



Pepper plantation in Kampot province



Farmers in Cambodia







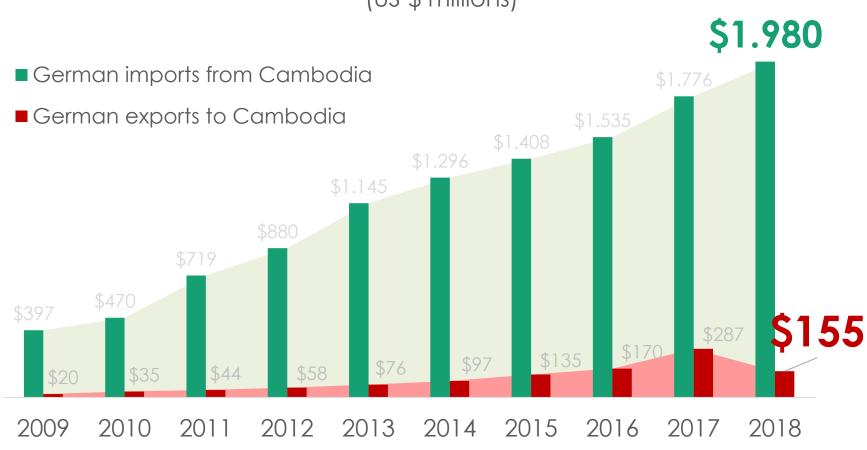


Cambodia

Currency	Riel (KHR): 1USD \approx 4,100 KHR. Dollarized economy between 82 to 84%	
GDP	\$ 22 billion (2017)	
GDP growth rate	7.1% (2017)	
GDP per capita	\$1,384 (2017)	
Official language	guage Khmer, English widely used	
Capital city	Phnom Penh	
Major cities	Siem Reap, Sihanoukville, Battambang	
Government type	Constitutional Monarchy	
Head of State	His Majesty King Norodom Sihamoni	
Head of Government	Prime Minister Hun Sen	
Population	15.76 million (2016), annual growth 1.5 %, <25 years old: 52%	
Economy	Garments, Tourism, Construction, Agriculture	
Climate	Wet season: May to October, Dry season: November to April, average temperature: 27°C	
Major religion	Buddhism (96.9%)	

Cambodia German-Trade

Bilateral Trade Between Cambodia and Germany (US \$ millions)



Cambodia German-Trade

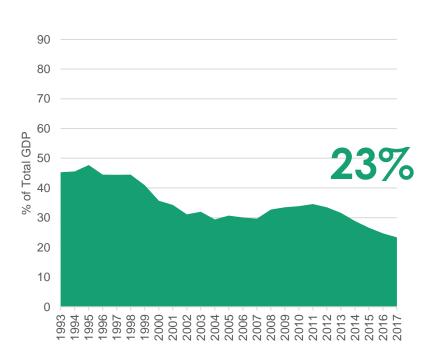
	Export to Germany	%	Value (US \$ m)
1	Textiles	73%	\$1,440.9
2	Foot & headwear	14%	\$277.3
3	Transportation	10%	\$192.1
4	Vegetable products	2.40%	\$47.5
5	Animal hides	0.51%	\$10.1
6	Miscellaneous	0.31%	\$6.1
7	Chemical products	0.12%	\$2.4
8	Plastics and rubber	0.11%	\$2.2
9	Foodstuffs	0.05%	\$1.0
10	Machines	0.01%	\$0.3
	Others	0.03%	\$0.5
	Total	100.00%	\$1,980

	Import from Cambodia	%	Value (US \$ m)
1	Transportation	43%	\$66.50
2	Machines	35%	\$54.35
3	Chemical products	4.60%	\$7.14
4	Paper goods	4.40%	\$6.83
5	Instruments	2.50%	\$3.88
6	Vegetable products	2.40%	\$3.73
7	Textiles	2.40%	\$3.73
8	Metals	1.80%	\$2.80
9	Foodstuffs	1.30%	\$2.02
10	Plastics / rubber	0.72%	\$1.12
	Others	2.06%	\$3.20
	Total	100%	\$155.30

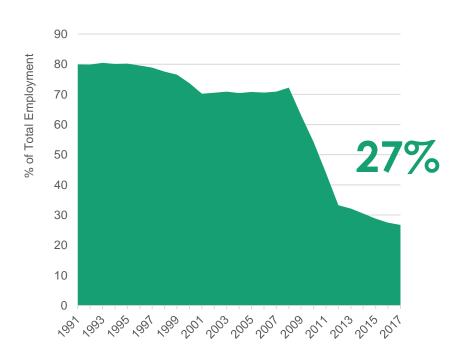
TRENDS Agriculture in the Economy

77% of Cambodian's live in rural areas....

Agriculture's contribution to Cambodia's GDP has almost halved in two decades...



...And so has its share of total employment





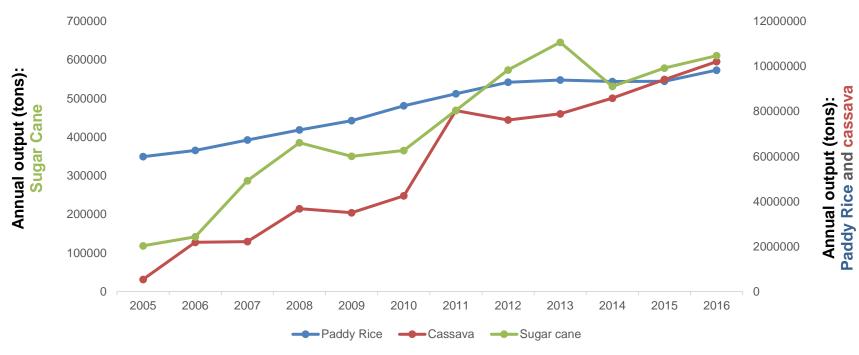
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Source: The World Bank

TRENDS Rising Production

In absolute terms, general output has significantly increased for most major crops over the past ten years. This trend implies a tremendous increase in land and labour productivity over this period.





Source: FAO Stats





GOVERNMENT STRATEGY

Cambodia's focus is modernization, diversification away from rice, increased use of high-quality inputs, and a shift towards export-oriented crops.

- Improve productivity
- Diversification from rice
- Land reform
- 4. Investment incentives
- 5. Streamline procedures
- 6. Tax free imports on agricultural inputs & machinery



Rectangular Strategy

- **ASDP 2014-2018**
- Diversification from rice

1. Improve productivity

- 3. Export growth promotion
- 4. Sustainable forestry and fisheries practices
- 5. Strengthen institutional and technical capacity







IDP 2015-2025

Draft Crop Production Plan



- 1. Agriculture → Manufacturing & Agroindustry
- 2. Improve productivity
- 3. Export growth promotion (12% of all exports by 2025)
- 4. Agro-processing zones
- 5. Logistics development
- 1. 8 strategic value chains for export

#	Value Chain	2015 Prod. US\$ m
1	Rice	3,134
2	Maize	118
3	Cassava	770
4	Mungbean	76
5	Mango	334
6	Cashews	110
7	Pepper	95
8	Vegetables	199



Source: EuroCham Analysis



OPPORTUNITIES



Agriculture Inputs

- Low initial investment
- Strong demand for appropriate products
- Regional competition
- Exempt from import tariffs
- Uncertain regulations



Machinery

- No upfront investment required (distributor)
- Strong demand to improve productivity
- Currently supplied by US/JP
- Exempt from import tariffs

Post Harvest & Processing

- Significant initial investment
- Investment incentives
- Few local competitors but strong regional
- Listed as priority by Govt.



Horticulture/Crop Plantations

- No foreign land ownership
- Economic Land
 Concessions available
- High quality unique products
- Strong local and international demand







SWOT ANALYSIS

- Natural endowment of resources
- Limited use of pesticide and other chemicals
- Supportive government policies new SME Bank, tariff exemptions
- Geographic Indicators (Rice, Kampot Pepper, Kampong Speu Palm Sugar, Kampot Durian)
- Logistics infrastructure improving

- Limited organised crop supply chains
- Limited R&D for agri-development
- Limited processing or storage facilities
- Lack of food testing bodies for compliance with SPS standards and food safety
- Surrounded by competitive neighbours (Thailand, Vietnam).

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Niche Agricultural Products

- Crop diversification into more profitable export-oriented products
- Feed supply for ASEAN Economic Community
- Modernise practices to increase productivity
- Rising Protein Demand

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- Cambodian agriculture is vulnerable to climate change (15th most affected country 1997-2016).
- Social and environmental tensions in certain Economic Land Concessions
- Unsustainable use of natural resources



