

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,

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.

some town streets have newly been paved and this improvement has 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 Puset. These five provinces have fairly lower positions as compared

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)			
				1-10	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

with their positions in the establishment density except Pusat. It means 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 2011 (estimated figure).

According to the database⁵ of regarding the registered firms with Ministry of Industry, Mine and Energy (MIME) which was prepared basing on QIP information, the number of factories in manufacturing sector in 2011 was 689, an increase of 20.2% comparing with those in 2008. The registered companies employ 402,406 workers as a whole in 2011.

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

	2006	2007	2008	2009	2010	2011e
Food, Beverages & Tobacco	2.2	2.2	2.2	2.3	2.3	2.2
Textile, Wearing Apparel & Footwear	13.0	12.1	10.3	9.1	9.4	9.6
Wood Products, Paper & Publishing	0.6	0.6	0.6	0.6	0.6	0.6
Rubber	0.6	0.4	0.4	0.4	0.5	0.5
Others	2.2	2.1	1.9	2.0	2.0	2.0
Total Manufacturing	18.6	17.3	15.3	14.4	14.7	14.8

Source: MEF

Note 5: MIME's database was provided by General Department of Industries in November 2011. 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 & 2011

Classification		2008		2011	
		No of Factories	Share	No of Factories	Share
Food, Beverages & Tobacco		42	7.3%	56	8.1%
	A Food	21	3.7%	30	4.4%
	B Beverage	12	2.1%	15	2.2%
	C Tobacco	9	1.6%	11	1.6%
Textile, Wearing Apparel & Leather Industries		450	78.5%	521	75.6%
	A Textile, Embroidery & Printing	49	8.6%	62	9.0%
	B Wearing Apparel	343	59.9%	380	55.2%
	C Hat, Cap, Bag and Glove	8	1.4%	9	1.3%
	D Jeans and Washing	16	2.8%	14	2.0%
	E Shoes and Shoes part	32	5.6%	54	7.8%
	F Leather	2	0.3%	2	0.3%
Wood Products (Including Furniture)		4	0.7%	9	1.3%
Paper, Paper product, Printing & Publishing		11	2.0%	15	2.2%
Chemicals, Petroleum, Coal, Rubber & Plastic Products		33	5.8%	44	6.4%
Non-metallic Mineral Products (except petroleum and coal)		9	1.6%	12	1.7%
Fabricated Metal Products		21	3.7%	30	4.4%
Other		3	0.5%	2	0.3%
Grand Total		573	100%	689	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 75.6%, although it decreased by 3% comparing with those in 2008. The number of factories in “Food”, “Chemicals, Petroleum, Coal, Rubber & Plastic Products” and “Fabricated Metal Products” increased by approximately 10 respectively.

SMEs

There was a 40.9% increase in total number of SME⁶ factories between 2004 and 2010, 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 84.1% in 2010. 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 76.8% between 2004 and 2010. The food, beverages and tobacco sector accounts for approximately 70.1% in 2010. The share of the manufacturing of fabricated metal production is 8.7% and that of manufacturing of non metallic mineral production (except production of petroleum & coal) is 5.0% in 2010.

The outputs of manufacturing SMEs increased 72.0% as a whole between 2004 and 2010. While “Food, Beverages and Tobacco” sector decreased in 2007 and 2008, but recovered in 2009 and increased by 12.8% in 2010. The outputs of “Manufacturing of Non Metallic Mineral Products” and “Fabricated Metal Products, Machinery& Equipment” remained stable in recent years after sharp increase in 2007.

Table VII-4-3 Number of Registered Factories of Manufacturing SMEs: 2004-2010

Industrial Sector	2004	2005	2006	2007	2008	2009	2010
Food, Beverages, Tobacco	21,692	23,727	25,455	26,379	26,208	29,987	31,479
Textile, Wearing Apparel and Leather industry	1,680	1,665	1,689	1,474	1,478	1,443	1,485
Wood & Wood product	16	2	-	-	-	-	-
Paper product, Printing & Publishing	27	31	33	39	43	48	59
Chemicals	121	153	159	177	192	203	224
Non Metallic Mineral products except products of Petroleum & Coal	634	719	797	813	875	987	1,037
Basic Metal Industries	-	-	-	-	-	-	-
Fabricated Metal products, Machinery& Equipment	2,160	2,334	2,380	2,918	3,039	1,902	2,052
Other Manufacturing Industries	234	666	636	819	965	990	1,086
Total	26,564	29,297	31,149	32,619	32,800	35,560	37,422

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: 2004 - 2010

Industrial Sector	2004	2005	2006	2007	2008	2009	2010
Food, Beverages, Tobacco	49,383	57,557	58,512	60,262	57,496	90,148	93,704
Textile, Wearing Apparel and Leather industry	8,118	7,073	6,347	10,580	12,104	12,173	14,569
Wood & Wood product	97	4	-	-	-	-	-
Paper product, Printing & Publishing	474	338	351	849	884	923	1,207
Chemicals	1,018	1,393	1,448	1,542	1,678	1,810	2,000
Non Metallic Mineral products except products of Petroleum & Coal	6,702	8,505	8,932	9,298	11,615	10,737	11,570
Basic Metal Industries	-	-	-	-	-	-	-
Fabricated Metal products, Machinery& Equipment	6,727	9,741	8,243	9,407	9,821	6,170	6,722
Other Manufacturing Industries	3,089	3,205	3,239	2,897	3,285	3,371	3,909
Total	75,608	86,816	87,072	94,835	96,883	125,332	133,681

Source: MIME

Table VII-4-5 Outputs of Manufacturing SMEs: 2004-2010

(Million Riel)

Industrial Sector	2004	2005	2006	2007	2008	2009	2010
Food, Beverages, Tobacco	2,000,000	2,352,833	2,461,530	2,294,293	2,219,803	2,527,085	3,119,559
Textile, Wearing Apparel and Leather industry	9,608	14,212	12,933	14,072	75,426	21,136	26,040
Wood & Wood product	977	75	-	-	-	-	-
Paper product, Printing & Publishing	1,879	2,215	2285	3,513	4,031	4,173	5,211
Chemicals	19,766	23,193	24,266	23,534	56,713	62,623	68,632
Non Metallic Mineral products except products of Petroleum & Coal	32,349	35,340	38,190	122,832	98,014	105,623	119,525
Basic Metal Industries	-	-	-	-	-	-	-
Fabricated Metal products, Machinery& Equipment	30,354	35,942	38,186	91,172	116,318	80,446	104,965
Other Manufacturing Industries	24,331	21,533	21,690	65,513	123,962	150,310	201,501
Total (million Riel)	2,119,264	2,485,343	2,599,080	2,614,929	2,694,267	2,951,396	3,645,433
Total (million USD)	529.8	621.3	649.8	653.7	673.6	737.9	911.3

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 2001 and 2007. Despite sharp decrease in 2008 and 2009, the investment started to recover in 2010. In 2011, 56 projects related to garment industry were approved by CDC and its total approved investment amount reached to USD 242.75 million as of September 2011, which is the highest level in the last decade. The average investment amount per project in 2011 also has recovered up to the level of 2007 which was peak.

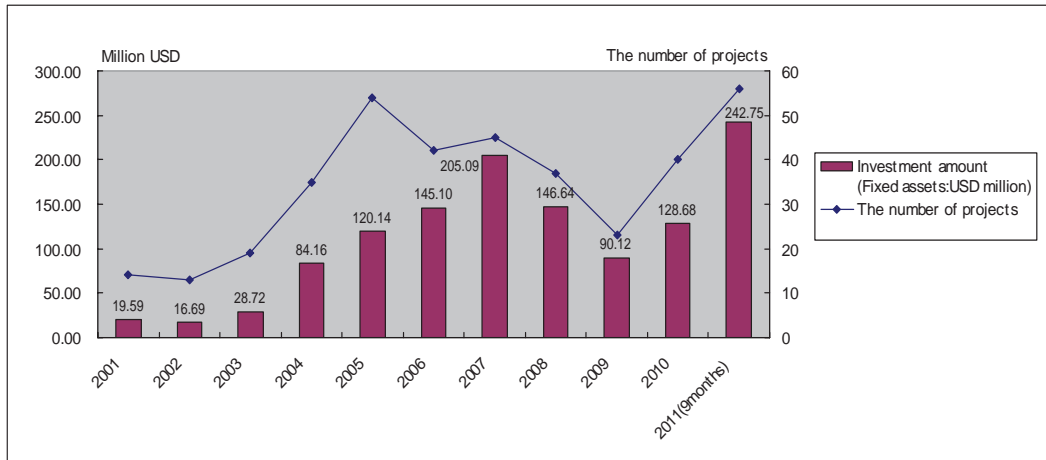
Cambodian garment industry has been developed by foreign direct investors such as Taiwan, China and Hong Kong with few Cambodian investors.

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 5% of the 300 members as of October 2011.

Cambodian export amount of garment in 2010 reached USD 3,021.97 million and main destinations were the USA and EU. In 2010, the total export values to the USA and EU were US\$1,820.64 million and US\$705.60 million respectively.

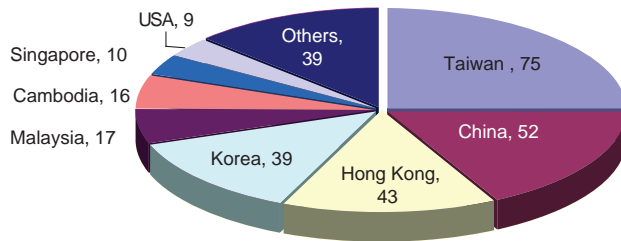
According to MIME, around 60.8% of large establishments are occupied by textile and wearing apparel industries and their total number of workforce reached around 466,000 in 2011.

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 2002 and 2011.



Source: CIB (CDC)

Figure VII-5-1 CDC-approved Investment Projects in Garment (2001-2011)



Source: GMAC

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

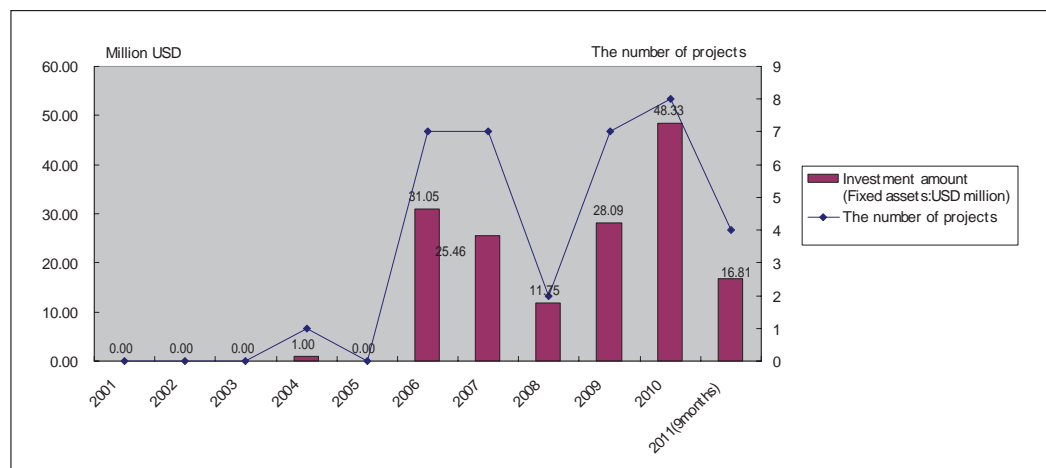
Footwear industry

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 September 2011 except for 2009.

Footwear export from Cambodia amounted to USD\$177.17 million in 2010, which is more than four 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, 52 enterprises have registered the GSP privilege since 1997. As of September 2011, 39 enterprises are operating their factories. Main investors are Taiwan (23), China (5) and others (11). The footwear industry contributes to the job creation more than 60,000, which account for around 11.5% of the total workforce in large establishments of Cambodia. The average number of workers is about 1,590 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 the RGC. As of October 2011, 26 footwear factories registered as the members of GMAC.



Source: CIB (CDC)

Figure VII-5-3 CDC-approved Investment Projects in Footwear (2001-September 2011)

Fabricated metal and electric/electronics products industries

In 2008, 21 companies were registered under MIME 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, 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 SNV 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 approximately 1,000 Hyundai SUVs per year for domestic market in a factory locating at Neang Kok Koh Kong SEZ and plants to increase the number to 3,000 SUVs and minibuses per year in near future.

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., which is listed in MIME database, 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 only form and cut. Although the smuggled galvanized steel sheets are still flowing in from Vietnam, the company occupies comfortable market share.

Cambodia Success Industries Co., Ltd., Wealth (Cambodia) Steel Industry Engineering Co., Ltd. and Zhong Zheng (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, Viniton 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., Denso Electronics, Asle Electronic (Cambodia) Co., Ltd. and Marunix (Cambodia) Co., Ltd. They assemble the wire harness for automobile or electric equipment and appliance.

Sudden surge of foreign investment in this field was caused by the increasing difficulty of employment of young workers in China, Thailand and Vietnam as well as the sharply increasing manpower cost in these countries. For these reasons, all the Japanese companies recently invested in this field will be likely to concentrate on assembling work of the imported parts and components in Cambodia, at least for the time being.

Food processing industry

The output of food, beverages & tobacco industries accounts for 15.5% of total manufacturing in 2010, increased by 3.3%, 3.1%, 5.9%, 6.0% and 7.9% annually from 2006 to 2010. However, the contributing ratio of the industries to the total GDP remained at 2.3% in 2010.

56 factories are registered in the field of food processing with the MIME as of 2011, which is an increase of 33.3% from 42 factories in 2008. Foreign enterprises accounts for around 46% of the total number of enterprises.

The average number of workers is around 210, with the range between 28 and 1,546 and 4 factories employ more than 500 workers.

Among 30 food companies, 5 companies engage in the manufacture of animal foods, 4 in the flour manufacturing and 3 in the sugar and alcohol. In beverage, 7 companies are the beer brewery out of total 15 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 industry

The agriculture, Fishery and Forest sector occupied the share of 30.1% in GDP (Current Prices) in 2006 and it took 33.9% share in 2010 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 19.0 % of the GDP in

2010 as shown in Table VII-5-1. The Gross Valued Added (GVA) for agriculture increased from 6,830 billion Riels (Constant 2000 price)⁷ in 2006 to 7,994 billion Riels in 2009 (an increase of 17.0%) and further to 8,313 billion Riels (an increase of 21.7% over 2006) by having grown at 4.5% 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 and harvested areas, yield per hectare and total production of rice has increased steadily from 2006 to 2010 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.

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 fluctuated in the years from 2006 to 2010 and even decreased in 2010 comparing to 2009 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 high cost of animal foods. On the other hand, the production of poultry remarkably increased from 2006 and reached 22 million in 2010.

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

	2006	2007	2008	2009	2010	2011e
Crops	15.14	15.51	17.93	18.37	19.03	18.03
Livestock & Poultry	4.62	4.36	4.44	4.54	4.49	3.85
Fisheries	7.24	6.95	7.42	7.67	7.54	7.55
Forestry & Logging	3.07	2.88	2.95	2.91	2.81	2.68
Total Agriculture, Fishery & Forest	30.06	29.70	32.75	33.49	33.88	32.11

Source: MEF

Table VII-5-2 Rice Production in Cambodia 2006-2010

Description	2006	2007	2008	2009	2010	Change 2010/2009 (%)
Cultivated Areas (ha)	2,541,433	2,585,905	2,615,741	2,719,080	2,795,892	2.82
Harvested Areas (ha)	2,516,415	2,566,952	2,613,363	2,674,603	2,776,323	3.84
Rice Yield (t/ha)	2.489	2.621	2.746	2.836	2.97	4.74
Production (t)	6,264,123	6,727,127	7,175,473	7,585,870	8,249,452	8.75
Rice Surplus (t)	1,433,880	1,649,640	2,025,033	2,244,598	2,515,752	12.1
Paddy Surplus (t)	2,240,438	2,577,562	3,164,114	3,507,185	3,930,425	12.1

Source: Annual Report for Agriculture, Forestry and Fisheries 2010-2011, April 2011, MAFF

Table VII-5-3 Cultivated Areas for Four Main Crops 2006-2010 (Unit: Hectare)

Crop	2006	2007	2008	2009	2010
Maize	108,836	142,391	163,106	206,058	213,622
Cassava	97,918	108,122	179,945	160,326	206,226
Mung Bean	85,140	65,261	45,605	49,599	69,206
Soya Bean	75,053	76,981	74,413	96,388	103,198
Total 4 Crops	366,947	392,755	463,069	512,370	592,250

Source: Annual Report for Agriculture, Forestry and Fisheries 2010-2011, April 2011, MAFF

Note 7 : Annual Report for Agriculture, Forestry and Fisheries 2010-2011, April 2011, MAFF

Table VII-5-4 Livestock and Poultry Production in Cambodia 2006-2010

	2006	2007	2008	2009	2010
Livestock					
Cattle	3,344,612	3,368,449	3,457,787	3,579,882	3,484,481
Buffalo	724,378	772,780	746,207	739,646	702,074
Pig	2,688,612	2,389,389	2,389,389	2,126,304	2,057,431
(Total)	(6,757,602)	(6,530,618)	(6,593,383)	(6,445,832)	(6,243,986)
Poultry	15,085,547	15,825,314	15,825,314	20,192,811	22,877,397

Source: Annual Report for Agriculture, Forestry and Fisheries 2010-2011, April 2011, MAFF

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% of the total fishery production in 2010. While the production volumes of inland fish and aquaculture have decreased by 4% and 36.6% respectively from 2006 to 2010, the production of marine fish has increased by 40% in the same period.

Forestry and Logging:

According to “Annual Report for Agriculture, Forestry and Fisheries 2010-2011” of 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 28,835 hectares in 2010. Among them, 1,020 hectares were planted by Forest Administration, 26,775 hectares by private companies and 973 hectares by small-scale farmers or households.

Forestry Administration cooperated with development partners and local communities to establish and develop 510 forest communities covering 467,884 hectares of forest land in 2010.

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.

In 2010, the world consumption of natural rubber was 10,182,000 tons while the production was 10,003,000 tons. Consequently, the stock of natural rubber in rubber producing countries decreased and the rubber price in international market increased. Following the tendency of long-time shortage in supply of natural rubber, the rubber plantation area in Cambodia steadily increased and the total area reached at 181,434 hectares in 2010 as shown in Table VII-5-6.

As tapping areas kept widening, the production and export amount also steadily grew. In 2010, the production and export amount increased by 13.0% and 15.1% respectively, comparing with these in the 2009. However, Cambodia’s share in the world rubber production still remains at 0.42% in 2010, namely 42.2 thousand tons out of 10,003 tons. The average price of Cambodian natural rubber, which was exported by rubber estate, was US\$3,181/ton in 2010. Transition of tapping area, production and export of Cambodian rubber in recent years is shown in Table VII-5-7.

There were 11 rubber estates, 49 rubber-planting Economic Land Concession companies and many small holders in 14 provinces at the end of 2010. The transition of total rubber plantation area by type of firm is shown in Table VII-5-8 and the current tapping and planting areas by development stage are shown in Table VII-5-9.

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 2006 to 2010 (Metric tons)

Type of Fish	2006	2007	2008	2009	2010
Inland Fish	422,000	395,000	365,000	390,000	405,000
Marine Fish	60,500	63,500	66,000	75,000	85,000
Aquaculture	95,660	98,690	105,925	50,000	60,000

Source: Annual Report for Agriculture, Forestry and Fisheries 2010-2011, April 2011, MAFF

Table VII-5-6 Maintaining and Tapping Area of Rubber 2002-2010

Year	Maintained Area (Ha)	Tapping Area (Ha)
2002	24	
2003	362	
2004	1,953	
2005	3,497	
2006	11,931	20,583
2007	19,656	30,490
2008	29,140	33,670
2009	32,155	34,135
2010	44,311	38,406
Total	143,028*	38,406**

*Sum of maintained areas in each year

**Current tapping areas

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

Table VII-5-7 Tapping Area, Production and Export of Rubber 2006-2010

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

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

Table VII-5-8 Transition of Total Rubber Plantation Area 2006-2010

Unit: thousand hectares

Type of Firm	Year					
	2006	2007	2008	2009	2010	May 2011
Rubber Estate	45	44	45	45	47	47
ELC Company	0	2	8	22	52	76
Small Holders	25	36	54	59	82	85
Total	70	82	107	126	181	208

Table VII-5-9 Cambodia Natural Rubber Plantation Area by Stage in 2010

Type of Firm	No. of Firm	Area (Ha)			
		Tapping	Replanting	New Planting	Total
Rubber Estate	11	20,971	23,620	2,501	47,092
ELC Company	49			52,528	52,528
Small Holders	(14 Provinces)	17,435		64,378	81,813
Total	-	38,406	23,620	119,407	181,433

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

Economic Land Concession

The ELC website of MAFF currently carries the list of profiles of only 90 ELC contracts as shown in Table VII-5-10.

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.

Table VII-5-10 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	Covyphama Co., Ltd	Cambodia	Mondulkiri	5,345	Rubber plantation
49	D.T.C (Group)	Cambodia	Mondulkiri	4,000	Rubber plantation
50	HUOR LING (Cambodia) International Insurance	China	Mondulkiri	8,400	Pine plantation
51	Land and Developing (Cambodia)	China	Mondulkiri	7,000	Rubber and Acacia plantation
52	MO HY PA MASU ORN Kampuchea Co., Ltd	Malaysia	Mondulkiri	7,800	Rubber plantation
53	Mondul Agri-Resource Co., Ltd	Foreign	Mondulkiri	9,100	Rubber plantation
54	Seang Long Green Land Investment (Cambodia) Co., Ltd	China	Mondulkiri	7,000	Rubber and Acacia plantation
55	Unigreen Resource Co., Ltd	China	Mondulkiri	8,000	Rubber plantation
56	Wuzhishan L.S Group	China	Mondulkiri	10,000	Merkusii plantation and construct processing factory
57	P N T Co., Ltd	Vietnam	Preah Vihear	7,900	Rubber plantation
58	Thy Nga Development and Investment Co., Ltd	Vietnam	Preah Vihear	6,060	Rubber plantation
59	Ratana Visal Development Co., Ltd	Cambodia	Pusat	3,000	Cashew-apple and oil palms
60	30/4 Gialani Company Limited	Vietnam	Ratanakiri	9,380	Agro-industrial crops, animal husbandry and processing factory
61	Dai Dong Yoeurng Commercial Yornh Stock Co., Ltd	Vietnam	Ratanakiri	4,889	Rubber and Cashew plantation and animal husbandry
62	Global Tech Sdn., Bhd, Rama Khmer International and Men Sarun Friendship	Cambodia	Ratanakiri	20,000	Oil palms, Coffee and additional crops
63	Heng Brother	Vietnam	Ratanakiri	2,361	Rubber and Acacia plantation
64	Heng Development Co., Ltd	Cambodia	Ratanakiri	8,654	Agro-industry and other trees plantation
65	Heng Heap Investment	Cambodia	Ratanakiri	7,000	Rubber and Jatropha plantation
66	Hong An Mang Yang K Rubber Development	Vietnam	Ratanakiri	6,891	Rubber plantation
67	Kiri Development	Cambodia	Ratanakiri	807	Rubber plantation
68	Krong Pok Ratanakiri Rubber Development Co.Ltd	Vietnam	Ratanakiri	6,695	Rubber plantation

69	Oryung Construction (CAM) Co., Ltd	Korea	Ratanakiri	6,866	Rubber plantation
70	Kain Co., Ltd	Cambodia	Siem Reap	4,535	Rubber and agro-industry plantation.
71	Samrong Rubber Industries Pte., Ltd	Cambodia	Siem Reap	9,658	Rubber and other trees plantation
72	Sophorn Theary Peanich Co., Ltd	Cambodia	Siem Reap	5,042	Rubber and agro-industry plantation
73	Mong Reththy Investment Cassava Cambodia Co., Ltd.	Cambodia	Preah Sihanouk	1,800	Cassava plantation and construct processing factory
74	Mong Reththy Investment Oil Palm Cambodia Co., Ltd.	Cambodia	Preah Sihanouk	11,000	Oil palms
75	(Cambodia) Research Mining and Development	Cambodia	Stung Treng	7,200	Rubber and Acacia plantation
76	Cassava Starch Production Co., Ltd	Cambodia	Stung Treng	7,400 +6,190	Agricultural and Agro-industrial crops
77	GG WORLD GROUP (CAMBODIA) DEVELOPMENT Co., Ltd	China	Stung Treng	5,000	Agro-industrial crops, animal husbandry and processing factory
78	GRAND LAND AGRICULTURAL DEVELOPMENT (CAMBODIA) Co., Ltd	China	Stung Treng	9,854	Agro-industrial crops
79	Green Sea Agriculture Co., Ltd.	Cambodia	Stung Treng	100,852	Trincomali plantation
80	PHOU MADY INVESTMENT GROUP	Cambodia	Stung Treng	10,000	Acacia, Trincomali wood, and other plantation crops
81	SAL SOPHEA PEANICH Co., Ltd.	Cambodia	Stung Treng	9,917	Acacia, Trincomali wood, and other plantation crops
82	Sekong Aphivath Co., Ltd	Cambodia	Stung Treng	9,850	Agro-industry and animal husbandry
83	SIV GUEK INVESTMENT Co., Ltd.	Cambodia	Stung Treng	10,000	Acacia, Trincomali wood, and other plantation crops
84	SOPHEAK NIKA Investment Agro-Industrial Plants Co., Ltd	Cambodia	Stung Treng	10,000	Acacia, Trincomali wood, and other plantation crops
85	Un-Inter Trading and Development Group (Cambodia)	China	Stung Treng	7,000	Rubber and Acacia plantation
86	(Cambodia) Cane and Sugar Valley	Thai	Uddor Meanchey	6,595	Sugar plantation and construction processing factory
87	Angkor Sugar	Thai	Uddor Meanchey	6,523	Sugar plantation and construction processing factory
88	Crystal Agro Company Limited	Thai	Uddor Meanchey	8,000	Cassava and agro-industry plantation
89	River Sugarcane	Thai	Uddor Meanchey	6,618	Sugar plantation and construction processing factory
90	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>)

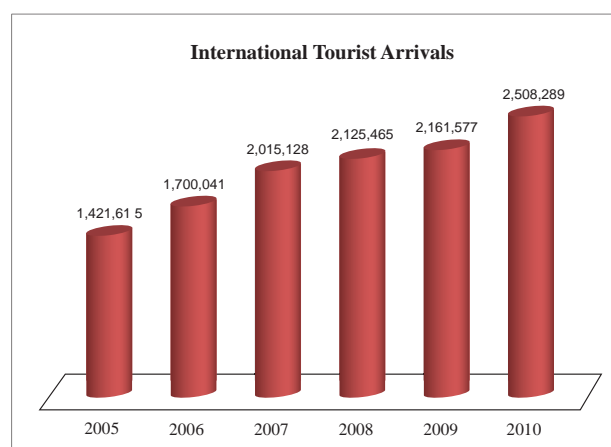
Tourism industry

The MOT's data indicates that number of international visitors arrivals sharply increased by 76.4% in last 5 years, namely 1,421,615 in 2005 to 2,508,289 in 2010.

72.1% of all visitors came from Asia and the Pacific region and more than half of them were from ASEAN countries. North America, Europe, Americas, Africa and Middle East occupied 19.51%, 7.94%, 0.18% and 0.31% respectively.

Average length of stay of those tourists was 6.45 days in 2010. As the number of tourists increased, the hotel occupancy also has been improved from 52% in 2005 to 65.7% in 2010. Consequently the amount which tourism sector generated became more than double in 2010, namely US \$1,786 million, comparing to US\$832 million in 2005.

In the first 9 months in 2011, 2,084,789 visitors arrived in Cambodia, which was an increase by 15.6% comparing to the same period of 2010. 50.3% of visitors came to Cambodia by air, while 46.8% arrived by land and 2.9% by water ways.



Source: Annual Report on Tourism Statistics 2010, Ministry of Tourism

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

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 2010, Vietnamese visitors further increased by 47.6% to 466,695 and occupied 18.6% share in all visitors to Cambodia from outside world. This tendency continued in the first 9 months of 2011 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 9.7% in 2009, it started picking up to 11.6% in 2010. China's share continued to rise since 2005. Although its share was 4.2% in 2005, it rose to 7.1% in 2010 and 8.5% in the first 9 months of 2011. On the contrary, Japan has been losing its share since 2002. It occupied 18.5% share in 2002 but now took only 5.7% in 2010. While the number of visitors from Japan slightly increased in 2010, its share further decreased from 6.8% in 2009 to 6.1% in 2010.

Among top-ten source of visitors to Cambodia, the number of visitors from USA, UK and Thailand decreased while the number of visitors from France, Australia and Taiwan sharply increased. The shares of USA, UK and France have dropped in the first 9 months of 2011 as well.

Top-ten countries/regions of visitors to Cambodia from 2009 to September 2011 are shown in the Table VII-5-11.

In terms of purpose of visit, 92.9% of all visitors came for tourism and 5.6% were for business in 2010. Top-ten countries/region of business visitors to Cambodia and number of visitors in 2010 are shown in Table VII-5-12.

More than 15% of those who arrived at Phnom Penh International Airport were for business in 2010 and 98.8% of those who arrived at Siem Reap International Airport were for vacation.

Table VII-5-13 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-5-14, 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. However, the approved investment amount in 2010 stood merely at US\$132 million.

Table VII-5-11 Top Ten Source Markets 2009-September 2011

Rank		2009	2010	Share (%)	Change (%)	2011 (1-9)	Share (%)
1	Vietnam	316,202	466,695	18.61	47.59	462,371	22.2
2	South Korea	197,725	289,702	11.55	46.52	247,381	11.9
3	China	128,210	177,636	7.08	38.55	177,533	8.5
4	Japan	146,286	151,795	6.05	3.77	117,881	5.7
5	USA	148,482	146,005	5.82	-6.7	110,308	5.3
6	France	105,437	113,285	4.52	7.44	82,447	4.0
7	UK	106,837	103,067	4.11	-3.53	76,008	3.6
8	Thailand	102,018	96,277	3.84	-5.63	80,912	3.9
9	Australia	84,581	93,598	3.73	10.66	73,385	3.5
10	Taiwan	72,119	91,229	3.64	26.50	74,893	3.6

Source: Tourism Statistics Report September 2011, MOT

Table VII-5-12 Number of Business Visitors by Major Country/Region in 2010

Country/Region	Number of Business Visitors
China	31,473
South Korea	8,639
Thailand	7,538
Taiwan	6,171
USA	5,341
Japan	4,693
Malaysia	4,372
France	4,446
Australia	4,147
UK	3,081

Source: Annual Report on Tourism Statistics 2010, Ministry of Tourism

Table VII-5-13 Number of Tourism Services

	Hotels	Guesthouses	Travel Agency
2001	247	370	236
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

Source: Annual Report on Tourism Statistics 2010, Ministry of Tourism

Table VII-5-14 CDC-approved Investment Projects in Tourism Industry (2001-2010)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
The number of projects	6	3	10	6	7	10	11	20	12	3
Approved Investment Amount (US\$ million)	74	47	115	64	103	448	1,101	8,776	3,901	132

Source: CIB (CDC)