

# Your Investment Destination: Cambodian Special Economic Zones

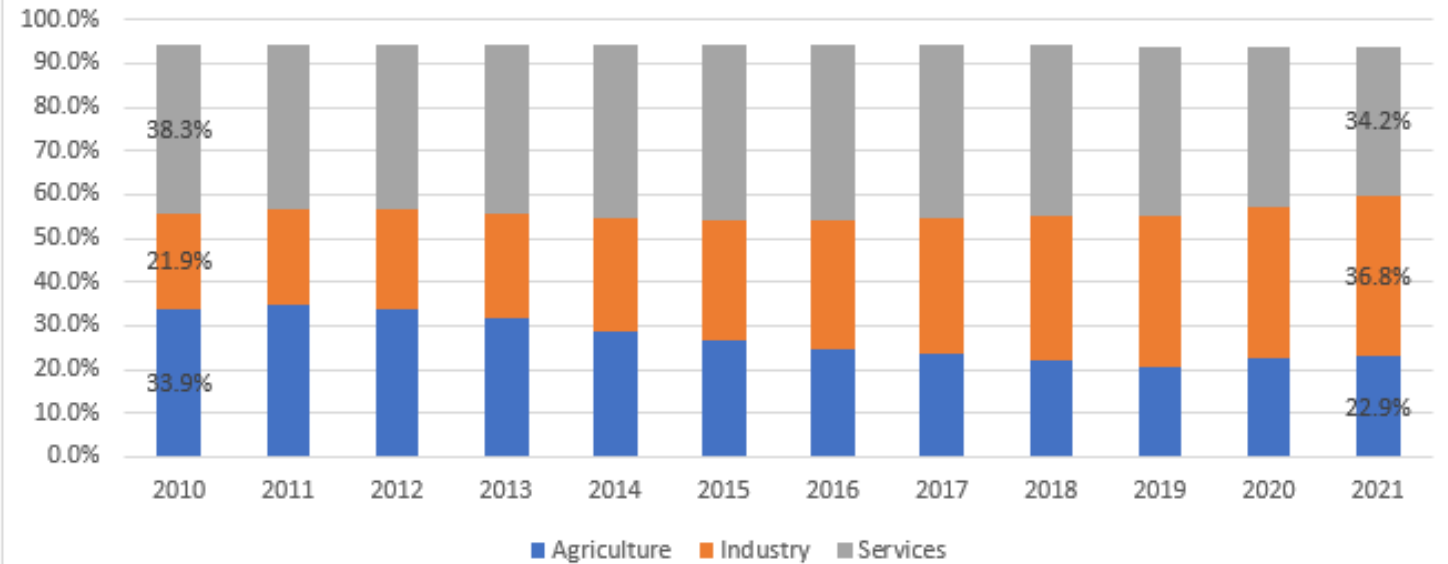
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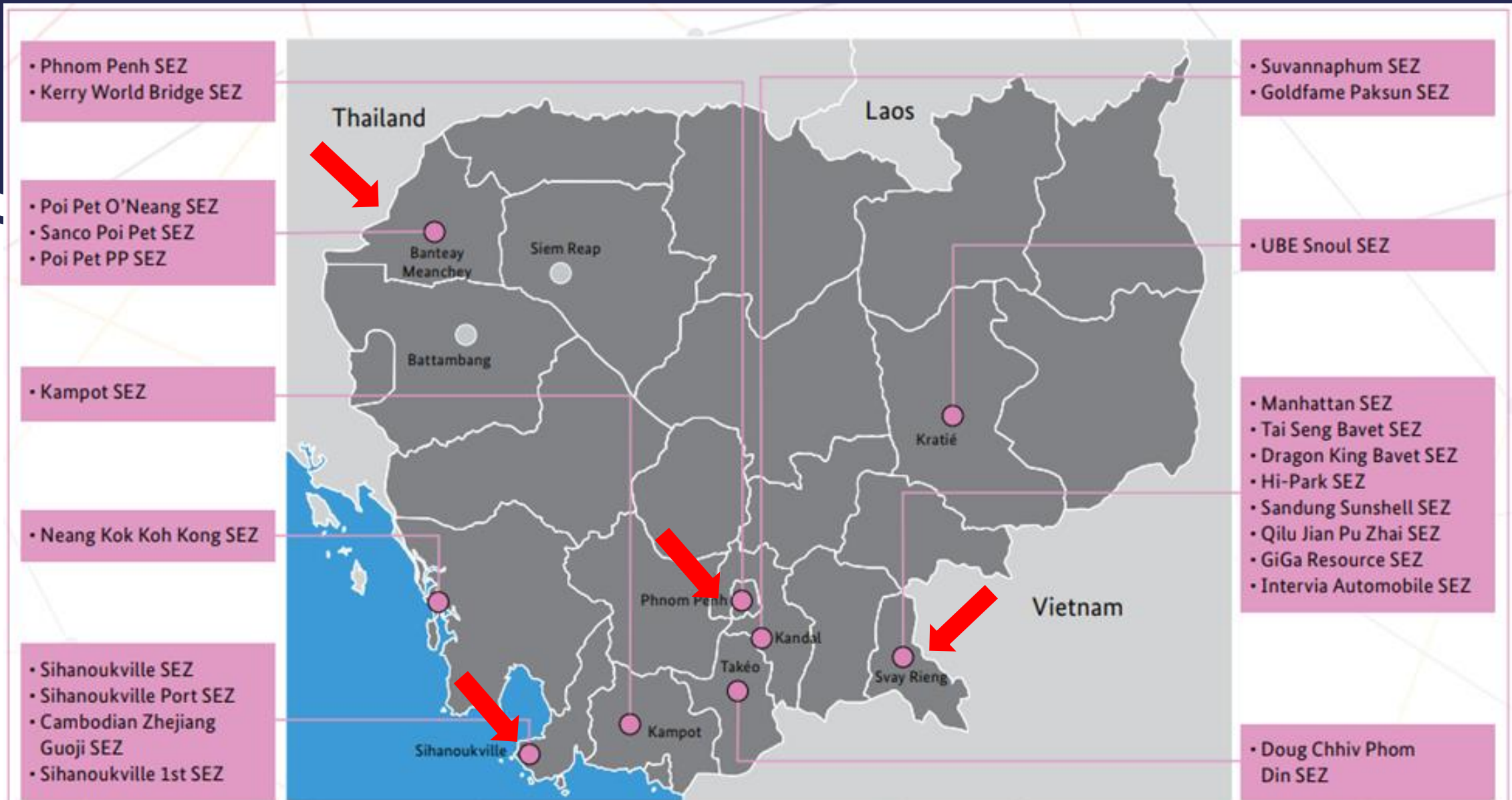
# The importance of manufacturing for Cambodia's economy

- Export oriented
- Main export markets are the European Union, the United States as well as other Asian countries
- Emerging industries includes Electronics and Electrical equipment

## Share of Economic Sectors in Cambodia's GDP



# Special Economic Zones



- Phnom Penh SEZ
- Kerry World Bridge SEZ

- Poi Pet O'Neang SEZ
- Sanco Poi Pet SEZ
- Poi Pet PP SEZ

- Kampot SEZ

- Neang Kok Koh Kong SEZ

- Sihanoukville SEZ
- Sihanoukville Port SEZ
- Cambodian Zhejiang Guoji SEZ
- Sihanoukville 1st SEZ

- Suvannaphum SEZ
- Goldfame Paksun SEZ

- UBE Snoul SEZ

- Manhattan SEZ
- Tai Seng Bavet SEZ
- Dragon King Bavet SEZ
- Hi-Park SEZ
- Sandung Sunshell SEZ
- Qilu Jian Pu Zhai SEZ
- GiGa Resource SEZ
- Intervia Automobile SEZ

- Doug Chhiv Phom Din SEZ

59 SEZs approved

36 SEZs with sub-decree

29 SEZs are operational

19 SEZs with Special Admin Office





# Exports as the engine of Cambodia's development

- Export-driven manufacturing sector with preferential trade agreements, investor-friendly Government and Special Economic Zones
- Traditionally dominated by low-value and labour-intensive industries, but moving up to more complex assembling



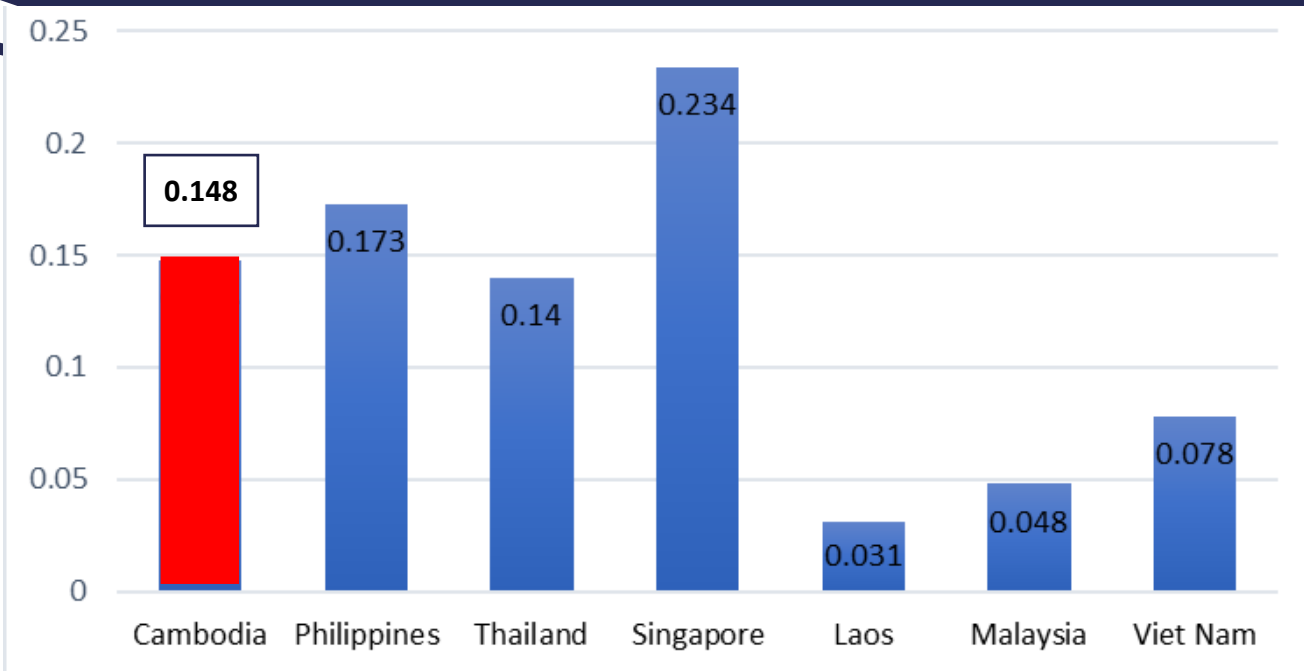
# Enabling Factors for Cambodia as an attractive manufacturing destination

- **Low labour costs:** Cambodia has low labour costs, which makes it an attractive destination for labour-intensive industries.
- **Pro-business policies:** The Cambodian government has implemented a number of pro-business policies, such as tax breaks and investment incentives, to attract foreign investment.
- **Political stability:** Cambodia has a stable political environment with a strong commitment to economic development.
- **Access to markets:** Cambodia is a member of several regional trade agreements, which gives businesses access to a large market of consumers.



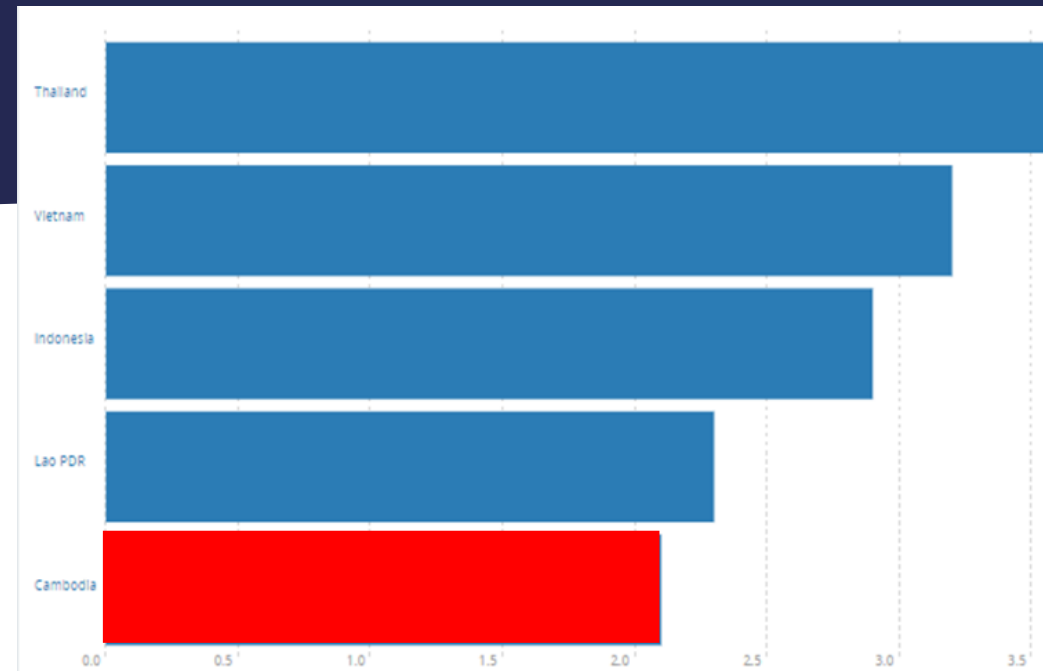
# Challenges

## Electricity prices kWh, U.S Dollar



- High cost of electricity compared to neighboring countries
- Government is making efforts to develop energy infrastructure

## Logistics Performance Indexes



- Inadequate infrastructure and time-consuming custom clearance procedures pose a challenge to logistics
- Cambodia is currently updating critical infrastructure, but it will take some time to see improvements in cargo and passenger flow



# Qualified Investment Projects (QIPs)

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- QIPs are eligible for investment guarantees and investment incentives under the Law on Investment (Domestic QIP, Export QIP, Supporting Industry QIP)
- QIP status for both foreign and domestic investors by registering with Council for Development of Cambodia (CDC), requirement of min. \$500,000 fixed assets



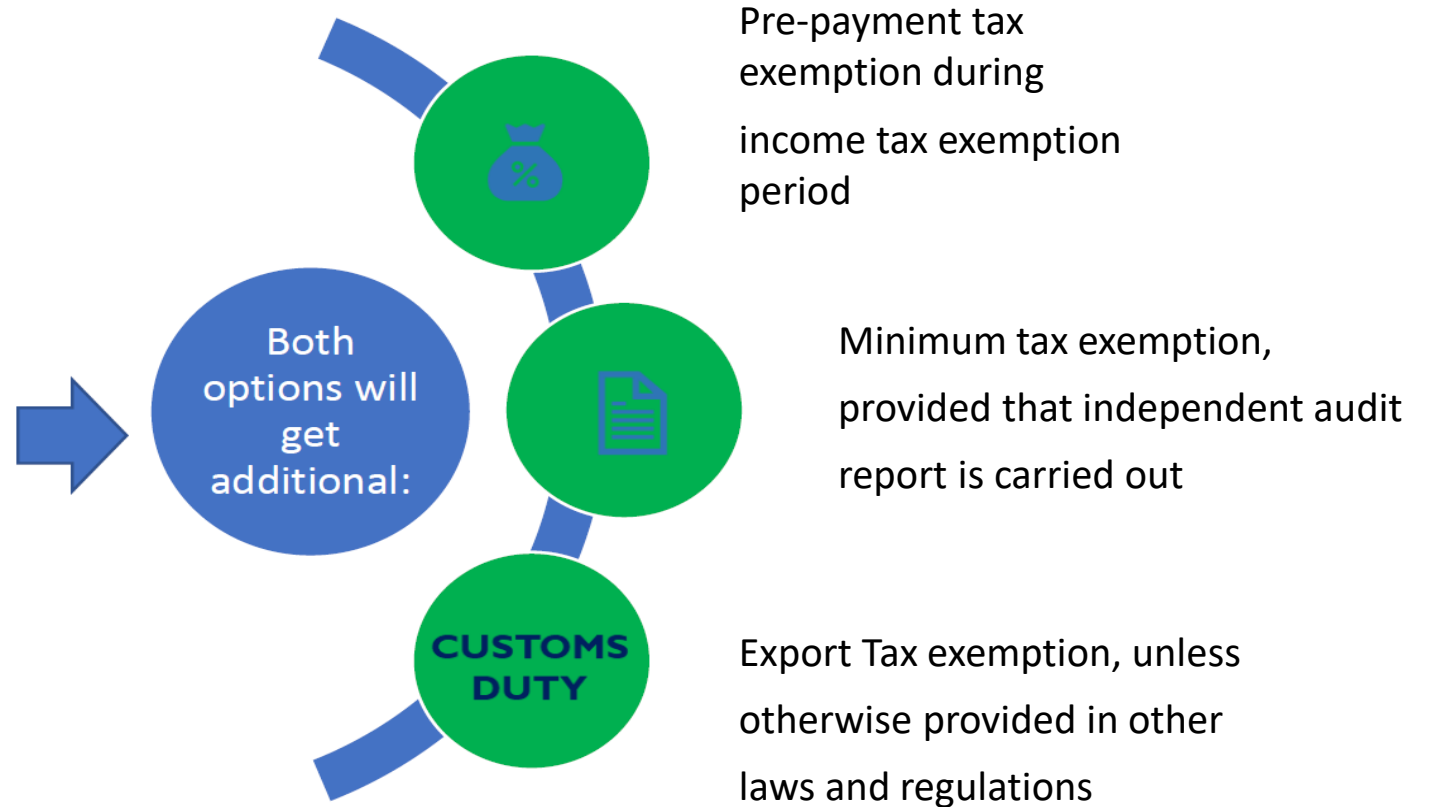
# Business Environment – Basic Investment Incentives for QIPs

## Option 1

- Income Tax Exemption for 3 to 9 years from the time of first earning its income
- Payment of income tax at a progressive rate to 6 years after the expiration of the income tax exemption period:
  - First 2 years : 25%(equivalent to 5% tax rate)
  - Next 2 years: 50%(equivalent to 10% tax rate)
  - Last 2 years: 75% (equivalent to 15% tax rate)

## Option 2

- Deduction of Capital Expenditure through special depreciation
- Eligible of deducting up to 200 % of specific expenses incurred for up to 9 years





# Overview of Special Economic Zones in Cambodia

- **Phnom Penh SEZ** – located close to Phnom Penh International Airport
- **Sihanoukville SEZ**– located in close vicinity to Sihanoukville Autonomous Port
- **Poipet SEZ** – located nearby the Cambodian-Thai border
- **Manhattan SEZ** – located by the Cambodian-Vietnamese border
- **Tai Seng Bavet SEZ** – Located close to the Cambodian-Vietnamese border





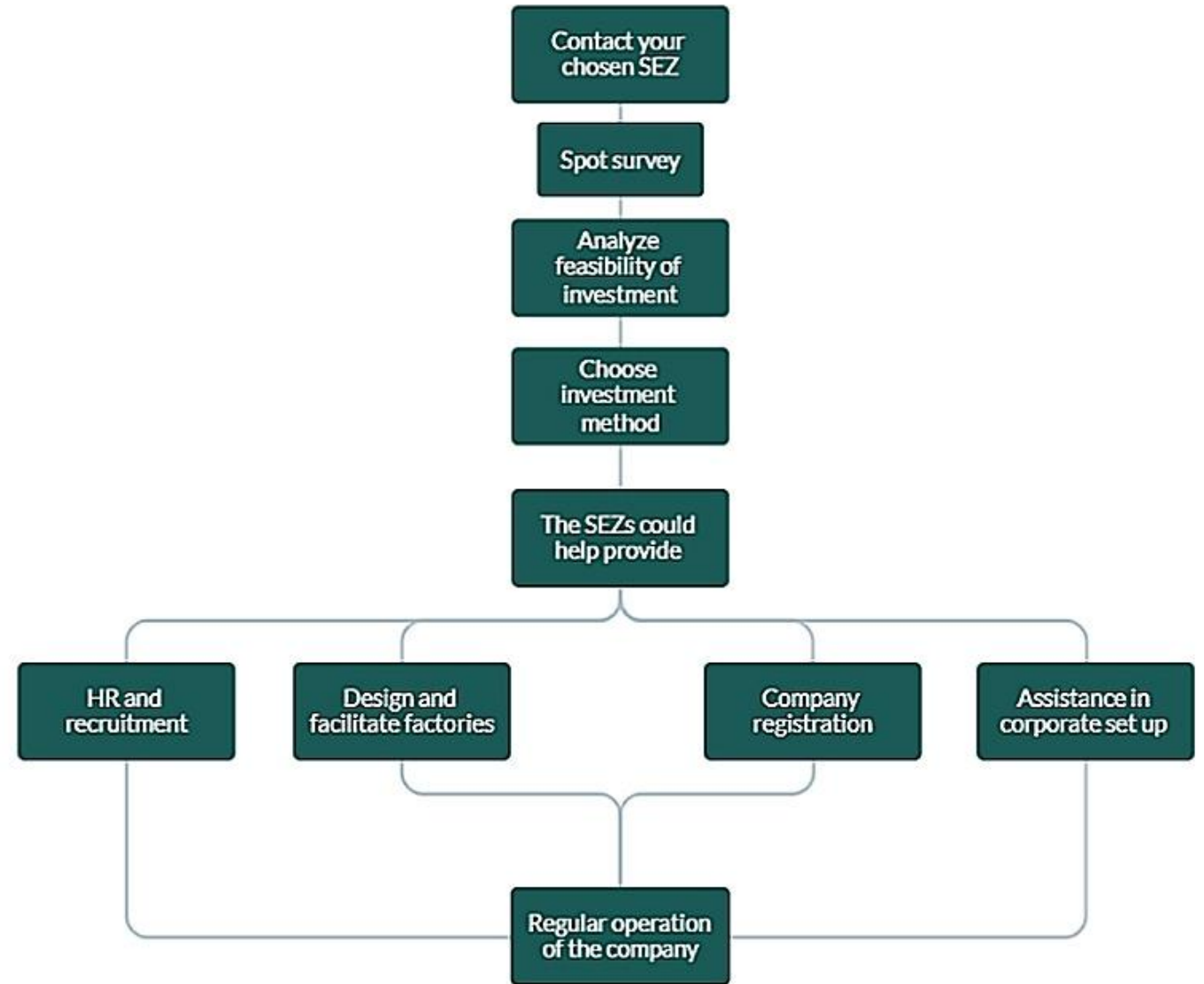


## Advantages of Special Economic Zones

- Favourable investment climate with greater support for businesses and simplified customs procedures (One-stop-Window)
- Improved infrastructure with roads, power supply, flood prevention and water access
- Access to skilled labour and HR assistance for companies



# Procedure to establish a business in an SEZ

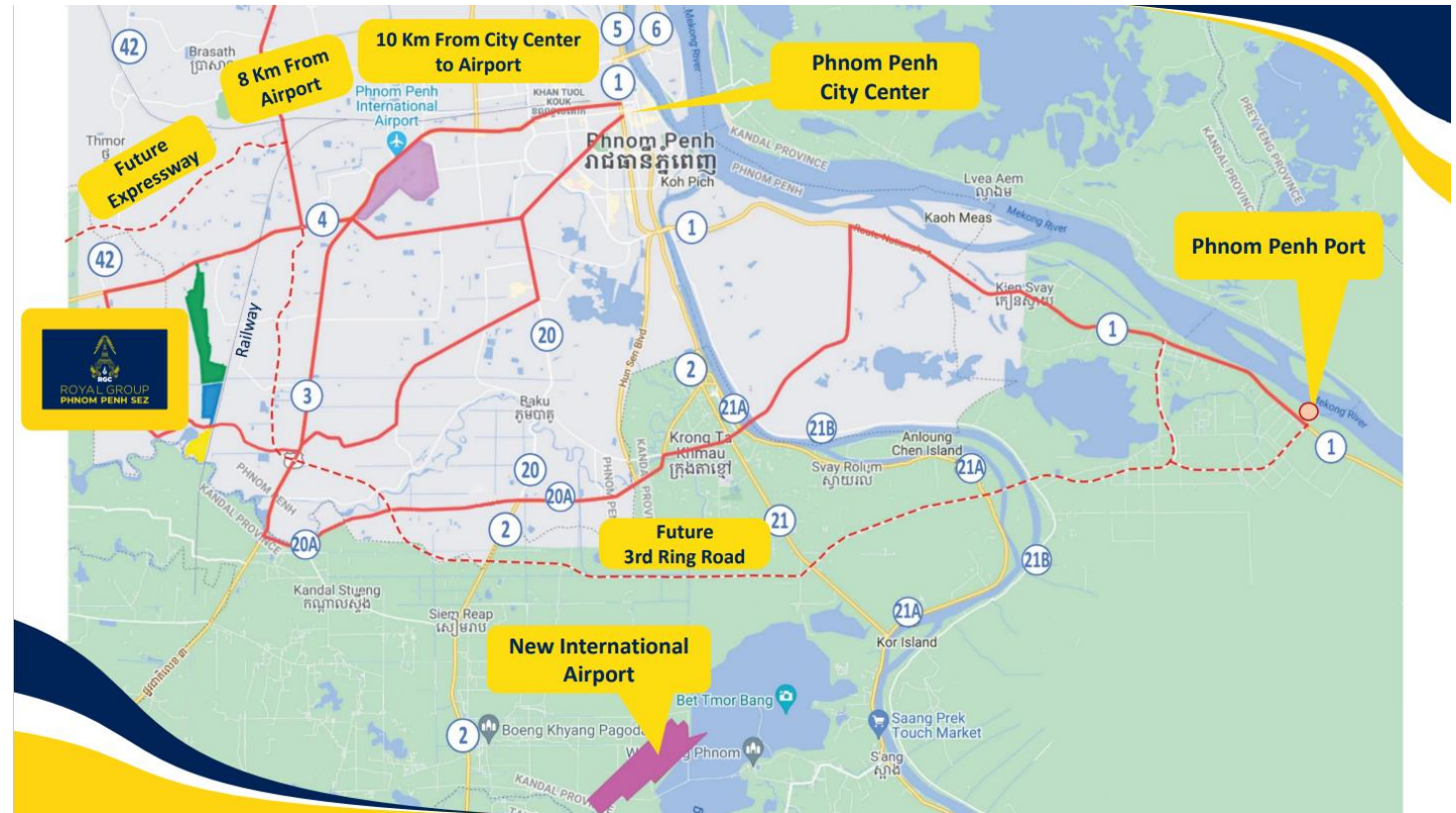


# Phnom Penh SEZ

**Total land area: 360 ha.**  
Expansion of another 100 ha in progress

**Current tenants' industrial type:**

Garment/Electronic/Wire Harness/Food/Packaging/Solar PV/automotive





# Sihanoukville SEZ

**Total land area:** 1,113 ha

**Current tenants' industrial type:**

Textiles/garments/luggage and leather goods/  
wood products/home furnishing



# Poipet SEZ

Total land area: 70 ha

Current tenants' industrial  
type: Garment/electronic/  
automotive



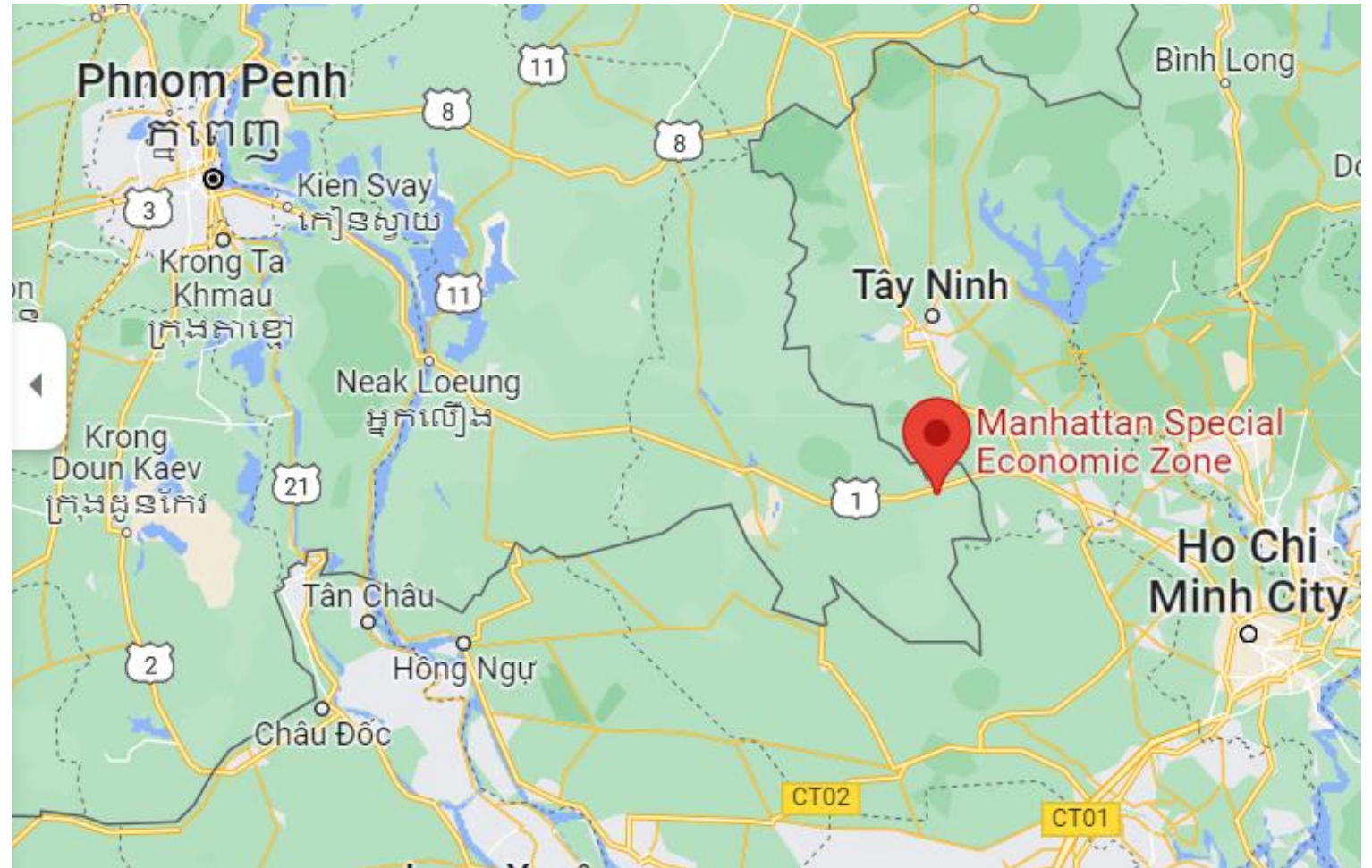


# Manhattan SEZ

**Total land area: 400 ha**

**Current tenants' industrial type:**

Garment/shoes/Bicycles



# Tai Seng Bavet

**Total land area: 660 ha**

**Current tenants' industrial type:**  
Garment/light fixtures/bicycles







If you'd like to know more about opportunities in Cambodia's SEZs, contact us at:

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Thank you for listening!

