



# CAMBODIA OUTLOOK

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Royal Embassy of Cambodia accredited to the Republic of Türkiye, the Republic of Azerbaijan, Georgia, the Republic of Kazakhstan, the Kyrgyz Republic, and the Republic of Tajikistan

## CAMBODIA TO CONSTRUCT ANOTHER BRIDGE ACROSS MEKONG RIVER

The Royal Government of Cambodia (RGC) decided to construct a new bridge across the Mekong River to connect Kandal province to Prey Veng and Svay Rieng provinces.

The decision was shared by Prime Minister Hun Sen at a graduation ceremony for more than 5,000 students of the National Technical Training Institute, held at the Chroy Changvar International Convention and Exhibition Centre in Phnom Penh on 27 February 2023.

This new bridge would cost some US\$230 million of the national budget and it will link to the Phnom Penh-Bavet Expressway project. This is the RGC's decision to boost the internal connectivity and that with Vietnam.

Cambodia is planning to build a 138-kilometre-long Phnom Penh-Bavet Expressway worth US\$1.63 billion this year and the construction would be completed by the end of 2026 or early 2027, at the same time as the Ho Chi Minh City-Mok Bai Expressway in Vietnam. ■

## FATF REMOVES CAMBODIA FROM 'GREY LIST'

The Financial Action Task Force (FATF) on global money laundering and terrorism financing says Cambodia is no longer subject to increased monitoring following the completion of an action plan to address "strategic deficiencies" identified three years ago.

"The FATF welcomes Cambodia's significant progress," the Paris-based watchdog said in a statement released on 24 February.

The statement said Cambodia had "strengthened the effectiveness" of its regime.

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## PRIME MINISTER HUN SEN: CAMBODIA'S ECONOMY RESILIENT DESPITE EXTERNAL FACTORS



Samdech Techo Hun Sen, Prime Minister of Cambodia

Prime Minister Hun Sen on 24 February affirmed that Cambodia has maintained its strong economic resilience effectively as some figures of macroeconomic indicators reflect that the country's economy is in a strong position with high growth even though the country has been affected by the ongoing external factors in the regional and the world.

The affirmation was made during the graduation ceremony held at the Royal University of Phnom Penh, attended by more than 7,000 students, senior government officials and representatives of Cambodia's development partners.

The Premier pointed out that the market exchange rate on Thursday last week was 4,048 riel per dollar on average, while the exchange rate set in the macro-economic framework or the national budget is 4,050 riel per dollar. "Our exchange rate is good as it runs around this point," he said, adding that Cambodia's inflation is still manageable.

Prime Minister Hun Sen said Cambodia's economy is connected with the regional and global economies. However, the economy has been positively affected by its neighbouring Vietnam and Thailand.

Prime Minister Hun Sen also indicated that the world has been impacted by geopolitical strategic competition and war between Russia and Ukraine that has been going on for more than one year and has resulted in food and especially energy crises.

The Premier said the energy crisis has pushed inflation up globally, especially oil prices, saying that the oil price on the international market was \$82.89 per barrel on Friday last week, which is slightly lower than several days ago when it was over \$85 per barrel, but the price is good for both producers and consumers if it is between \$50-\$70 per barrel.

"So, it has fluctuated ... All things are connected  
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## CAMBODIA'S ECONOMY RESILIENT DESPITE.....

with us and so we have to track them, while food security has been another challenge. In any situation, we must not let our country fall into a hard time in terms of food," said Prime Minister Hun Sen, adding that Cambodia has been strengthening its food security management as a preventive measure.

Vongsey Vissoth, Secretary of State of the Ministry of Economy and Finance (MEF), said that the government has set macroeconomic and financial strategies on the strong economic resilience base in response to these hard times. He termed the year 2023 as a 'special year for Cambodia' and a test for the government's leadership to overcome the subsequent crises that have been transformed from risks into reality.

Cambodia's Gross Domestic Product (GDP) is re-projected at 5.6 percent from 6.6 percent for 2023, according to Vissoth. "It is the figure similar to the projections by the main international institutions," he said, further adding that the global economy is expected to grow by 2.7 percent, while World Bank estimated at 1.7 percent and the ASEAN as the "bright spot".

H.E. Vongsey Vissoth also said the economic growths of the world's main economic engines—United States, China and East Asia—have all declined, while one-third of all countries all over the world would fall into economic recession, but the economy of the Association of Southeast Asia (ASEAN) looks good. ■

## FATF REMOVES CAMBODIA FROM.....

"Cambodia is therefore no longer subject to the FATF's increased monitoring process," it said, removing the country from its grey list.

The deficiencies identified in February 2019 included the legal framework for cooperation and prevention as well as risk-based supervision of financial institutions and designated non-financial businesses or professions.

Others included the quality and quantity of work by financial intelligence units, investigation and prosecution of money laundering and asset confiscation, and a legal framework for "proliferation financing" related to weapons of mass destruction. ■

## CAMBODIA'S EXPORT TO SOUTH KOREA SWELLS UNDER THE BILATERAL FREE TRADE AGREEMENT (FTA)



Cambodia's export to South Korea has increased significantly thanks to the bilateral free trade agreement (FTA), which was put into force last December.

Cambodia exported some 44.3 million worth of goods to South Korea in January this year, 39.7 % increase compared to January last year, the Korea International Trade Association's report said last week. Import from Korea decreased by 34 % to \$47.4 million.

Cambodia mainly exports footwear and other apparel, travel products, beverages, electrical and electronic components, rubber, pharmaceuticals and agricultural products to South Korea.

The Kingdom imports vehicles, electronics, kitchen appliances, beverages, pharmaceuticals and finished plastics and products.

The implementation of the FTA has pushed the country's exports to South Korea to increase remarkably, said Penn Sovicheat, Secretary of State and Spokesman of the Ministry of Commerce.

"In the whole year of 2022, the main products Cambodia exported to South Korea are clothes and footwear, which increased significantly in value,

particularly in the last month of the year, so, the FTA has pushed the export increase," H.E. Sovicheat told Khmer Times.

The Cambodia-Korea FTA came into force in December last year.

With South Korea agreeing to remove tariffs on 95.6 % of products imported from Cambodia, and Cambodia to axe duties on 93.8 % of imported goods, trade between the two countries is expected to hit new levels.

The two-way trade reached \$1 billion last year and South Korea is the second largest investor in Cambodia, newly-appointed South Korean Ambassador to Cambodia Park Jung-Wook said during a meeting with Prime Minister Hun Sen in Phnom Penh last week.

Noting the bilateral relations between the two countries have been growing steadily, Park said the FTA and the double taxation avoidance agreement would increase the trade volume between Cambodia and South Korea to more than \$1 billion and encourage South Korean investors to invest more in Cambodia.

The FTA has not contributed only to gaining market access to Cambodia-made products and agricultural products, but also to attracting inflows of foreign direct investments to the Kingdom, said Lim Heng, vice president of the Cambodia Chamber of Commerce (CCC). ■

## CDC APPROVES \$2,900 MILLION JAPANESE INVESTMENT PROJECTS



The Council of the Development of Cambodia (CDC) approved 150 investment projects worth approximately \$2.9 billion proposed by Japanese investors in the country as of the end of January this year, according to the figures released in a press release issued yesterday by CDC after a meeting between its Secretary General and Japanese Ambassador to Cambodia.

The 25th Cambodia-Japan Inter-committee Meeting was co-chaired by CDC's Secretary General Sok Chenda Sophea and Atsushi Ueno, Japanese Ambassador to Cambodia. The meeting was also attended by other government officials from different ministries, representatives of Japanese organizations and officials of Japanese companies in Cambodia.

The Japanese delegation led by the Japanese Ambassador Ueno include representatives of the Japan International Cooperation Agency (JICA), Japan External Trade Organization (JETRO) and Japanese Business Association of

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## CDC APPROVES \$2,900 MILLION JAPANESE....

Cambodia (JBAC). About 110 participants attended the meeting in a hybrid format.

According to the release, the most prominent projects invested by Japanese investors in Cambodia thus far include shopping malls, automobile assembly plants, small-scale motor production factories, electrical equipment or tool production factories and hospitals. Some of those Japanese-invested projects are AEON Malls, Minebea Mitsumi and Sumi Wiring.

“Investments made by Japanese investors in non-textile manufacturing industries have played a very important role in contributions to Cambodia’s economic diversification and human resource development,” said Secretary General Chenda Sophea.

H.E. Chenda Sophea further pointed out that Cambodia has gained stronger economic recovery and resilience through the creation of an environment that is more favorable for investment, the Law on Investment and Roadmap for Automobile and Electronic Industry Development while the country has secured peace, political stability and economic stability.

“These are necessary pre-conditions for a decision to invest,” said H.E. Chenda Sophea, adding that the government has improved administrative procedures that enable Cambodia to be a part of the supply chain in the region.

President of JBAC Yogo Kanda said Cambodia has provided investors with transparency, predictability and political stability. ■

## NBC SIGNS MOU ON FINANCIAL INNOVATION AND PAYMENT SYSTEMS WITH SOLOMON ISLANDS AND FIJI



The National Bank of Cambodia (NBC) signed two Memorandums of Understanding to extend the collaboration in the area of financial innovation and payment systems with the Central Bank of Solomon Islands (CBSI) and the Reserve Bank of Fiji.

The signing ceremony took place in Phnom Penh on February 23 in the presence of H.E. Chea Chanto, NBC Governor, H.E. Luke Forau, CBSI Governor, and Deputy Governor of Reserve Bank of Fiji, H.E. Esala Masitabua.

H.E. Chea Chanto said that the MoU is a milestone for the three central banks to achieve another level of financial cooperation by further leveraging the technology to benefit the people of the three countries.

“The main purpose of this MoU is to focus on the cooperation in developing the financial innovation and payment system, to share related information on innovation and digital payments in financial services for our respective markets and provide a platform

for technical cooperation to stimulate the mentioned collaboration through the exchange of experiences and knowledge,” he said.

H.E. Luke Forau, Governor of CBSI, said that the Solomon Islands is keen to collaborate with the NBC and to learn from Cambodia’s experiences in leveraging technology to benefit the people.

“Cambodia has given us an opportunity to learn from its leadership in the use of technology and in addition to that has committed through the MoU to cooperate in developing payment systems that facilitate ordinary people to make payments and receive funds with minimal delays,” H.E. Luke Forau underlined.

H.E. Esala Masitabua, Deputy Governor of Reserve Bank of Fiji, said that Fiji was extremely grateful to the NBC for its willingness to share its experiences and knowledge in the use of technology in developing its payments system.

“The MoU provides a platform for free sharing of information and collaboration that will assist Fiji’s journey in the development of a modern, efficient, and reliable digital payment system to support the needs of the people of Fiji. This collaboration will further support the ongoing national payments reforms and allow Fiji to leapfrog in its journey in the use of technology to support finance sector development,” H.E. Esala Masitabua said. ■

## CAMBODIA SENDS NEW BATCH OF 98 BLUE BERETS TO CENTRAL AFRICAN REPUBLIC (CAR)



Cambodia on 21 February dispatched a new batch of 98 peacekeepers, including 10 women, to join a United Nations peacekeeping operation in the war-torn Central African Republic, officials said.

Speaking at the send-off ceremony in Phnom Penh, General Sem Sovanny, director-general of the National Centre for Peacekeeping Forces, said the troops would replace the eighth group’s forces, who had completed a one-year mission in the Central African Republic.

“The departure of our troops for the Central African Republic today truly reflects the UN’s confidence in our continuous contributions to maintaining peace and stability in conflict-torn countries,” he said.

Sovanny said the peacekeepers would work on mine clearance and explosive ordnance disposal.

The Southeast Asian nation first sent troops overseas on UN peacekeeping missions in 2006. So far, the country has dispatched a total of 8,859 peacekeepers, including 681 women, to join the missions in Sudan, South Sudan, the Central African Republic, Chad, Syria, Lebanon, Mali, Cyprus and Yemen.

“Currently, around 788 peacekeepers have been serving in UN peacekeeping operations in four countries, namely South Sudan, Lebanon, Central African Republic and Mali,” Sovanny said.

Joseph Scheuer, UN resident coordinator to Cambodia, commended the peacekeepers for their courage and dedication to serving in UN peacekeeping operations supporting global peace and security. ■



## A CRUISE SHIP VISITS SIHANOUKVILLE WITH 500 MULTINATIONAL TOURISTS

The cruise ship with 535 tourists of 36 different nationalities on board docked at Sihanoukville Autonomous Port yesterday morning.

According to an immigration police officer, most of the tourists are American, and the rest are Canadian, British, and so on.

The cruise ship of some 180 meters long, 30.2 meters wide and 6.2 meters deep was scheduled to leave Preah Sihanouk province for Vietnam last evening.

The docking of Nautica shows that Cambodia with a good control of the COVID-19 pandemic is a safe country to visit. Thanks to the Royal Government's right policy to boost the COVID-19 vaccination, Cambodia was able to reopen the country and resume its socio-economic activities since November 2021. ■

