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CAMBODIA, UK FOSTER BILATERAL TRADE AND ECONOMIC COOPERATION

Cambodia and the United Kingdom have agreed to push for better economic and trade cooperation, amid significant growth in bilateral trade in recent years.

The commitment was made during a meeting on 19 February 2024 between Her Excellency Cham Nimul, Minister of Commerce, and the Rt Hon Heather Wheeler MP, the Prime Minister's Trade Envoy to Cambodia and Laos at the ministry.

Both sides discussed and shared the progress of the British Investment Partnership (BIP) and the utilization of the Developing Countries Trading Scheme (DCTS).

"Both discussed ways to foster closer and strengthened relations with the UK, particularly

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THE KINGDOM'S GDP LIKELY TO TOUCH \$35B THIS YEAR

Cambodia's GDP could touch \$35 billion (143 trillion riels) this year, said a senior official from the Ministry of Economy and Finance.

We also expect the GDP per capita expected to go up to \$2,071 in 2024, compared to \$1,917 in 2023, said H.E. Phan Phalla, Secretary of State of the Ministry of Economy and Finance.

Cambodia's economy is also expected to grow at 6.6 percent in 2024, said the ministry official. The International Monetary Fund (IMF), however, has been more conservative and projected that the country will grow at 6.1 percent in 2024, due to global geopolitical tensions and a larger economic slowdown.

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CAMBODIA AND MALAYSIA AGREE TO BOOST BILATERAL COOPERATION FOR MUTUAL INTEREST



Cambodian and Malaysian leaders have agreed on a number of areas to further promote the bilateral relations and cooperation between the two countries.

The agreement was made during a bilateral meeting between Samdech Moha Borvor Thipadei Hun Manet, Prime Minister of the Kingdom of Cambodia, and his Malaysian counterpart H.E. Dato' Seri Anwar Ibrahim, in Kuala Lumpur, Malaysia on 27 February 2024.

On the occasion, both leaders praised the results of past bilateral cooperation and exchanged views on the strengthening and expansion of cooperation in various fields, including politics, defence, security, trade and investment, tourism, halal food industry, telecommunications and information technology, digital technology, and energy security.

The two Premiers also discussed the possibility of expanding direct flights from Malaysia to Cambodia's main tourist destinations, such as Siem Reap.

Within the framework of defence and security, they agreed to continue to promote cooperation, including human resource training, capacity building, information exchange and joint exercises, while for the field of energy security, they agreed to support and coordinate the submarine power transmission project (Laos-Cambodia-Singapore) across the Malaysian seabed.

Besides, the two counterparts agreed to explore the possibility of holding a Joint Commission for Bilateral Cooperation (JCBC) meeting chaired by the two foreign ministers.

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CAMBODIA AND MALAYSIA AGREE TO BOOST BILATERAL COOPERATION...

Both Prime Ministers expressed optimism that the relationship between Cambodia and Malaysia will be stronger and can reach a higher level.

Following their bilateral talks, Samdech Thipadei Hun Manet and H.E. Dato' Seri Anwar Ibrahim presided over the signing ceremony of a Memorandum of Understanding between the National Bank of Cambodia and the Bank Negara Malaysia on Cooperation in the Area of Financial Innovation and Payment Systems.

A high-level Cambodian delegation led by Samdech Thipadei Hun Manet arrived in Kuala Lumpur on 27 February morning for a day-long official visit.

Dr. Yang Peou, an analyst and secretary-general of the Royal Academy of Cambodia, said that the PM's visit does not only aim to pitch investment in Cambodia

but also to strengthen labour exchange as many Cambodians are working in Malaysia.

The Prime Minister has launched a technical and vocational education and training programme for 1.5 million youths, and Malaysia could be a potential labour market for those trainees, he added.

He continued that Malaysia is one of the biggest economies in ASEAN, and its relationship with Cambodia has never been an issue, so it stands as a good opportunity for the two to level up their bilateral diplomatic and economic relations.

According to the Ministry of Labour and Vocational Training, as of Aug. 2023, more than 1.3 million Cambodian migrant workers are living and working overseas, and some 2,200 of them are in Malaysia.

CAMBODIA, UK FOSTER BILATERAL ...



in trade and economic cooperation," the ministry said in a statement.

The meeting was to discuss the progress of British Investment Partnerships and increasing utilization of the UK Developing Countries Trading Scheme, the UK embassy said following the meeting.

The UK is committed to supporting the development of the Cambodian economy and green and inclusive growth, it stated.

Cambodia started benefiting last April from the UK's Developing Countries Trading Scheme (DCTS), a new type of customs preference.

Cambodia already benefits from the UK's GSP which grants exports tariff-free and quota-free access to the UK market.

However, the DCTS replaces and improves the former trade preference scheme with a new approach being taken regarding the origin of the goods exported from Cambodia to the UK.

The bilateral trade between Cambodia and the UK amounted to \$872 million in 2023, a year-on-year decrease of 10.7 percent, according to a General Department of Customs and Excise report.

Of which, Cambodia exported \$796 million worth of goods to the UK, a year-on-year decrease of 10.2 percent and imports from the UK decreased by 15.9 percent to \$76 million.

Exports to the UK mainly include clothing, footwear, bags, bicycles and agricultural products, while UK exports to Cambodia comprise automobiles, machinery, electrical appliances and electronics.

THE KINGDOM'S GDP LIKELY TO TOUCH...

H.E. Phan Phalla said that the share of the non-garment sector in the economy is growing. Tourism will also see a rise and get back to pre-Covid levels. As the garment continues to increase, tourism is expected to rise and the garment sector has recovered considerably. For instance, in the month of January garment exports exceeded what was reported for the same month in 2023.

As per an earlier report by the General Department of Customs and Excise, Cambodia's exports from the garment, textile, and footwear sector grew 24 percent to \$826 million in January 2024.

The Ministry official also said that the increase in export orders shows a lot of positive sentiment around recovery. Production in other non-garment sectors and agriculture is up.

H.E. Phan Phalla also talked about the increase in foreign direct investment (FDI) in the Kingdom and significant investment from China.



IMF Asia Pacific Department Director Krishna Srinivasan has said that IMF expects the global economy to grow by 3.1 percent in 2024, similar to growth rates in the previous year.

For 2025, global growth could go up slightly to 3.2 percent. Global inflation could also go down to 4.4 percent in 2025; from the expected 5.8 percent in 2024, compared to 6.8 percent inflation in 2023.

IMF has revised its growth for Asia to 4.5 percent from 4.2 percent, indicating more optimism, Director said.

SPECIAL INCENTIVES OFFERED TO REVITALISE PREAH SIHANOUK PROVINCE



Several companies have applied for construction investment projects in coastal Preah Sihanouk province as part of the government's special incentive programme for 2024, which are currently being reviewed by the Investment Promotion Team and are expected to break ground in the near future.

Preah Sihanouk provincial deputy governor Long Dimanche said that following the announcement by Samdech Moha Borvor Thipadei Hun Manet, Prime Minister of Cambodia, in late January, there has been a notable increase in investor interest in the province.

He said that some firms have submitted applications, while many others are in the process of preparing their submissions to secure special investment rights.

"So far, our team has received around five applications, two of which have been thoroughly reviewed, discussed, and assessed by our team. The applications have been granted incentive packages addressing both fiscal and non-fiscal concerns, in response to the private sector's eagerness to commence investment activities in Preah Sihanouk," Mr. Dimanche added.

He noted that the early 2024 situation in construction and real estate in the province has shown improvement compared to the start of 2023, though it has not reached the levels seen before 2019.

"The construction, renovation and reorganisation of various buildings and sites for business and

other investments in Preah Sihanouk are showing positive signs of recovery, although gradual," he said.

According to Mr. Dimanche, there are currently numerous large structures in the province, with over 360 unfinished and approximately 160-170 completed but not yet operational. He expressed optimism that investment and construction activities in 2024 would surpass those of 2023.

"On behalf of the provincial authorities, we are highly optimistic that this special programme will significantly boost the confidence of both local and foreign investors to consider investing in Preah Sihanouk in 2024, benefiting from special exemptions. These exemptions, encompassing both tax and non-tax aspects, are immensely helpful," he stated.

In January, Samdech Thipadei Manet announced the "Special Programme to Promote Investment in Preah Sihanouk Province for 2024", aimed at enhancing business activities and investment to transform the coastal province – tipped to be the Kingdom's model multi-purpose Special Economic Zone – into a hub with significant economic potential across diverse sectors.

Samdech Thipadei Manet explained that the initiative focuses on four key areas: transforming Preah Sihanouk into an industry, tourism and investment-centric province; addressing challenges with effective, immediate solutions; implementing practical measures in line with the government's policies and strategies; and accelerating digital and industrial development to enhance the province's value and competitiveness.

The prime minister outlined that the programme targets three investment categories: initiating projects related to unfinished buildings, starting new projects unrelated to these buildings and expanding existing projects or business activities, all set to commence in 2024.

CAMBODIA'S 2023 SALT PRODUCTION UP NEARLY 150%



Kampot and Kep provinces produced 81,154 tonnes of salt last year, an increase by 148.9 percent from 32,900 tonnes in 2022, a report of the Ministry of Industry, Science, Technology and Innovation showed.

"Of the total salt yield in the two provinces in 2023, 64,732 tonnes were sold out. There was no import of salt from abroad," stressed the report.

Cambodia has currently 3,987 hectares of salt fields, of which 3,489 hectares are located in Kampot province and the rest in Kep province with a total of 191 salt farmer groups.

Samdech Moha Borvor Thipadei Hun Manet, Prime Minister of Cambodia, has instructed the Ministry of Industry, Science, Technology and Innovation to maintain a vigilant focus on the enhancement of salt field management and conservation in Kampot and Kep provinces, which are ancestral heritage.

"We must boost the production of salt, recognized by the Royal Government as a strategic commodity," the Premier said at the closing ceremony of the ministry's annual meeting on 21 February.

Salt is currently priced at 10,000 Riel (US\$2.5) to 12,000 Riel (US\$3) per 50kg sack.

Prasat Bakong

Prasat Bakong is the first great sandstone pyramid. Highlights of Bakong include the magnificent brick towers and structures surrounding the enormous stepped pyramid, the artwork that is still there in some locations, the massive elephant statues defending each corner, and the central tower atop the pyramid. All pictures by Apsara National Authority.

