



INVESTMENT POLICY SUPPORTS IN CAMBODIA

30 March 2022

Talking Points



Platform to promote agri-food investments



Leveraging for Industrial Linkages



Platform to promote Agri-food investment



Cambodia Agri-Food Investment Desk was established to help fulfill the RGC's objectives to promote, attract and retain foreign direct investment (FDI) into the agriculture, agribusiness and food (shortened to 'Agri-food') sector through:

- ❖ Diversifying sources and types of foreign investment,
- ❖ Introducing innovations and technologies into the sector, and
- ❖ Creating higher value-add jobs with new foreign capital.



AFID focal points are diversified in different areas comprised of member from line ministries (CDC, MEF, MAFF, MOC and MISTI)



Investment Procedure



Supplier linkage



Factory establishment



Import-Export Procedures



Vegetables and fruits specialist



Grain specialist



Manufacturing specialist

Pro-business Approach



Investment Facilitations

Investment Registration



Within 20 Working
Days



Single Registration Certificate



Registration through IT platforms



<https://qip.cdc.gov.kh> Link to
C a m D X



Registration Certificate shall be affixed with a barcode with identification number or QR code or other technology



Investment Projects that have obtained a Registration Certificate may be implemented automatically

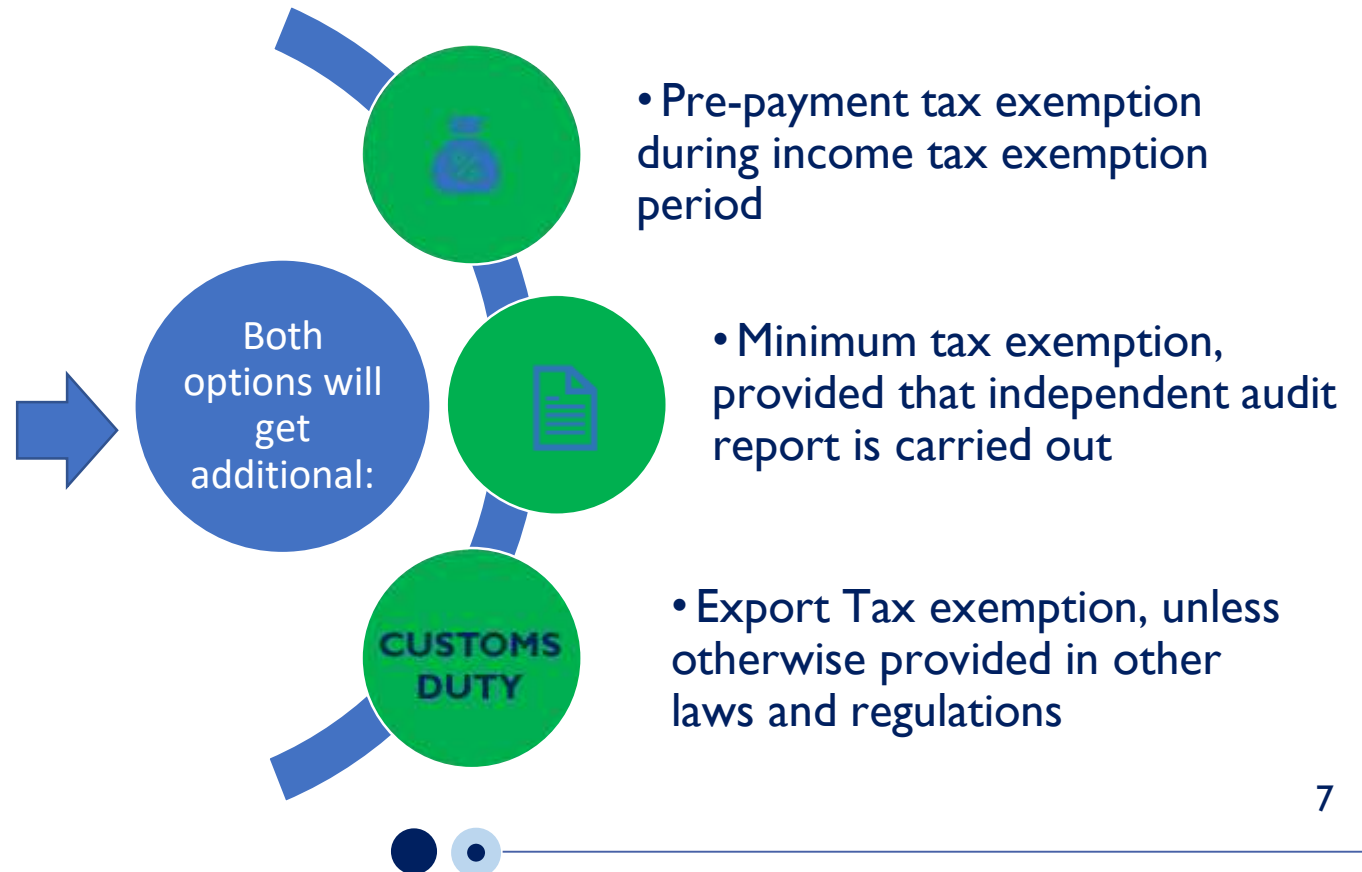
Fiscal Incentives



Option 1

- Income Tax Exemption for 3 to 9 years from the time of first earning its income
- Payment of income tax at a progressive rate to 6 years after the expiration of the income tax exemption period :
 - First 2 years : 25%(equivalent to 5% tax rate)
 - Next 2 years: 50%(equivalent to 10% tax rate)
 - Last 2 years: 75% (equivalent to 15% tax rate)

Basic Incentives



Fiscal Incentives

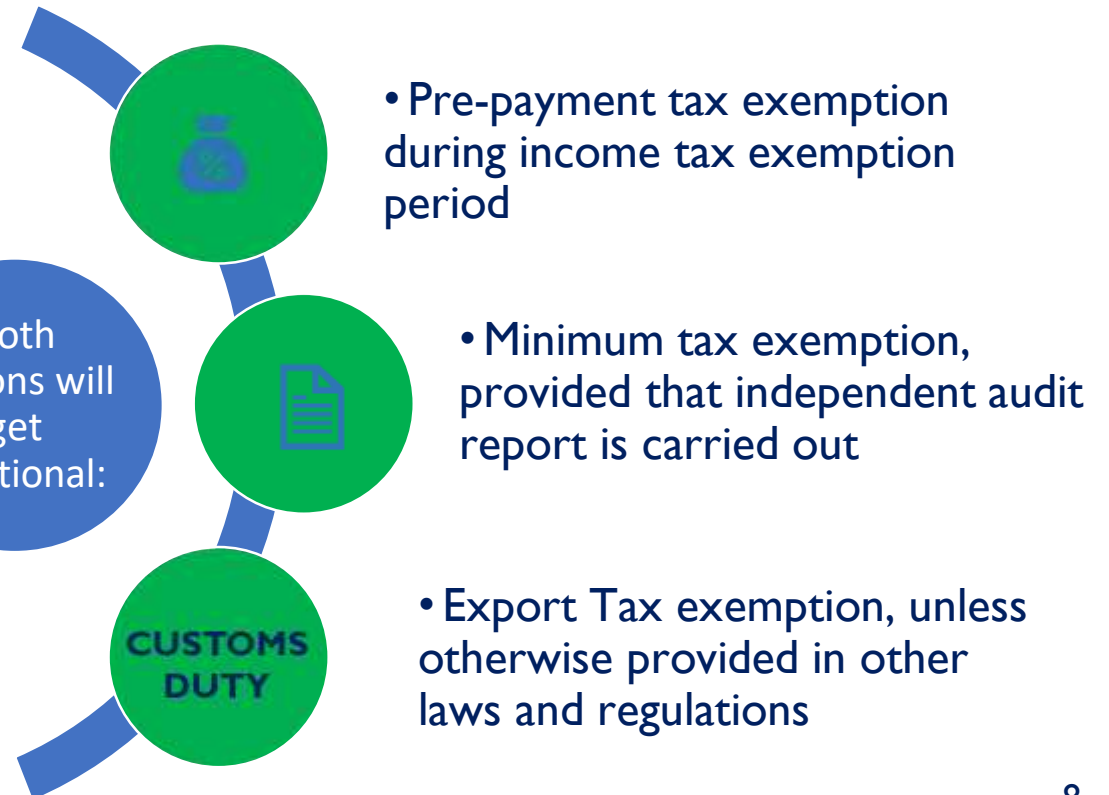


Option 2

- Deduction of Capital Expenditure through special depreciation
- Eligible of deducting up to 200 % of specific expenses incurred for up to 9 years.



Basic Incentives



Fiscal Incentives

In addition to the incentives of option 1 or option 2:

(A). Export QIP and Supporting Industry QIP are entitled to *Customs Duty, Special Tax and Value-Added Tax* exemption for construction material, construction equipment, production equipment and production inputs.

Basic Incentives



Construction
Material



Construction
Equipment



Production
Equipment



Production Inputs

Fiscal Incentives

In addition to the incentives of option 1 or option 2:

(B). Domestically Oriented QIP are entitled to *Customs Duty, Special Tax and Value-Added Tax* exemption for construction material, construction equipment, and production equipment.

Basic Incentives



Construction
Material



Construction
Equipment



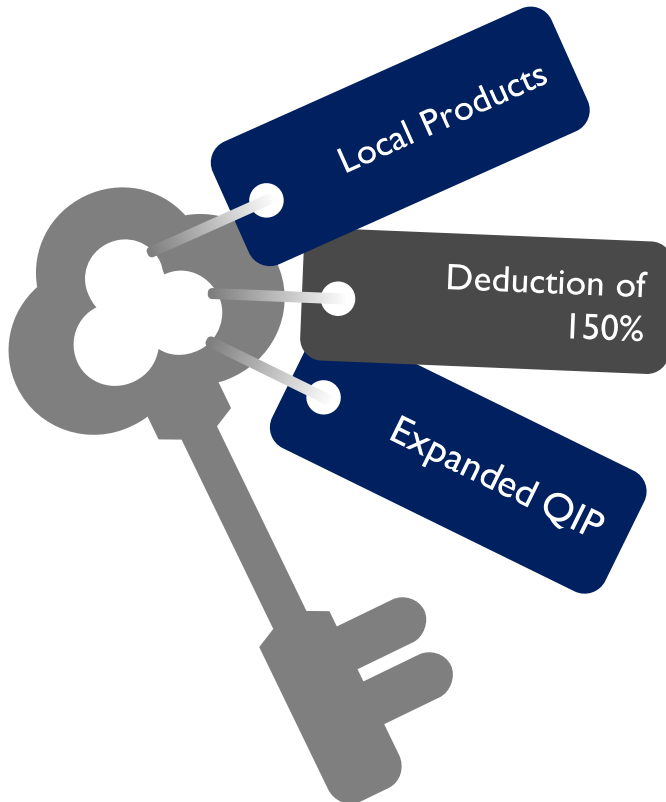
Production
Equipment



Production Inputs
(shall be determined in the law
on financial management
and/or Sub-decree)

Fiscal Incentives

Additional Incentives



In addition to the basic incentives, investment activities registered as QIP receive additional incentives as follow:

- ❑ Value-added tax exemption for the purchase of locally made Production Inputs for implementation of the QIP
- ❑ Deduction of 150% from the tax base for any of the following activities: **(a)** Research, development and innovation, **(b)** Provision of vocational training **(c)** Construction of accommodation, canteens, nurseries and other facilities **(d)** Upgrade of machinery and **(e)** Provision of welfare for Cambodian workers/employees
- ❑ Entitlement to income tax exemption for the Expansion of QIP

Tax Incentives

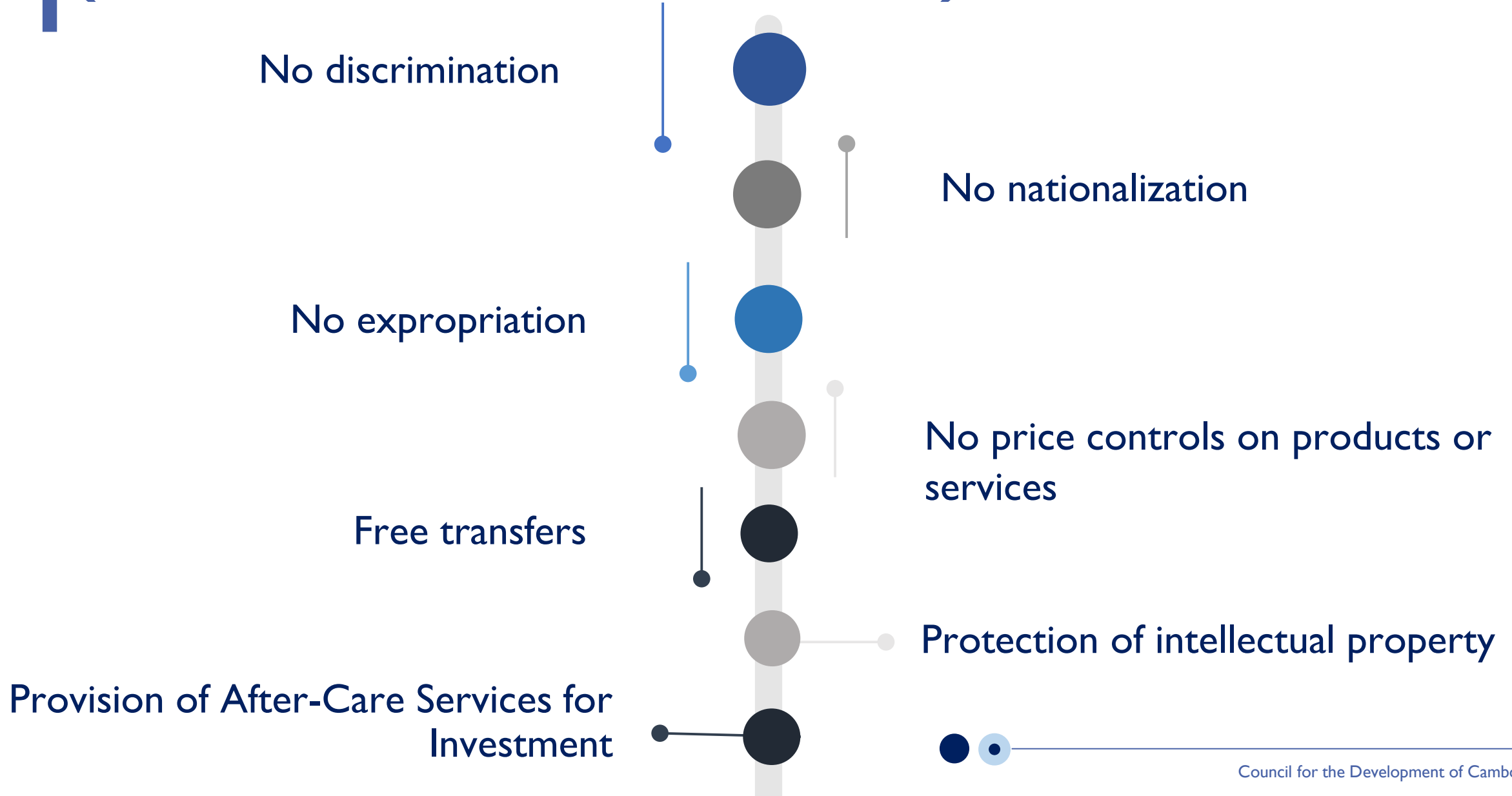


Special Incentives



Any specific sector and investment activities having high potential to contribute to national economic development (determined in the Law on Financial Management).

(Guarantee + Protection) Aftercare





Leveraging for Industrial Linkage

| Supporting Logistics Infrastructure | SEZ Development |



We have improving logistics infrastructure for faster shipment of your time-sensitive Automotive components to clients (1 / 2)



Development of
roads and expressways

\$5 Bn
total
investments in
major roads
since 2011-
2021

**1,137
km**
new major roads
under
construction

Sihanoukville-Phnom Penh expressway

190 km new expressway connecting the two cities to reduce travel time from 5 to 2.5 hrs, completed by 2023

National Road No.5

407 km connecting Phnom Penh to Poi Pet (Thai border)
Upgrade to Asphalt Concrete and expand from two to four lanes, completed by 2023

National Road No.48

161 km connecting Koh Kong (Thai border) to Phnom Penh via Chamkar Luong Road no.4
Upgrade to Asphalt Concrete and expand from two to four lanes, completed by 2024

National Road No.1

167 km connecting Phnom Penh to Bavet (Vietnam border)
Upgrade to Asphalt Concrete and expand from two to four lanes, have been completed

We have improving logistics infrastructure for faster shipment of your time-sensitive Automotive components to clients (2/2)



\$200 Mn

investment for Sihanoukville deep seaport to add new container terminal for bigger vessels (93% of cargo ships in the region will be able to dock at the port), completed by 2023

\$80 Mn

investment for Phnom Penh port to accommodate increasing vessel crossing traffic, completed by 2021



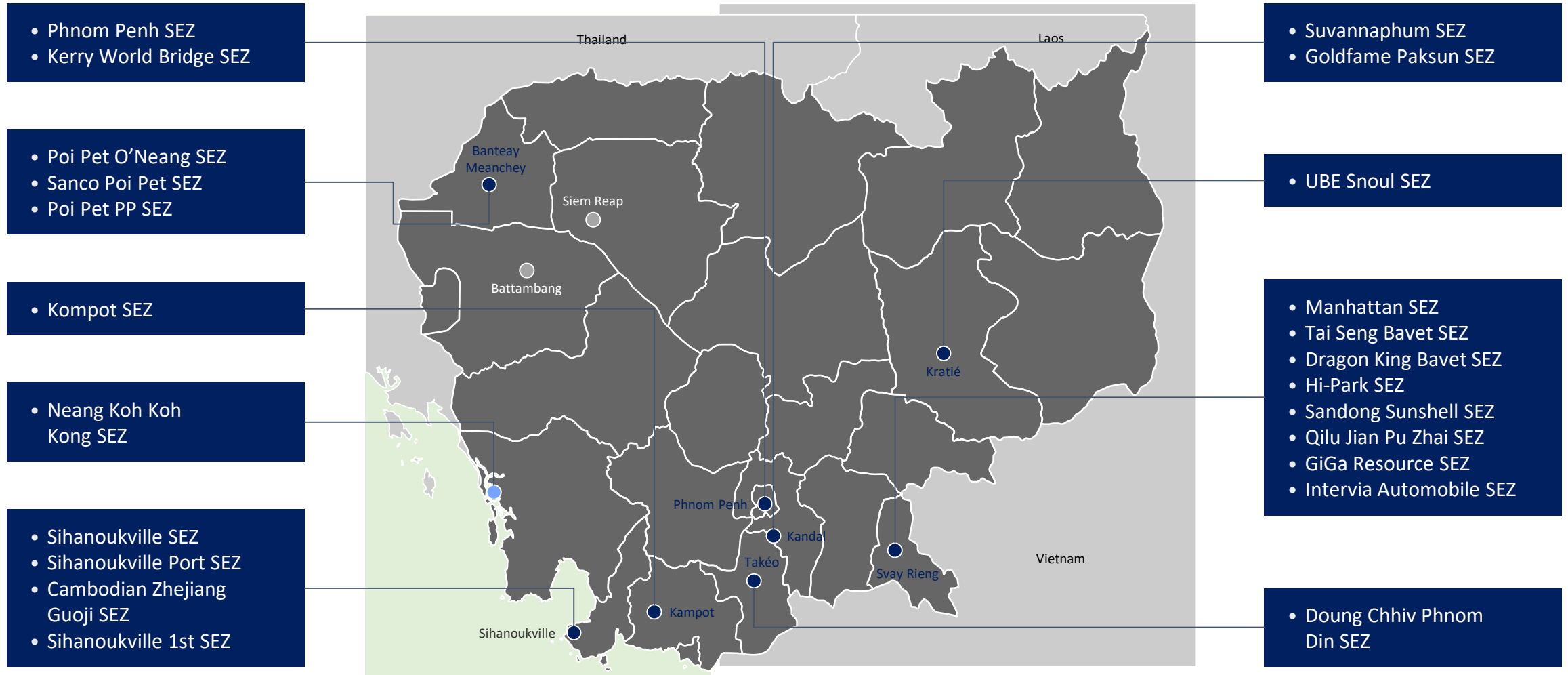
\$1.5 Bn

Investment for 4F class new Phnom Penh International airport in Kandal province
40% completed, set to start operations in 2023

2,600 hectares

Will be one of the largest airports in the region

We are building an extensive network of SEZs



59 SEZs approved

36 SEZs with sub-decree

29 SEZs are operational

19 SEZs with Special
Admin Office



THANKS



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