

INVESTMENT OPPORTUNITY IN CAMBODIA

• Legislation & Laws • Promotion and Competitive Advantages



Kingdom of Cambodia
Ministry of Foreign Affairs
and International Cooperation

Economic Diplomacy
Coordinating Group

Legislation & Laws

Domestic Laws & Regulations:

- Law on Investment (1994), Law on the Amendment to the Law on Investment (2003) and Law on Commercial Enterprises (2005)
- Law on Concessions (2007)
- Cambodia Industrial Development Policy (2015-2025)
- Sub-decree No.111 ANK/BK on the Implementation of the Law on the Amendment to the Law on Investment of the Kingdom of Cambodia (2005)
- Sub-decree No.148 ANKR.BK on the Establishment and Management of the Special Economic Zone (2005)
- Joint Prakas No.991 SHV.PRK on Public Services of the Council for the Development of Cambodia (2012)

International Instruments:

- Regional Comprehensive Economic Partnership (**RCEP**)
- Cambodia-China Free Trade Agreement (**CCFTA**)
- Cambodia-Korea Free Trade Agreement (**CKFTA**)
- ASEAN Comprehensive Investment Agreement (**ACIA**)
- Bilateral Investment Agreements (**28 Agreements**)

Substantial Commitments:

1. Market Access

- No distinction between foreign & Cambodian investors
- No sectors restricted to foreign investors
- Same investments are entitled to same incentive schemes

2. Guarantee and Protection

- Fair & equitable treatment
- Non-discrimination
- Free transfer of payment
- No expropriation or nationalization
- Most Favored Nation & National Treatment
- Compensation for losses
- Disputes settlement mechanisms

Promotion and Competitive Advantages

Open Economy

- Equal treatment (NT & MFN)
- No requirement of local equity participation
- Least restriction on sectors
- No price controls on products or services
- No restriction on foreign currencies conversion

One-Stop Service

- Information & application
- Fast-track investment approval process (within 28 working days).
- Customs duty & tax exemption
- Visa & work permit

Competitive Investment Incentives

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

Sound Macroeconomic Environment

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

1 Market Access & Preferential Trading Status

- ASEAN Market (AEC)
- ASEAN, China, Japan, ROK, Australia & New Zealand (RCEP)
- Cambodia-China Free Trade Agreement
- Cambodia-ROK Free Trade Agreement
- Market access: US, EU, Japan etc.
- GSP

2 Competitive Labor Force

- Reasonable wage: (minimum wage in 2021: \$192)
- Young & dynamic labor force (over 70% of population are under 35 years old)

3 Strategic Location

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