

Kingdom of Cambodia
Nation Religion King



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Cambodia Constructors Association

Country Report

The 53rd ACF Council Meeting 2023

**ASEAN CONSTRUCTORS FEDERATION
(ACF)**

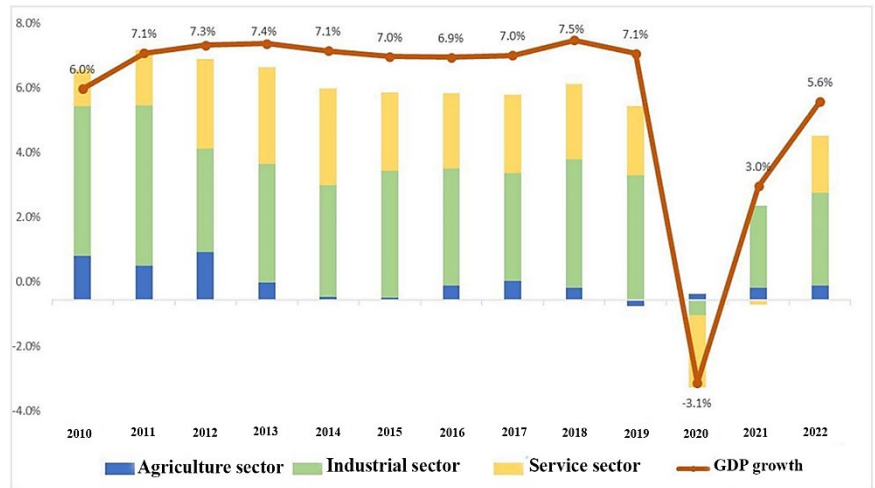
31st March 2023, Clark Marriot Hotel, Philippine

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I. CAMBODIA'S GDP SITUATION

Before the COVID-19 pandemic dampened growth in countries across Southeast Asia, Cambodia has been enjoying steady macroeconomic growth. For more than 10 years, the country's gross domestic product (GDP) growth rate logged a 7% annual increase. Like all other industries in the country, the construction sector in Cambodia logged a decline of 1.8% when the pandemic hit in 2020. However, it quickly recovered and registered a 2.1% growth rate in 2021.



In 2022, the construction industry in Cambodia is projected to grow by 5.6%. It is also expected to log an annual growth rate of 9.4% between 2023 and 2026. Prior to this, the GDP contribution of Cambodia's construction sector tripled between 2012 and 2019. The inflow of both domestic and foreign investments has helped boost the industry, and many new projects began work this year.

What is the current outlook for Cambodia's construction market, and where do potential opportunities lie in the industry for 2022 and beyond? We look at the current trends and opportunities in Cambodia's construction industry in 2022.

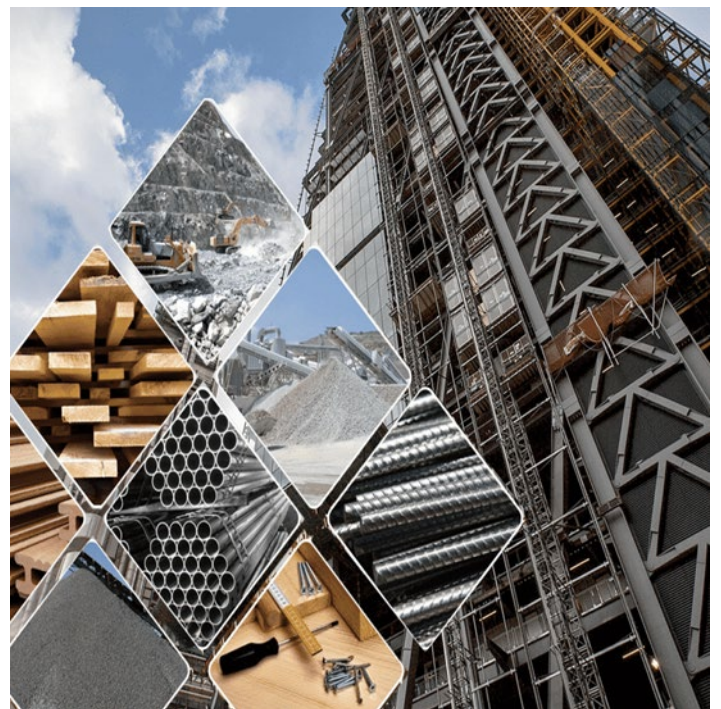
With more infrastructure underway across the country, Cambodia might see the development of more urbanized areas that can lead to more economic activity, from tourism to food and beverage to retail. These other industries can help support economic growth in the country in the way that the construction market outlook in Cambodia also looks more favorable for investment.

As the country also opens to foreign tourists, investments in tourism hubs like Phnom Penh, Siem Reap, and Sihanoukville will also contribute to the favorable outlook of the construction market in Cambodia. Developments in the country's busy areas, especially in real estate, will also help the local labor force looking to invest in property for profit down the line.

With both government policies and foreign investments contributing to the growth of the construction industry in Cambodia in 2022, the country can look forward to more favorable conditions that support the growth of the industry and its contribution to the national economy in the years to come.

II. Construction product price

No	Materials	Unit	Price USD
1	Solid brick	10000 Pcs	423\$
2	Hollow brick	10000 Pcs	357\$
3	Block bricks	bock	12.68\$
4	Sand Stilt/Clay	M ³	22.86\$
5	Fine sand	M ³	25.00\$
6	Rock 1x2	M ³	31.80\$
7	Rock 4x6	M ³	32.86\$
8	Cement (K-cement)	1T	117\$
9	Cement (diamond)	1T	98\$
10	Cement (plus)	1T	120\$
11	Cement (Stilt/Clay)	1T	115\$
12	Steel (Steel V SD 295) 14-16L	1T	870\$
13	Steel (Steel V SD 390) 14-16L	1T	895\$
14	Steel (Steel pom SD 390) 14-16L	1T	887\$
15	Steel (ISI SD390)	1T	875\$
16	Paint (Nippon Paint)	18L/1	61\$
17	Paint U-90 white (inside)	18kg/1	19\$
18	Paint U-90 white (outside)	18Kg/1	25\$
19	Pipe (0.5) number 21	1 pipe	2.15\$
20	Pipe (8.6) number 75	1 pipe	12.90\$
21	Pipe (8.6) number 90	1 pipe	19.75\$



III. Registering of construction companies in Cambodia 2000 –2022

Countries	Total Number of	Number of	Type of Operation (Still Valid)	
	Registered Companies	Still Valid Licenses	Design	Constructor
Cambodia	2105	903	54	849
China	716	286	6	280
Korea	190	34	1	33
Vietnam	80	29	4	25
Japan	61	30	3	27
Thailand	49	9	0	9
Malaysia	40	15	3	12
Singapore	28	14	3	11
USA	12	2	1	1
France	11	5	1	4
UK	6	0	0	0
Indonesia	5	0	0	1
Canada	2	0	0	0
Australia	2	1	0	1
India	2	0	0	0
Myanmar	2	0	0	0
Bangladesh	2	1	0	1
Germany	2	2	0	2
Philippine	2	1	1	0
New Zealand	1	0	0	0
Norway	1	0	0	0
Spain	1	0	0	0
Pakistan	1	0	0	0
Russia	1	0	0	0
Saint Kitts And Nevis	1	1	0	0
TOTAL	3323	1333	77	1256

IV. Foreign Construction project (2000 – 2023)

Countries as for project permitted	Number of projects Total	Total Area building (m2)	Investment Total (USD)	Classification Investment	Percentage Investment %
Chinses	405	16,270,485.95	6,715,292,013	1	61.36%
Korea	62	4,097,970.00	1,840,017,837	2	16.81%
Japan	62	1,211,724.80	509,727,561	3	4.66%
Taiwan	39	1,273,230.68	427,723,859	4	3.91%
Thailand	46	697,135.37	309,548,858	5	2.83%
Singapore	19	481,868.00	182,649,530	6	1.67%
England	15	589,396.74	179,025,658	7	1.64%
Indonesia	2	227,440.00	174,706,600	8	1.60%
Malaysia	24	362,839.00	152,100,111	9	1.39%
Canada	8	253,908.40	84,145,170	10	0.77%
Vietnam	14	206,794.61	68,719,097	11	0.63%
France	7	91,093.00	58,831,390	12	0.54%
United States	13	125,747.47	52,968,751	13	0.48%
Russia	2	125,326.00	51,958,216	14	0.48%
Laos	2	82,771.00	40,995,300	15	0.38%
Myanmar	2	47,724.00	30,662,830	16	0.28%
India	4	46,710.00	19,905,350	17	0.18%
Norway	2	26,652.00	17,590,320	18	0.16%
Netherlands	1	14,596.00	9,487,400	19	0.09%
Belgian	2	22,513.54	7,518,200	20	0.07%
Philippine	1	11,861.00	5,930,500	21	0.05%
Australia	2	8,249.00	4,311,600	22	0.04%
Total	734	26,276,036.56	10,943,816,151		100.00%

V. Estimation of Construction Investment and Project Number From 2010 – 2022

Year	Number of Projects	Total Area building (m2)	Estimation cost (Million USD)	Percentage of Estimated Cost Comparison (%)
2010	2,149	3,287,468	840	Compared with 2009, Decreased by 58%
2011	2,129	5,257,585	1,734	Compared with 2010, Increased by 106%
2012	1,694	6,528,452	2,109	Compared with 2011, In creased by 72%
2013	1641	7,596,151	2,773	Compared with 2012, In creased by 31,45%
2014	1960	6,460,148	2,507	Compared with 2013, Decreased by 9.58%
2015	2,305	7,686,112	3,338	Compared with 2014, Increased by 33.14%
2016	2,635	12,158,268	5,579	Compared with 2015, In creased by 68%
2017	3,418	11,381,883	6,799	Compared with 2016, Increased by 21.84%
2018	3,290	12,378,119	5,755	Compared with 2017, Decreased by 15.38%
2019	4,888	23,257,414	11,437	Compared with 2018, Increased by 98.73%
2020	4,328	15,363,573	7,000	Compared with 2019, Decreased by 25.16%
2021	4,303	12,998,072	5,333	Compared with 2020, Decreased by 31.21%
2022	4,276	7,289,765	2,972	Compared with 2021, Decreased by 44.27%

VI. High-rise building project 5 floors up



Year	5- 9 floor	10 - 19 floor	20 -29 floor	30-39 floor	40 floor over
2018	77	26	10	5	9
2019	238	167	64	29	15
2020	320	111	39	18	8
2021	148	50	13	1	0
2022	69	24	13	7	0
Total	852	378	139	60	32

The total of high-rise buildings from 2000 to 2022 has 2,492 buildings

VII. The trend of remuneration and Salary

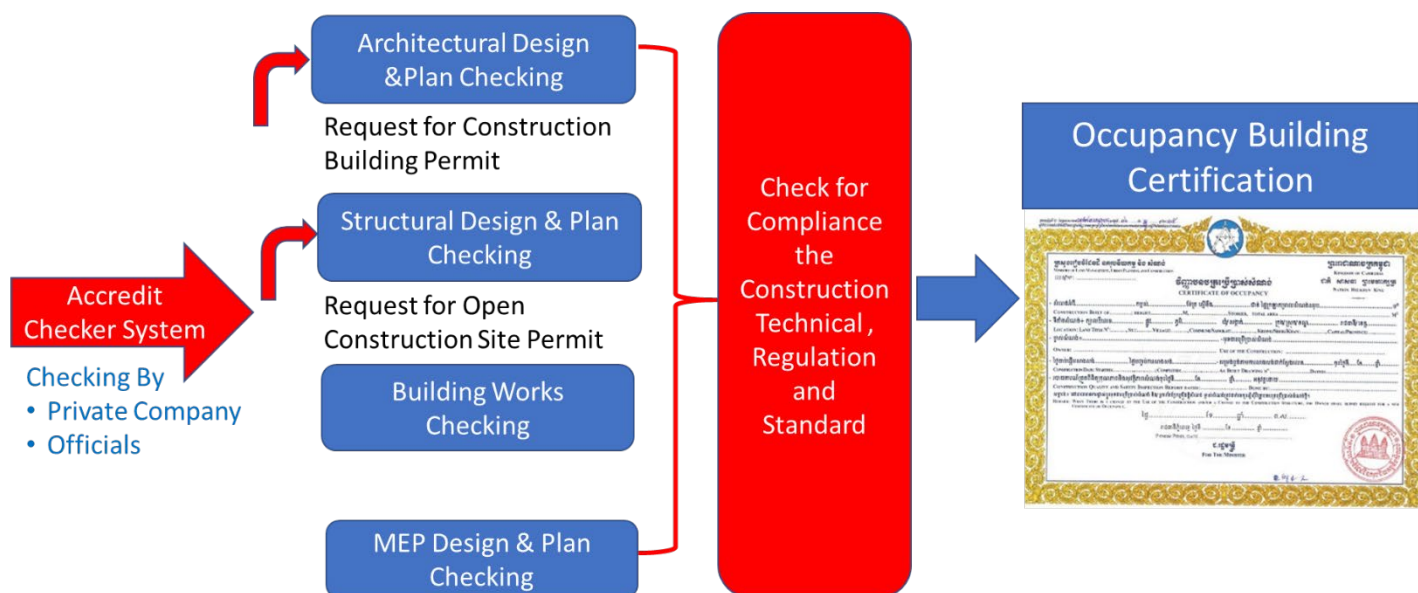


No	Description	Worker wages/day
1	Workers	10-15 \$/Day
2	Skilled workers	25-30\$/Day
3	Engineer and Architect	500-8000 \$/Day



The construction has provided the job for workers 260 000 people/with a day in the Capital 25 000 People/ day.

VIII. New Rules and Regulation of the Construction Industry



The Construction Law stipulates that in order to build a building, the owner must apply for a building permit, and opening site construction permit before the construction process, and at the end or completion of the construction, must apply for a building occupancy certificate to obtain allowing to entry for living and using the building . Also for the many building and the project not full completed the owner can apply for temporary building occupancy certificate, this temporary certificate will be end at the time that construction full completed then the owner building applied and got the full building occupancy certificate.

Therefore, in order to obtain a building occupancy certificate, the construction must be inspected and certified the construction technical and regulation requirement. There are four types of construction inspection, then also have four inspection companies, there are general construction inspection, architectural design inspection, structural design inspection and mechanical, electrical and water system design inspection companies.

In order to apply for a construction permit, the architectural plan must be inspected and certified by the architectural design inspection company, and in order to apply for a construction opening site permit, the building structural plan must be inspected and certified by structural design inspection company on the technical standards that design for building .

So when construction completed the owner building/ project should have a set of compliance letter from inspection company that certified on building processing, architectural, structural and MEP design plan.

IX. Cambodia's infrastructure Program
1. Construction project completed in 2022



AEON 3

- Location: Phnom Penh City
- Land Area: 174,000 square meters
- Project Cost: US\$290 million



Phnom Penh-Sihanoukville expressway

- Length: 190 Km
- Cost : US\$2 billion



Chip Mong MEGA MALL

- Location: Phnom Penh City
- Land Area: 160,000 sqm
- Project Cost: US\$252 million



Chip Mong Mixed-Use Development

- Location: Phnom Penh City
- Land Area: 102,810
- Project Cost: US\$150 million



Chom Chao flyover and underpass

Location: Phnom Penh City

Project Cost: US\$2 million



The Peak

Location: Phnom Penh city



CCFKH Preah Kossamak

Location: Phnom Penh city

2. Construction On-going



New Phnom Penh International Airport

Location: Kandal Province, Land Area: 2,600 hectares

Project Cost: US\$1.5 billion, Almost 30% complete



Siem Reap-Angkor International

Location: Siem Reap province, Project cost US\$620 million Airport project is almost 75% completed,



Koh Norea

Satellite City pass 30% completion milestone



Construction of NR10 connecting Koh Kong to Battambang

Almost 56% complete.



NR48 connecting Sre Ambel to Khemarak Phoumin

is almost 18% completed

3. New Upcoming Developments



Framework agreement for PP-SR expressway to be signed in Sept



Aray Ksat bridge worth more than \$245 million



Phnom Penh's first cable-stayed bridge project



New Siem Reap's ring road projects worth \$140 million



Construction of PP-Bavet expressway set to begin for June 2023



Project Name: FTB Tower

- FTB Tower is located on Lot A, Sangkat Monorom, Khan 7 Makara along Russian Boulevard
- The total gross floor area of 77,593 sqm.
- US\$112 million in investments

X. Why Invest in Cambodia?

Open economy, Sound macroeconomic environment, Competitive investment incentives, One-stop service, Competitive labor force, Strategic location, Market Access, and Preferential trading status.

XI. Investment Guarantee

- No discrimination,
- No nationalization,
- No requirements of local equity participation,
- No price controls on products or services,
- No restrictions on foreign exchanges,
- No capital control.
- Allow foreigners to own properties (houses or condominiums from the first floor up).
- Allow foreigners to set up business companies owned company 100% (but for the construction and real estate have condition 51% and 49% foreigner).
- Some Investments in Cambodia are encouraged with Incentives as eligible for custom duties exemption on raw materials and construction materials and all kinds of machinery that serves investment activities, but not eligible for the profit tax exemption.

XII. Investment Incentive

Permission for long-term lease up to 50 years. Exemption of import duty such as production materials & equipment, construction materials, and production input. Exemption of export duty. VAT shall be charged with zero percent (0%) for each import. Exemption of tax on profit for up to 9 years. A permanent visa for families and investors. Free Hold Strata title of Condominium (Except Ground Floor) for Foreigner. Free Hold Land Certificate for Nationalizations, Joint-Venture between 51% Cambodian share owner and 49% Foreign share owner.

XIII. Incentives

- Production of food, beverage, textile industry, with investment capital of more than USD 500,000
- Construction of modern market or trade center With investment capital of more than USD 2,000,000 and has a size of more than 10,000 sqm with inadequate space for car park.
- Hotel-grade 3-star up
- Complex tourism center with hotel containing more than 100 rooms or tourist inns of more than 30 housing and tourist estates (resort) more than a minimum length of ten (10) hectares;
- Real estate development