

Olympian of growth

AMBASSADOR INSIGHT

H.E. Mr. Meas Kim Heng



THIS year a very special one for me since it is my first time to visit Ireland and to assume my duty as Ambassador of the Kingdom of Cambodia to Ireland.

Cambodia and Ireland enjoy a warm friendship and co-operation. Ireland has contributed to peace and development in Cambodia. We are very grateful for that.

Furthermore, there are currently many Irish tourists visiting Cambodia and bilateral trade between the two countries keeps increasing every year. These contribute to the strengthening of friendly relations between our two countries.

Strategically located in Southeast Asia and as a member of the Association of Southeast Asian Nations (ASEAN), Cambodia now enjoys political stability and high economic growth at the rate of over 7pc per year. These factors have created favourable

conditions for Cambodia to offer a lot of opportunities for Irish businesses in many sectors.

Four priority sectors have been encouraged by Government: education, electricity, road and water. There are other sectors with potential such as garments, textiles, tourism, services, construction, agriculture, pharmaceutical, oil and gas, engineering, and machinery.

I firmly hope that Irish businesspeople will look for the opportunity to invest in Cambodia – investing in Cambodia means investing in ASEAN as a whole.

By the end of this year the ASEAN community will have established its own single market with a population of over 600 million.

I am pleased to note that Irish companies are strong in sectors such as energy, manufacturing, pharmaceuticals, business technology and communications. We look forward to welcoming them to choose Cambodia as a gateway for ASEAN and beyond.

ECONOMIC OVERVIEW

From an economic perspective, Cambodia has joined the 'Olympians of growth', according to the World Bank in its October 2014 Economic Update. Growing at an average of 7.7pc per year over the past two decades, the World Bank says Cambodia is the sixth fastest growing country in the world over that period.

Growth over the past decade has been driven by a variety of key industries, including garment manufacturing, construction, tourism and agriculture.

Cambodia's economy peaked at 13.3pc annual growth in 2005, but dropped following the 2008–2009 global financial crisis. According to the World Bank, Cambodia's GDP growth is expected to be 7.5pc in 2015 and 7.2pc in 2016.

This year's continued healthy economic growth is underpinned by stable external sector performance on the back of rising foreign direct investment (FDI) inflows.

Garment export growth has continued, while FDI inflows are rising due to the return of relative labour market stability and investors' renewed appetite for the construction and real estate sector, leading to growing construction materials imports.

Cambodia's banking and financial sector is safe and strong, up more than 30pc year on year in terms of both lending and deposits, according to the National Bank of Cambodia.

The garment sector exported a total of US\$5.7bn last year, while tourism has welcomed 4.5 million foreign tourists, generating US\$3bn in revenue.

Cambodia has set its target for rice exports to one million ton in 2015. Last year, it has exported over 380,000 tonnes of rice in 2014 to more than 50 countries. Cambodian rice has won the World's Best Rice for three consecutive years since 2012.

A major advantage of doing business in Cambodia emanates from the fact that the government treats both local and foreign investors equally, whereby foreign investors can retain high percentage returns on investment in the country.

Other areas of potential growth include energy, garments, textiles, construction, information technology, agriculture, mining, pharmaceuticals, oil and gas, engineering, and machinery.

It is worth noting that Cambodia has over 30 special economic zones that are conducive to FDI because of tax incentives.

Other benefits include tax holidays of up to nine years, 0pc Vat, full import duty exemption for raw materials, machinery, and equipment, no export tax, and free repatriation of profits.



NATIONAL FLAG

The flag of Cambodia symbolises the country's slogan: 'Nation, Religion, King'. The two large blue stripes represent royalty and the centre red stripe represents the nation. The white temple stands for the nation's religion.

- **NATIONAL DAY:** 23 December (Emperor's birthday)
- **DATE WHEN DIPLOMATIC RELATIONS ESTABLISHED BETWEEN JAPAN AND IRELAND:** 5 March 1957

Key facts...

- **National population:** 15,458,332 (July 2014 est.)
- **Top five cities and population of each province:**
 - Phnom Penh (capital city): 2,234,566
 - Kampong Cham: 1,914,152
 - Kandal: 1,280,781
 - Battambang: 1,036,523
 - Prey Veng: 1,063,494
 - Siem Reap: 903,030
- **Area:** 181,035 sq km
- **Timezone:** UTC + 7
- **Currency:** riel
- **Religion/s:** Buddhism
- **Language/s:** Khmer (official language)
- **Bilateral trade with Ireland:** US\$28,851,164.96 (2012)
- **Amount of Irish exports to Cambodia:** US\$10,662,980.71 (2012)
- **Amount of Cambodia exports to Ireland:** US\$18,188,184.25 (2012)
- **GDP:** US\$18.10bn (2014)
- **GDP (purchasing power parity (PPP)):** US\$46bn (October 2014, World Bank)
- **Real GDP growth:**
 - 2011: 7.1pc
 - 2012: 7.3pc
 - 2013: 7.4pc
 - 2014: 7.3pc
 - 2015: 7.5pc
- **GDP per capita (current prices):** US\$1,130 (2014, MoEF)
- **GDP per capita (PPP):** US\$3,042 (October 2014, World Bank)
- **GDP share of world total:** 0.046pct (est 2013)
- **GDP sector breakdown:** agriculture 34.8pc, industry 24.5pc; services 40.7pc (2013 estimated)