

TAKEO PROVINCE

INVESTMENT PROFILE

JANUARY 2010



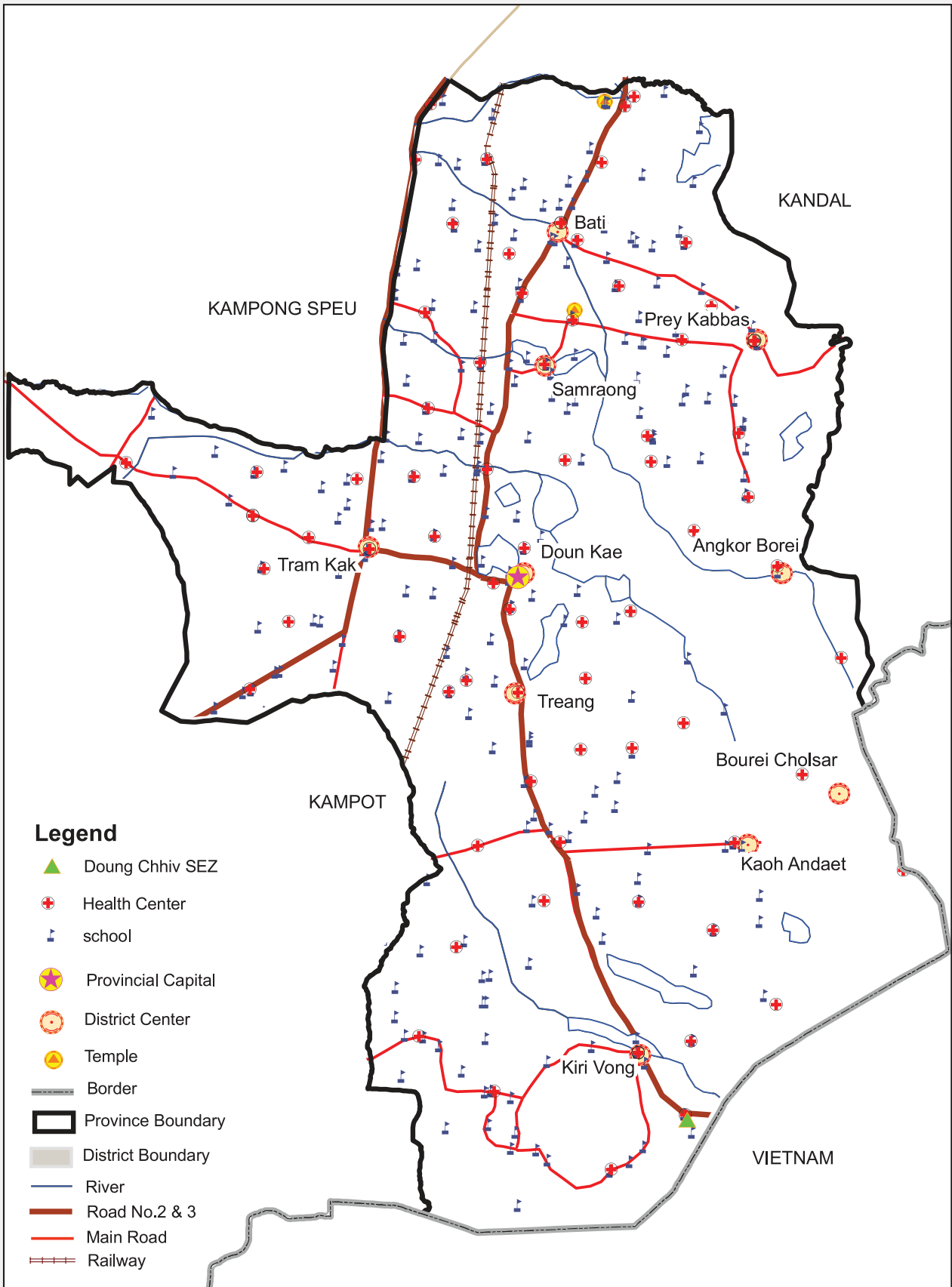
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TAKEO

The Business Alternative





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Takeo Investment Profile

Greetings from the Governor _____ p2

National Strengths _____ p3

Open for business
 Inexpensive & Productive Labor
 Strategic Regional Location

Why Takeo? _____ p4

1. Strategic Location
2. Educated Labor-highest enrollment rate in Cambodia
3. Leading Special Economic Zone to encourage profitable trade
4. Competitive Electricity Supply
5. Developed Financial Services Sector
6. Excellent Irrigation Infrastructure

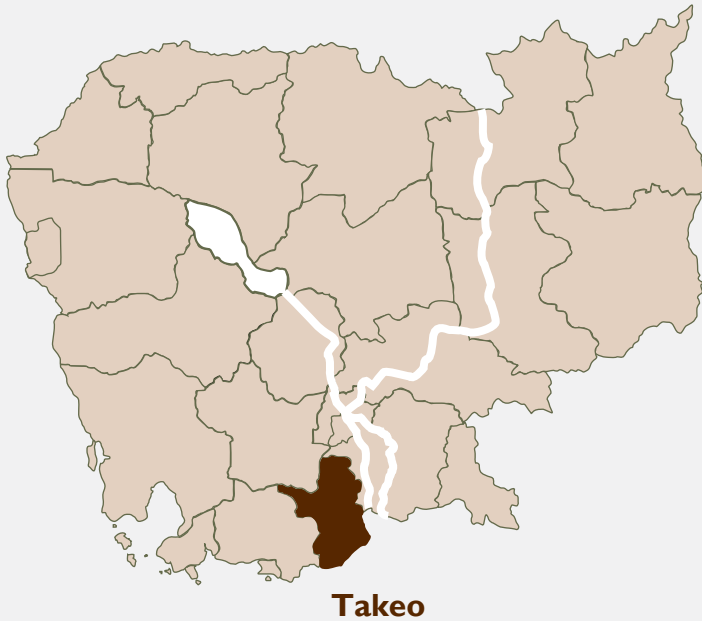
Major Economic Activity _____ p6

Business Opportunities _____ p7

Want to learn more? _____ p8

Statistics _____ p9

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Greetings from His Excellency the Governor

January 2010

Takeo is famous for being Cambodia's rice bowl. The annual rice harvest from our small province feeds one quarter of Cambodia.

But our province is far more than just rice. As the most densely populated province outside of the urban Phnom Penh and Kandal, we are one of the most advanced provinces in the country, with excellent features for sustaining profitable business. Our province boasts low levels of poverty, excellent infrastructure, high education levels and an educated workforce, good banking penetration and a robust domestic market.

To continue growing our economic base and to strengthen our reputation as an emerging location for investment, the Takeo provincial government will continue to work tirelessly to strengthen the business environment.

We are excited about the potential to broaden and deepen our industry base and openly welcome new investors, both local and foreign.

I look forward to working with new investors to help expand their businesses and grow our dynamic province.

Sincerely,

H.E. Srey Ben

Governor, Province of Takeo



National Strengths

Over the last decade, Cambodia has emerged as a vibrant and robust regional player with many of the underlying attributes necessary for successful business development and growth.

Open for Business

- Low corporate taxes – 20% tax on corporate profits (5 years carry forward of losses).
- No foreign ownership restrictions.
- Ranked ahead of China, India, Vietnam and Indonesia for economic freedom.¹
- Equal treatment of all investors.
- Ranked ahead of ahead of Philippines, China and Vietnam for protecting investors.²
- No price controls on any products or services.
- No foreign exchange controls or restrictions on convertibility.
- No restriction on capital repatriation.
- First low-income country to join the WTO.
- No quantitative trade restrictions; falling tariff barriers. Cambodia has duty-free and quota access to major world markets (such as the United States, European Union, Japan and many ASEAN members).
- Provincial governments have authority to approve investments under US\$2 million to fast-track business development start-up.

“Cambodia is fully open for business and the Royal Government of Cambodia will try its best to guarantee a favourable environment and the success of every enterprise in Cambodia.”

- H.E. Samdech Hun Sen, Prime Minister of Cambodia.

Inexpensive & Productive Labor

Compared to many regional competitors, Cambodia enjoys competitive wage rates and high labor productivity, making it an attractive destination for labour-intensive industry.

Over recent years, Cambodia’s labor force has grown by over 50%, more than double the rate in any other ASEAN country.³ And with a very young population (half are under 20), this labor force growth will continue.

1. Heritage Foundation, 2009 Index of Economic Freedom. <http://www.heritage.org/index/>

2. World Bank, Doing Business 2009. <http://www.doingbusiness.org/>

3. ILO, ‘Labour and Social Trends in ASEAN 2007 - Integration, Challenges and Opportunities’, 2007.

Labor cost in the garment industry (2008)

Country	US\$/hr, inc. social charges
Thailand	1.29-1.36
Malaysia	1.18
China, prime	1.08
China, coastal	0.86-0.94
China, remote	0.55-0.80
Indonesia	0.44
Vietnam	0.38
Cambodia	0.33

Source: Jassin-O'Rourke Group, Global Apparel Manufacturing Labor Cost Analysis 2008.

“Like China and India in earlier periods, Cambodia has been identified as a location with a promising future for manufacturing investment, primarily due to the wide availability of low-cost labour and its falling country risk premium ... it also benefits from relative proximity to the West Coast of the US.”

- PriceWaterhouseCoopers.

Strategic Regional Location

Cambodia is ideally located in the heart of the most dynamic region in the world. Nestled between Thailand and Vietnam, Cambodia is part of the Greater Mekong Sub-Region’s Southern Economic Corridor stretching from Ho Chi Minh City to Bangkok.

Given its strategic position, Cambodia has enjoyed significant international support in building its transport infrastructure to facilitate trade within the country and with its neighbors. As a result, trade with Vietnam and Thailand is growing rapidly.



“You’ve got two of the biggest cities in Asia on either side of you. You’ve got 15 million people in Bangkok and 8 million people in Ho Chi Minh City, and things are increasingly happening between the two.”

- Edward Hopkins, CB Richard Ellis Group Inc.