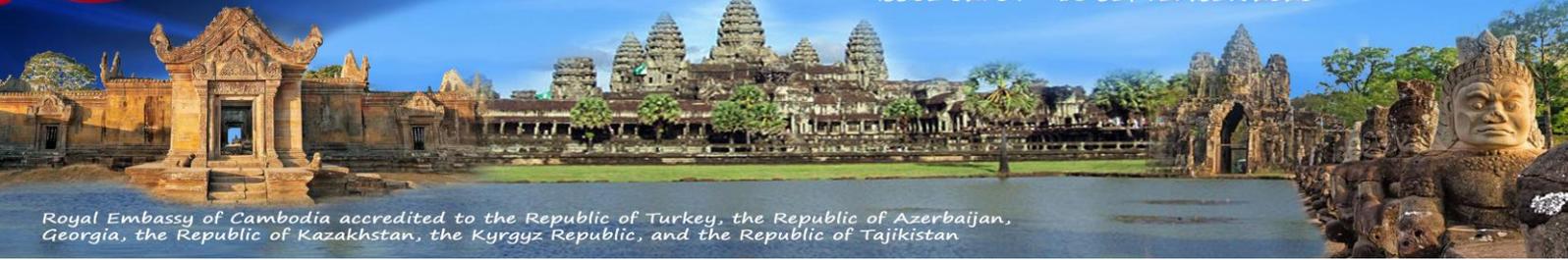


CAMBODIA OUTLOOK

ISSUE 02: 07 - 13 SEPTEMBER 2020



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

MINIMUM WAGE FOR WORKERS INCREASES TO \$192 IN 2021

Ministry of Labour and Vocational Training announced on 10 September 2020 that starting from January next year, the minimum wage for garment, textile and footwear workers will increase to \$192 a month.

The ministry said the National Committee for Minimum Wage has raised the minimum wage at USD190 a month and Samdech Akka Moha Sena Padei Techo Hun Sen, Prime Minister, decided to add \$2, inching up to \$192 a month.

The ministry added besides the monthly minimum wage, workers will receive other benefits including

Continued on page (2)

NEW CAMBODIA-VIET NAM BORDER GATE SET TO OPEN SOON

Cambodia will be opening a new border gate – Prey Vor international border gate – in Kampong Ror district, Svay Rieng province, at the border with Vietnam's Long An province, in a move to facilitate cross-border goods transport.

The construction of border gate facilities has been finally completed and the time frame for the opening ceremony was set, pointed out H.E. Sun Chanthol, Senior Minister and Minister of Public Works and Transports during his inspection visit to the site on 10 September 2020.

"Today, we visit to check the possible mechanism to facilitate the cross-border goods transport

Continued on page (3)

CAMBODIA SUGGESTS CREATION OF "TRAVEL CORRIDORS" AT AMM 53



H.E. Deputy Prime Minister Prak Sokhonn, Deputy Prime Minister and Minister of Foreign Affairs and International Cooperation participated in the 53rd ASEAN Foreign Ministers' Meeting and Related Meetings held via videoconference on 9-12 September 2020.

H.E. Deputy Prime Minister PRAK Sokhonn, Deputy Prime Minister and Minister of Foreign Affairs and International Cooperation, recommended ASEAN work towards the creation of "travel corridors" to facilitate business travel in a safe and gradual manner during the COVID-19 pandemic, and it should be translated into a concrete action plan as soon as possible.

The suggestion was made during the 53rd ASEAN Foreign Ministers' Meeting (AMM53) and Related Meetings held via videoconference on 9-12 September 2020, according to the press release of the Cambodian Ministry of Foreign Affairs and International Cooperation.

In his speech at the events, H.E. Deputy Prime Minister underlined that amidst the escalating tensions between major powers, and deep setback on multilateralism, ASEAN is not interested in taking sides, and ASEAN has to firmly uphold the spirit of ASEAN unity and centrality to exercise the ASEAN Way principles.

He also added that the ASEAN Regional Mine

Action Center (ARMAC) will have a new Executive Director in mid-October of 2020, and expressed appreciation to Viet Nam for this initiative on the "Friends of ARMAC" in order to mobilize more support for the Center.

Regarding the 27th ASEAN Coordination Council (ACC) Meeting, H.E. Prak Sokhonn raised the important role of external partners, which is crucial in terms of additional resources mobilization to support the ASEAN COVID-19 Fund, and other regional public health emergencies arrangement.

At the 21st ASEAN Plus Three (APT) Foreign Ministers' Meeting, he underlined the need for the establishment of the APT Reserve of Essential Medical Supplies, and thanked APT for their contribution to the COVID-19 ASEAN Response Fund.

He also thanked Japan for supporting the establishment of the ASEAN Centre for Public Health Emergencies and Emerging Diseases, and stressed the urgency to get the Regional

Continued on page (2)

CAMBODIA, U.S. DISCUSS BILATERAL TRADE AND INVESTMENT



Cambodia and the U.S. have discussed cooperation to foster bilateral trade and investment, including e-commerce.

The discussion was made between the Minister of Commerce H.E. Pan Sorasak and U.S. Ambassador to Cambodia H.E. W. Patrick Murphy at the Sofitel Phnom Penh Phokeethra, when the two officials co-chaired the official opening of the U.S. Investment Relations and Investment Forum in Cambodia, organised by the American Chamber of Commerce Cambodia (AmCham) on 5 September 2020.

Both sides explored possibilities to encourage e-commerce investments from the U.S. to Cambodia as the country is working hard to establish relevant legislations to promote the sector.

They also touched on the two countries' joint Trade and Investment Framework Agreement (TIFA) and better investment climate in Cambodia – thanks to the in-depth reform by the Royal Government.

Toward the next step, the 6th Cambodia-U.S. joint trade and investment meeting were planned via the video conference in the near future.

According to the ministry's figures, Cambodia-U.S. bilateral trade remarkably increased from US\$3.3 billion in 2018 to US\$4.7 billion, or around 42 percent, in 2019. ■

CAMBODIA SUGGESTS...

Comprehensive Economic Partnership (RCEP) Agreement signed later this year.

The Meeting approved the ASEAN Intergovernmental Commission on Human Rights (AICHR) Five-Year Work Plan 2021-2025, Priority Programmes/Activities and Budget of the AICHR for 2021. In promoting ASEAN's external relations, the Meeting endorsed France's and Italy's applications for the Development Partnership. In order to strengthen the ASEAN Regional Forum (ARF) mechanism, the Meeting adopted the Guide to ARF Processes, Procedures, Practices and Protocols.

The Foreign Ministers also exchanged views on regional and international issues of common concern and interest such as maritime security, Korean Peninsula, Rakhine State, including promoting the ASEAN Community Building, peace and prosperity, and strengthening engagement with external partners utilizing the ASEAN Outlook on Indo-Pacific (AOIP), among others. ■

2024: CAMBODIA FROZEN FOOD MARKET IS FORECASTED TO REACH \$119.56 MILLION



The Cambodia frozen food market is projected to reach \$119.56 million by 2024 growing at a compound annual growth rate (CAGR) of 3.9% during the forecast period 2019 – 2024, according to Dublin-based Research and Markets.

High influence of Western food and increasing tourism are the prime factors for the growth of the market. Frozen foods are deemed to be safe and as a result demand for it in Cambodia has risen.

It reported that the Cambodians, recently, have adopted the trend of mini-meals, which has long been a part of the western culture. Increasing expat population and tourists are the target consumers for frozen food in the country.

According to Bulletin Line Market Research Reports said that a shift from the Southeast Asian cultural tradition of eating many times a day (four or five times a day, but in relatively small quantities) to the norm of most developed countries of three meals a day is being widely noticed.

The trend also includes increased purchase of ready-to-eat, cooked foods, and the consumption of frozen food products. Fast adoption of western diet trends has led to a hike in the retail sales in packaged food industry, especially frozen and chilled food.

Consumers in Cambodia displayed higher demand for frozen desserts, frozen potatoes, and frozen ready meals. Some importers in Cambodia specialize in servicing the hotel restaurant and institution (HRI) trade and have the appropriate frozen and chilled storage and distribution infrastructure. Most of the modern food retailers, such as DFI Lucky and Thai Huot, also service the HRI trade through their retail stores or wholesale operations. ■

MINIMUM WAGE...



an extra \$10 per month for regular attendance and an extra \$7 per month for transportation, rent, and seniority payments for workers in their position for over two years. Therefore, each worker will make between \$209 and \$220 a month on average.

The garment, textile and footwear industry are the Cambodia's biggest export sector, employing about 750,000 people in 1,100 factories across the country.

In 2019, the Kingdom shipped \$9.3 billion worth of garment products to foreign markets, of which the EU and the U.S. are the biggest markets.

The 2020 minimum wage was set at 190 a month, up from US\$182 in 2019 and US\$170 in 2018. ■

CAMBODIA AND GERMANY REFLECT COOPERATION FOR FUTURE PRIORITIES

Cambodia and Germany have held a joint consultation on 9 September 2020, to review the progress of bilateral cooperation in local economic development and to identify future cooperation priorities towards inclusive and sustainable economic development in Cambodia.

The joint consultation was co-chaired by H.E. Chhieng Yanara, Minister Attached to the Prime Minister, Secretary General of the Cambodian Rehabilitation and Development Board of the Council for Development of Cambodia (CRDB/CDC) and Mr. Sasha Reeb, First Secretary Cooperation of the Embassy of the Federal Republic of Germany to Cambodia.

According to CDC press announcement, H.E. Chhieng Yanara underlined that Cambodian-German development cooperation is well aligned with priorities of the Royal Government of Cambodia, including rural development; social welfare and protection, food security and nutrition; and governance.

He added that Germany has been supporting local economic development in Cambodia since 2007, which has contributed to reducing poverty in the Kingdom.

“We would like to express our thanks to the government of Germany, which has significantly contributed to Cambodia’s economic development and helped to improve Cambodian livelihoods in rural areas,” he said.

Representing the German side, Mr. Sasha Reeb highly valued the achievements for the

Cambodia’s development and the cooperation made for the three priority areas mentioned.

He also stated that Germany will continue to support Cambodia’s rural development through projects focusing on local economic development and competitiveness.

“[It involves] supporting small and medium-sized enterprises in the agro-industry, food processing and technical training by incorporating the use of technology and innovation and the involvement of stakeholders, especially the private sector,” he said

Germany is also providing \$8 million in grant funding for the programme for three years from 2022 to 2024, which is planned to be implemented in five provinces and cities – Phnom Penh, Battambang, Banteay Meanchey, Siem Reap and Oddar Meanchey, mentioned in the CDC press announcement.

According to the press announcement, the two sides have agreed to hold political-level consultations on development cooperation between the two countries on 30 September to review the progress of the implementation of projects in all areas and aspects of current and future development cooperation as well as reviewing new and ongoing projects in order for Germany to consider continuing to support them in 2021. ■

SWITZERLAND COMMITTED TO CONTINUE BUILDING HUMAN RESOURCES TOGETHER

Cambodia and Switzerland have been committed to continue working together to build human resources through vocational training projects, focused by both sides in their policies and strategies.

The commitment was underlined on 9 September 2020 in the meeting between Cambodian Minister of Labour and Vocational Training (MoLVT) H.E. Ith Samheng and Mr. Markus Buerli, newly appointed Director of Swiss Agency for Development and Cooperation (SDC).

On the occasion, they laid stress on the importance of vocational skills as according to its experience, Switzerland has quickly become a developed country because two-thirds of its young population have first entered vocational trainings to grasp job opportunities before pursuing their higher studies.

H.E. Ith Samheng thanked the SDC for its financial and technical support for various projects in Cambodia, especially those with priority on human resource building in the field of

NEW CAMBODIA...

between Cambodia and Vietnam through the new international border gate – Prey Vor – because at Bavet [international border gate], there is much congestion of transport, so we want to ease goods transport to be made through Prey Vor border gate,” H.E. Sun Chanthol said.

The ministry is studying the possible upgrading of a 25-kilometre-long road toward Prey Vor border gate to support transport activities once the border gate is operational, he continued.

Cambodia’s exports to Vietnam rose by 7.5 percent to more than \$592 million in the first seven months of this year while the imports inched down 3.7 percent to over \$2.395 billion, according to the data from the Viet Nam Embassy in Cambodia. ■

Technical and Vocational Education and Training (TVET).

H.E. Minister also highlighted the potential of agricultural sector, besides industry and services, in generating jobs for millions of people. Therefore, increasing training in this field is very necessary to meet the labour market demand, he added.

According to the Ministry of Labour and Vocational Training, the first phase of Skills Development Project (SDP) funded by SDC from 2016 to 2020 was completed with success in increasing income and creating decent jobs for youths, both men and women, in three targeted provinces: Kratie, Stung Treng, and Preah Vihear, and in forming a well-coordinated, responsive and inclusive TVET system.

The second phase of SDP which will last from July 2020 to June 2024 has a primary purpose of creating job opportunity for vulnerable young men and women and low-skilled workers / employees and of making TVET system more effective in five targeted provinces, including Kratie, Stung Treng, Preah Vihear, Mondulakiri, and Rattanakiri.

SDC has so far supported a joint project between the Royal Government of Cambodia and the United Nations on youth employment, which ended successfully, and continued to support the second phase of the project for 2020-2023 aiming to promote decent employment for Cambodian youth. Moreover, SDC also funded a project of the International Organisation for Migration (IOM) to protect migrant workers, called PROMISE. ■

KAMPOT PROVINCE TARGETS TO ATTRACT 2.5 MILLION TOURISTS BY 2023



Kampot province, one of the country's four coastal provinces, has targeted to attract up to 2.5 million tourists by 2023, according to H.E. Chev Tay, Kampot Province Governor in a dissemination workshop on tourism development plan 2019-2023 held on 9 September 2020.

He added that the five-year tourism development plan will contribute to tourism development in the province.

"The five-year tourism development plan 2019-2023 presents a clear vision for the future of tourism development in Kampot province, focusing on strategic directions, including tourism product development, market research, promotion, connectivity and travel facilitation, infrastructure development, cultural and natural resource conservation, human resource development, and tourism negative impact management," he said.

"The development plan also points to the study of challenges, risks, strengths, opportunities and the development of strategies, measures, action plans, mechanisms for implementation and monitoring," he added.

In the first six months of 2020, Kampot province welcomed 838,000 local and international tourists while in the same period last year, there were 1,090,000 visitors, according to the Kampot Provincial Tourism Department.

