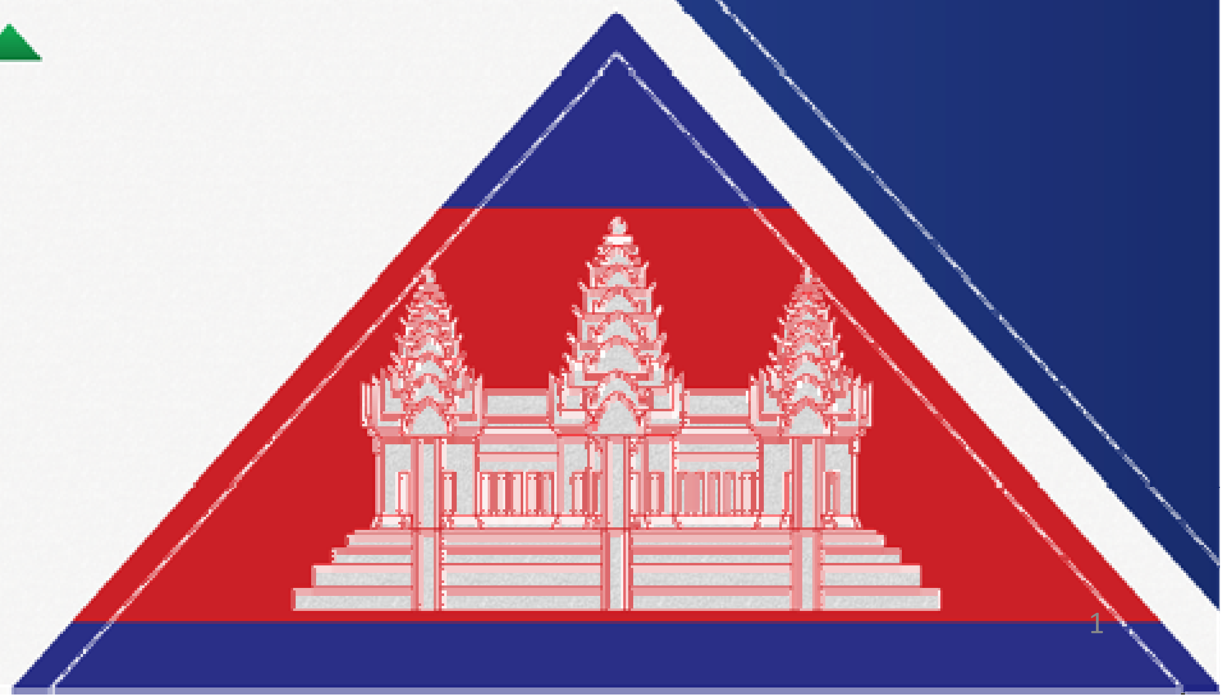
INVESTING IN CAMBODIA

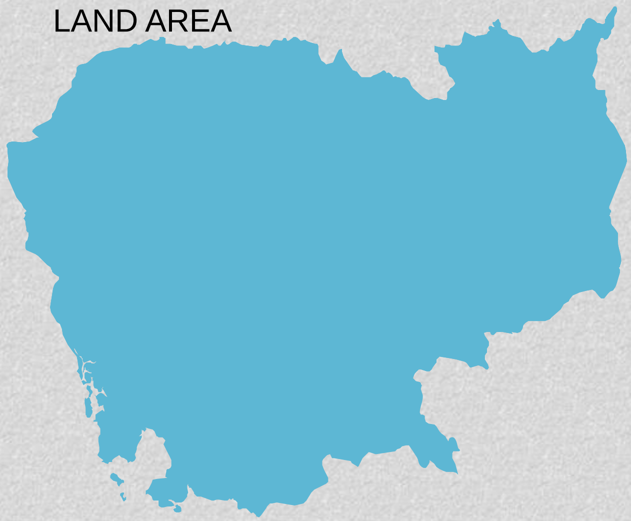


CHANTHOL SUN
Senior Minister, Minister of Commerce
Vice Chairman
Council for the Development of Cambodia

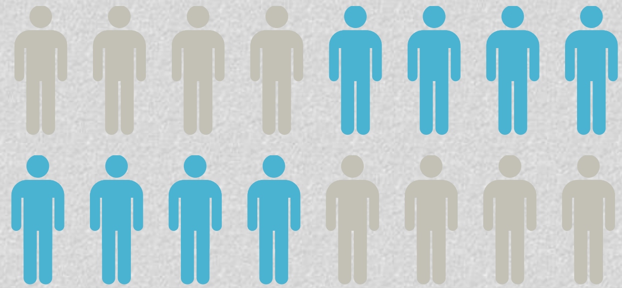
STRATEGIC LOCATION
IN SOUTH-EAST ASIA

CAMBODIA AT A GLANCE

LAND AREA



POPULATION



14.7 million

(at 2013)

POPULATION GROWTH RATE

1.46 %

at 2013

Stable macroeconomic environment

GDP growth : average **7.6%** per annum the last **10 years** (2005–2014 periods)

GDP per capita

$1,220

(2015: Projection by MEF)

Exchange rate

US$ 1 = Riel 4,049

(2015–H1, period average of)

Inflation rate **1.0%**

(2015–H1, period average)

B2 DEBT RATING

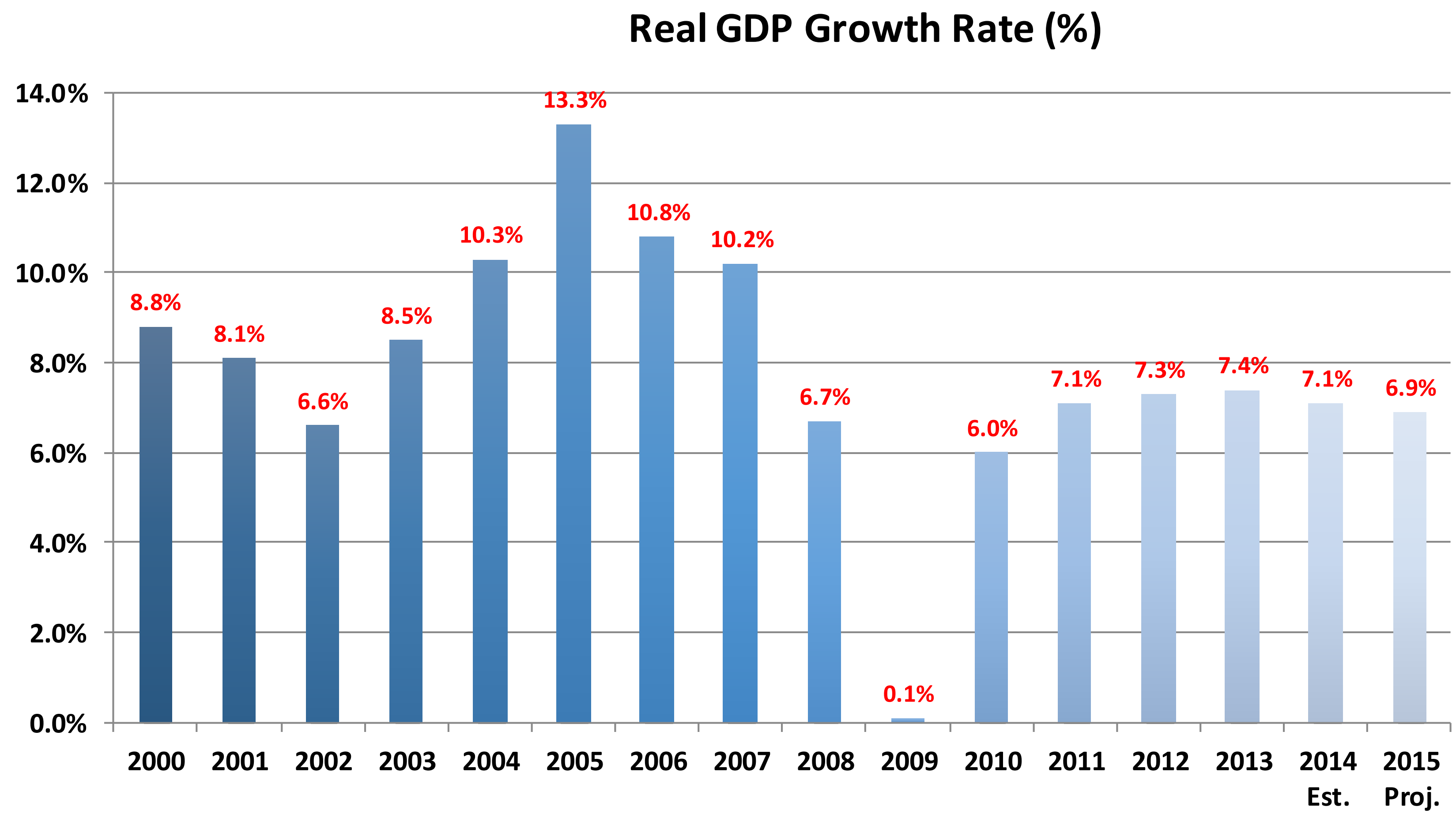
REASONS TO INVEST IN CAMBODIA

- Macroeconomic Stability
- Pro-business Government
- Competitive Investment Incentives
- One-Stop Service Investment Promotion Agency
- Preferential Access to Regional & World Markets
- Investment Protection
- Efficient Infrastructure and Strategic Location
- Sound Financial Sector
- Abundant Resources, Labor, Land

MACROECONOMIC STABILITY

- GDP growth averaged 7.6% per annum the last 10 years (2005 – 2014)
- Projected GDP growth for 2015 is 6.9% (World Bank)
- Stable exchange rate
- Low inflation (3.9% in 2014 and 1% in the first half of 2015)
- Debt to GDP ratio 32.8% (at the end of 2013)
- Low budget deficit
- International reserves increased to US$ 3.6 billion (2013) and rose to US$ 4.4 billion (2014) – nearly 4 months of prospective imports
- International reserves reached US$ 4.7 billion in first half of 2015
- It took 12 years to increase international reserves from US$ 100 million to US$ 1 billion (1994–2006) but it just took 2 years to increase from US$ 2 billion to US$ 3 billion (2006–2008)

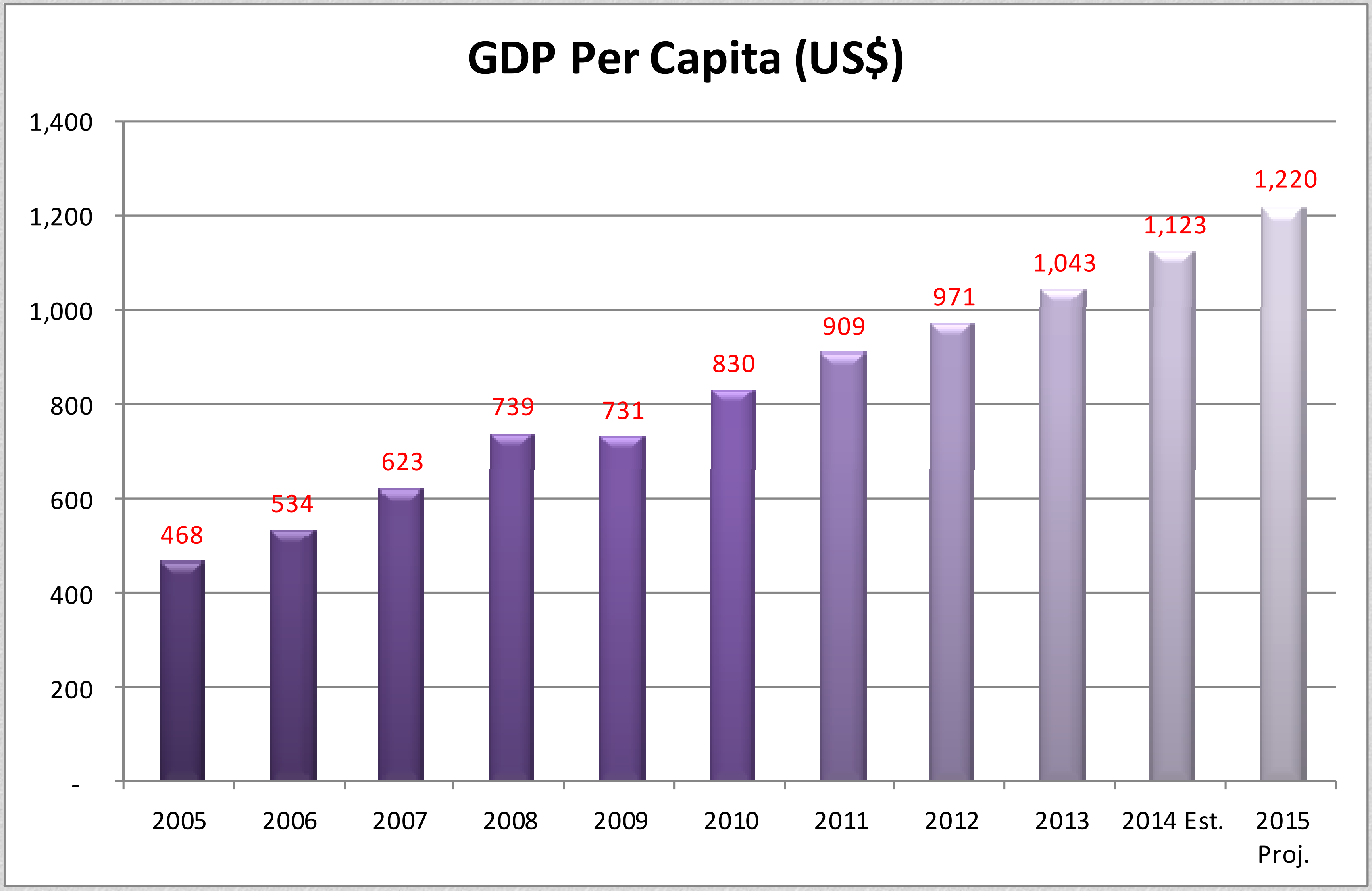
GROSS DOMESTIC PRODUCT (GDP)



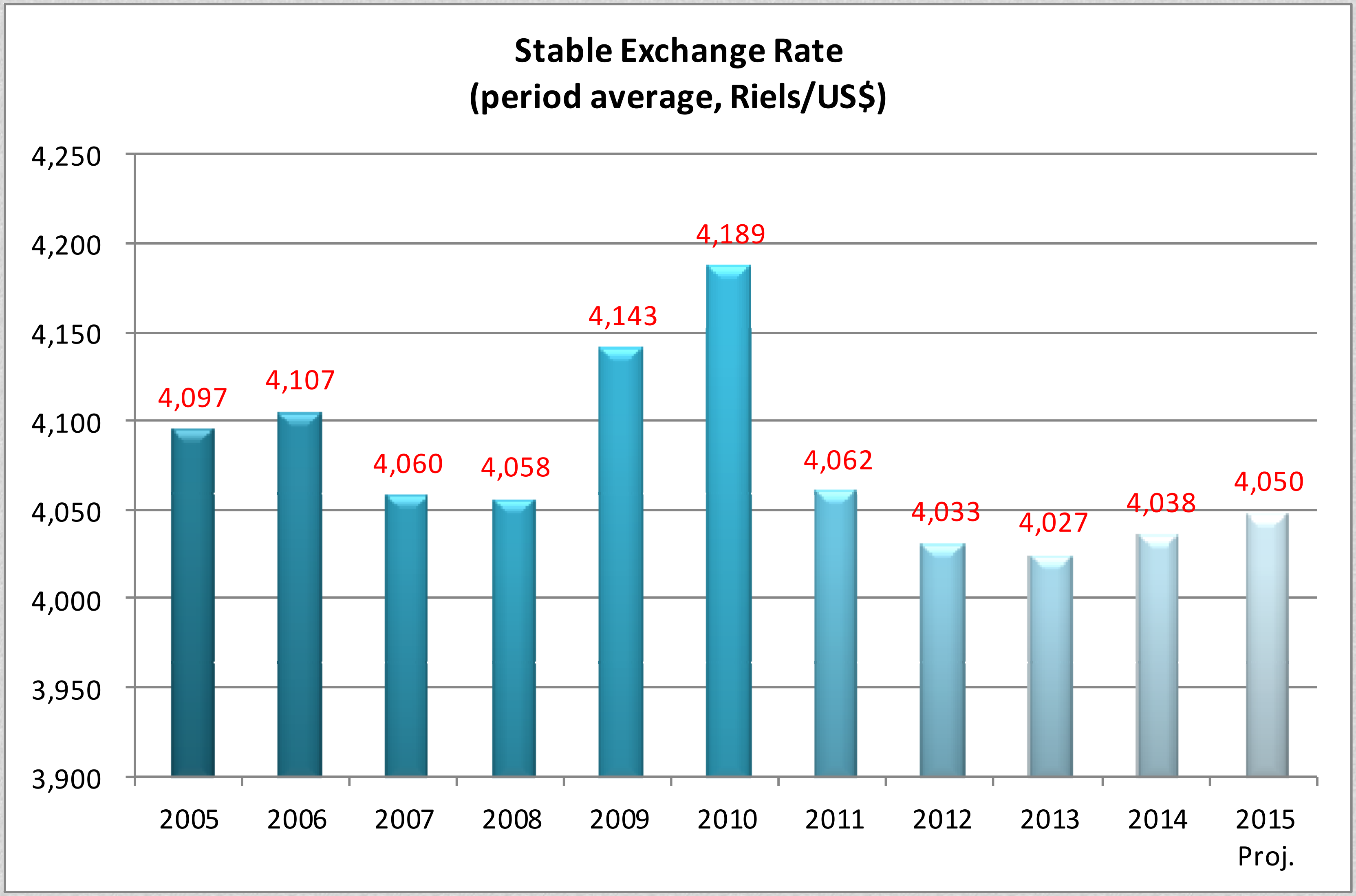
Growth slowied down in 2009 because of impacts from global financial crisis

Source: MOP-NIS and 2015 is projected figure of the World Bank

GDP PER CAPITA GROWTH

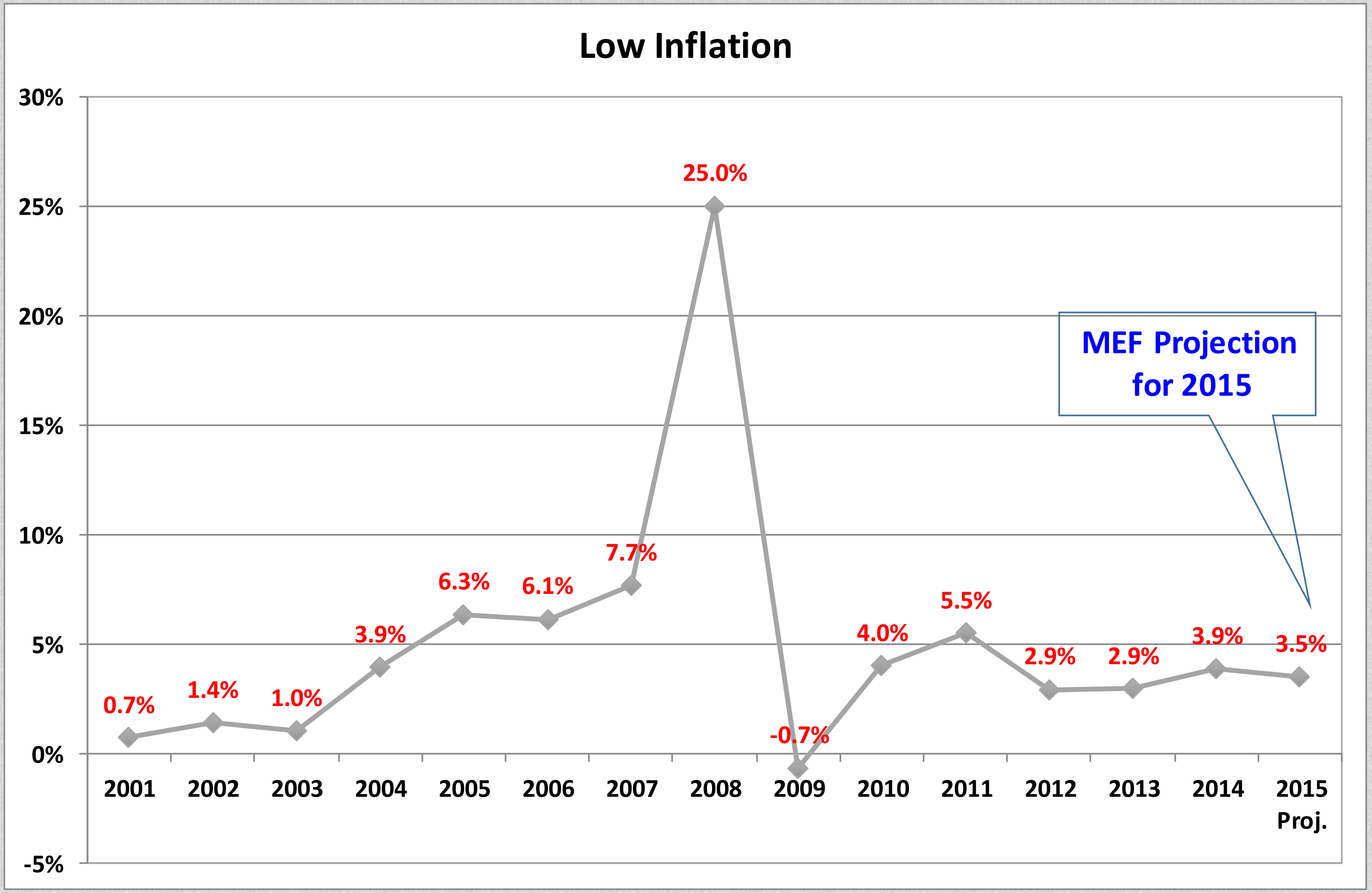


CURRENCY

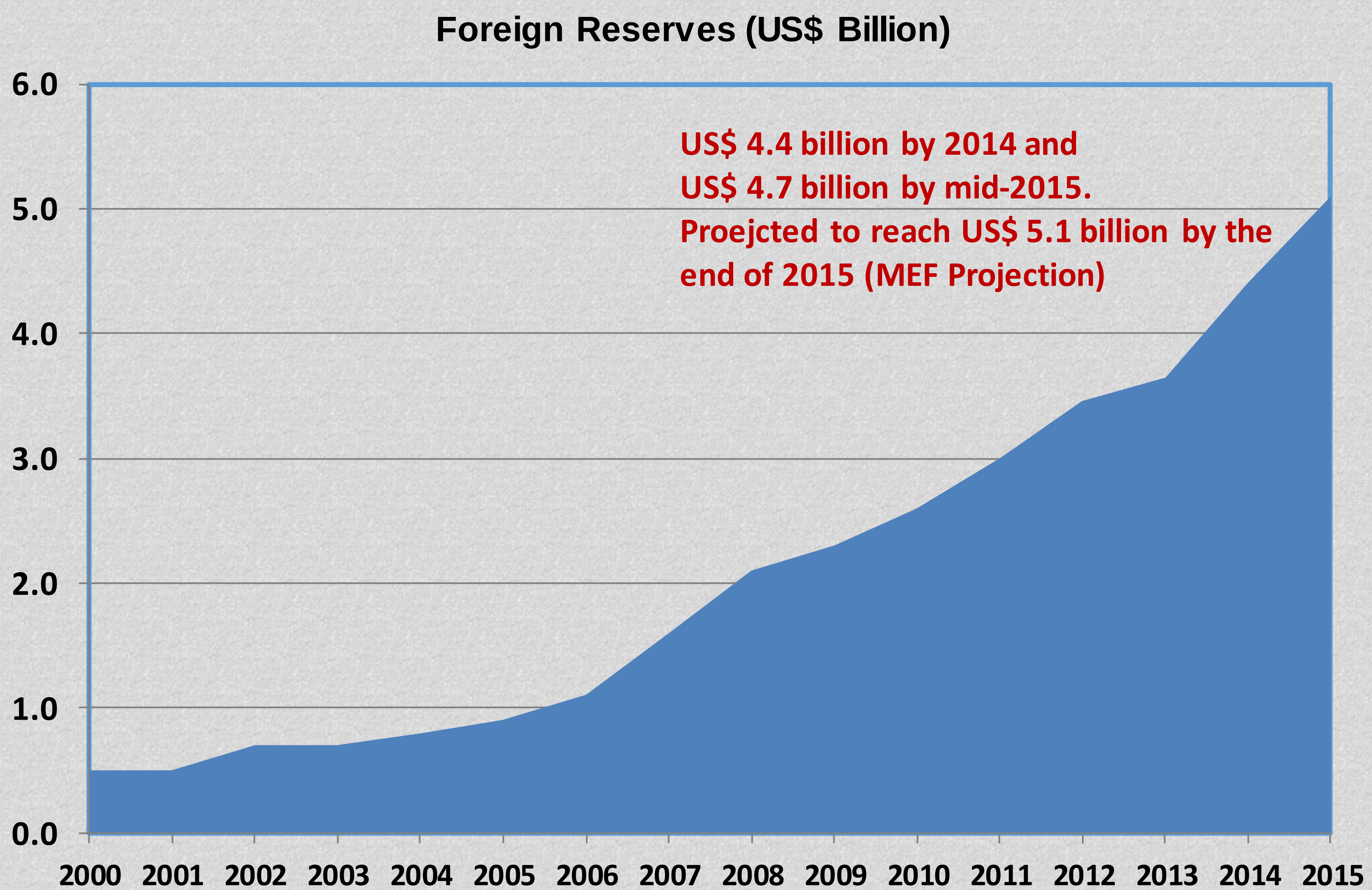

Stable Exchange Rate
(period average, Riels/US$)
4,250
4,200
4,150
4,100
4,050
4,000
3,950
3,900
4,097
4,107
4,060
4,058
4,143
4,189
4,062
4,033
4,027
4,038
4,050
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015 Proj.

INFLATION

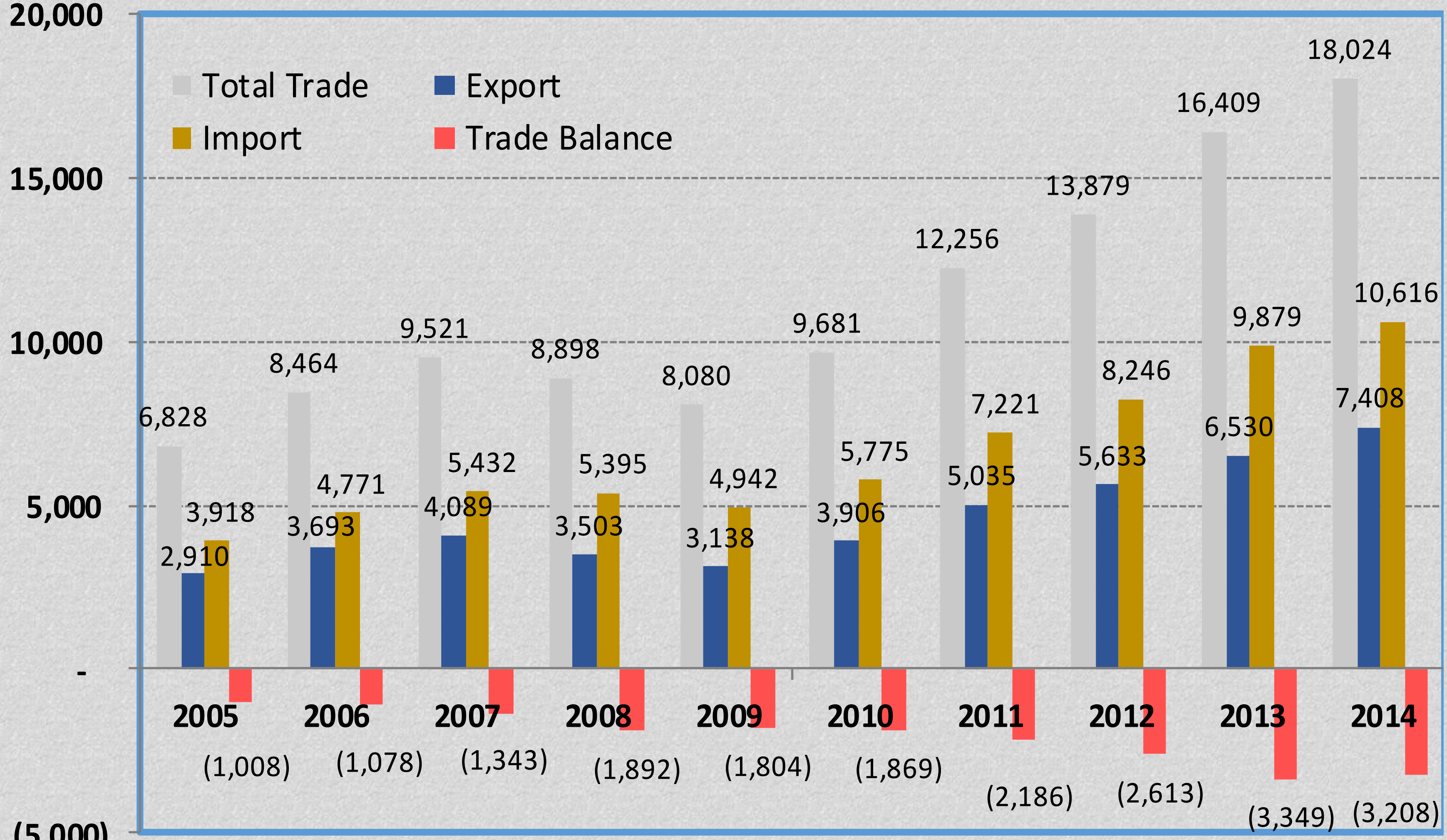
(PERIOD AVERAGE)



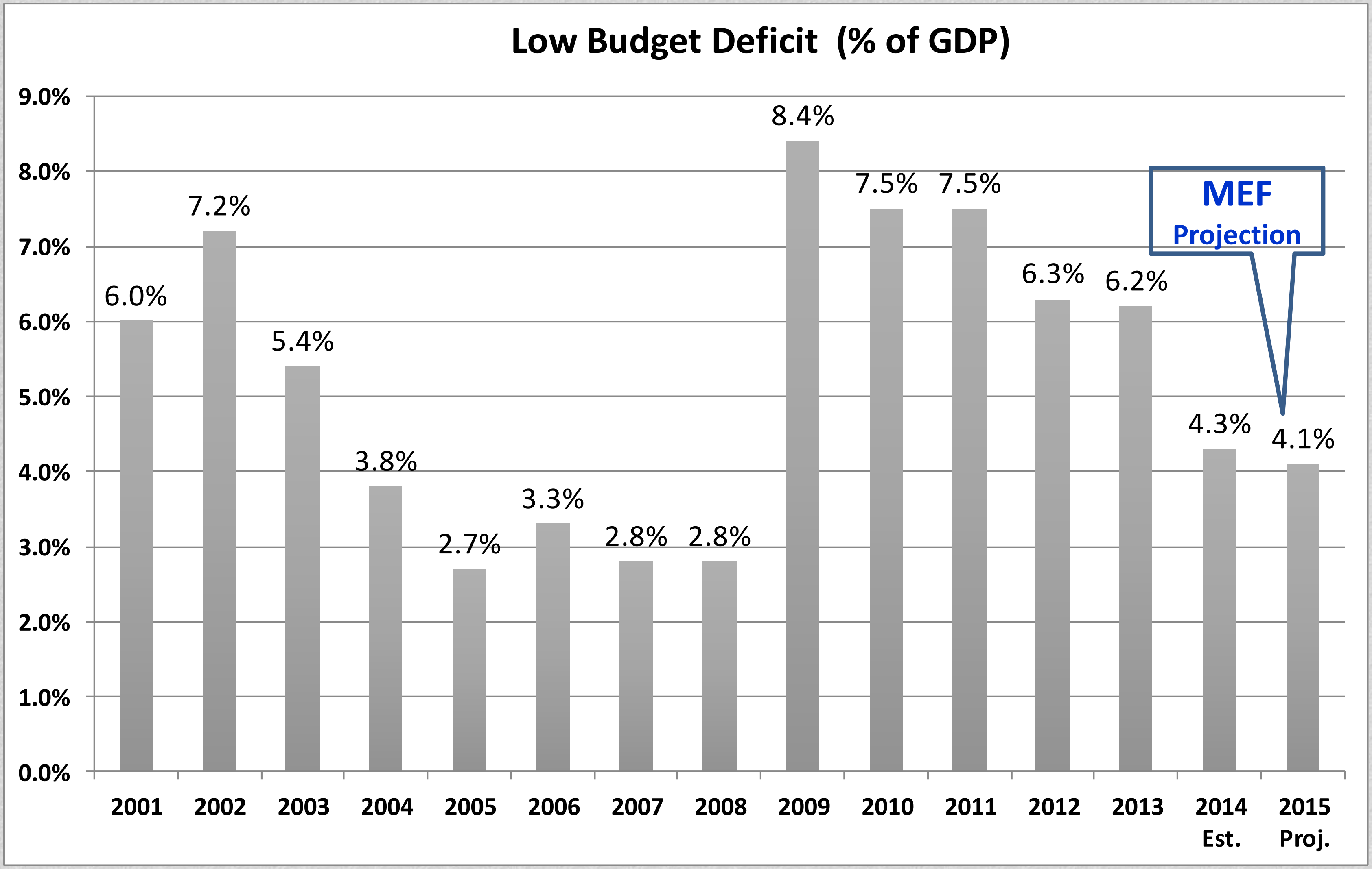
FOREIGN RESERVES



TRADE VOLUME (US$ MILLION)

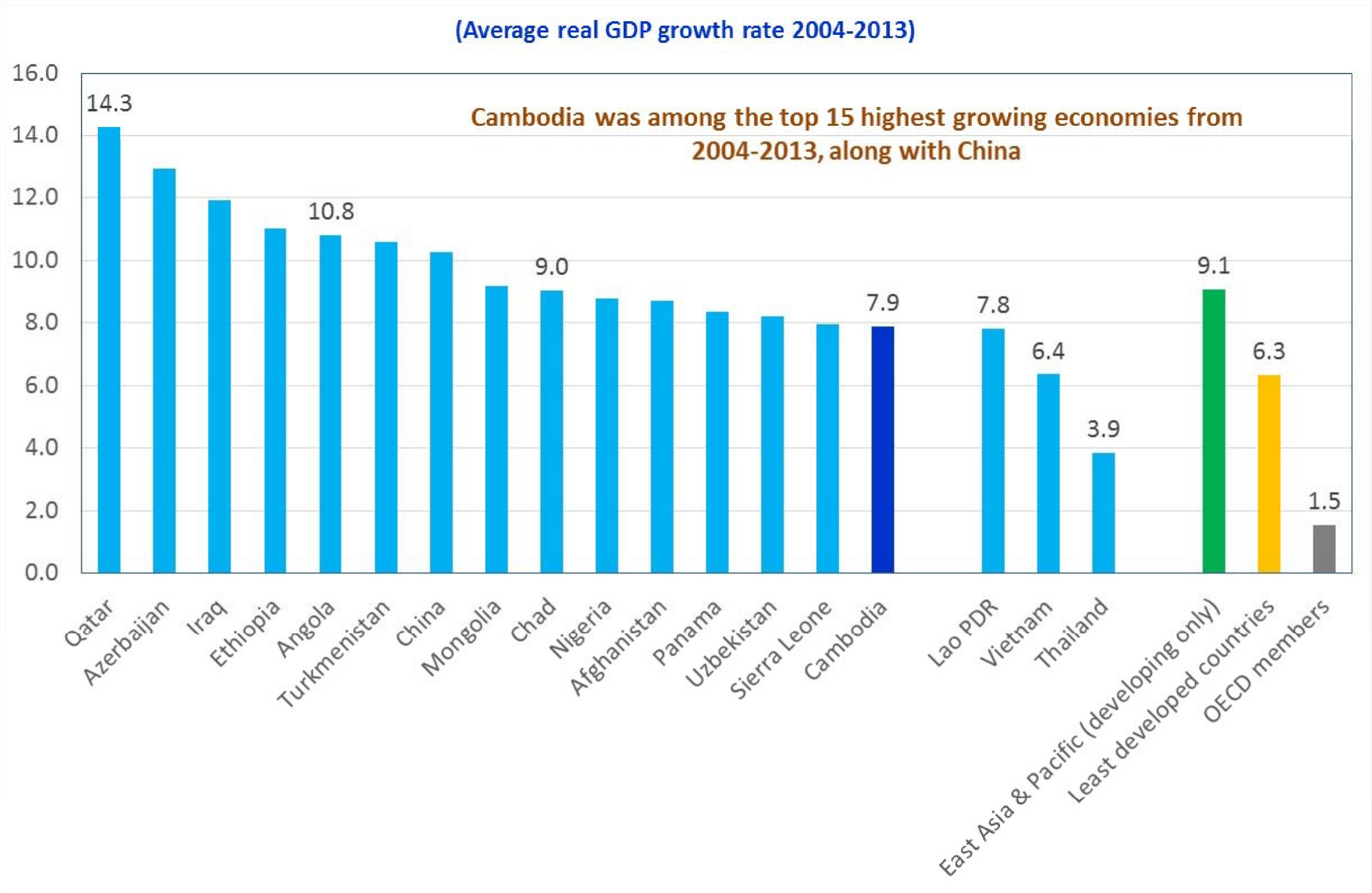


BUDGET



Low Budget Deficit (% of GDP)
9.0%
8.0%
7.0%
6.0%
5.0%
4.0%
3.0%
2.0%
1.0%
0.0%
6.0%
7.2%
5.4%
3.8%
2.7%
3.3%
2.8%
2.8%
8.4%
7.5%
7.5%
6.3%
6.2%
4.3%
4.1%
MEF
Projection
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014 Est.
2015 Proj.

REMARKABLE ACHIEVEMENTS



Source: World Bank WDI

PRO-BUSINESS GOVERNMENT

Government and Private Sector Working Groups

Government and Private Sector Forum

Private sector is an engine of economic growth

Easy access to relevant government officials

GOVERNMENT PRIVATE SECTOR FORUM

#	Country	Total Score	#	Country	Total Score
1	Cambodia	94.50	14	Chad	58.50
2	Vietnam	91.75	15	Tonga	58.25
3	Romania	89.25	16	Vanuatu	57.75
4	Laos	88.75	17	Aceh	55.50
5	Albania	88.63	18	Timor Leste	50.20
6	Uganda	81.25	19	South Sudan	39.50
7	Liberia	78.00	20	CAR	38.75
8	Bangladesh	75.00	21	North Sudan	37.75
9	Ghana	72.00	22	Nepal	37.25
10	Pakistan	65.50	23	Cameroun	34.75
11	Zambia	64.75	24	Ethiopia	31.25
12	Belarus	64.25			
13	Sierra Leone	60.50			

World Bank Group: Support of structured public - private dialogue
for private and financial sector development, 4/2009

COMPETITIVE INVESTMENT INCENTIVES

- Corporate tax - 20%
- Tax holiday up to 9 Years
- Full import and export duty exemption (QIP Projects)
- No discrimination, no nationalization
- No local participation requirement
- No price control on any products or services
- No foreign exchange control
- No restriction on capital repatriation: free repatriation of profits & free remittance of royalty, interest, loan repayment, dividend, investment capital, etc.
- No trade restrictions
- Long-term land lease

ONE-STOP SERVICE – CDC/CIB

Information and application

Evaluation and approval

Customs duty and tax exemption

Visa and work permit

Company registration

Investor after-care

ACCESS TO WORLD MARKETS

Access to the U.S. market - 1996

Access to the E.U. market - 1996

Member of the Association of South-East Asian Nations (ASEAN) - 1999

Member of the World Customs Organization (WCO) - 2001

Member of the World Trade Organization (WTO) - 2004

Member of various regional trade agreements

MFN/GSP MARKET ACCESS

- Australia
- Austria
- Belarus
- Belgium
- Bulgaria
- Canada
- China
- Czech Republic
- Denmark
- Finland
- France
- Germany
- Hungary
- Ireland
- Italy
- Korea
- Luxemburg
- Japan
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- ROK
- Russian Federation
- Slovakia
- Spain
- Sweden
- Switzerland
- UK
- USA

MFN: Most Favored Nation **GSP:** Generalized System of Preferences

INVESTMENT PROTECTION AGREEMENTS

- Australia
- China P.R
- Croatia
- Cuba
- Czech Republic
- DPR of Korea
- Germany
- France
- Indonesia
- Japan
- Kuwait

- Lao PDR
- Malaysia
- Netherlands
- OPEC
- OPIC
- Pakistan
- Philippines
- ROK
- Singapore
- Switzerland
- Thailand
- Vietnam

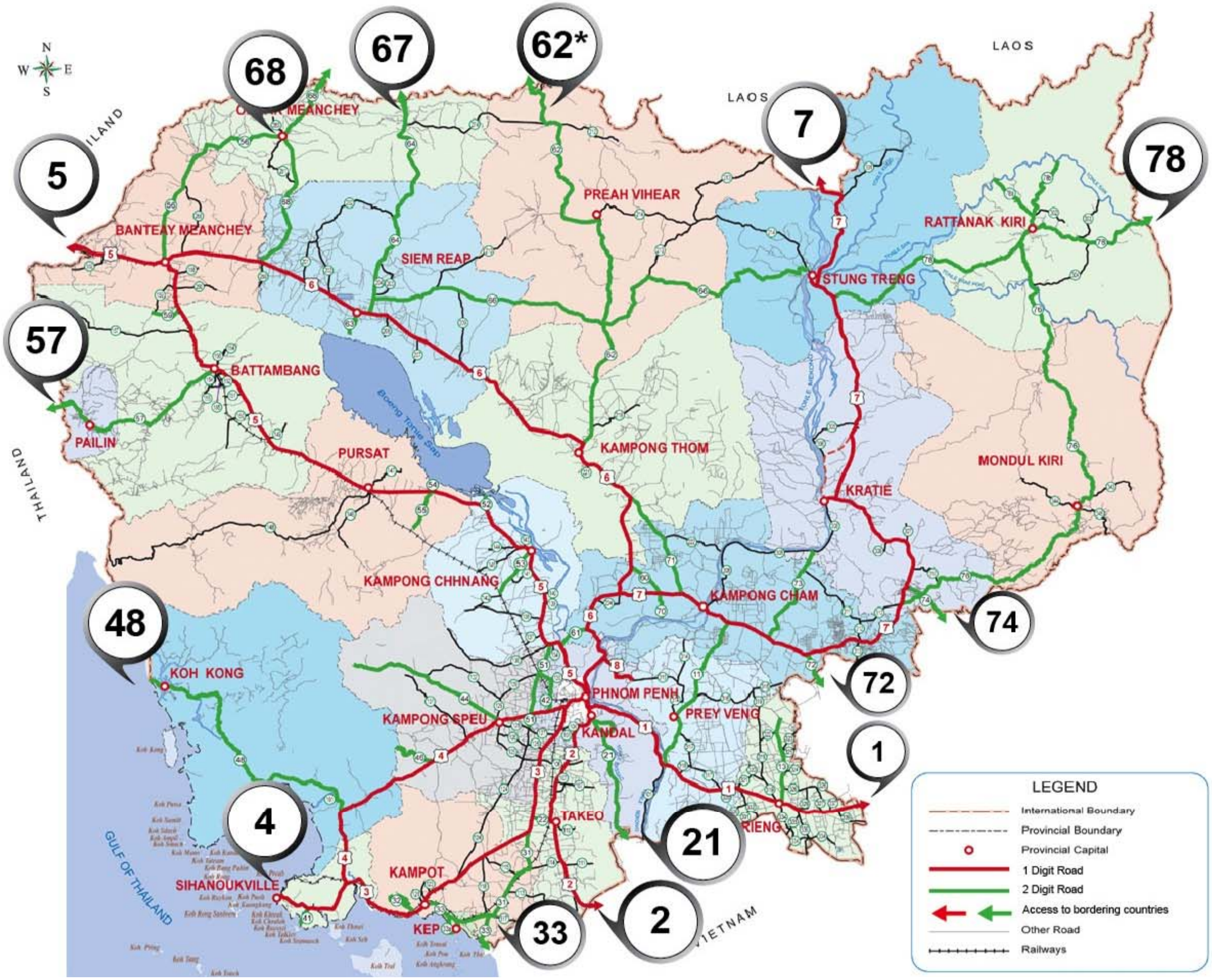
In process :

- Algeria
- Bulgaria
- Egypt
- Lybya
- Myanmar
- Qatar
- Russia
- Ukraine
- UK
- USA
- Hungary
- Malta

INFRASTRUCTURE & LOCATION

- Completed ASEAN highway linking Thailand, Cambodia, Vietnam
- Completed ASEAN highway linking Cambodia, Lao PDR, China
- Finished upgrading national road network
- Rehabilitating National Railways as part of Singapore – Kunming rail link
- Upgraded Sihanoukville Port (new general cargo terminal)
- Upgraded Phnom Penh Port / new container port
- Upgraded Phnom Penh, Siem Reap, and Sihanoukville Airports
- Finalized installing fiber optic cable across the country
- Construction of new power plants

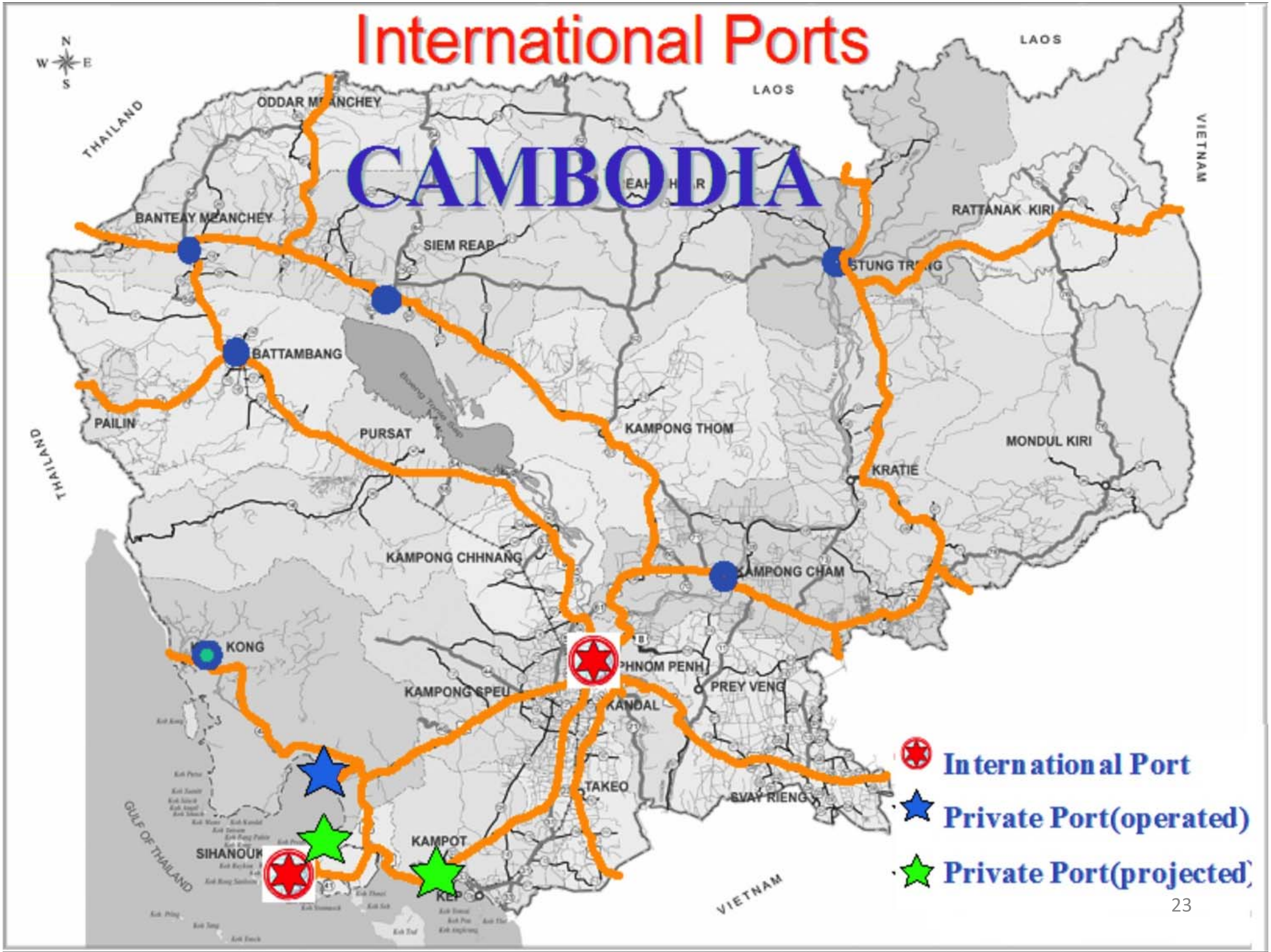
ACCESS TO BORDER CROSSINGS



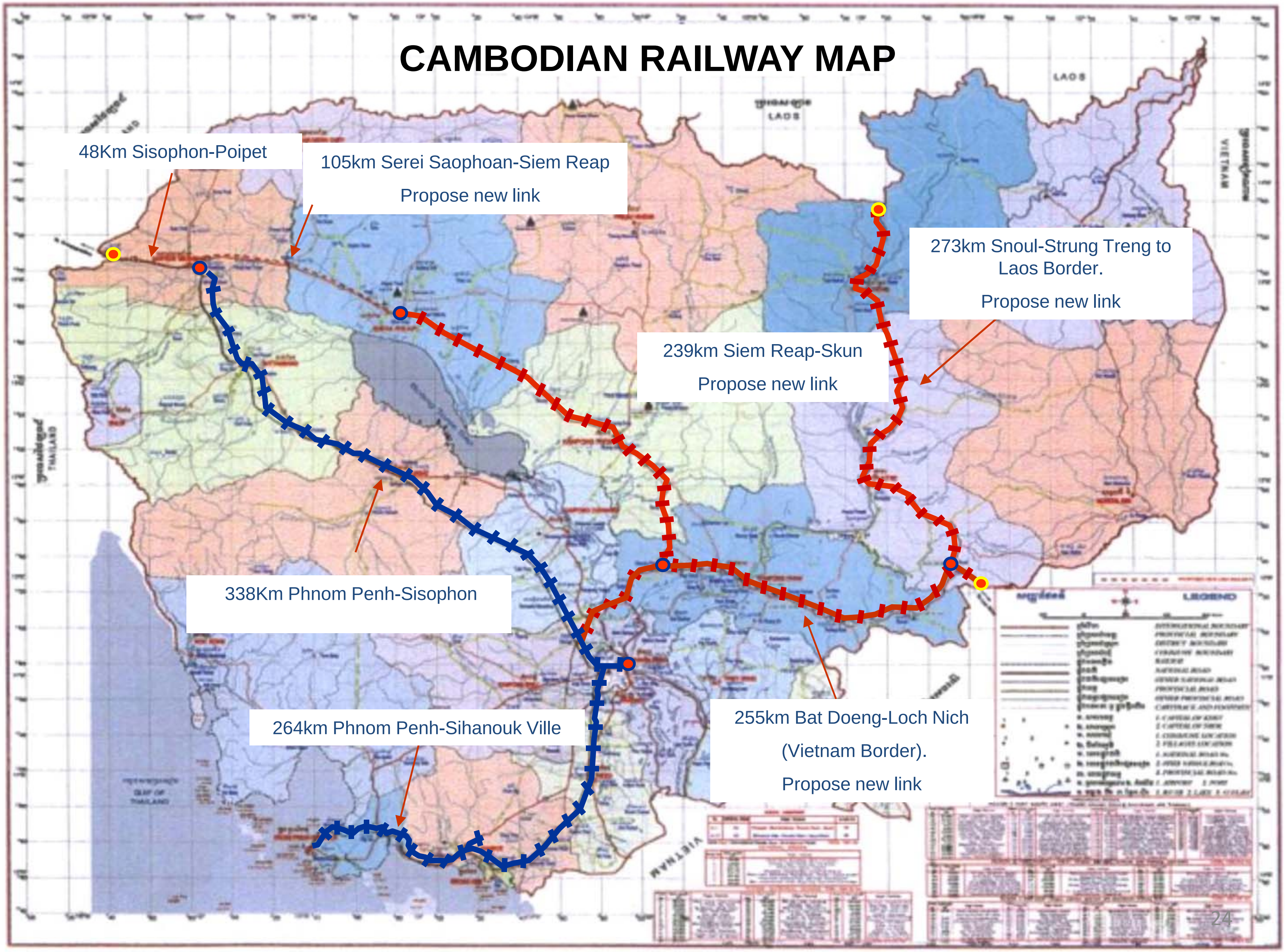
To Thailand
- NR-48
- NR-57
- NR-62
- NR-64
- NR-68

To Vietnam
- NR-2
- NR-33
- NR-72
- NR-74
- NR-78

*** New Route Nº**


International Ports
CAMBODIA
LAOS
VIETNAM
THAILAND
ODDAR MEANCHEY
BANTEAY MEANCHEY
SIEM REAP
RATTANAK KIRI
STUNG TRENG
BATTAMBANG
PAILIN
PURSAT
KAMPONG THOM
MONDUL KIRI
KRATIE
KAMPONG CHHNANG
KAMPONG CHAM
KONG
PHNOM PENH
PREY VENG
KAMPONG SPEU
KANDAL
TAKEO
SVAY RIENG
KAMPOT
SIHANOUK
KEP
GULF OF THAILAND
International Port
Private Port(operated)
Private Port(projected)

CAMBODIAN RAILWAY MAP

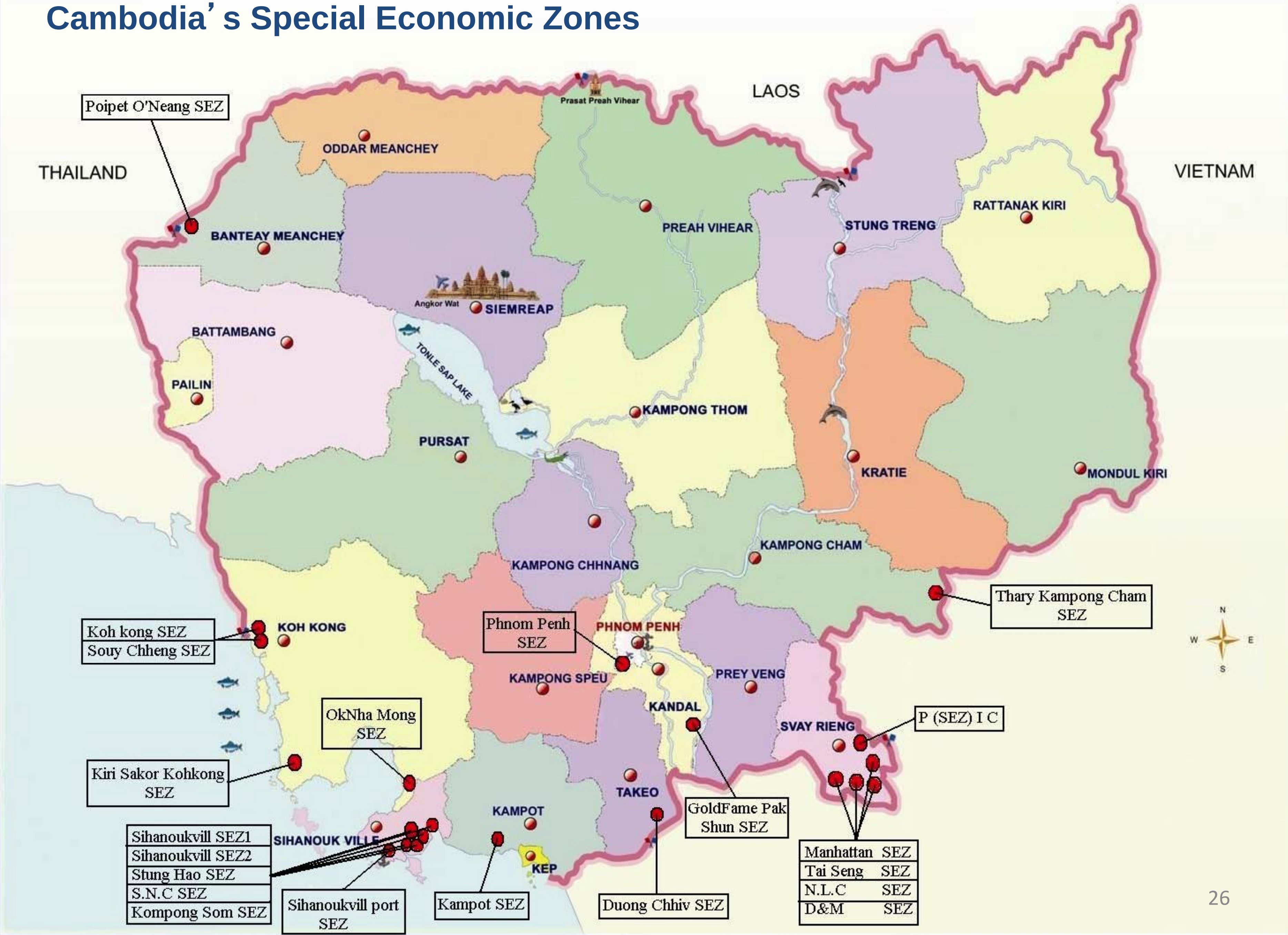


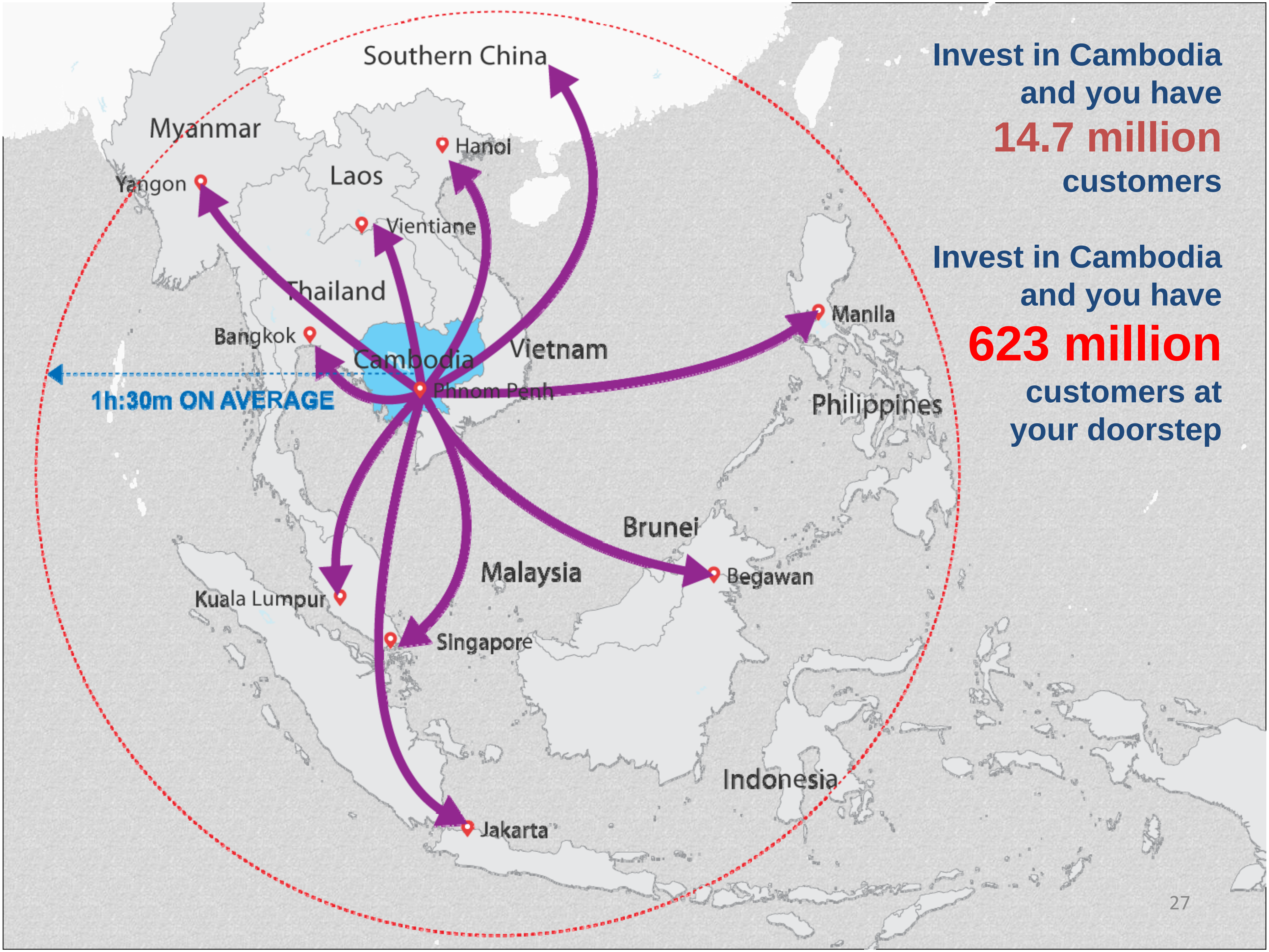
SPECIAL ECONOMIC ZONES

- 34 SEZs have been approved
- 11 SEZs are in operation
- 23 SEZs are being built
- Single Window for Import/Export Procedures
- Good Infrastructure

[Photos: Phnom Penh Special Economic Zone]

Cambodia's Special Economic Zones





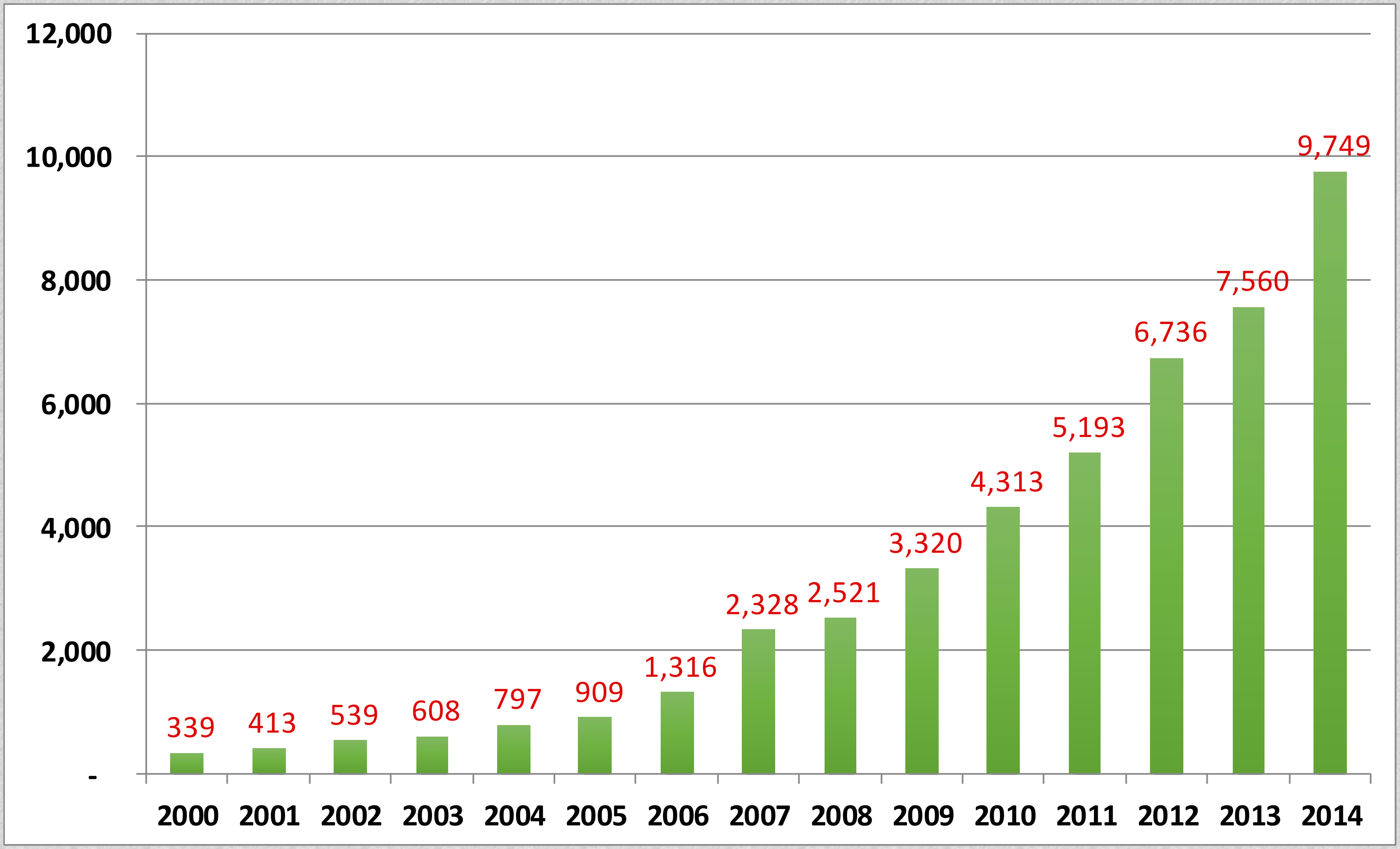
Invest in Cambodia and you have 14.7 million customers

Invest in Cambodia and you have 623 million customers at your doorstep

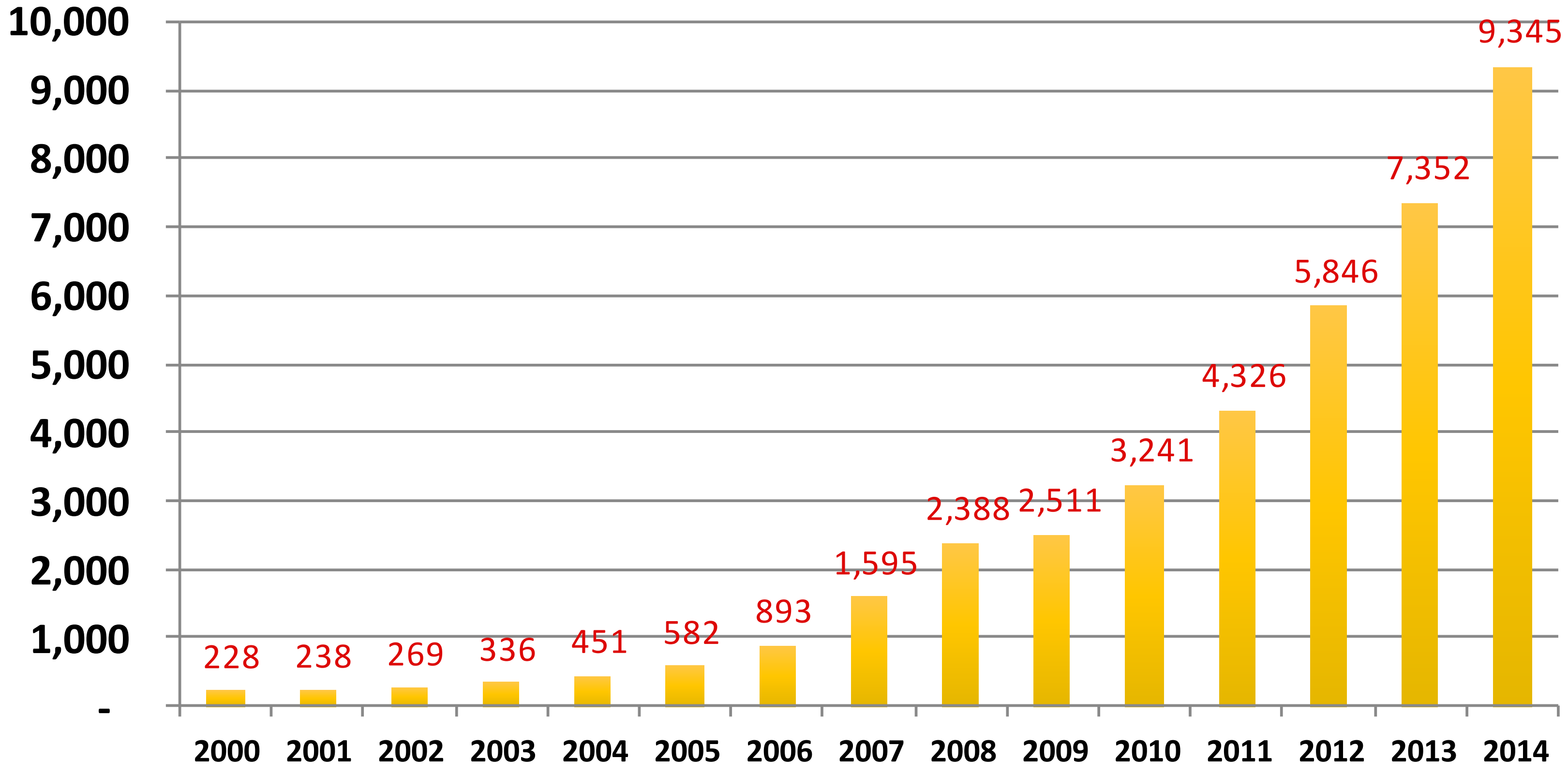
SOUND FINANCIAL SECTOR

- 36 commercial banks (by the end of 2014)
  a) 11 Foreign Branch Banks
  b) 13 Locally Incorporated
  c) 12 Subsidiary Banks
- 11 specialized banks (including the Rural Development Bank)
- 40 licensed-micro-finance institutions
  (7 deposit-taking micro finance institutions)
- 33 registered-micro finance operators
- 6 Non-life insurance companies
- 2 life insurance companies
- 1 re-insurance company
- Capital market laws
- Financial leasing law
- Low NPL rate: 2.2% (2014) – down from 2.7% in 2013
- Strong banking supervision - prudent reserve requirement level

BANK DEPOSITS (US$ MILLION)



CREDIT TO PRIVATE SECTOR (US$ MILLION)



Non-performing loans declined to 2.2% in 2014 from 2.7% in 2013

STOCK EXCHANGE IN CAMBODIA

Officially launched on July 11, 2011

First trading on April 18, 2012

Joint venture between Cambodian and Korean exchanges

7 Underwriters registered

2 Dealers

4 Brokers

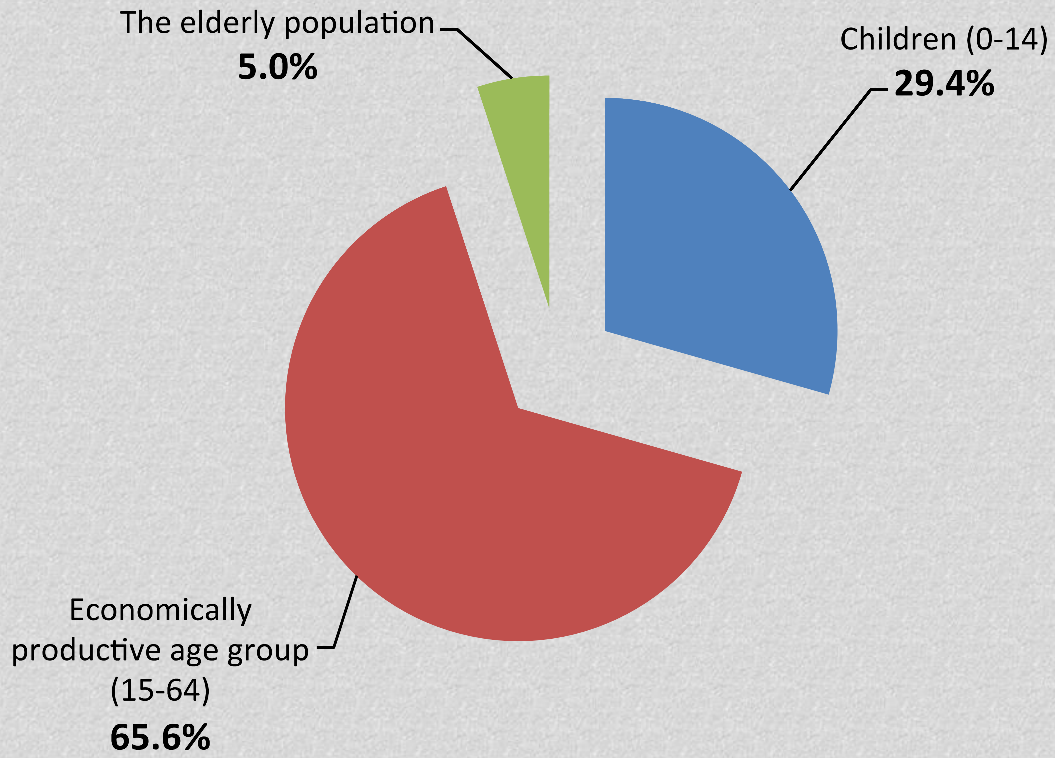
2 Investment advisories

ABUNDANT RESOURCES, LABOR, LAND

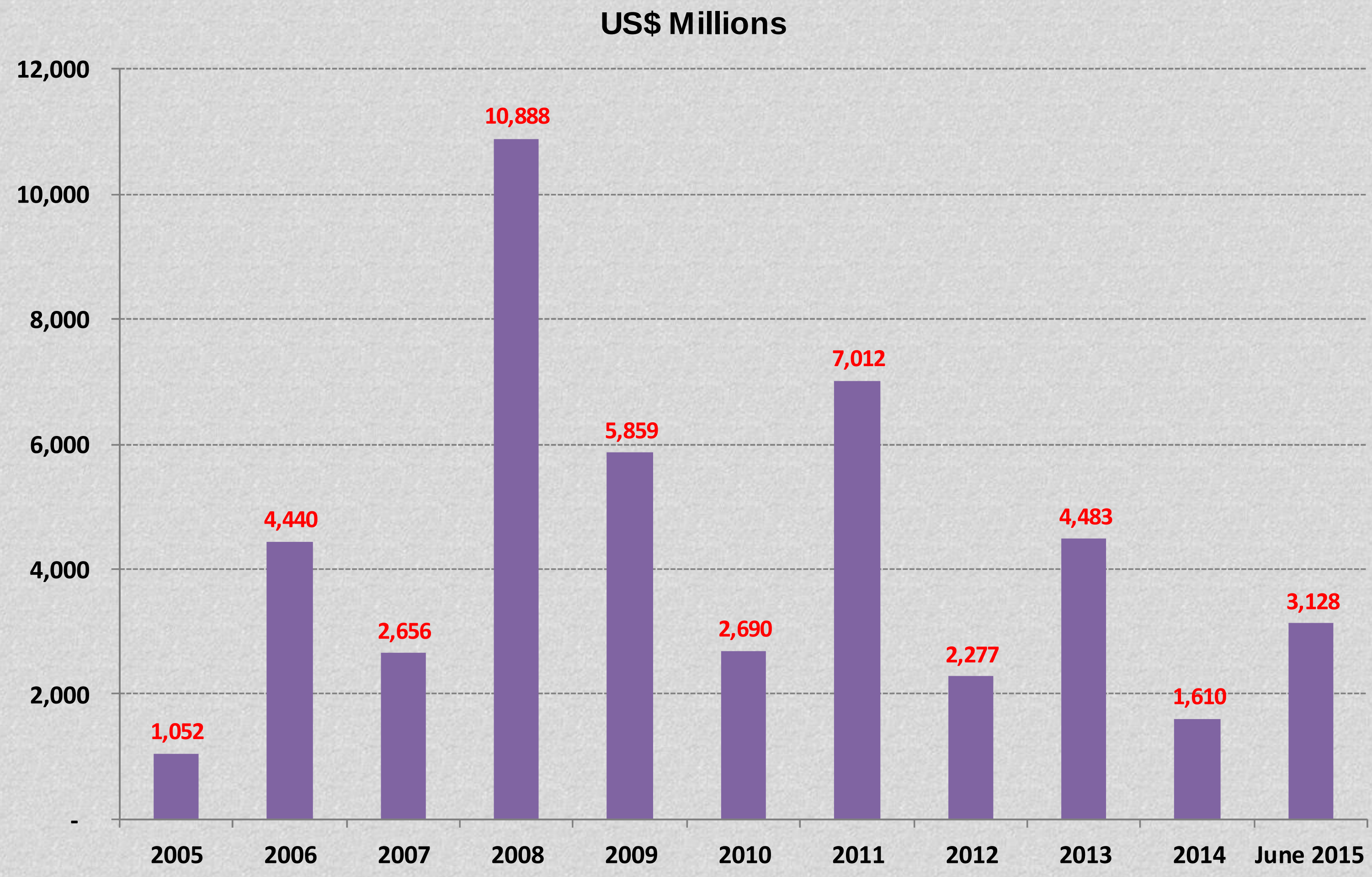
- Oil and gas
- Minerals (bauxite, carbonate rocks, natural gas, gold, iron, manganese, petroleum, phosphate, rock, salt, silica…)
- Great lake (Tonle Sap)
- Beaches (more than 400km)
- Monuments / Heritage Sites
- Abundant land
- Low labor cost & dynamic, young workforce

POPULATION

Percentage of population by age group 2013

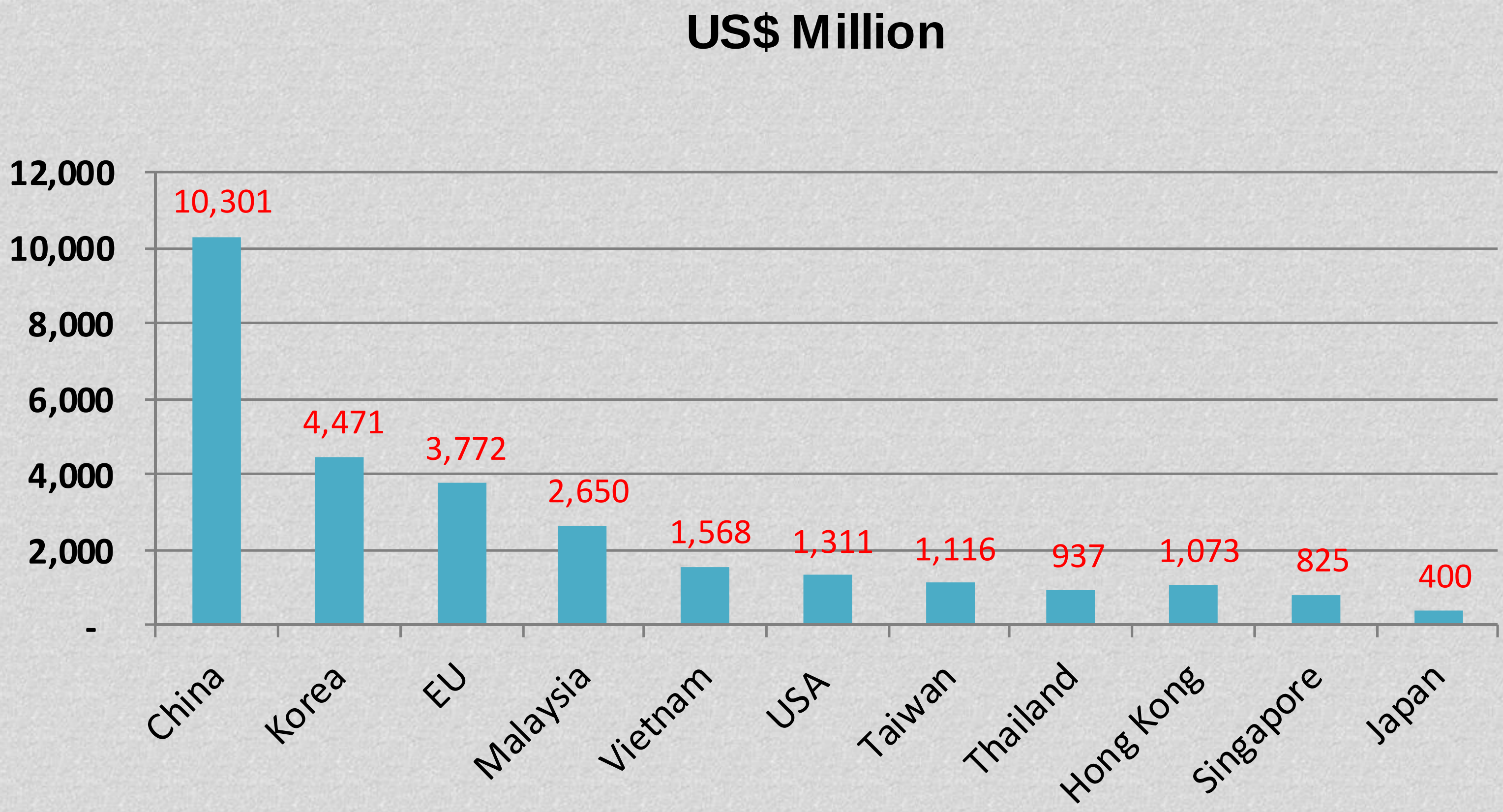


INVESTMENT TRENDS



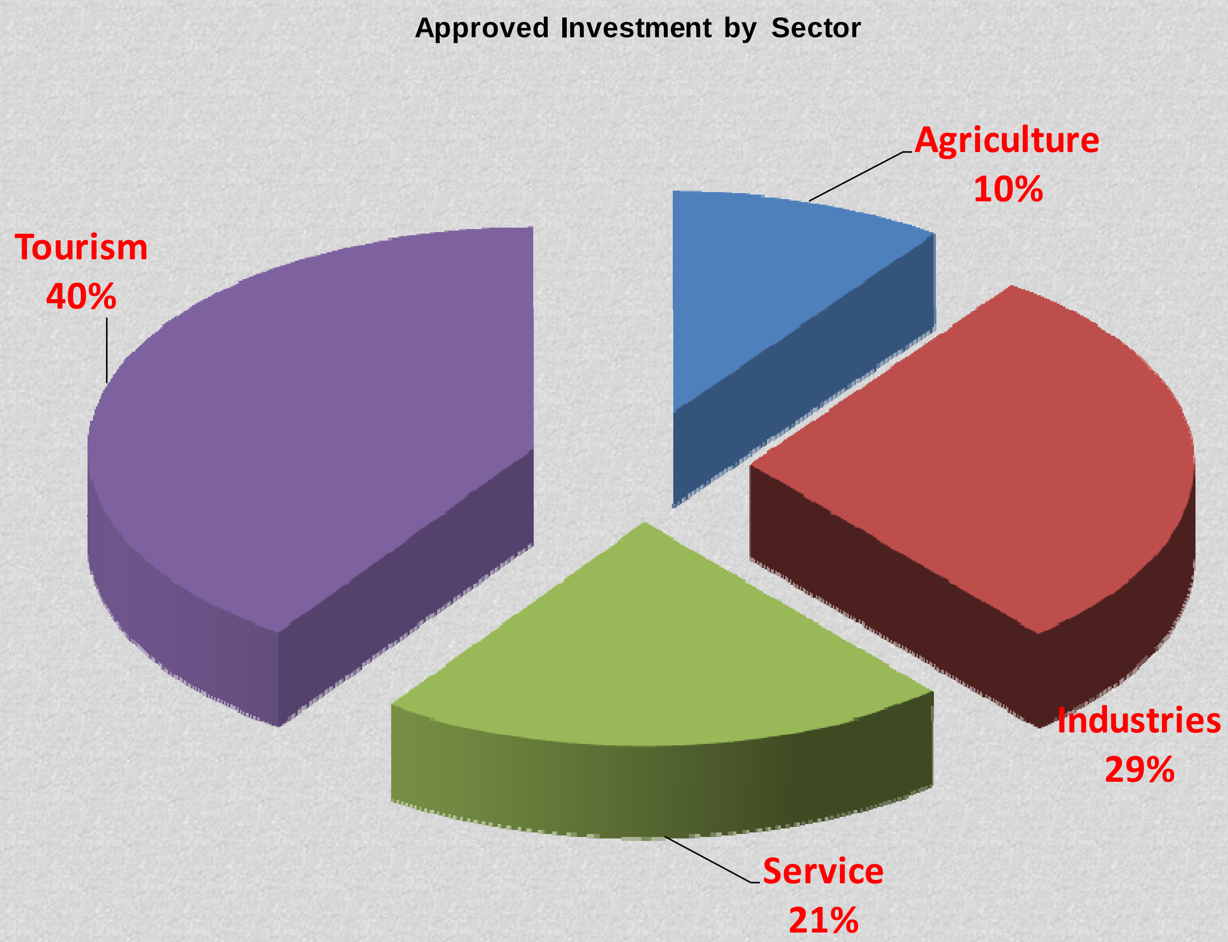
APPROVED INVESTMENT BY COUNTRY

1994 – June 2015



APPROVED INVESTMENT BY SECTOR

1994 – June 2015



INVESTMENT OPPORTUNITIES

- Agriculture and agro–industry
- Labor intensive industries
- Processing industry
- Tourism sector
- Transportation and logistic
- ICT
- Energy
- Oil, gas and mining
- Human resource development & education

REASONS TO INVEST IN CAMBODIA

- Macroeconomic stability
- Pro-business government
- Competitive investment incentives
- One-stop service investment promotion agency
- Preferential access to regional & world markets
- Investment protection
- Efficient infrastructure and strategic location
- Sound financial sector
- Abundant resources, labor, land

COUNCIL FOR
THE DEVELOPMENT OF CAMBODIA

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