Research Mining and Development	Cambodia	Stung Treng	7,200	Rubber and Acacia plantation
84	Cassava Starch Production Co., Ltd	Cambodia	Stung Treng	7,400 +6,190	Agricultural and Agro-industrial crops
85	GG WORLD GROUP (CAMBODIA) DEVELOPMENT Co., Ltd	China	Stung Treng	5,000	Agro-industrial crops, animal husbandry and processing factory
86	GRAND LAND AGRICULTURAL DEVELOPMENT (CAMBODIA) Co., Ltd	China	Stung Treng	9,854	Agro-industrial crops
87	Green Sea Agriculture Co., Ltd.	Cambodia	Stung Treng	100,852	Trincomali plantation
88	PHOU MADY INVESTMENT GROUP	Cambodia	Stung Treng	10,000	Acacia, Trincomali wood, and other plantation crops
89	SAL SOPHEA PEANICH Co., Ltd.	Cambodia	Stung Treng	9,917	Acacia, Trincomali wood, and other plantation crops
90	Sekong Aphivath Co., Ltd	Cambodia	Stung Treng	9,850	Agro-industry and animal husbandry
91	SIV GUEK INVESTMENT Co., Ltd.	Cambodia	Stung Treng	10,000	Acacia, Trincomali wood, and other plantation crops
92	SOPHEAK NIKA Investment Agro-Industrial Plants Co., Ltd	Cambodia	Stung Treng	10,000	Acacia, Trincomali wood, and other plantation crops
93	Un-Inter Trading and Development Group (Cambodia)	China	Stung Treng	7,000	Rubber and Acacia plantation
94	(Cambodia) Cane and Sugar Valley	Thai	Uddor Meanchey	6,595	Sugar plantation and construction processing factory
95	Angkor Sugar	Thai	Uddor Meanchey	6,523	Sugar plantation and construction processing factory
96	Crystal Agro Company Limited	Thai	Uddor Meanchey	8,000	Cassava and agro-industry plantation
97	River Sugarcane	Thai	Uddor Meanchey	6,618	Sugar plantation and construction processing factory
98	N K Venture (Cambodia) Limited	India	Svay Rieng	1,200	Sugar Can plantation

Source: ELC Website, MAFF (<http://www.elc.maff.gov.kh/en/profile>)

Tourism industry

The MOT's data indicates that number of international visitors arrivals sharply increased by 43.0% in last 5 years, namely 2,015,128 in 2007 to 2,881,862 in 2011.

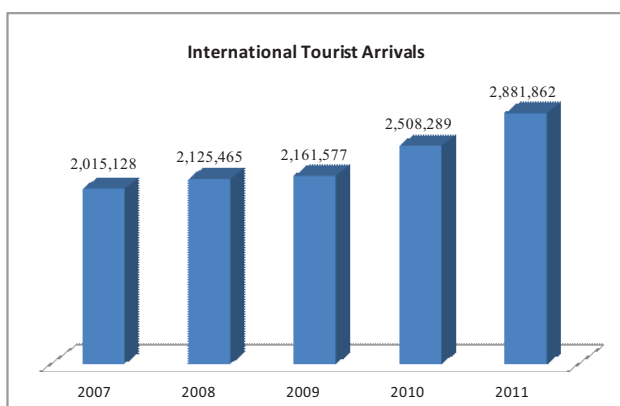
73.1% of all visitors came from Asia and the Pacific region and more than half of them were from ASEAN countries. Europe, Americas, Africa and Middle East occupied 18.8%, 7.5%, 0.2% and 0.3% respectively.

Average length of stay of those tourists was 6.5 days in 2011. As the number of tourists increased, the hotel occupancy also has been improved from 54.8% in 2007 to 66.2% in 2011. Consequently the amount which tourism sector generated has also increased from US\$1,403 million in 2007 to US\$1,912 million in 2011.

In the first 7 months in 2012, 2,040,934 visitors arrived in Cambodia, which was an increase by 25.6% comparing to the same period of 2011. 47.9% of visitors came to Cambodia by air, while 49.7% arrived by land and 2.4% by water ways.

After Vietnam appeared in top-ten rank of foreign visitors for the first time in 2005, it gradually came up the rank and became the biggest source of visitors to Cambodia in 2009 by occupying the share of 14.6% or 316,202 visitors. In 2011, Vietnamese visitors reached to 614,090 and occupied 21.3% share in all visitors to Cambodia from outside world. This tendency continued in the first 7 months of 2012 and its share was 22.2% in the period.

South Korea's share suddenly and sharply dropped to 12.5% in 2008 from previous years' 16.4% due to its sluggish economy affected by global financial crisis. After having been down to 9.2% in 2009, it started picking up to 11.6% in 2010 and increased up to 11.9% in 2011. China's share continued to rise since 2005. Although its share was 4.2% in 2005, it rose to 8.6% in 2011 and 8.8% in the first 7 months of 2012. On the contrary, Japan has been losing its share since 2002. It occupied 18.5% share in 2002 but now took only 5.6% in 2011. While the number of visitors from Japan slightly increased in 2011, its share further decreased from 6.1% in 2010 to 5.6% in 2011.



Source: Annual Report on Tourism Statistics 2011, Ministry of Tourism

Figure VII-5-4 Number of International Tourist Arrivals in Cambodia

Among top-ten source of visitors to Cambodia, the number of visitors from Thailand decreased while the number of visitors from Lao PDR, and Australia sharply increased. In the first 7 months in 2012, the number of visitors from all top-ten source markets has increased comparing to the same period of 2010.

Table VII-5-10 Top Ten Source Markets 2010-July 2012

Rank	Country	2010	2011	Share (%)	Change (%)	2012 (1-7)	Share (%)
1	Vietnam	514,289	614,090	21.3	19.4	453,894	22.2
2	South Korea	289,702	342,810	11.9	18.3	256,315	12.6
3	China	177,636	247,197	8.6	39.2	179,251	8.8
4	Japan	151,795	161,804	5.6	6.6	95,877	4.7
5	USA	146,005	153,953	5.3	5.4	103,813	5.1
6	Lao PDR	92,276	128,525	4.5	39.3	127,297	6.2
7	France	113,285	117,408	4.1	3.6	70,866	3.5
8	Thailand	149,108	116,758	4.1	-21.7	105,393	5.2
9	Australia	93,598	105,010	3.6	12.2	67,202	3.3
10	UK	103,067	104,052	3.6	1.0	65,873	3.2

Source: Tourism Statistics Report July 2012, MOT

Table VII-5-11 Number of Business Visitors by Major Country/Region in 2011

Country/Region	Number of Business Visitors
China	42,100
South Korea	13,608
Taiwan	9,538
Thailand	9,325
USA	7,707
France	6,383
Malaysia	6,100
Japan	6,051
Australia	4,963
UK	4,456

Source: Annual Report on Tourism Statistics 2011, Ministry of Tourism

Table VII-5-12 Number of Tourism Services

	Hotels	Guesthouses	Travel Agency
2002	267	509	259
2003	292	549	270
2004	299	615	302
2005	317	684	336
2006	351	742	382
2007	395	891	451
2008	398	925	473
2009	451	1,018	485
2010	440	1,087	507
2011	476	1,142	589

Source: Annual Report on Tourism Statistics 2011, Ministry of Tourism

Table VII-5-13 CDC-approved Investment Projects in Tourism Industry (2002-2011)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
The number of projects	4	10	6	6	8	13	20	12	3	8
Approved Investment Amount (US\$ million)	70	114	65	103	408	1,250	8,776	3,901	132	2,760

Source: CIB (CDC)

Top-ten countries/regions of visitors to Cambodia from 2010 to July 2012 are shown in the Table VII-5-10.

In terms of purpose of visit, 93.9% of all visitors came for tourism and 5.0% were for business in 2011. Top-ten countries/region of business visitors to Cambodia and number of visitors in 2011 are shown in Table VII-5-11.

Approximately 14% of those who arrived at Phnom Penh International Airport were for business in 2011 and 99.0% of those who arrived at Siem Reap International Airport were for vacation.

Table VII-5-12 shows the number of hotels, guesthouses and travel agencies in Cambodia at the end of each year.

In view of the investment trend of tourism, as shown in Table VII-5-13, although the approved investment amount was US\$8,776 million in 2008, it remained at US\$4,926 million if the gigantic project of US\$3,850 million is deducted from the total approved amount. In this context, the approved amount of investment of US\$3,901 million in 2009 showed the strong confidence of the investors in Cambodia's tourism industry. While the approved investment amount in 2010 stood merely at US\$132 million, it recovered to US\$2,760 in 2011.