

VI PRIVATE SECTOR

VI-1 Summary of Private Sector

The private sector contributes 90 percent of employment in Cambodia. The agricultural sector has the largest share, 70 percent of total employment, followed by the service sector with 15 percent and the industrial sector with 8 percent. On the other hand, the agricultural sector accounts for only 35 percent of total GDP, while the service sector and the industrial sector account for 35 percent and 20 percent, respectively.

In the industrial sector, the number of small companies with less than 50 employees is about 27,000, while that of medium and large enterprises is about 300. As shown in Table VI-1 below, 80 percent

of small companies are related to food, beverages and tobacco. On the contrary, 80 percent of large companies are operating in the textile and apparel industries.

VI-2 Issues on Business in Cambodia

Through a series of interviews with private companies operating in Cambodia, the JICA Study Team identified several problems in doing business in Cambodia that are typically pointed out by those companies. Some of these problems and the government countermeasures and improvement are shown in Table VI-2.

Table VI-1 Composition of Companies in Industrial Sector (Year 2001)

Category	Small companies (Less than 50 employees)		Medium companies (50 to 200 employees)		Large companies (Above 200 employees)	
	Number	Share	Number	Share	Number	Share
Food, beverages and tobacco	21,871	80.5%	5	10.9%	26	9.5%
Textile and wearing apparel and leather industries	1,382	5.1%	20	43.5%	220	80.3%
Woods and wood products	141	0.5%	0	N/A	7	2.6%
Paper products, printing and publishing	23	0.0%	2	4.3%	1	0.4%
Chemicals	277	1.0%	7	15.2%	9	3.3%
Non-metallic mineral products (except products of petroleum and coal)	721	2.7%	3	6.5%	8	2.9%
Basic metal products	N/A	N/A	0	N/A	N/A	N/A
Fabricated metal products, machinery and equipment	1,454	5.4%	8	17.4%	3	11.0%
Other manufacturing industries	1,286	4.7%	1	2.2%	N/A	N/A
Total	27,155	100.0%	46	100.0%	274	100.0%

Source: ADB, Private Sector Assessment for the Kingdom of Cambodia, 2003.

Table VI-2 Problems in Doing Business in Cambodia

Issue on business in Cambodia	Improvement
Trade procedures in Cambodia are complicated and take more time than in Vietnam. (Shoes manufacturer)	Trade facilitation projects supported by the World Bank have been implemented.
Cambodia's domestic market is very small. (Shoes manufacturer)	In the progress of ASEAN Common Effective Preferential Tariff (CEPT) scheme, a company in Cambodia can regard the ASEAN-wide market as a "domestic market."
Corruptive behaviors of tax offices and smuggling are rampant. (Shoes manufacturer, transport equipment manufacturer)	The Cambodian government has tightened control over smuggling.
Industrial infrastructure is underdeveloped. (Various industries)	Development projects have been and will be implemented through the support of various international donors. (e.g. Sihanoukville Port & SEZ)
Incentives for small and medium enterprises are not the same as for large enterprises. (Electrical equipment manufacturer)	SME development is regarded as an important component of national economic development strategies. It will be materialized through projects in the future.
Labor disputes frequently occur. (Industrial association)	Unchanged
Skills and knowledge of workers are at low level. (Industrial association)	In the SEZ, the zone developers have to provide the workers with vocational training.
Due to the lack of protection for design rights, imitation products flow into the Cambodian market. (Transport equipment manufacturer)	Law on the Protection of Patents and Industrial Design has been adopted by the National Assembly.
A company in Cambodia has to pay corporate tax in advance but the refund is sometimes delayed or not made. (Apparel manufacturer)	Unchanged

VII LIVING ENVIRONMENT FOR EXPATRIATES

VII-1 Housing

In Phnom Penh City, there are more than ten five-star and four-star hotels and serviced apartments, together with many three-star hotels, which are widely used by business persons and tourists. Some indication of prices are shown in Table VII-1 and Table VII-2 below (prices are for reference only.).

VII-2 Medical Services

Although available medical services are still limited for expatriates, International SOS and Raffles Medical Center in Phnom Penh City are widely used by them.

VII-3 Education

There are about ten international schools in Phnom Penh. Most of them are English-language school and offer curriculums to students from grades 1 to 12. The school fees of some of the international schools are shown in Table VII-3 to Table VII-5 below.

VII-4 Security

Japan's MOFA's latest security information issued on February 2006 cautions that robberies and pickpockets have been reported in Phnom Penh City. Regarding mines buried during the civil war era, urban areas and majority of the rural land have already been cleared but in some northwest provinces, such as Battambang and Banteay Meanchey, some mines still remain. The sites of Special Economic Zones are reportedly cleared of mines before their operations start.

Table VII-1 Apartment and Condo Rental

Location	Type of Rooms	Approx. Area	Average rentals (US\$)	
			Daily	Monthly
Prime Area(fully furnished)	Studio Style	46 sq.m	48	500 - 600
	1 bedroom/1 bathroom 1st floor	70 sq.m		250 - 650
	2 bedroom/1 bathroom	110 sq.m	58	400 - 1,000
	1st floor			550
	2 bedroom/2 bathroom	120 - 130 sq.m		900 - 1,200
	3 bedroom/2 bathroom		68	
	4 bedroom/4 bathroom	250 sq.m		2,000
Commercial Area	Ground floor	Standard(4m x 16 m)		500 - 700
	Ground & 1st floor			450 - 700
	Ground to 3rd floor			800 - 1,500
	1st & 2nd floor			150 - 250
Round Market	Ground floor			500 - 700
	Ground & 1st floor			550 - 800
	Ground to 3rd floor			800 - 1,500
	1st & 2nd floor			150 - 250
Market Area	Ground floor			450 - 700
	Ground & 1st floor			500 - 900
	Ground to 3rd floor			850 - 1,000
	1st & 2nd floor			150 - 250
Residential-1	Ground floor			350 - 450
	Ground & 1st floor			400 - 550
	Ground to 3rd floor			600 - 750
	1st & 2nd floor			150 - 250
Residential-2	Ground floor			200 - 350
	Ground & 1st floor			300 - 450
	Ground to 3rd floor			400 - 550
	1st & 2nd floor			150 - 250

Sources: CFN Real Estate, ASEAN Facts and Figures 2006 Research; *Colonial Mansion*

Table VII-2 Selected Major Hotels

Name	Location	Type of Room	Published Room Rate/night (US\$)	
			Single	Twin/Double
Raffles Hotel Le Royal	92 Rukhak Vithei Daun Penh Sangkat Wat Phnom, Phnom Penh Tel: +855-23-981 888 Fax: +855-23-981 128 / 168 e-mail: emailus.leroyal@raffles.com web: www.raffles.com	State Room	110	120
		Landmark Room	130	140
		Personality Suite	198	208
		Landmark Suite	715	715
		Royal Suite	1,600	1,600
Cambodiana Hotel	313 Sisowath Quay, Phnom Penh Tel: +855-23-426 288 Fax: +855-23-426 392 e-mail: marketing@bigpond.com.kh web: www.hotelcambodiana.com	Cabana (pool level)Deluxe	80**	90**
		Mekong	100**	120**
		Junior Suite	200**	
		Chatom/Mekong Junior Suite	220**	
		Executive	250**	
Holiday International Hotel	St. 84, P. Monivong Blvd Tel: +855-23-427 402 /4 Fax: +855-23-427 401 e-mail: holiday@oline.com.kh web: www.holidayhotelcambodia.com	Standard	70	-
		Deluxe	90	-
		Suite	120	-
		Note: They have special internet rate.		
Juliana Hotel	16, Juliana152 Road Sangkat Vealvong Khan 7 Makara Tel: +855-23-880530-31 Fax: +855-23-880530-31 e-mail: julianahotelp@online.com.kh web: www.julianacambodia.com	Deluxe Pool View	70	80
		Suite One Bed Room	180	200
		Superior Room	60	70
Phnom Penh	No.53, Monivong Boulevard, Sangkat Srah Chok, P.O. Box 1131, Phnom Penh Tel: +855-23-991 868 Fax: +855-23-991 818 e-mail: info@phnompenhhotel.com web: www.phnompenhhotel.com	Superior	70	80
		Deluxe	90	100
		Club Excellence	100	110
		Junior Suite	120	130
		Executive Suite	160	170
		Phnom Penh Suite	800	800
		Royal Suite	800	
		Presidential	1500	
Angkor Century	Komay Road, Khum Svay Dangkom, Siem Rap Tel: +855-63-963777 Fax: +855-63-963789 e-mail: salesmarketing@angkorcentury.com web: www.angkorcentury.com	Superior Room	220	235
		Deluxe Room	240	255
		Executive Suite	380	399
		Century Suite	880	880
Preah Kan Hotel	National Road 6, (Airport Road) Phum Grous, Sangkat Svay Dangkom Siem Rap, Cambodia Tel: +855-63-766 888 Fax: +855-63-766 889 e-mail: info@preahkhanhotel.com web: www.preahkhanhotel.com	Standard	80**	90**
		Superior	90**	100**
		Deluxe	100**	110**
		Executive Suite	170**	200**
		Standard Din	120	150
		Superior Din	130	150
		Deluxe Din	140	160
		Executive Suite Din	215	265
Goldiana Hotel	#10+12, St 282 Sangkat Boeung Keng Kang I Khan Chamkarmon Tel/Fax: +855-23-219558 e-mail: sales-pnh@goldiana.com web: www.goldiana.com	Standard	28	40
		Deluxe	38	48
		Suite	58	68
		Goldiana Suite	88	98
Sokha Hotel	Street 2 Thnou, Sangkat 4, Mittaphep District, Sokha Beach, Sihanoukville Tel: +855-34-935999 Fax: +855-935-888 e-mail: info@sokhahotels.com web: www.sokhahotels.com	Superior	110	110
		Deluxe	121	121
		Club Suite	176	-
		Junior Suite	209	-
		Executive Suite	275	

Table VII-3 Northbridge International School

Level/Grade	Enrolment Deposit (US\$)	One time Registration (US\$)	Annual Tuition Fees (US\$)	Annual Capital Fee (US\$)
Nursery Kindergarten A	500	N/A	Half Day : 2,800 Full Day : 3,800 (8am-3pm) 3,100 (8-11.30am)	N/A
Kindergarten B		2,500	6,800	2,000
		1,500 (from K-A)		
Elementary (Grade 1 - 5)		2,500	7,400 7,500 (grade 5)	2,000
Middle School (Grade 6 - 8)			8,600	
High School (Grade 9 -12)			9,300 (grade 9& 10) 9,500 (grade 11& 12)	

Source : Northbridge International School Cambodia

Note : US\$ 400 deposit credited toward tuition with the remaining \$100 being refundable (less for lost/damaged book)

Table VII-4 International School of Phnom Penh

Level/Grade	Enrolment Deposit (US\$)	Entrance (US\$)	Annual Tuition Fees (US\$)	Annual Capital Fee (US\$)
Early years I - II	750 non-refundable	500 non-refundable	Morning:3,345 Full Day:3,180	500
Primary Reception and Grade 1		2,500	7,840	1,200
Grade 2 - 3			8,050	
Grade 4 - 5			8,150	
Grade 6 - 8			9,095	
Grade 9 - 10			9,825	
Grade 11 - 12			10,450	

Source : International School of Phnom Penh

Note: Optional plans are available for the payment of annual tuition fee.

Table VII-5 The British International School of Phnom Penh

Age	Grade	Annual Fees (US\$)	Registration Fee (US\$)	Intensive ESL Assistance (US\$)
18 mos - 2 yrs	Day Care	1,800 (half day)	For all students (every year) 100	150
2 - 3	Nursery 1(Pre-School)	2,000		
3 - 4	Nursery 2(Kindergarten 1)	2,000 (half day) 2,500 (full day)		
4 - 5	Reception(Kindergarten 2)	2,600		
5 - 6	1 (KS 1 year 1)	3,300		
6 -7	2 (KS 1 year 2)	3,800		
7 - 8	3 (KS 2 year 3)	4,500		
8 - 9	4 (KS 2 year 4)	4,700		
9 - 10	5 (KS 2 level 5)	4,900		
10 - 11	6 (KS 2 level 6)	5,200		

Source: The British International School of Phnom Penh

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