



What's Happening in Cambodia Market & Valuation

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CCC Japan office 'this year'

カンボジア商工会議所（CCC）副会長によると、同会議所は今年末までに計画であった日本での駐在員事務所設立に向けた動きを活発化する予定だ。

Learnt from: Construction & Property (6th July, 2021)

79 New Factories Registered, 135 Close in H1: Industry Ministry

工業科学技術革新省による主要報告書で、2021 年前半に王国で合計 79 の新しい産業投資プロジェクトが登録された一方で、パンデミックにより 135 プロジェクトが中止された、と公表された。

Learnt from: Construction & Property (8th July, 2021)

Cabinet approves investment law

7 月 9 日、閣僚評議会(または内閣)は投資法の法案を承認した。プレスリリースによると、同法は 12 章、42 条で構成され、投資家と国との間における、独立性の原則、所有権、経済関係について、より適切で効果的な便益を投資家に提供するように設計されている。

Learnt from: The Phnom Penh Post (11th July, 2021)

China tops list of investors in H1

中国大使によると、中国からの今年上半期のカンボジアへの外国直接投資（FDI）のエクイティ流入額は約 20 億ドルで第 1 位にランクされた。カンボジア開発評議会（CDC）によると、中国は FDI 総残高の 69%を占めているとのことだ。

Learnt from: The Phnom Penh Post (19th July, 2021)

What is Timeshare?

タイムシェア投資は、ホテルやリゾート物件の 1 ユニットの所有権をより小さな持分に分割したもので、投資家は手頃な価格で該当する持分を購入することになる。

Learnt from: Construction & Property (20th July, 2021)

H&M to Open First Store in Cambodia in 2022

7 月上旬のプレスリリースでスウェーデンの多国籍衣料品小売企業 Hennes&Mauritz AB (H&M) は、来年、カンボジア第 1 号店をオープンすると発表した。

Learnt from: Construction & Property (21st July, 2021)

CCC Japan office 'this year'

The Cambodia Chamber of Commerce (CCC) is revving up moves to set up a planned representative office in Japan by the end of this year, according to the trade body's vice-president. To be established with the support of the Ministry of Commerce and the Japanese embassy in Phnom Penh, the office will serve as a central communications and information hub and advertise potentially bankable opportunities to allure more Japanese investors to the Kingdom. Bilateral trade between Cambodia and Japan in the first quarter of this year totaled \$633.12 million, up by 7.8 per cent from the same period in 2020, according to data from the Japan External Trade Organization (Jetro). Of that, Cambodia exported \$489.62 million, up by 2.9 per cent on a yearly basis from \$ 475.76 million, and imported \$143.5 million, up by 28.5 per cent year-on-year from \$111.71 million. Cambodia's exports to Japan comprise garments, as well as electric and electronic components, while imports from Japan include machinery and high-tech products.

Learnt from: Construction & Property (6th July, 2021)

79 New Factories Registered, 135 Close in H1: Industry Ministry

During the first half of 2021, there was a total of 79 new industrial investment projects registered in the kingdom, while 135 others have announced closures due to the pandemic, according to the primary report from the Ministry of Industry, Science, Technology, and Innovation (MISTI). The newly registered factories are focusing on products such as masks, alcohol, medical clothing, and processed food. These new projects have a total estimated investment value of over US\$800 million. Meanwhile, 135 companies were closed due to the impacts of the COVID-19 pandemic.

Learnt from: Construction & Property (8th July, 2021)

Cabinet approves investment law

On July 9, the Council of Ministers, or Cabinet approved the Draft Law on Investment. Once enacted, the new law will replace existing legislation – the 1994 Law on Investment and 2003

amendment. Optimism is high that the law will be a crucial provider of new and greater options to absorb more local and foreign investors. According to the press release, comprising 12 chapters and 42 articles, the law is designed to offer more appropriate and effective investment benefits on the basis of independence, ownership and the economic situations of the investors and the nation. It will also strengthen complementary capabilities, in particular to take into consideration incentives for priority areas, technological innovation and technical assistance, job creation, skills training, research and development, and small- and medium-sized enterprises. It also addresses dispute settlements related to investment projects, delegation of power to municipal and provincial administrations, and reductions in registration certificate processing times and compliance obligations – such as inspections. The law is relatively flexible to technological developments and international trade in the digital era and was refined amid the global economic turmoil caused by the health crisis.

Learnt from: The Phnom Penh Post (11th July, 2021)

China tops list of investors in H1



The Phnom Penh-Sihanoukville Expressway, one of the major projects in Cambodia invested by Chinese companies

According to Chinese ambassador, China was ranked first in terms of foreign direct investment (FDI) equity inflows to Cambodia in the first half of this year, at about \$2 billion. Major projects invested by Chinese companies include the Phnom Penh-Sihanoukville Expressway, a coal-fired power station in Preah Sihanouk province and the Siem Reap-Angkor International Airport. According to the Council for the Development of Cambodia

(CDC), China accounted for 69 per cent of total FDI stock. The Cambodia-China Free Trade Agreement (CCFTA) was signed by Minister of Commerce Sorasak and his Chinese counterpart via video link on October 12, with Prime Minister and Chinese foreign minister as witnesses. The Cambodian commerce ministry previously said the CCFTA would provide the Kingdom duty-free access to over 300 items. China would grant duty-free status to 95 per cent of agricultural imports from Cambodia. Once the CCFTA is ratified by both countries, Cambodia expects to receive a litany of benefits, such as access to a wider market. However, China will accord duty-free status to more imports from Cambodia than the Kingdom will to those from the East Asian economy. Cambodia and China plan to boost bilateral trade to \$10 billion by 2023. Bilateral trade between Cambodia and China surged 1.4 per cent last year over 2019, to \$9.56 billion, according to the ambassador. And according to the CDC, Cambodia approved 87 new investment projects and expansions of existing ones, worth more than \$2.96962 billion.

Learnt from: The Phnom Penh Post (19th July, 2021)

What is Timeshare?

Timeshare investment is the division of ownership of a unit in a hotel or resort into smaller parts/shares so that investors can purchase shares at an affordable price. Shares are divided based on usage time, typically in one-week increments. Thus, with 52 weeks a year, the property will have a total of 52 shares. For instance, if you purchase two shares, you will have the right to stay or own the unit for two weeks every year. Your name will be on the title deed together with other owners except that you purchase in form of a leased ownership. The timeshare model can be applied to many different types of properties, such as vacation resorts, condominiums, apartments, and campgrounds. However, it is popular within vacation locales. The pros of investing in a timeshare are, firstly, the investment size is affordable as you buy only one share, not the whole unit. However, you become one of the owners of

the well-known resort in a top tourist destination spot and enjoy being able to stay every year. However, such an investment also has drawbacks. First, you will not get an annual return on this investment. Timeshares are different from condotels where you own the whole unit, but the complex is managed by the big hotel chain. With a condotel, you will get annual rental income plus free accommodation at a specific time per year. Timeshare owners will also have to pay a maintenance fee every year, and if the unit is getting old, you may find it difficult to sell your shares. Therefore, investors should consider carefully before investing, as timeshare also has different terms and conditions for each project.

Learnt from: Construction & Property (20th July, 2021)

H&M to Open First Store in Cambodia in 2022



According to the press release issued in early July, Swedish multinational clothing retail company Hennes & Mauritz AB (H&M) has announced the opening of its first store in Cambodia next year. The firm, however, did not disclose the specific date and location of this first store. H&M already has a large presence in the region with 11 stores in Vietnam and 43 in Thailand. The decision to expand its stores to Cambodia was made after the company assessed the potential of Cambodia given the gradual increase of local purchasing power. The firm has been manufacturing its products in Cambodia since the 1990s.

Learnt from: Construction & Property (21st July, 2021)