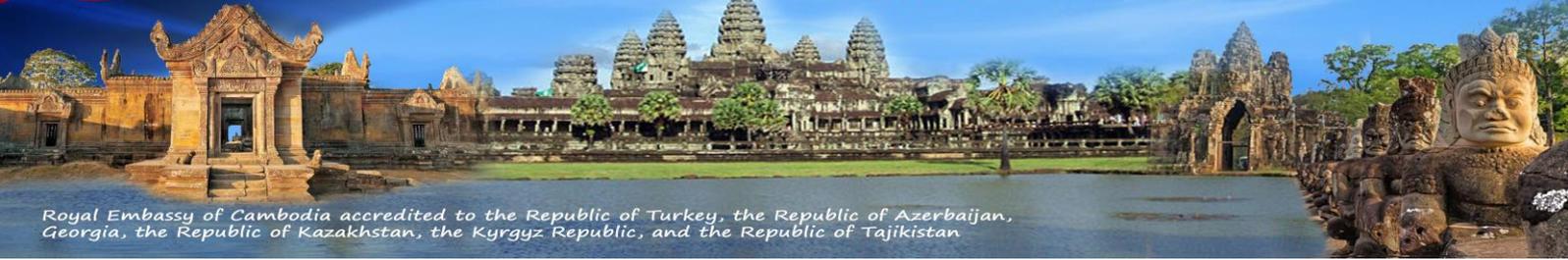


# CAMBODIA OUTLOOK

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

## WORLD BANK SAYS CAMBODIA'S ECONOMY RECOVERING

Cambodia's economy is gradually recovering and is projected to grow 4 percent in 2021 after contracting 3.1 percent in 2020. However, this recovery remains uneven and volatile, due in part to the reintroduction of a domestic lockdowns to control the spread of COVID-19.

According to the World Bank's latest Economic Update for Cambodia, while some sectors have seen economic gains, others continue to be stifled by the ongoing pandemic. Agriculture has been relatively resilient, due to strong demand that has been boosted in part by the newly signed Cambodia-China Free Trade Agreement. The manufacturing sector has

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## SENIOR MINISTER SUN CHANTHOL RECEIVES AMCHAM DELEGATION

A delegation of the American Chamber of Commerce in Cambodia (AmCham) led by its Chairman Mr. Anthony Galliano, paid a courtesy call on H.E. Sun Chanthol, Senior Minister and Minister of Public Works and Transport (MPWT) recently.

On the occasion, H.E. Sun Chanthol briefed the delegation on country-wide extensive road expansion, the new innovative road repair app and process, and asphalt upgrading to expand national economic scope. The delegation was updated on completed, ongoing and under study infrastructure construction projects, which continue despite the COVID-19 threat in Cambodia as well as in the world.

H.E. Senior Minister also informed his guests about the use of new technologies to support effective public service provision and the development of new project of driving score deduction, which allows

## COVID-19 VACCINATION COVERAGE IN CAMBODIA REACHES NEARLY 33%



People queue to get vaccinated against Covid-19 in Phnom Penh's Por Sen Chey.

A total of 3,257,857 people in Cambodia have been vaccinated against the COVID-19 pandemic, or 32.58% percent of the planned 10 million people to be inoculated, as of June 18.

The figures were shared by the National Ad-hoc Commission for COVID-19 Vaccination, adding that of them, 2,667,037 have already got their second doses of COVID-19 vaccines.

On 14 June, Prime Minister Samdech Techo Hun Sen said the 3 millionth vaccinated person is Ms. Sum Sam-oeun. She is awarded with a cash assistance of 10 million Riel (about US\$2,500) like the one millionth and two millionth.

Members of the diplomatic corps, staff of UN agencies and international organizations and their family members were among the vaccinated people.

Cambodia has set to vaccinate around 10 million people or 62 percent of the total population against COVID-19 and up to the half of 2022, more than 95 percent are expected to be inoculated.

The Kingdom has so far received over 9 million doses of vaccines: 3.2 million doses of Sinopharm, 5.5 million doses of Sinovac, and 324,000 doses of AstraZeneca/SII (COVISHIELD) via COVAX Facility. ■

traffic police officers to automatically deduct driving score, send information to license issuing centre and license owners who committed traffic violation.

According to H.E. Sun Chanthol, Cambodia is thinking about green transport policy and strategy to adapt to the progress of globalization, mainly the use of electric vehicles to reduce operating costs and greenhouse gas emissions.

Regarding human resource development, the minister mentioned about Techo Sen Institute of Public Works and Transport to develop the new generations of Cambodian engineers.

As a result of the meeting, Amcham has agreed to work closer together with the MPWT on areas where they can add support and provide assistance. ■

## WORLD BANK SAYS CAMBODIA'S ECONOMY...

gradually recovered by adapting to changing external conditions and wholesale and retail businesses have also experienced a slow recovery, supported by a gradual revival in domestic economic activity.

On the other hand, parts of the services sector - such as accommodation, restaurants, and transport - continue to be hit hard by the slowdown in domestic and international tourism. Foreign Direct Investment inflows remain resilient and are helping sustain the external sector.

Cambodia's growth outlook remains highly uncertain, with the shape and pace of recovery largely dependent on the course of the virus and the speed at which vaccines can be rolled out. The report also offers a downside scenario, under which the risk of a slow vaccination programme is accompanied by frequent, prolonged, and nationwide lockdowns. Under this scenario, the economy is projected to grow by just 1 percent in 2021.

The report recommends that Cambodia take immediate steps to shore up market confidence by urgently accelerating its vaccination programme, while simultaneously continuing to take measures to contain infections. Given the country's relatively wide fiscal space, the government can support relief, recovery, and growth by improving the business and investment climate, providing

social assistance programmes, and boosting public investment and pro-poor growth. To maintain financial sector stability, it also important for the authorities to closely monitor vulnerabilities that can arise from a prolonged property boom and increased credit provided to the construction sector.

"Like many countries in the region, Cambodia has been hit hard by the global demand shock brought on by COVID-19. But the good news is that Cambodia has now vaccinated more than 3 million people, one of the highest rates in the region," said Ms. Inguna Dobraja, World Bank Country Manager for Cambodia. "The World Bank is working with Cambodia to provide further support to combat the pandemic and help the country's resilient economic and social recovery."

The report includes a special issue looking at lessons learned from Cambodia's relatively swift introduction, expansion, and deepening of social assistance programs - in particular its cash transfer program. The cash transfer scheme was introduced in June 2020 and by February 2021, more than 688,000 poor families had received a cash transfer from the government - representing 19.5 percent of all households. ■

## MOODY'S FINDS CAMBODIA, INDONESIA AND VIET NAM HAVE MOST EFFECTIVE SOCIAL SAFETY NETS IN ASEAN

Moody's Investors Service says Cambodia, Indonesia and Viet Nam have the most effective social safety nets among seven developing economies in ASEAN.

In a study released on 14 June, the US credit rating agency measured three "key dimensions" of social safety nets to group 137 countries, territories and other jurisdictions into five categories. The key dimensions — assessed as high, moderate or low — are total spending on safety net programmes along with programme coverage and concentration or targeting of benefits.

Cambodia, Indonesia and Viet Nam were all found to be in Group 3 with moderate spending and high, moderate or low levels of programme coverage and concentration of benefits. But Laos, Malaysia, the Philippines and Thailand

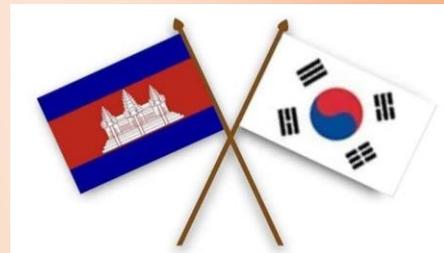
were ranked lower in Groups 4 or 5, with low spending and either moderate or low coverage and concentration.

"Safety net programmes support governments' abilities to reach vulnerable groups during times of stress," said Moody's vice president Samar Maziad.

"To be most effective, the distribution of benefits needs to combine both adequate coverage and target spending towards the more vulnerable population," she said.

"Generally, higher safety net spending is correlated with stronger outcomes in reducing poverty, while higher concentration of spending towards lower-income households is correlated with decreasing income inequality."

## BILATERAL TRADE WITH SOUTH KOREA TOPS \$300M



Bilateral trade between Cambodia and South Korea was valued at more than US\$300 million in the first five months of 2021, a year-on-year increase of 2.66 percent.

Figures from the Ministry of Commerce show that from January to May 2021, Cambodia exported over US\$75 million worth of goods to South Korea, down 0.47 percent compared to the same period last year.

At the same time, Cambodia's imports from South Korea were amounted to over US\$226 million, a year-on-year increase of 3.75 percent, added the same source.

Cambodia mostly exported agricultural products including milled rice, mangoes, and cassava to South Korea, and imported industrial products, raw materials, and construction materials from South Korea.

Recently, the Kingdom of Cambodia and the Republic of Korea have officially announced the conclusion of the negotiations for the Cambodia-Korea Free Trade Agreement (CKFTA), after four rounds of talks starting July last year.

This bilateral FTA covers Trade in Goods including Standards, Technical Regulations and Conformity Assessment Procedures, Sanitary and Phytosanitary Measures along with Trade Remedies, Rules of Origin, Customs Procedures and Trade Facilitation, Economic Cooperation, Transparency, Dispute Settlement, Exceptions, Institutional Arrangements and Final Provisions. ■

In addition, the agency said, "having an effective safety net in place enhances policy response during a crisis.

"Moody's notes that countries with broad and well-targeted programmes have deployed more support during the pandemic, thus mitigating the impact on consumption and growth, and reducing credit risks associated with social discontent," it said. ■

## ECONOMIC DIPLOMACY TO HELP BOOST CAMBODIAN ECONOMY AMID COVID-19 CRISIS



Cambodia is promoting the economic diplomacy which will contribute significantly to boosting the economic growth amid the COVID-19 crisis.

In a presentation at the 2nd Meeting on the implementation of the Economic Diplomacy Strategy 2021-2023 held on 11 June via Videoconference, H.E. Prak David, Under Secretary of State at the Ministry of Foreign Affairs and International Cooperation (MFA-IC) said that Cambodia is adopting an open economy, but the COVID-19 crisis has adversely affected the global supply chain and international tourism, which has slowed down the Cambodian economy in 2020.

“To continue the economic growth, Cambodia needs to continue to integrate its economy into the regional and global economy through its sharp tool, i.e. economic diplomacy strategy,” he underlined.

In his opening speech, Secretary of State for MFA-IC H.E. Nhim Khemara laid stress on the

key role played by the private sector in effectively carrying out the economic diplomacy as well as the role of MFA-IC in coordinating the work with relevant national institutions and private sector so that all stakeholders better understand each other and cooperate more closely and effectively.

Launched on Jan. 18, 2021 under the presidency of H.E. Prak Sokhonn, Deputy Prime Minister, Minister of MFA-IC, the Economic Diplomacy Strategy 2021-2023 is aimed to contribute to achieving the Royal Government’s vision in turning Cambodia into an upper middle-income economy by 2030 and a developed nation by 2050 through the promotion of international trade, attraction of direct foreign investment, enhancement of tourism sector, and boosting of cultural and sports exchange.

Cambodian diplomats accredited to foreign countries and representatives of the Cambodia Chamber of Commerce and private sector attended the 2nd virtual meeting. The first one took place on June 9, 2021 in the presence of H.E. Ouch Borith, Minister Delegate Attached to the Prime Minister and Standing Secretary of State for MFA-IC. ■

## CAMBODIA MULLS MORE SELLING OF CARBON CREDITS

Ministry of Environment in cooperation with the Wildlife Conservation Society (WCS) in Cambodia are studying the possibility of selling carbon credits at Preah Vihear wildlife sanctuary in the voluntary markets. According to H.E. Neth Pheaktra, Secretary of State and Spokesperson of the Ministry of Environment, if an assessment of 43 sampled locations in the wildlife sanctuary by an expert group proves to be possible, the selling will follow.

The Royal Government of Cambodia has authorized WCS Cambodia to scale up REDD + project in four protected areas in Preah Vihear province, including Phnom Tbeng natural heritage site, and Kulen-Prum Tep, Chhep and Preah Rokar wildlife sanctuaries with a total land area of 546,129.41 hectares.

The REDD+ carried out to reduce emissions from deforestation and forest degradation is working well, so the 43 locations at the four-heritage site and wildlife sanctuaries will be studied for possible selling of the carbon credits from those areas, explained the secretary of state.

Thanks to the successful conservation of its forests, Cambodia has become a leading country in Southeast Asia in selling carbon credits, he added. The Royal Government of Cambodia has so far increased the protected areas under the jurisdiction of the Ministry of Environment to about 41 percent of the country's land surface or around 7.3 million hectares. Since 2016, Cambodia has earned US\$11.6 million from the selling of carbon credits to voluntary markets such as Disney, Kering, Intuit, Shell and Gucci. ■

## OVER 6,000 BUSINESSES WITH TOTAL US\$2.6 BILLION INVESTMENT REGISTERED VIA ONLINE BUSINESS REGISTRATION

State-run Online Business Registration has registered 6,164 businesses with a total investment capital of US\$2,631 million, as it marked the one-year anniversary of its official launching on June 15.

A total of 6,974 businesses have been applied through the Online Business Registration during the year, and 6,164 of which have been approved, according to a press release from the Ministry of Economy and Finance issued on June 15. Some 810 other applications are in the stage of approving, stated the same source.

Breaking down by sector, business registration on auto export-import and auto repairs accounted for 38.11 percent of the total business applications, followed by real estate sector (10.29 percent), manufacturing (8.53 percent), accommodation and food sector (8.47 percent), vocational, science, and technical activities (7.06 percent), and other sectors (27.55 percent).

In terms of investment amount by sector, construction sector represented 27.27 percent, while real estate sector 15.52 percent, auto export-import and auto repairs 15.40 percent, manufacturing 13.75 percent, financial and insurance 8.94 percent, and other sectors 19.12 percent.

The Online Business Registration system was launched to facilitate and encourage business registration for all companies, especially to support the companies that aim to register and to access credit from the government’s special fund.

New businesses can register on the packet information system at [www.registrationservices.gov.kh](http://www.registrationservices.gov.kh) thus, business and tax certificates as well as all other documents will be provided and received in digital form. Through this platform, complex procedures, repetitive information, time and cost incurred under the old process will be minimised. All will be automatically shared with the information systems of relevant ministries and institutions for review and approval. ■

# CAMBODIA’S NATIONAL UNIVERSITY OF MANAGEMENT RANKED 26 AMONG TOP UNIVERSITIES IN THE WORLD

## WURI 2021: Top 50 (Entrepreneurial Spirit)

Rank	Name	Region	Rank	Name	Region
1	Hanze University of Applied Sciences	Netherlands	26	National University of Management	Cambodia
2	Aalto University	Finland	27	Arizona State University	USA
3	Simon Fraser University	Canada	28	University of Liberal Arts Bangladesh	Bangladesh
4	Princeton University	USA	29	Ajou University	Korea, Rep.
5	Deggendorf Institute of Technology	Germany	30	Samsung Art and Design Institute	Korea, Rep.
6	University of California, Berkeley	USA	31	Riga Technical University	Latvia
7	University of Chicago	USA	32	Burapha University	Thailand
8	University of Tokyo	Japan	33	Toyota Technological Institute	Japan
9	Monash University	Australia	34	University of Évora	Portugal
10	George Mason University	USA	35	Athens University of Economics and Business	Greece
11	University of Oulu	Finland	36	Dublin City University	Ireland
12	Instituto Politécnico de Bragança	Portugal	37	Bucharest University of Economic Studies	Romania
13	Temple University	USA	38	University of Wollongong	Australia
14	University of Twente	Netherlands	39	University of Catania	Italy
15	University of Basel	Switzerland	40	University of Aveiro	Portugal
16	Indira Gandhi Delhi Technical University for Women	India	41	Dalian Neusoft University of Information	China
17	Tra Vinh University	Vietnam	42	Far Eastern University	Philippines
18	Kyushu University	Japan	43	Hanbat National University	Korea, Rep.
19	Northern Kentucky University	USA	44	LSPR Communication & Business Institute	Indonesia
20	Beijing Technology and Business University	China	45	Anna University	India
21	Rensselaer Polytechnic Institute	USA	46	Universiti Kuala Lumpur	Malaysia
22	Queen's University	Canada	47	Chitkara University	India
23	IEDC-Bled School of Management	Slovenia	48	Singapore Management University	Singapore
24	FEU Institute of Technology	Philippines	49	Foundry College	USA
25	Draper University	USA	50	Linnaeus University	Sweden

The National University of Management has been recognized as 26<sup>th</sup> among the world’s top 50 universities for Entrepreneurial spirit by the World University Universities Commission.

According to the Ministry of Education, the World University Universities Commission, which organizes the annual evaluation of the World Universities Ranking (WURI 2021 / The World’s Universities Ranking with Real Impact 2021), has announced the university rankings.

University Rankings are based on three types of curricula that achieve outstanding innovation, including: 1) Entrepreneurial Spirit curriculum (2) Social moral values program (Ethical Value) and 3) Crisis Management program among the world-renowned universities. ■

## PEUNG TANON Sightseeing in Siem Reap, Cambodia

Peung Tanon (also written as Perng Ta Norn) is about 2 hours drive north of Siem Reap, to the west of Kulen National Park. It’s becoming a popular day trip for travelers because of its massive sandstone rock formations, also called *standing stones*.

**Things to Do:** explore the site, admire the view, have a picnic and rock climbing and bouldering...

