



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 EXPECTS 5.6% GDP GROWTH IN 2023

Cambodia is expected to register a 5.6 % GDP growth in 2023, according to the Ministry of Economy and Finance (MEF).

The Kingdom, which was estimated to have posted a 5.2 % growth last year, is set to register further growth this year despite facing some global uncertainties including the ongoing Ukraine war, inflation, increase in interest rates, and the resurgence of Covid-19 in various parts of the world.

Addressing a public forum on Macroeconomic Management and Budget Law 2023 in Phnom Pen, H.E. Vongsey Vissoth, Minister attached to the Prime Minister and Permanent Secretary of State, Ministry of Economy and Finance, said that “For 2023, Cambodia’s economy is expected to expand, yet at a slower pace, with a growth of 5.6 %.”

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CAMBODIA EXPORTS TO RCEP COUNTRIES HIT \$6.3 BILLION LAST YEAR

Cambodia exported US\$6.34 billion worth of goods to the Regional Comprehensive Economic Partnership (RCEP) member countries last year, up 7% from a year before, the Ministry of Commerce’s report showed on Wednesday.

The country’s imports from the RCEP countries totaled US\$24.68 billion, up 3 % from 2021, the source pointed out.

The Kingdom’s trade with RCEP member countries reached US\$31 billion in 2022, a year-on-year increase of 4 %, it added.

Cambodia’s top trading partners are China, Vietnam, Thailand, Singapore, and Japan, the reported read.

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CAMBODIA HAS NO ABILITY TO EXTEND MILITARY SUPPORT TO UKRAINE



Samdech Techo Hun Sen, Prime Minister of the Kingdom of Cambodia

Prime Minister Hun Sen reaffirmed here this morning that Cambodia does not have the ability to extend military support to Ukraine.

“Cambodia did not provide any military support to Ukraine. Cambodia has no ability to do so. Cambodia’s technical assistance to Ukrainian deminers is purely a humanitarian act,” the Premier underlined at a graduation ceremony of the Western University.

Cambodia did not send neither troops nor demining trainers to Ukraine, what we have done is purely for a humanitarian cause as we are also a nation affected by landmine and Unexploded Ordnances (UXOs), he added.

Cambodia has so far dispatched its mine clearance forces to many other countries under the UN umbrella and they are currently fulfilling their mission in four countries, including Mali, South Sudan, Lebanon, and Central Africa, Samdech Techo Hun Sen pointed out.

Regarding this issue, on January 24, the Ministry of Foreign Affairs and International Cooperation released a statement, reiterating that the decision to provide technical trainings in mine clearance to Ukrainian deminers in Cambodia, in collaboration with Japan, is purely made on humanitarian basis as similarly demonstrated in its many Peacekeeping Missions in Africa and the Middle East under the auspices of the United Nations.

The Ministry thus categorically dismissed the classification of the Kingdom under the category of “Military supportive of Ukraine” as published in the infographic by Telegram Channel, and urged the channel to rectify the above said publication on the account of the fact that this grouping is not only inaccurate, but could be detrimental to Cambodia as a peace-loving country which strictly adheres to a foreign policy of neutrality as anchored in its Constitution. ■

CAMBODIA'S EXPORTS TO RCEP COUNTRIES HIT.....

Entered into force on Jan. 1, 2022, this mega trade pact comprises 15 Asia-Pacific countries including 10 ASEAN member states – Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam – and their five trading partners, namely China, Japan, South Korea, Australia and New Zealand.

Being the world's largest trade bloc, the RCEP trade deal has a combined GDP of US\$26.2

trillion, representing around 30 % of the global GDP, 28 % of global trade, and 32.5% of global investment.

Cambodia is one of the supply chains in the world, exporting garments, footwear, electronic and electric components, and agricultural products, said H.E. Penn Sovicheat, Under-Secretary of State and Spokesperson at the Ministry of Commerce. ■

CAMBODIA BOASTS 2ND LOWEST PUBLIC DEBT AMONG ASEAN MEMBERS



As of the end of 2022, Cambodia has a public debt of \$9.97 billion of which \$9.95 billion are foreign debts, making the country the ASEAN country with the second lowest public debts.

This public debt is claimed by a senior official of the Royal Government of Cambodia to be low at only about 34 % of gross domestic product (GDP) and compared to other ASEAN countries.

Speaking at a public forum on “Macroeconomic Management and Budget Law 2023” on the morning of January 25, H.E. Vongsey Visoth, Minister Delegate to the Prime Minister and Permanent Secretary of the Ministry of Economy and Finance, said, “Cambodia’s debt management is still the lowest in ASEAN, our public debt is the lowest after Brunei... Debt per capita is also low. Each of our people owes about \$600.”

For the 2023 budget law, the Royal Government of Cambodia plans to spend about \$9.6 billion, of which revenue will reach \$7.2 billion, \$1.8 billion in public debt and \$600 million in savings.

He said that this small number shows that Cambodia is independent, highly dependent on Cambodia’s internal income [tax], which has increased and reduced dependence on foreign budget. ■

BUSINESS ENTITIES IN CAMBODIA INCREASES 50% IN 10 YEARS



Cambodia has in total 753,670 economic entities in 2022 throughout the country, up more than 1.4 % compared to 742,940 economic entities registered in 2021, according to the preliminary results of Cambodia Economic Census 2022.

The figures were shared by H.E. Chhay Than, Senior Minister and Minister of Planning while presiding over the dissemination workshop on the preliminary results of the Economic Census of Cambodia 2022 here in Phnom Penh on Jan. 18.

The number indicated an increase of more than 47 % compared to 505,134 entities recorded in the economic census in 2011, added H.E. Chhay Than.

The increase reflects structural change of economic and demographic growth, and administrative geography, he continued.

The economic census of Cambodia 2022 is a crucial work for Cambodia and it was the second of its kind. The first one was conducted in 2011.

It was the main inputs for policy development on socio-economy, environment and people's welfare, and serves as indicators of sustainable development goals 2016-2030.

About 5,000 officials has engaged in collecting needed data for the 2022 Economic Census. ■

CAMBODIA EXPECTS 5.6% GDP GROWTH.....

The growth of exporting sectors is expected to slow down with a 5.5 % growth due to the unfavorable external demands, especially EU market.”

The garment industry, which registered 10.8 % growth in 2021 and 2022, is expected to post a lesser growth of 5.5 percent this year.

However, the non-garment sector is expected to continue to remain favorable with a growth of 11.7 %, supported by the high potential of some export productions (furniture, solar and electronic components etc.) and productions for domestic demand, especially food and beverages productions, the ministry said.

The arrival of more tourists is expected to boost tourism further this year, with an expectation of around 4.3 million international tourists and 14 million domestic tourists.

“The easing of restrictions in China, along with the SEA Games, will help attract international tourists to Cambodia. In addition, domestic tourists continue to increase due to further improvement of tourism services and destinations, as well as convenient supporting infrastructure,” it said.

The wholesale and retail sector is also expected to do well this year, with an estimated growth of 6.5%, up from 4.3% last year.

“Transportation is estimated to grow at 7.6 % in 2023, up from 6.1 % growth last year” and “Agriculture is expected to maintain positive growth at 0.7 %, buoyed by a robust performance of livestock and poultry and crop production, particularly subsidiary and industrial crops (cassava and corn),” it pointed out.

Construction and real estate are estimated to have low growth rates of 0.5 % and 0.2 %, respectively.

The ministry pointed out that consumer price inflation has spiked in 2022, reflecting soaring global energy and other commodity prices. Rising global energy and other commodities prices automatically pass-through to domestic prices.

“This year, inflation is expected to surge by 5.3 %. CPI transport is estimated to soar by 9.6 % while CPI food is expected to increase up to 5.0 %.” ■

CAMBODIA'S \$4 BILLION HIGH-SPEED TRAIN IS ON TRACK



Cambodia is moving to build its historic high-speed train system connecting Phnom Penh and Poipet city, northern Cambodia's Banteay Meanchey province that shares a border with Thailand, using a concessional loan from China.

The result of a feasibility study conducted by the China Road and Bridge Corporate (CRBC) was discussed in a meeting chaired by H.E. Sun Chanthol, Minister of Public Works and Transport, on Monday.

The study showed that the historic high-speed distance is 382 km in length with an estimated cost of \$4 billion, around 14.8% of the country's gross domestic product in 2021.

To be headed by an electric driven engine, the maximum speed will be 160 km per hour and take

four years for the construction, the ministry said.

The ministry pointed out that at least 33 stations are in the plan to be built along the track, which will be renovated on the existing track, which was once rehabilitated under assistance from the Asian Development Bank.

"The project to upgrade the northern Phnom Penh-Poipet railway to the high-speed railway is aimed to serve the transportation sector, and promote socio-economic growth, especially in the provinces and cities located along the track," the ministry said.

The project focuses primarily on international passenger and freight services between Cambodia and Thailand, as well as passenger and freight transport from Phnom Penh to Poipet, passing through Kandal, Kampong Chhnang, Pursat, Battambang and Banteay Meanchey provinces.

"The project will be the first standard high-speed rail in Cambodia and will be a major passenger and freight line in the country and abroad," stated the ministry.

The high-speed train project is among the various project proposals that Prime Minister Hun Sen will discuss with Chinese leaders during his scheduled visit to Beijing on February 10, 2023. ■

GOLD REFINES REACH 5.3 TONS IN 2022

Cambodia's four gold companies refined around 5,300 kg of gold ore, a semi-finished product that is smelted at a mine, as of 2022, paying royalties of \$8 million and \$1.5 million as tax income, a report from the Ministry of Economy and Finance showed yesterday.

Renaissance Minerals Cambodia Limited, a subsidiary of the Australia-listed Renaissance, took the lead, an official of the ministry said in a public forum on Macroeconomic Management and Budget Law 2023 at Sofitel Phnom Penh Phokeethra Hotel.

The gold mining companies have been operating in four provinces in Cambodia: Mondulkiri, Ratanakiri, Battambang and Preah Vihear.

They are Renaissance Minerals in Mondulkiri province, Xinshan Industrial Cambodia in Preah Vihear province, Xing Yuan Kanng Yeak in Kratie province and Delcom Kampuchea in Preah Vihear.

Renaissance Minerals became Cambodia's first commercial gold miner, with the first gold pour at the site on June 21, 2021.

Renaissance plans to refine an estimated three tons of gold ore every year for the first eight years of its operations, summing up to about 250 kg of gold ore per month. All extracted gold ore is shipped to Australia for refining to 100 percent purity gold.

Recently, the company was granted a new mine exploration license on 107 hectares of land located in Memut district, Tboung Khmum province.

This license allows Renaissance to conduct exploration of the land for three years, from January 2021 to January 2024.

Cambodia expects the project to generate \$185 million per annum in pre-tax cash flow, with \$40 million from royalties and taxes transferred to the national budget. ■

\$300M INT'L AIRPORT TO BE BUILT ON KOH RONG ISLAND, SIHANOUKVILLE



The Royal Group Koh Rong Development Company, a subsidiary of the Royal Group Co., Ltd., will build an international airport on Koh Rong city, Preah Sihanouk province.

The airport, with a rating suggesting it will be capable of handling jets with up to 100 passengers, will take five years to complete.

The State Secretariat of Civil Aviation and the company signed a Memorandum of Agreement and Acceptance of Koh Rong International Eco-Tourism Airport Master Plan in Phnom Penh on January 18, 2023. H.E. Dr. Mao Havannall, Minister in charge of the State Secretariat of Civil Aviation and Neak Oknha Kith Meng, Chairman of the Royal Group Koh Rong Development Company were the signatories.

The construction of Koh Rong International Eco-Tourism Airport (Category 4C) on Koh Rong development area would cost some US\$300 million, be completed in a period of five years, cover about 250 hectares, and will start soon.

Speaking at the signing ceremony, H.E. Dr. Mao Havannall said that the development project is under the framework of a multi-purpose joint venture for the whole Koh Rong city, which is a private sector investment and is similar to the investment of Union Development Company (UDG) in Dara Sakor area (100 percent private investment).

"This project is in line with the vision, plan, policy and strategic direction of the Royal Government of Cambodia," he said.

On February 28, 2008, the Royal Group Co., Ltd. signed a Koh Rong lease agreement with the Council for the Development of Cambodia representing the Royal Government of Cambodia to develop the island city as a business development area and eco-tourism resort, including airport infrastructure. ■

CAMBODIA LAUNCHES 100-DAYS COUNTDOWN TO THE 32nd SEA GAME AND ASEAN PARA GAME 2023

Cambodia launched 100-day SEA Games countdown at the spectacular new Morodok Techo National Stadium on January 25, 2023.

Cambodia has waited for 64 years before choosing 2023 as the year for Cambodia's historic first hosting of the 32nd SEA Games and ASEAN Para Game.

The 32nd SEA Games and Para Games 2023 will be organised under the motto "Sport: Live in Peace", and Cambodia will host those games from May 5 to 17, 2023 and from June 1 to 10, 2023 respectively.

About 10,000 people, including 7,000 athletes, coaches and technical sport officers, are expected to join the event with about 40 kinds of sports.

Five capital and provinces have been determined for the sports competitions: Phnom Penh capital and the provinces of Siem Reap (road cycling and marathon), Preah Sihanouk (sailing and jet-ski), Kep (duathlon, aquathlon and triathlon) and Kampot (traditional boat races). ■

