



**Council for the Development of Cambodia**

**Cambodia Industrial Development Policy**

**2015-2025**

By

**SOK Chenda Sophea**

Minister attached to the Prime Minister

Secretary General of the Council for the Development of Cambodia

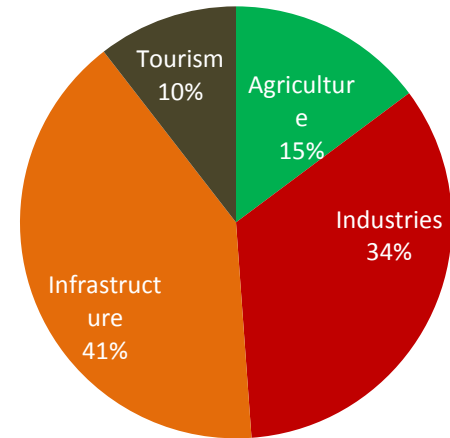
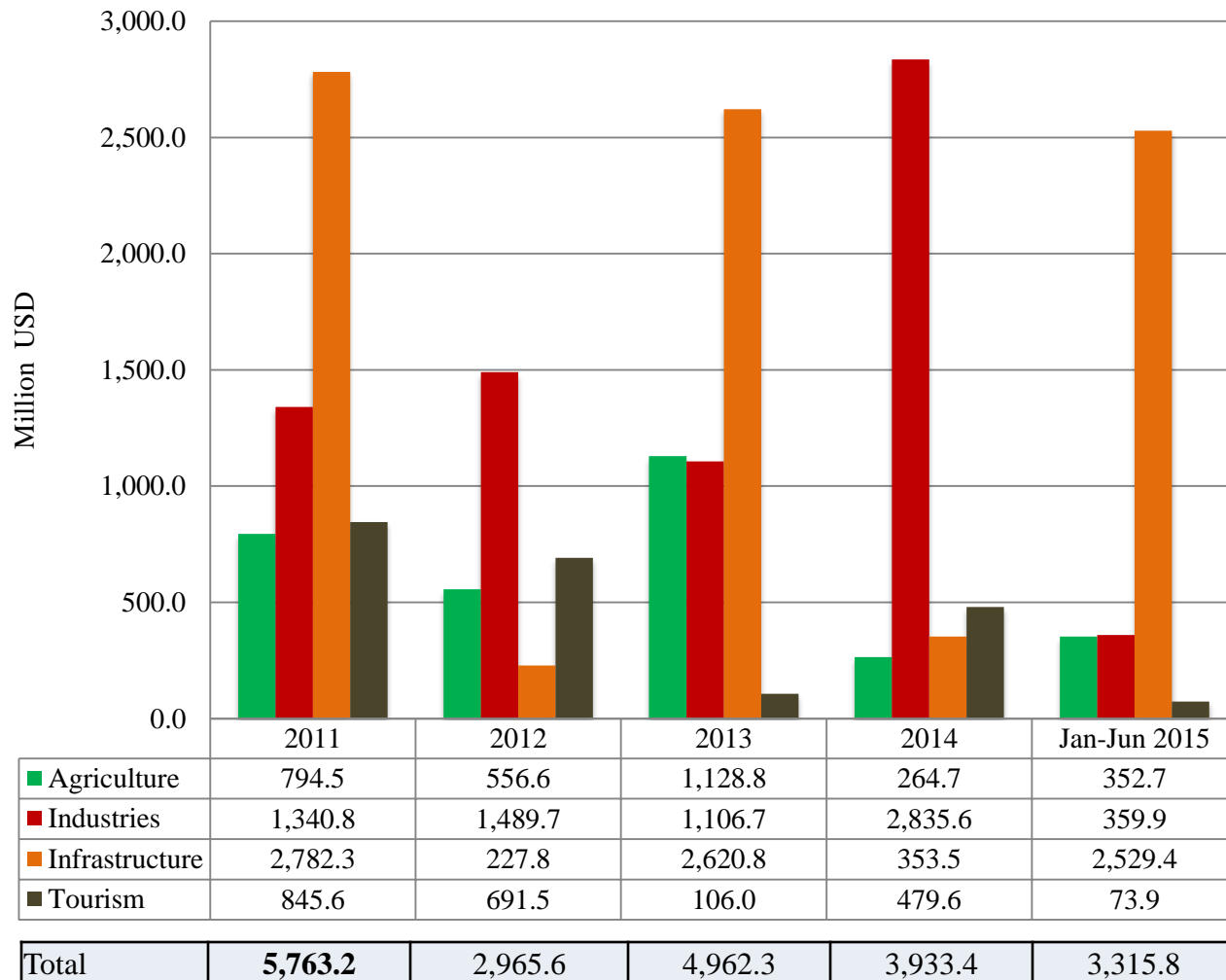
EUROCHAM luncheon, 6<sup>th</sup> October 2015

# Committed Investments (by country)

Year	2011		2012		2013		2014		Jan-Jun 2015	
Total	\$5.7 Billion		\$2.9 Billion		\$4.9 Billion		\$3.9 Billion		\$3.3 Billion	
Rank	Country	%	Country	%	Country	%	Country	%	Country	%
1	Cambodia	41.24	Cambodia	42.08	Cambodia	66.80	Cambodia	64.00	Cambodia	88.63
2	China	30.55	China	20.69	China	15.68	China	24.44	China	7.65
3	Vietnam	11.99	Korea	9.89	Vietnam	6.10	Malaysia	2.18	Vietnam	0.86
4	U.K	4.30	Japan	9.15	Thailand	4.37	Japan	1.72	Japan	0.77
5	Malaysia	4.20	Malaysia	6.04	Korea	1.76	Korea	1.66	UK	0.54
6	Korea	2.91	Thailand	4.53	Japan	1.59	Vietnam	1.26	Malaysia	0.53
7	U.S.A	2.47	Vietnam	2.89	Malaysia	1.04	UK	1.13	Thailand	0.52
8	Japan	1.15	Singapore	2.59	Singapore	1.03	Singapore	0.89	Canada	0.27
9	Australia	0.43	U.K	0.51	UK	0.43	Thailand	0.88	Korea	0.13
10	Singapore	0.28	U.S.A	0.42	France	0.27	Australia	0.51	Singapore	0.06
11	Others	0.48	Others	1.21	Others	0.94	Others	1.36	Others	0.04

# Committed Investments (by sector)

## Investments by sector (2011- June 2015)



**Investment Capital  
(2011- June 2015)  
Total of USD 20.94 billion**



# **Industrial Development Policy 2015-2025**

# Industrial Development Policy (IDP) 2015-2025

- To promote a platform for growth focusing on economic diversification, strengthening national competitiveness, and enhancing productivity.
- To capture regional trends and changes in regional architecture (AEC, RCEP/TPP, China+1 and Thailand+1).
- To provide policy framework and specific mechanism to develop a competitive industrial sector in Cambodia and to achieve its full integration into regional and global value chain.

# Distribution of GDP by Sector

<b>Sector</b>	<b>1962</b>	<b>1998</b>	<b>2008</b>	<b>2013</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>
Agriculture	49%	44.5%	32.8%	31.6%	29.0%	25%	23%
Industry	19%	16.7%	22.4%	24.1%	26.2%	28%	30%
- <i>Manufacturing</i>	-	12.7%	15.3%	15.5%	16.0%	18%	20%
Service	32%	34.8%	38.8%	38.5%	39.4%	40%	40%
Taxes on products less subsidies	0%	4%	6%	5.8%	5.4%	7%	7%

# Share of Export Products

<b>Sector</b>	<b>1998</b>	<b>2008</b>	<b>2013</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>
Export of processed agricultural products	10%	10%	7.9%	8%	10%	12%
Manufacturing						
- <i>Garment and Footwear</i>	80%	70%	77%	60%	55%	50%
- <i>Non-garment and footwear</i>	0.1%	0.5%	1%	5%	10%	15%

# Percentage of officially registered enterprises

Size/Type of enterprises	Officially Registered			Having Balance Sheet		
	2010	2020	2025	2010	2020	2025
Small enterprises	37%	70%	80%	4%	30%	50%
Medium enterprises	72%	80%	95%	24%	50%	70%
Large enterprises	93%	100%	100%	66%	100%	100%



# Role of the Council for the Development of Cambodia (CDC)



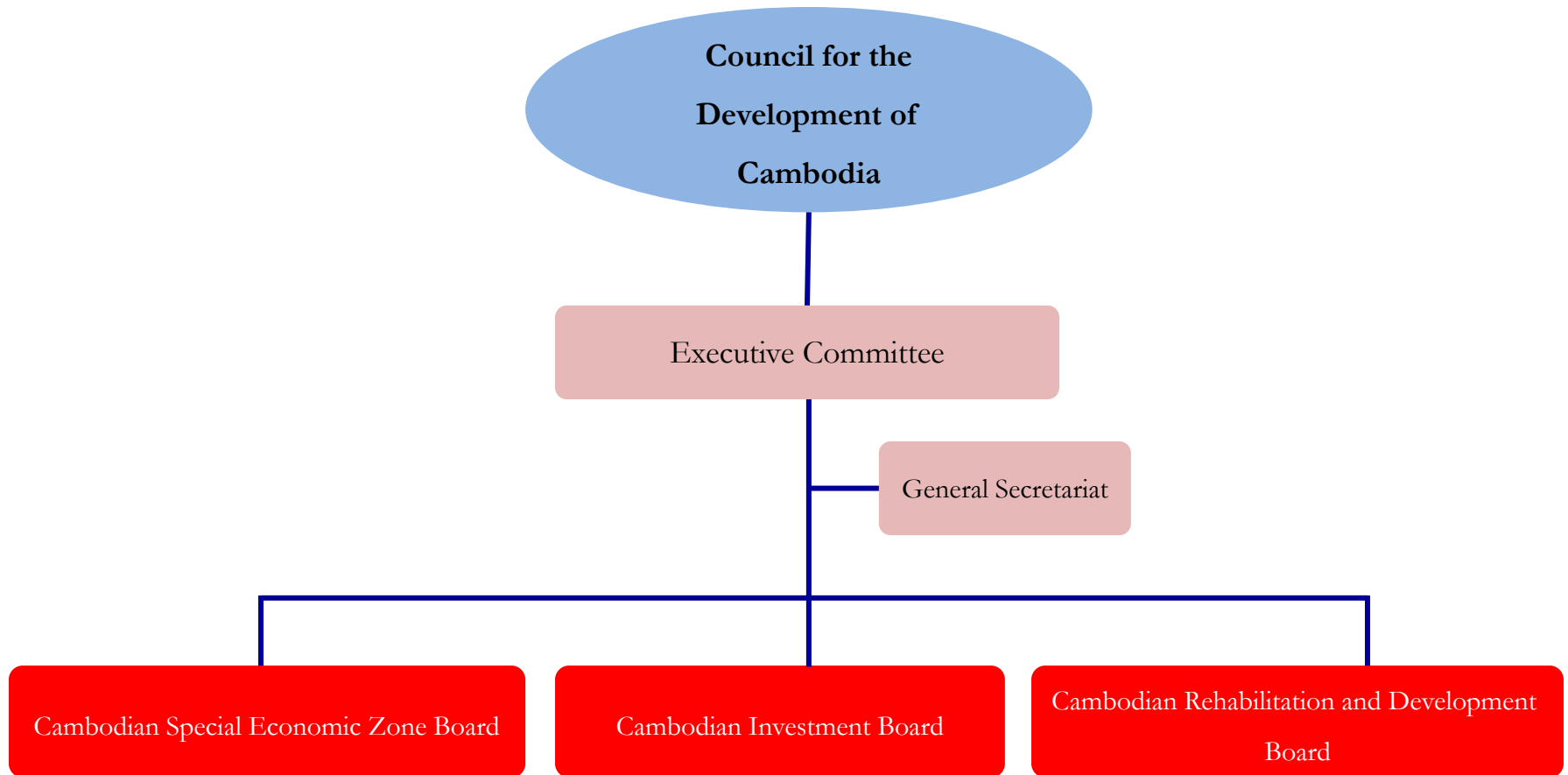
# Role of the Council for the Development of Cambodia in the implementation of the Industrial Development Policy 2015 - 2025 (IDP)

The *Council for Development of Cambodia* is fully mandated and provided with essential functions in terms of policy decision-making, designing and implementing plans, as well as addressing challenges in the industrial sector with the aim at transforming this institution into an effective mechanism to lead, coordinate and push for the implementation of the IDP.

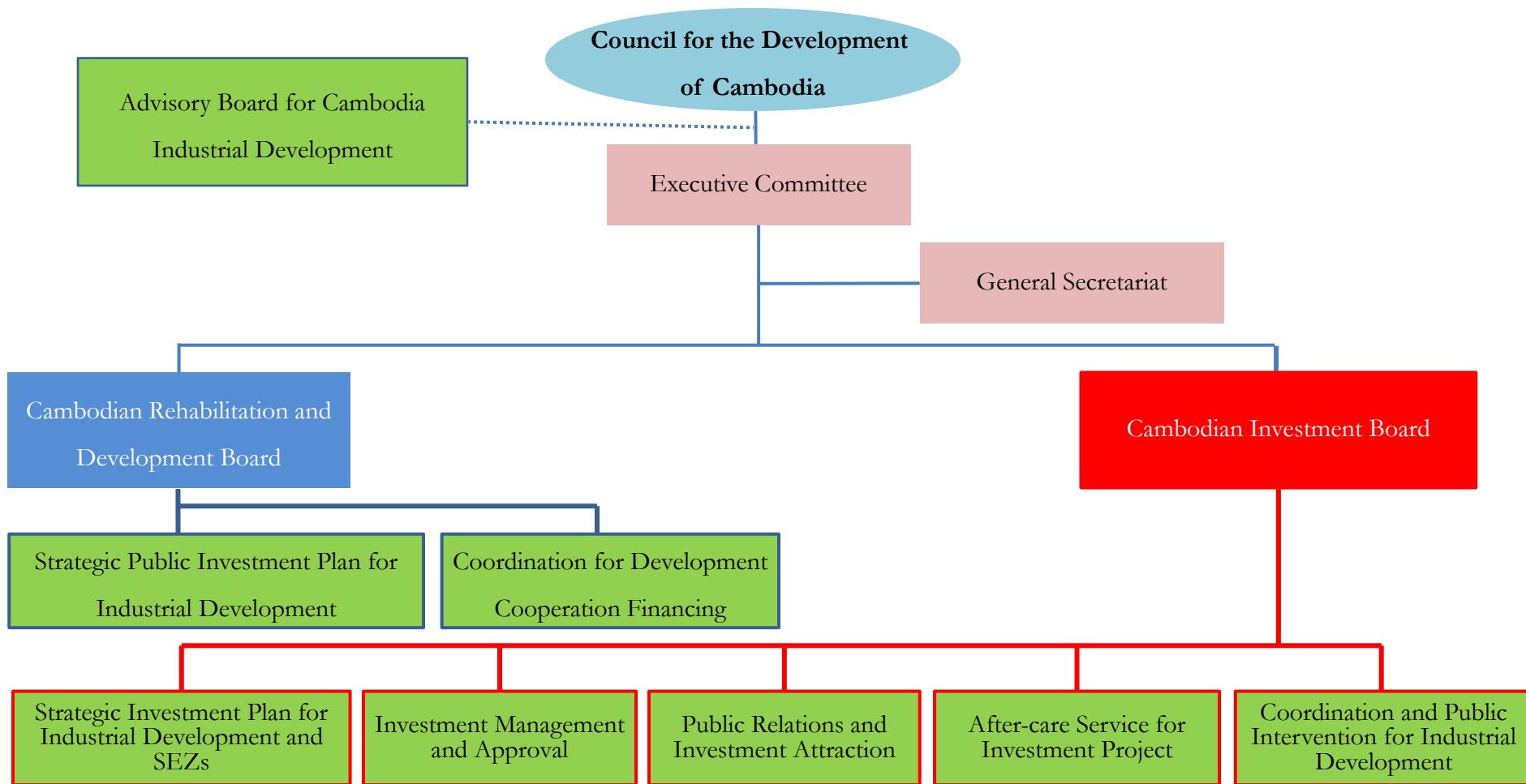
## CDC as IDP Coordinator

1. Strengthening policy leadership of the CDC in setting directions, endorsing and monitoring the progress of the IDP implementation in close coordination with the “**Committee for Economic and Financial Policy**” and the “**Steering Committee for Private Sector Development**” and other relevant institutions of the Royal Government.
2. Revising the functions and strengthening the capacity of the ***Cambodian Investment Board (CIB)*** by equipping additional functions of coordination and promotion of the industrial development in collaboration with the Ministry of Industry and Handicraft
3. Setting direction for the ***Cambodian Rehabilitation and Development Board (CRDB)*** to support the industrial development in the framework of development cooperation management and public investment plan.
4. Strengthening the ***Government and Private Sector Forum*** mechanism.
5. Developing a monitoring and evaluation mechanism.

# Organization Chart of the Council for the Development of Cambodia (Current)



# Organization Chart of the Council for the Development of Cambodia (after Revision)



# Way forward



# Law on Investment: What's New?

- Pioneer status
- SMEs : supporting activities
- Incentives conditional to :
  - Accommodation
  - Transportation
  - Canteen
  - Training
- Garments : progressive corporate tax rate

# Law on Special Economic Zone: What's New?

- Timely provision of basic infrastructures
- Effective development, revocation if no development
- Streamlining administrative procedures :
  - Customs extra territory status
  - Construction permit
  - Environment requirement (EIA)
  - Factory licensing
  - Worker health control
  - Tax registration (ID)
  - C.O. online
  - Master list online





## Priority Setting





# Monitoring and evaluation

- quarterly report to the Cabinet meeting by CDC
- evaluation of the progress and achievements by 2018 on:
  - reduction on electricity price
  - preparation/implementation of a multimodal transport and logistic system master plan
  - skill development, labor market
  - Sihanoukville province as a multi-purpose SEZ
- Mid Term review by 2020

**THANK YOU !**