

# CAMBODIA ECONOMIC OVERVIEW AND OUTLOOK

**27.5.2021**

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# Southeast Asia: The last four lower-middle income countries 1)

*Cambodia compared with frontier and emerging countries 2)*

	<b>GDP in billion USD 2019</b>	<b>GDP per Capita in USD</b>	<b>Population million 2019</b>
<b>Vietnam</b>	262	2,711	97
<b>Myanmar</b>	67	1,229	54
<b>Cambodia</b>	27	1,664	16
<b>Laos</b>	19	2,645	7

1) World Bank: Lower-middle income countries GNI per capita between 1,026 and 3,995 USD

2) Frontier Countries: Developing countries with smaller and riskier markets

Source: ASEAN Statistical Yearbook 2020

# Cambodia: Economic Forecast (Real Growth Rates in %)

	2020 <sup>a</sup>	2021 <sup>b</sup>	2022 <sup>b</sup>
GDP	0,2	3.6	10.2
Private consumption	-5.7	-1.0	13.1
Government consumption	6.0	27.1	-16.8
Gross fixed investment	-12.9	10.8	10.7
Exports of goods & services	-2.6	6.9	7.3
Imports of goods & services	-9.4	6.7	7.1
Agriculture	2.1	1.8	2.0
Industry	10.9	10.7	11.3
Services	-8.9	-2.5	12.4

<sup>a</sup> Economist Intelligence Unit estimates. <sup>b</sup> Economist Intelligence Unit forecasts.

# Trends: *The Catching-up Prozess*

## **Agriculture as a backbone and reservoir**

Main products: rice, cassava, maize, pepper, fruits, palm oil  
Employment 2020: 31% agriculture, 39% services, 30% industry

## **Urbanization**

Urban population only 24%, high rate of urbanization in the future

## **FDI-driven labor-intensive manufacturing**

From processing activities (footwear, garment, household goods) to technology-based products (electronics, machinery)

# Labor cost one third compared to China!

## Annual Salaries in Manufacturing (FY 2020 in US\$)

	Manufacturing Worker	Manufacturing Engineer	Manufacturing Manager
China	10,613	16,527	26,371
Vietnam	4,132	7,791	16,494
Cambodia	3,280	5,859	13,501
Laos	3,132	5,236	10,760
Myanmar	2,441	5,159	12,421
Annual salary: base salary, benefits, social security, overtime allowances, bonuses, excluding severance benefits	Workers with 3 years of work experience, not including contract based and probationary workers	Employees who are core technicians, graduates of a vocational college or university, and have five years of experience	Employees who are section managers in charge of sales, university graduates, and who have 10 years of work experience

Source: 2020 JETRO Survey on Business Conditions of Japanese Companies Operating Overseas

# Trends: Dynamic

## **Export driven economy**

Goods exports tripled from 2010 to 2020  
5.1 billion \$ to 17.2 billion \$

## **More fixed investments needed**

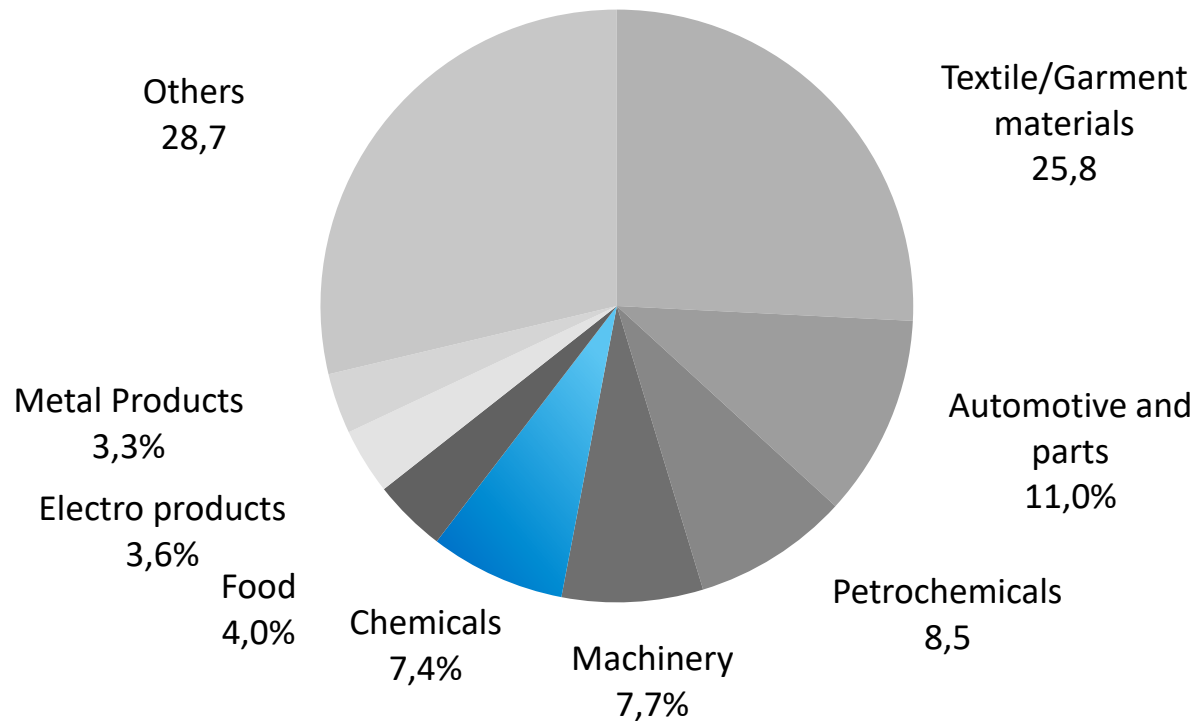
Only 24% of GDP: Investments in machinery, equipment, buildings, installations, vehicles, technology, infrastructure

## **Growth sectors**

ALL! (But demand is small scale  
and usually for low or medium tech products and services)

# Imports 2019: 20.3 billion \$

(Main Import Products by SITC Groups, share of total in%)



## Main sourcing countries:

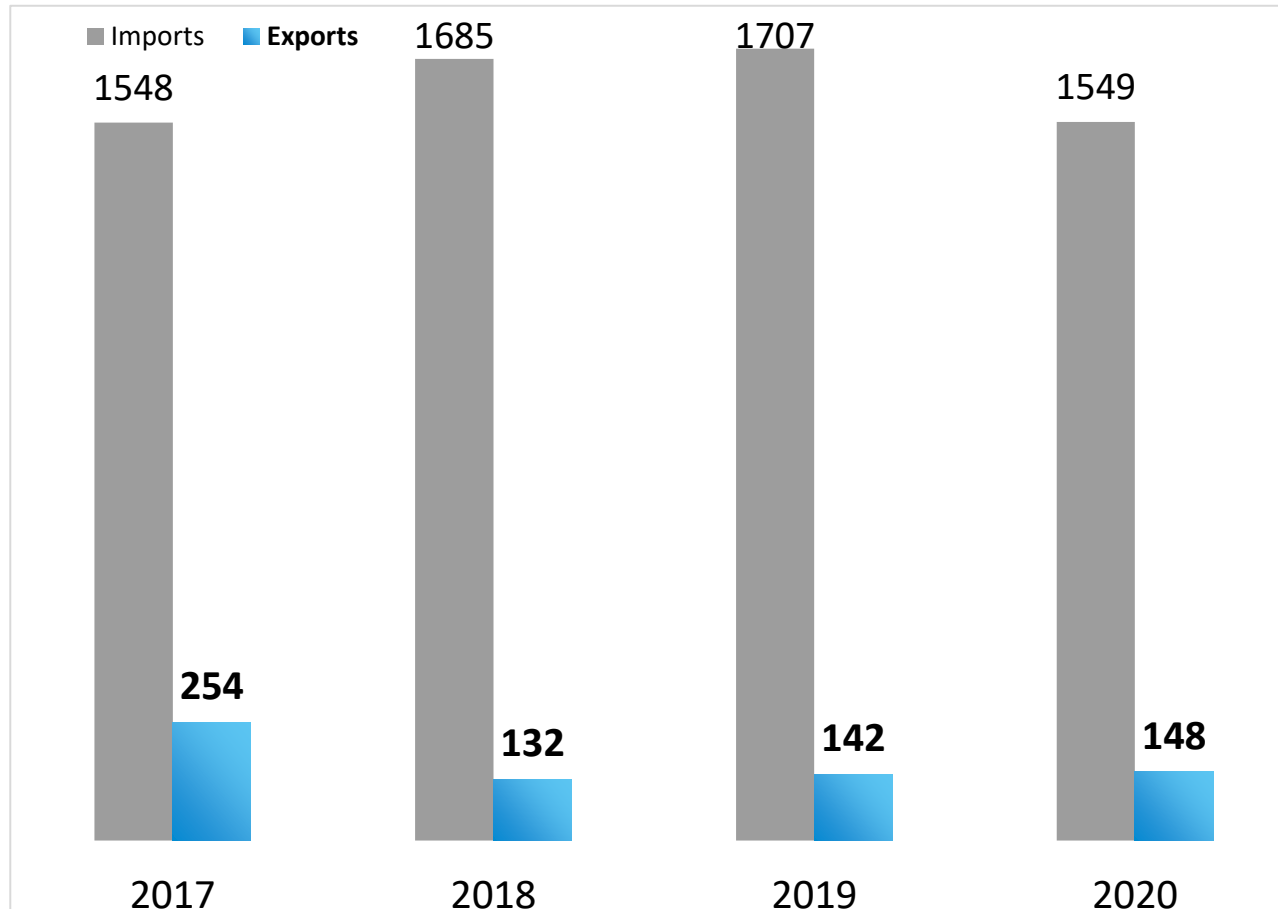
China: 37% of total imports

Thailand: 16%

Vietnam: 13%

# Trade Germany with Cambodia

(in Million Euro)



Source: Destatis

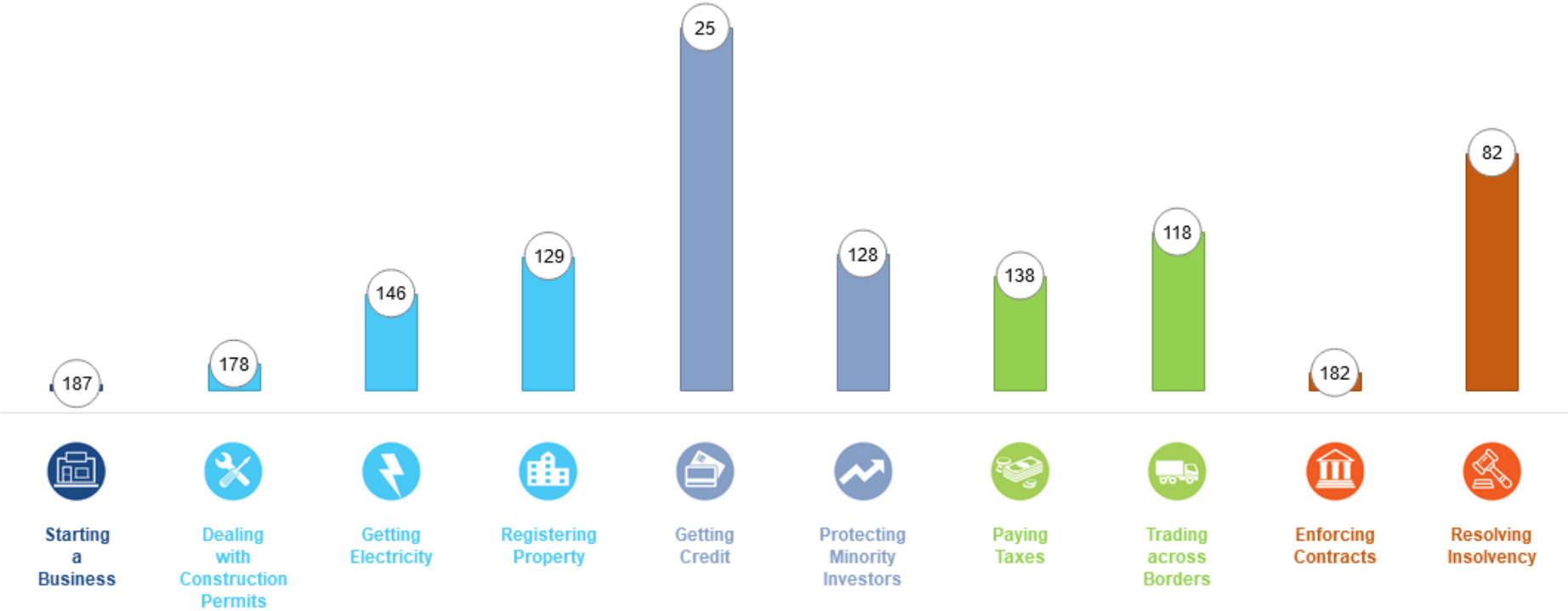
German main exports:  
Automotive 27%  
Machinery 26%  
Chemicals 9%  
Food 8%  
Electroproducts 8%



# World Bank Doing Business Ranking 2020: 144 out of 190 Countries

## Very low Ranking for Enforcing Contracts and Starting a Business

Rankings on Doing Business topics (1-190) - Cambodia



Source: <https://www.doingbusiness.org/en/data/exploreconomies/cambodia/#>

Thank you very much!

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