



Kingdom of Cambodia
Nation Religion King



ASEAN Constructors Federation



Cambodia Constructors Association

44th ACF Council Meeting on 28 September 2017 , Singapore

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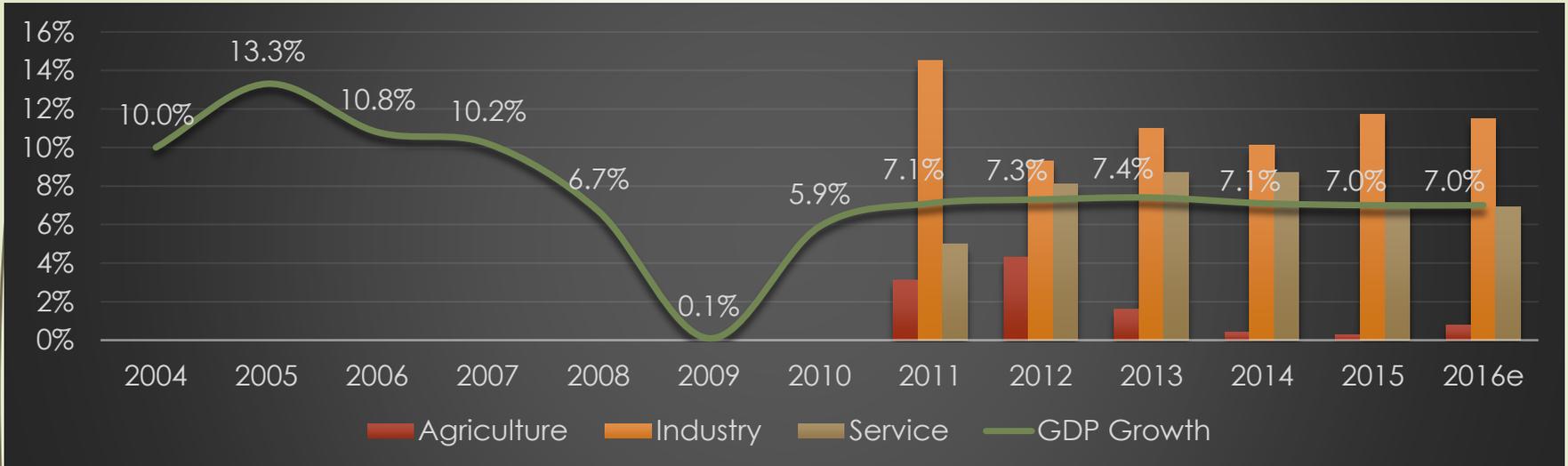


1- Key Indicators of Cambodia

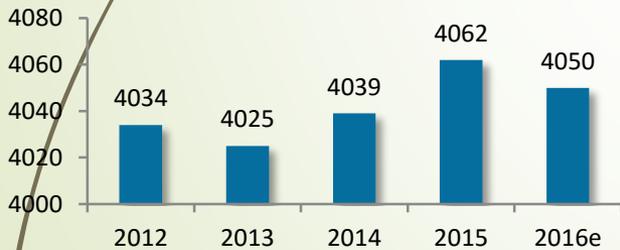


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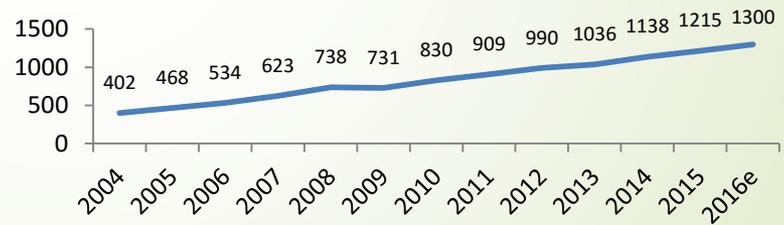
GDP Growth (2004-2016)



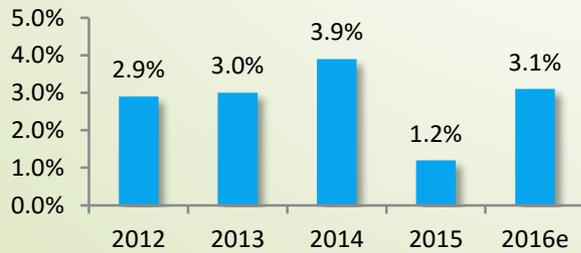
Stable Exchange Rate (USD-Riel)



GDP Per Capita (2004-2016)

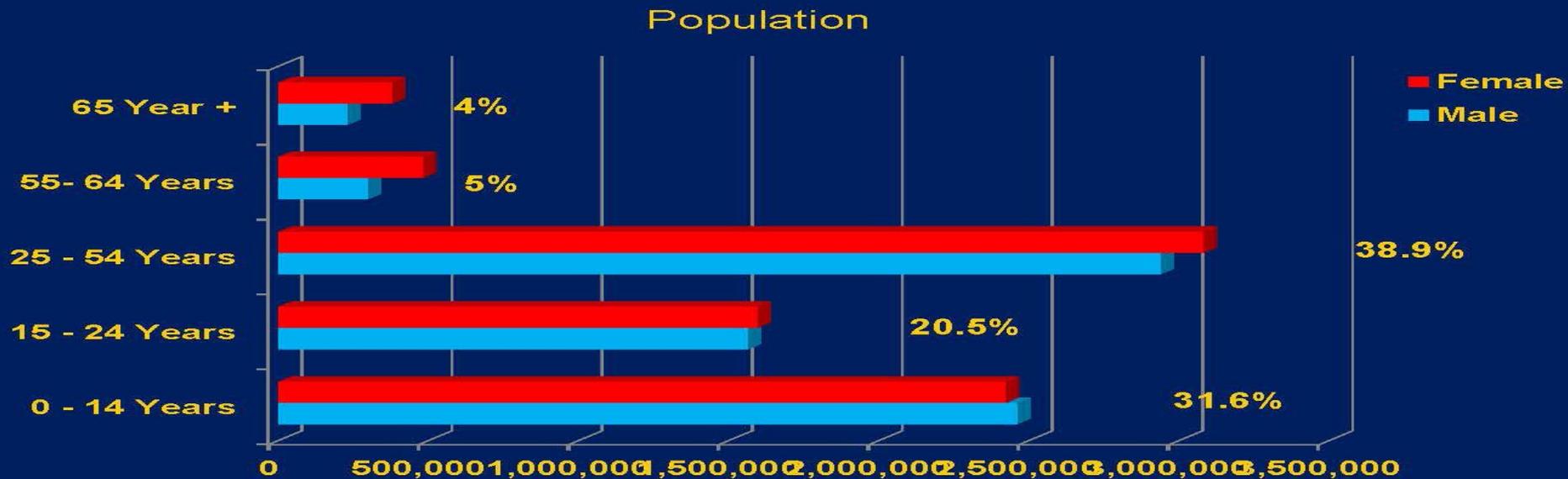


Low & Manageable Inflation



GDP % Growth : 7.0% (2016), prediction 7.0% (2017)
GDP : USD22.2 Billions -USD 22.2 Billions (Pre 2017)
GDP per capita : USD 1,325 (2016)-USD 1,434 (Pre 2017)

Population 15.67 Millions



Population Growth	1.83% (2015)
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Birth Rate	24.4births/1000 population
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Death Rate	7.78 deaths/1000 population
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Urban Population	25%
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Annual Rate of Urbanization	2.13%
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Literacy	88%
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2- Economy





Trading

Import

- USD 63.70 Billions (2016) & USD 62.50 Billions (Prediction 2017)

Import Goods

- Petroleum, Cigarettes, Gold, Machinery, Construction, Materials, Motor Vehicles, Pharmaceutical Products, and Raw Materials for Textile, etc.

Main Import Partners

- China, United States, Thailand, Vietnam, Hong Kong, Taiwan, Republic of Korea, Singapore, Indonesia, Japan, & Malaysia, etc.



Trading

Export

- 46.5 Billions USD (2016) & 47.20 Billions (Prediction 2017)

Export Goods

- Cloths, Timber, Rubber, Rice, Fish, Tobacco, Footwear, Corn, Vegetables, Cashews, Tapioca and Silk, etc.

Main Export Partners

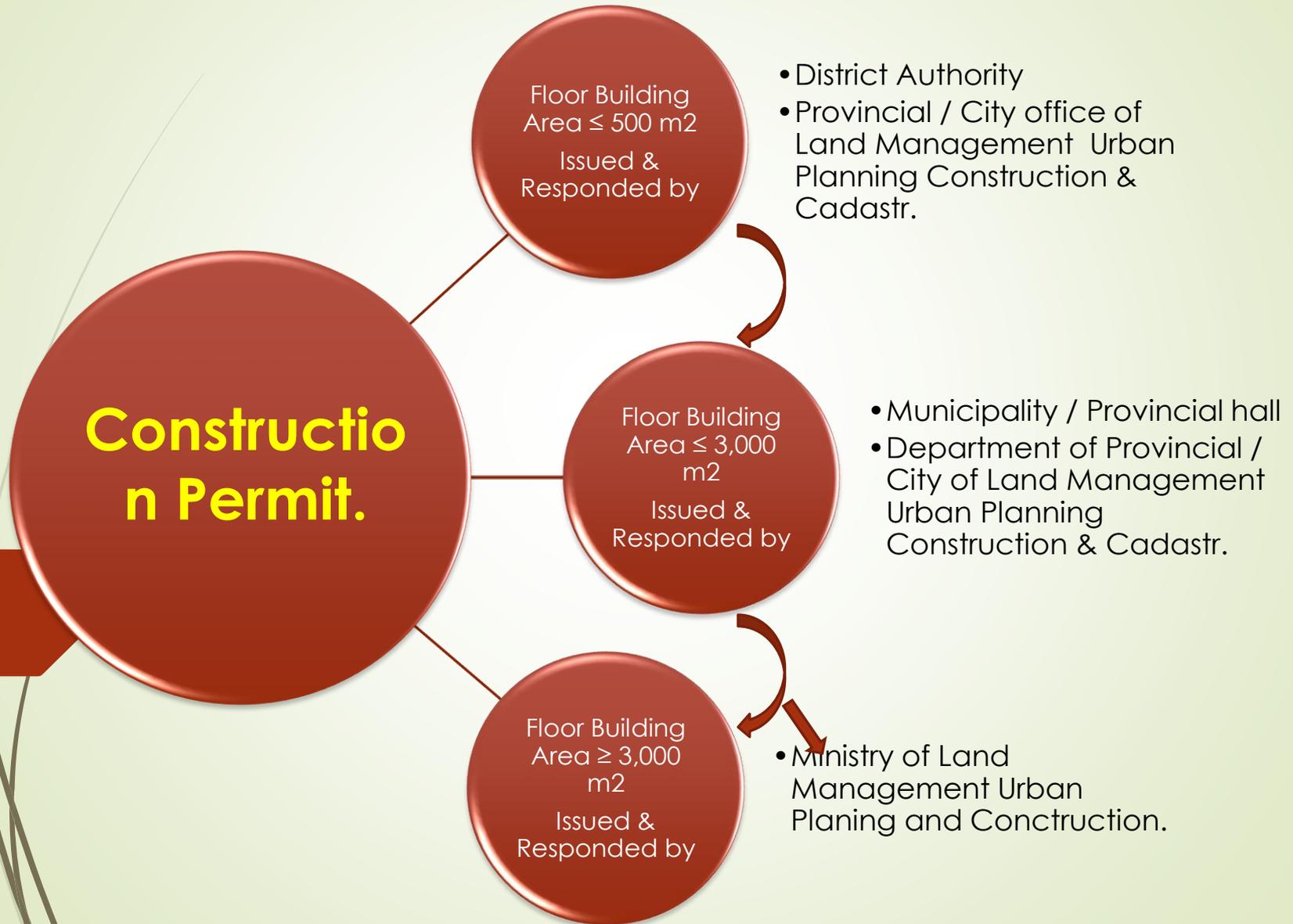
- United States, Hong Kong, Singapore, Canada, UK, Germany, Thailand, China, Spain and Japan, Vietnam, etc.



3- Construction Industry Responsible of Cambodia

- ▶ The Royal Government has vested the mission to the Ministry of Land Management, Urban Planning and Construction to lead and manage the Affairs of Land Management, Urban, Planning, Construction, Cadastre and Geography in the Kingdom of Cambodia.
- ▶ In provincial and Capital , the ministry has departments and offices representative of responsibility of Land Management, Urban, Planning, Construction, Cadastre and Geography .

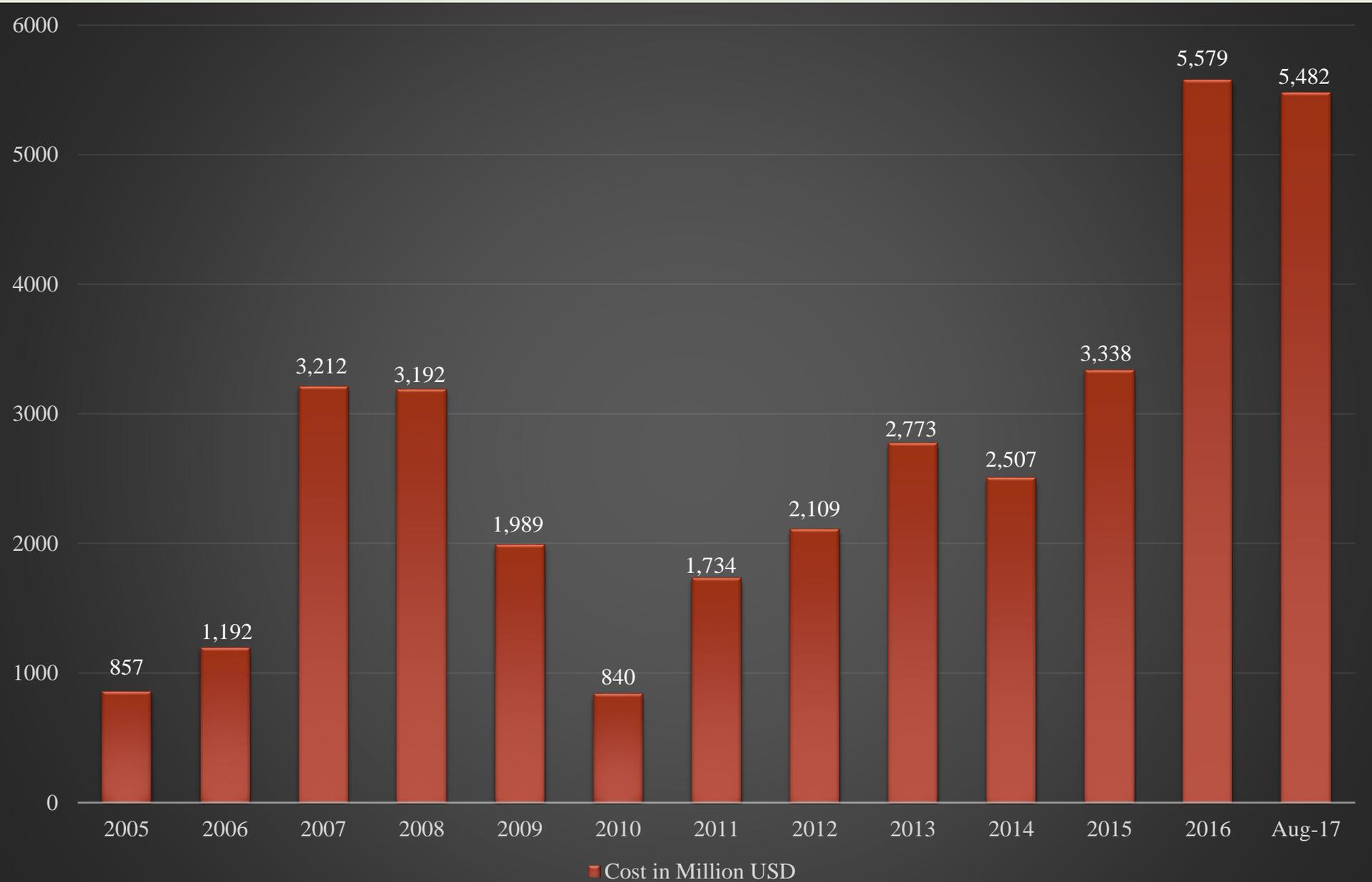
4- Construction Permission in Cambodia



5- Comparison of number and cost of construction projects from 2005 - August 2017

YEARS	Number of Project	Total Area Building (m ²)	Estimation Cost (Million USD)	Percentage of Estimated Cost Comparison (%)	
2005	2,995	4,117,402	857	Compared with 2004, Increased by 4%	
2006	2,583	6,244,402	1,192	Compared with 2005, Increased by 39%	↑
2007	1,942	10,695,340	3,212	Compared with 2006, Increased by 169%	↑
2008	2,156	10,339,642	3,192	Compared with 2007, Decreased by 0.64%	↑
2009	2,230	6,614,747	1,989	Compared with 2008, Decreased by 38%	↓
2010	2,149	3,287,468	840	Compared with 2009, Decreased by 58%	↓
2011	2,129	5,257,585	1,734	Compared with 2010, increased by 106%	↑
2012	1,694	6,528,452	2,109	Compared with 2011, Increased by 72%	↑
2013	1641	7,596,151	2,773	Compared with 2012, Increased by 31,45%	↑
2014	1960	6,460,148	2,507	Compared with 2013, Decreased by 9.58%	↓
2015	2,305	7,686,112	3,338	Compared with 2014, Increased by 33.14%	↑
2016	2,635	12,158,268	5,579	Compared with 2015, Increased by 68%	↑
August 2017	2,239	8,859,248	5,482	Compared with same period in 2016, increased by 28.57%	↑

Estimated Construction Cost Investment in Cambodia from 2005 – Aug. 2017



6- Number of foreign construction investment projects and cost estimation in Cambodia from 2000 to Aug/2017

Country	Number of Projects	Total Area Sq.m	Estimated Cost (USD)	8 months 2017		
				N. of Projects	Total Area M2	Est. Cost USD
China	125	6,765,558	2,035,350,669	11	462,619	248,644,120
Korea	49	3,755,124	1,640,031,037	2	34,756	16,398,500
Japan	38	697,268	246,471,121	3	57,811	20,242,850
Singapore	10	411,301	158,827,880	2	44,098	15,434,300
Thailand	26	380,282	148,295,506	4	50,370	20,608,800
UK	10	480,894	141,049,699	0	0	0
Taiwan	11	377,912	104,705,354	1	9,771	3,419,850
Malaysia	17	247,341	97,269,501	0	0	0
Russia	2	125,326	51,958,216	0	0	0
Canada	4	161,663	47,378,740	1	45,134	15,796,900
LAO PDR	1	75,742	36,356,160	0	0	0
Vietnam	9	115,868	35,464,602	0	0	0
France	4	45,061	18,019,390	0	0	0
India	2	37,804	16,876,550	0	0	0
Netherland	1	14,596	9,487,400	0	0	0
USA	6	43,763	9,265,826	0	0	0
Belgium	2	22,514	7,518,200	1	8,134	4,067,000
Australia	2	8,249	4,311,600	0	0	0
TOTAL	319	13,766,266	4,808,637,451	25	712,693	344,612,320

7- Registered Construction Companies from 2000 to Aug/2017

Countries	Total Number of Registered Companies	Number of Licenses Still Valid	Type of Operation (Still Valid)	
			Design	Constructor
Cambodia	1,383	708	21	687
China	246	162	09	153
Korea	148	44	03	41
Vietnam	52	26	02	24
Thailand	36	12	01	11
Japan	50	33	04	29
Malaysia	31	10	02	08
USA	11	02	01	01
Singapore	18	11	01	09
France	09	05	03	02
UK	06	02	0	02
Indonesia	05	02	01	01
Canada	02	01	0	01
Myanmar	01	-	0	0
New Zealand	01	-	0	0
Norway	01	-	0	0
Australia	01	01	0	01
Germany	01	-	01	0
Spain	01	01	0	01
Pakistan	01	-	0	0
Russia	01	-	0	0
India	01	01	0	01
Phillipine	01	01	0	01
TOTAL	2069	1023	49	974

Investment Opportunities in Cambodia



Why Invest in Cambodia?



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Open economy

- Equal treatment of all investors
- No requirement of local equity participation
- No price controls on products or services
- No restriction on foreign currencies convertibility
- Allow foreigners to own properties (house or Condominium from first floor up).
- Allow foreigners to set up business companies (condition 51% and 49% foreigner (for only construction and real estate), The companies should register at the ministry of commerce and which ministry related with business.

Sound macroeconomic environment

- 6th fastest growing economy in the world during the last two decades (average growth rate: 7.7%)
- Low & manageable inflation rate (under 5%)
- Stable exchange rate (USD 1 = 4000 ± 5%)





Competitive investment incentives

- Low corporate tax: 20%
- Tax holiday: 0% up to 9 years
- Full import duty exemption (production equipment and machineries, contraction material, production inputs)



One stop service

- Information & Application
- Fast-Track Investment Approval Process: all documents will be processed within only 28 working days.
- Customs Duty & Tax Exemption
- Visa & Work Permit





Competitive labor force

- Reasonable wage: (minimum wage in 2017: \$153)
- Young and dynamic labor force (median age 24 years old)

Strategic location

- Center of ASEAN: flight time average only 1:30 hour to other ASEAN countries

Market access and Preferential trading status

- ASEAN Market (AEC): pop. 616 M, GDP \$2.5 Tri.
- ASEAN + China, Japan, Korea, India, Australia & New Zealand (RCEP): pop. 3.3 B, GDP \$17.1 Tri.
- EU (EBA) Market Access
- GSP: 32 countries
- MFN: WTO members.



Investment Incentives and Guarantees



Investment Incentives

- 1- Corporate Tax: 20%
- 2- Tax holidays: 0% up to 9 years
- 3- Special Depreciation
- 4- Full Import Duty Exemption.

Investment Guarantee

- 1- No discrimination
- 2- No nationalization
- 3- No requirements of local equity participation
- 4- No price controls on products or services
- 5- No restriction on foreign exchanges
- 6- No capital control.

Incentives for Investments



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- Some Investments in Cambodia are encouraged with Incentives as eligible for custom duties exemption on raw materials and construction materials and all kind of machineries that serves investment activities, but not eligible for the profit tax exemption .



- Production of food and beverage products with investment capital more than USD 500,000
- Production of product for textile industry with the investment capital more than USD 500,000
- Production of garments, textiles, footwear, hats with the investment capital more than USD 500,000
- Construction of modern market or trade center with the investment capital more than USD 2,000,000 with size more than 10,000 sqm and has inadequate space for car park
- From 3-star hotel grade up.



- Complex tourism center with hotel containing more than 100 rooms or tourist inns of more than 30 housing and tourist estates (resort) more than a minimum length of ten (10) hectares;
- Agricultural production
 - Paddy farming more than 1,000 hectares
 - All kinds of cash crops more than 500 hectares
 - Vegetables more than 50 hectares
- Telecommunication Investment eligible for custom duties exemption, but not eligible for the profit tax exemption



- All kinds of commercial activities, import, export, wholesale, retails including duty free shops;
- Currency and financial business and services, including bank ,financial institution, insurance companies and all kind of financial intermediation;
- Real estate development;
- Any transportation service, except investment in railway sector;
- Casino and gambling business and service of any kind;
- Tourism service provider, Tourism agent, Tourism information and advertisement;

9- Type of Tax of Cambodia

1

Prepayment of Profit Tax (PPT)

- It is a tax on the Company monthly turnover at the rate of 1% inclusive of all taxes, except VAT.
- The PPT will be offset with the TOP/Minimum Tax at the year end.

3

Tax on Salary (TOS)

TOS is a monthly tax imposed on salary that has been received within the framework of fulfilling employment activities. The employer is obliged to withhold and pay the TOS to the Tax Office.



2

Value Added Tax (VAT)

- VAT applies on the business activities of real regime taxpayers making taxable supplies.
- Taxable supply → goods/services supplied or appropriated for own use or made gift by taxable person.

Taxable Parts of the Monthly Salary	Tax Rate
From KHR 0 to KHR 1,000,000	0%
From KHR 1,000,001 to KHR 1,500,000	5%
From KHR 1,500,001 to KHR 8,500,000	10%
From KHR 8,500,001 to KHR 12,500,000	15%
Over 12,500,000	20%

4

Fringe Benefits Tax (FBT)

For fringe benefits, every month, the employer shall withhold and pay tax at the rate of 20% of the total value of fringe benefits given to all employees.

6

Tax on Profit (TOP)

- Expenses that are not allowed to be deductible based on Law on Taxation.

5

Withholding Tax (WHT)

Rate	Type of tax
10%	Property rental
15%	Services performed by individual or non-VAT registered company, Royalty for intangible assets and interest expense (except bank and MFI)
14%	On the Cambodian source of income performed by non-resident
4%	Interest paid by bank on saving account
6%	Interest paid by bank on fixed deposit



- Entertainment
- Provision for doubtful debts
- Salary not paid within 60 days
- Tax borne on behalf

10- Cost of Construction Materials in the Cambodia Market.

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Materials	Unit	Price (USD)	Produced in
Portland Cement	Ton	89-98	Thailand, China, Vietnam, Local
Reinforcement Bar	Ton	430-540	Thailand, China, Italy (Vietnam), Local
Aggregate	m ³	7.5	Local
Sand	m ³	4.28-10.7	Local
Clay Brick	Pc	0.034-0.04	Local
Roof Clay Tile	m ²	5 -12	Thailand, Vietnam, Local
Timber	m ³	290-310	Local
Floor Tile	m ²	6 – 23	Thailand, China, Vietnam, Italy, Indonesia, Malaysia, Spain, and Local
Mastic under painting	bag	6.50-6.95	Thailand, Vietnam, Local

Materials	Unit	Price (USD)	Produced in
Emulsion Paint	25 Liters/Tank	16-60	Thailand, Japan, France, Korea, Norway, Vietnam, Malaysia, Local
Plywood	Sheet	8.5–20.5	Thailand, China, Vietnam, Local
<u>Ready Mix Concrete</u>			
Grade 20	M ³	63	Local Cement
Grade 25	M ³	64	Local Cement
Grade 30	M ³	66	Local Cement
Grade 40	M ³	75	Local Cement
Diesel(25 May)	Litter	0.8	Caltex
Petroleum(25 May)	Litter	0.91 (Super)	Caltex

Labor wage

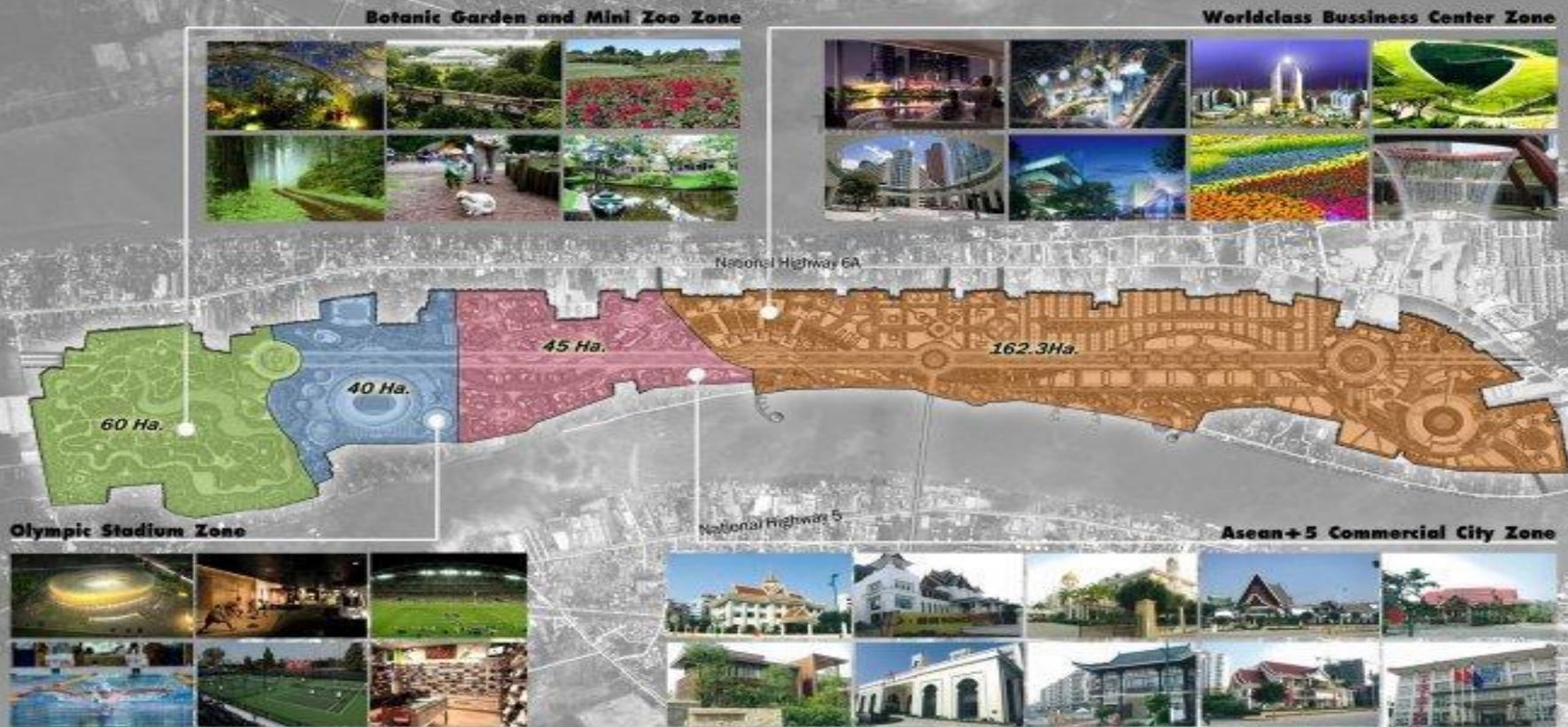
Salary		
Non-Skilled worker	Skilled Worker	Engineer
225 - 250USD	375-450 USD	250-1,500

- **Labor Working Hours :**
 - Full-time, 48 hours a week.
 - Holidays work must be paid twice of the daily rate.
- Female employees who gave birth are entitled to receive half of their salary for a period of 90 days.

11- Some New 2016 Urban Development Projects



Chroy Changva City Project



PROJECT DETAILS:

- Location : Phnom Penh, - Estimated Cost : 1.6 Billion USD
- Land size : 387 ha
- Developer : OCIC (Overseas Cambodian Investment Corporation)
- Facilities : 4 Principal Zones : 1. Botanic Garden (60ha), 2. International Standard Stadium (40ha), 3. ASEAN Plus 3 Zone (45ha) and 4. Housing Complex, Business Centre, Public Services (162ha)
- Project Period : 2012 – 2027

French Riviera Marina

Project Details

Developer: Pallas Group

Estimated cost : \$23.2 Billion

Total Area 4,302 Hectares (4,158 Hectares in Kampot and 144 Hectares in Kep)



Parkson Mall

PROJECT Details

- Location : Phnom Penh
- Total Construction area : 70,000 Square meters
- Developer: Parkson group



Royal Bayview



PROJECT Details

- Location : Sihanouk ville
- Total Construction area : 157,045.58 Square meters
- Developer : Hong Lien Development Construction
- Construction Date: April 2017

End 2019 (Estimated)

Morodok Techo National Sports Complex

PROJECT Details

To be the host for SEA Game 2023

-Location : Phnom Penh

-Total Construction area : 85 - Hectares

-Constructor: L.Y.P. Group

-Construction Date: Divided into 3phases

-1st Phase (2013 - 2016)

-2nd Phase (2016 - 2020)

- 3rd Phase (Unknown – 2021 Estimated)

-Estimated Cost US\$100M – US\$300M



Dara Sakor Seashore Resort



PROJECT Details

- Location : Koh Kong Province
- Total Construction area : 45,000 - Hectares
- Constructor: Tianjin Union Development Group
- Estimated Cost US\$3.8 Billion

Aeon Mall II (Shopping)



PROJECT Details

- Location : Phnom Penh
- Floor Space area: 151,000 Square Meters
- Contractor: Hyundai Engineering (Cambodia) Co., Ltd
- Sub Contractor: **SOMA Construction** and Development Co.,

Ing City



PPROJECT Details

- Location : Phnom Penh
- Floor Space area: 2,572 Hectares (Including 520 Hectare water reservoir)
- Developers: Ing Holding
- Completed 2020 (Estimate)

Garden City Project



China Town



PROJECT DETAILS:

-Location : Phnom Penh, No. HW 6

-Land size : 1,000 ha

- Developer : L.Y.P. Group Co., Ltd (Local Investor)

- Facilities : Residential Complex, Service Accommodation, Public Buildings, Commercial Buildings, Safari World Theme Park, Logistics Center, China Town, Industry Park, Golf Course & Club, Tonle Sap Port.....

Thai Boon Roong Twin Tower Project



PROJECT: Thai Boon Roong Twin Tower Trade Center

-Location : Phnom Penh

-Land size : 133 Floors

-Developer : Thai Boon Roong Co.,Ltd

-Contractor: Kia Nip Group

-Facilities : Commercial Office, cultural centre, hotel, retail and shopping centers.

--Cost: \$1 Billions

-Project Period : Start from 2016 to 2019

Koh Pich (Diamond Island) Project



PROJECT: Center City

-Location : Ta Khmao Complex

-Land size : two 27 Floors

-Developer : Tang Kung Group

-Contractor: Australia-based Riverside Group

-Facilities : Commercial Office, retail and shopping centers.



You are all cordially invited and welcome to join
the Cambodia Construction Industry Expo.



CAMBODIA EXPO 2017
CONSTRUCTION SUMMIT &

On November 30th- December 2nd, 2017

Exhibition Center, Diamond Island, Phnom Penh, Cambodia



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A photograph of the Angkor Wat temple complex in Cambodia at sunset. The sky is filled with vibrant orange, yellow, and red clouds, with a hint of purple near the horizon. The temple's silhouette is dark against the bright sky. In the foreground, a body of water reflects the colors of the sunset and the temple. A palm tree is visible on the left side of the temple.

Thank You !