



PHNOM PENH
SPECIAL ECONOMIC ZONE

COMMITTED TO THE FUTURE

UPDATE ON PHNOM PENH SEZ and POIPET PP SEZ

**Webinar on Investment Promotion:
Linkages between Cambodian and Japanese Companies**

Organized by UNIDO Cambodia

23 March, 2021

Cambodia Update

COVID-19

Total cases 1,788, active cases 782, death cases 5 (as of 23 March), the outbreak was found on 20 February caused by Chinese who escaped from quarantine by bribing security guards, **the government is taking stringent measures to try to contain the outbreak.** Citizens are now recommended to stay home.

Political Situation

Stable, because Cambodian People's Party is holding absolute majority in national assembly, on the other hand, western countries and medias are criticizing this situation as 'dictatorship'.

Diplomatic Relations

Close relations with China, long years-good relations with Japan, **quality investment from Japan is very much welcome**, e.g. Minebea, AEON, strained relations with USA due to the pending loan issue during Lon Nol time (before Pol Pot time), however, investment from USA is welcome, e.g. Coca-Cola and Laurelton Diamonds (Tiffany & Co.)

Investment Policy

Plan to enact **revised Investment Law this year**, more incentives to higher value added industries, the government intends to develop automobile assembly, SMEs and agricultural sector

Minimum Wage

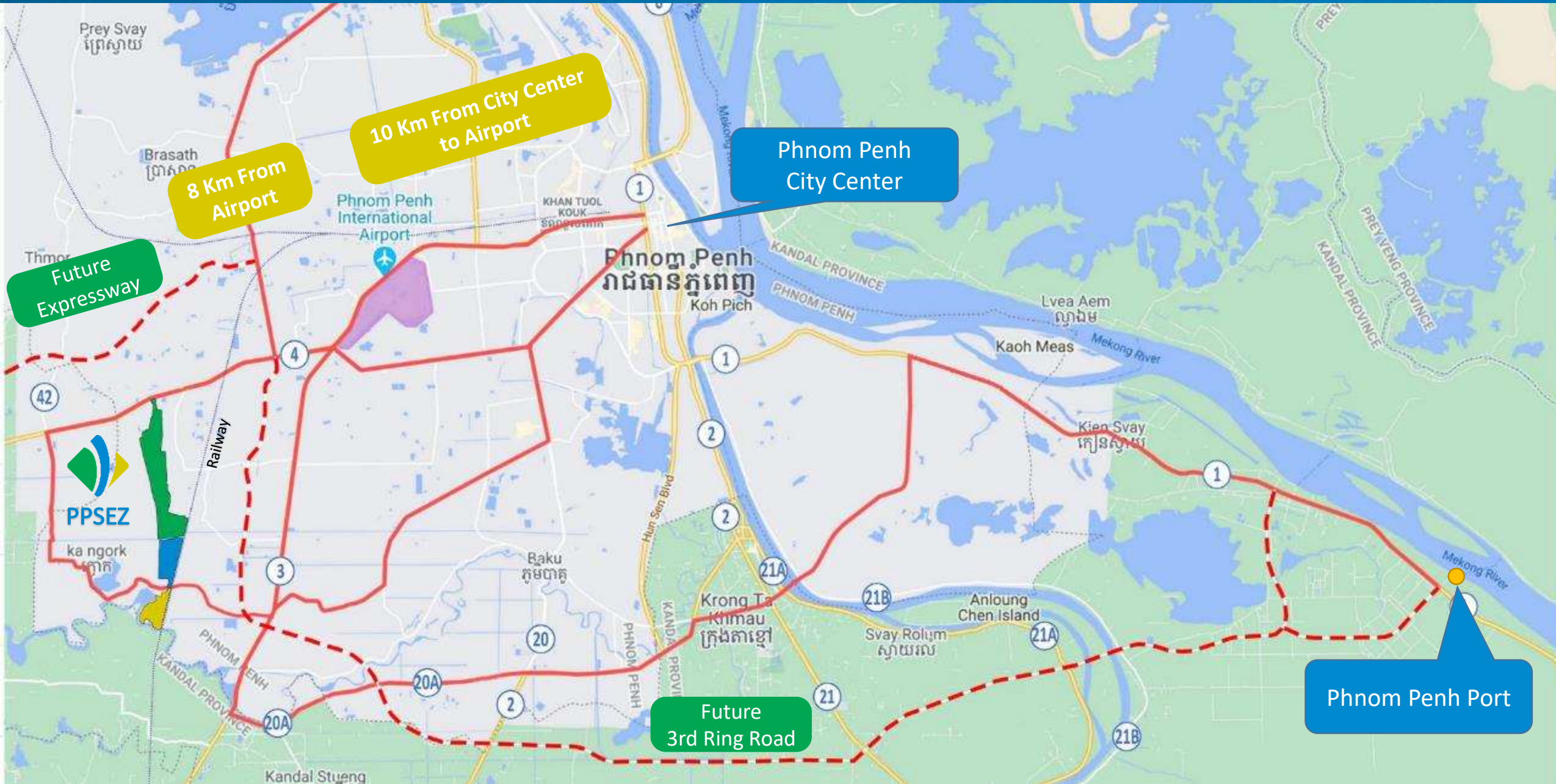
USD192 this year, USD2 (1.1%) increase from last year, the increase rate is decreasing in recent years; 7.1% in 2019, 4.4% in 2020

Electricity Condition

USD0.137/kWh for industrial user from 2020, the government is working hard to reduce the tariff and provide stable supply, over-supply from last year due to COVID-19 and the completion of new power plants

Cambodia can be a production basis as Thai+1, China+1 and in the future Vietnam+1, and for risk diversification

Location of Phnom Penh SEZ





Company Overview



TAN Kak Khun / Eric (Mr.), Chairman of the Board, Cambodian
Hiroshi UEMATSU (Mr.), Executive Director and CEO, Japanese
Hiroshi OTSUBO (Mr.), Japanese
Kenji TOYOTA (Mr.), Japanese
Tanate PIRIYOTHINKUL (Mr.), Thai
HEM Sovath (Mr.), Cambodian
KANG Weigeih (Mr.), Malaysian

INCORPORATION

19 April, 2006

LISTED IN STOCK MARKET

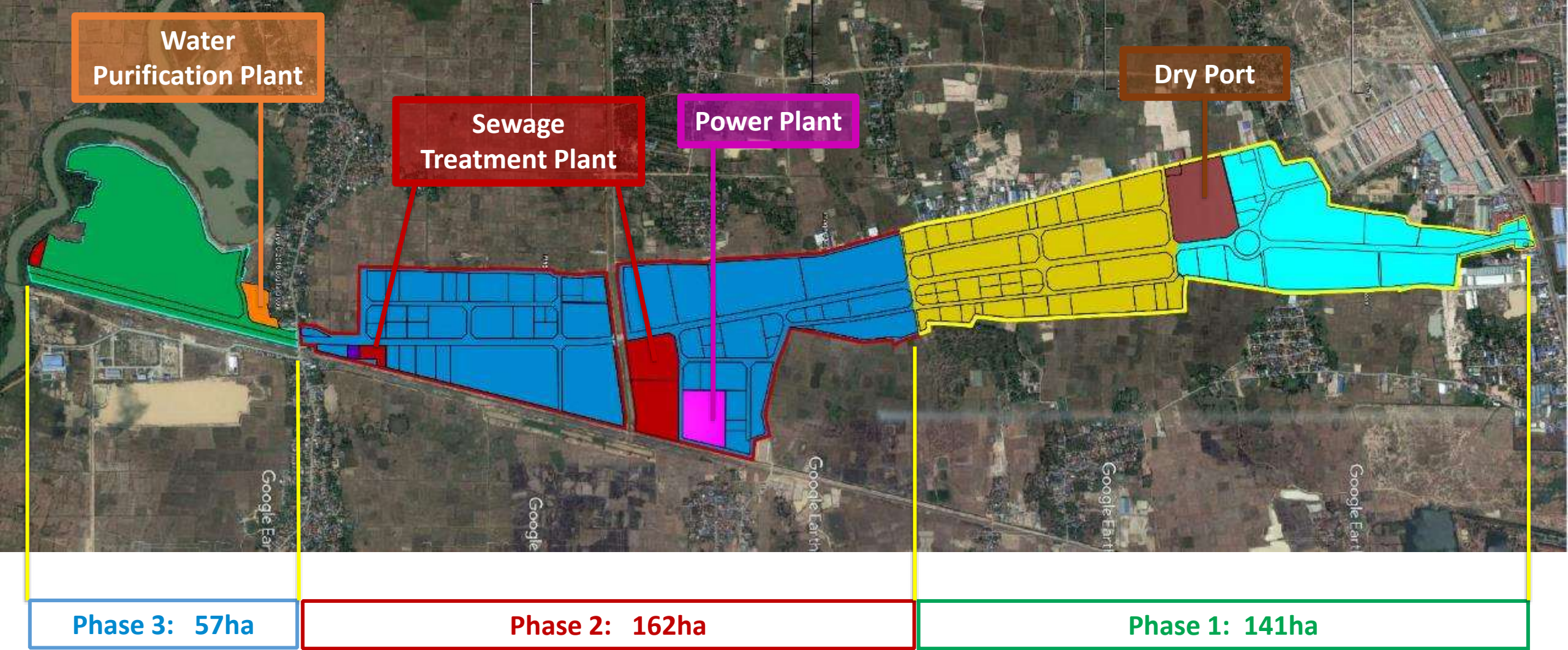
30 May, 2016

CAPITAL

59 million US dollars

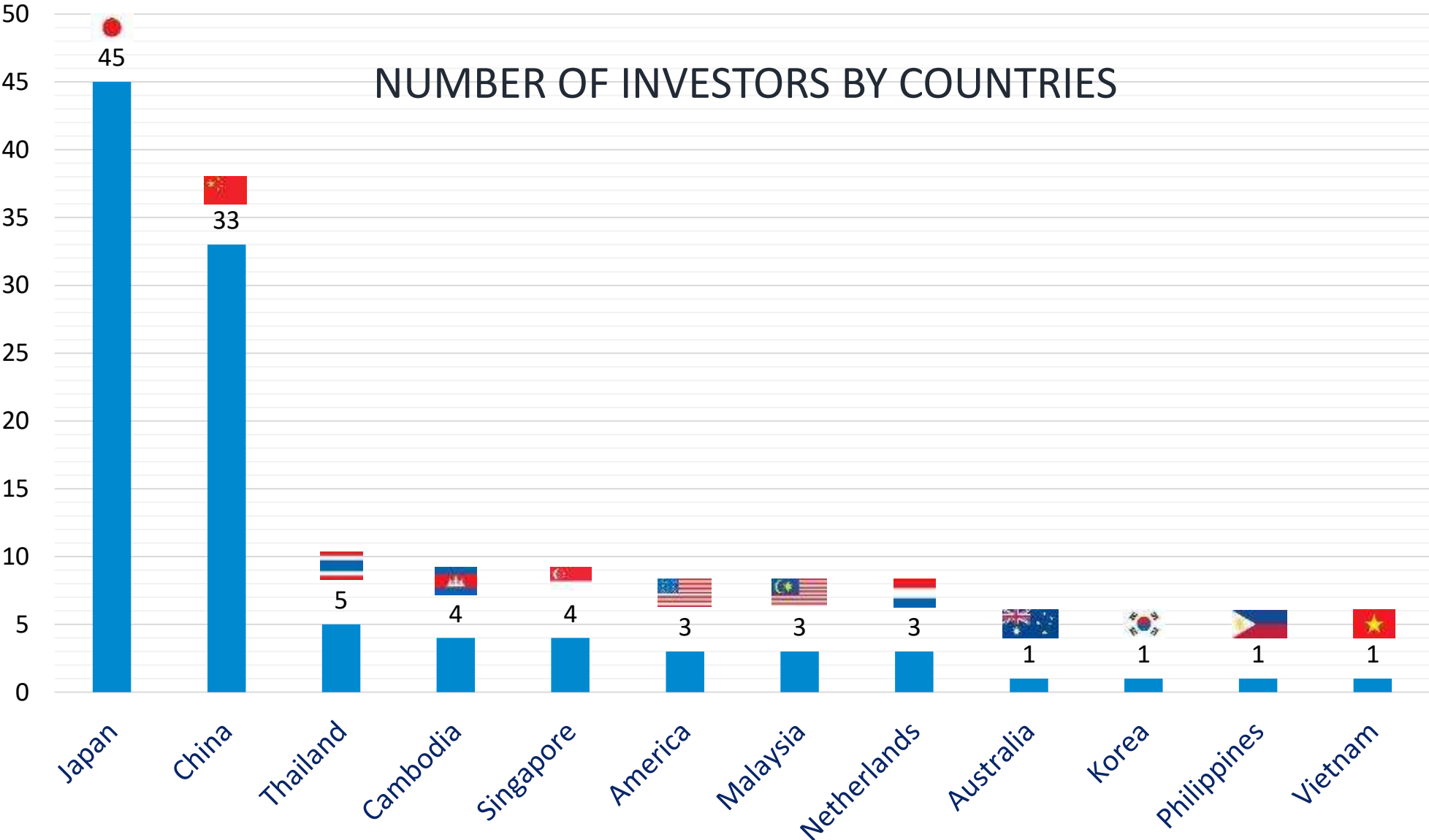
MAIN SHAREHOLDERS

Lok Chumteav Oknha Lim Chhiv Ho (Cambodia) 51.06%
JWD InfoLogistics Pcl.(Thailand) 14.61%
Zephyr Co., Ltd. (Japan) 14.17%
Henry NG (Singapore) 9.04%

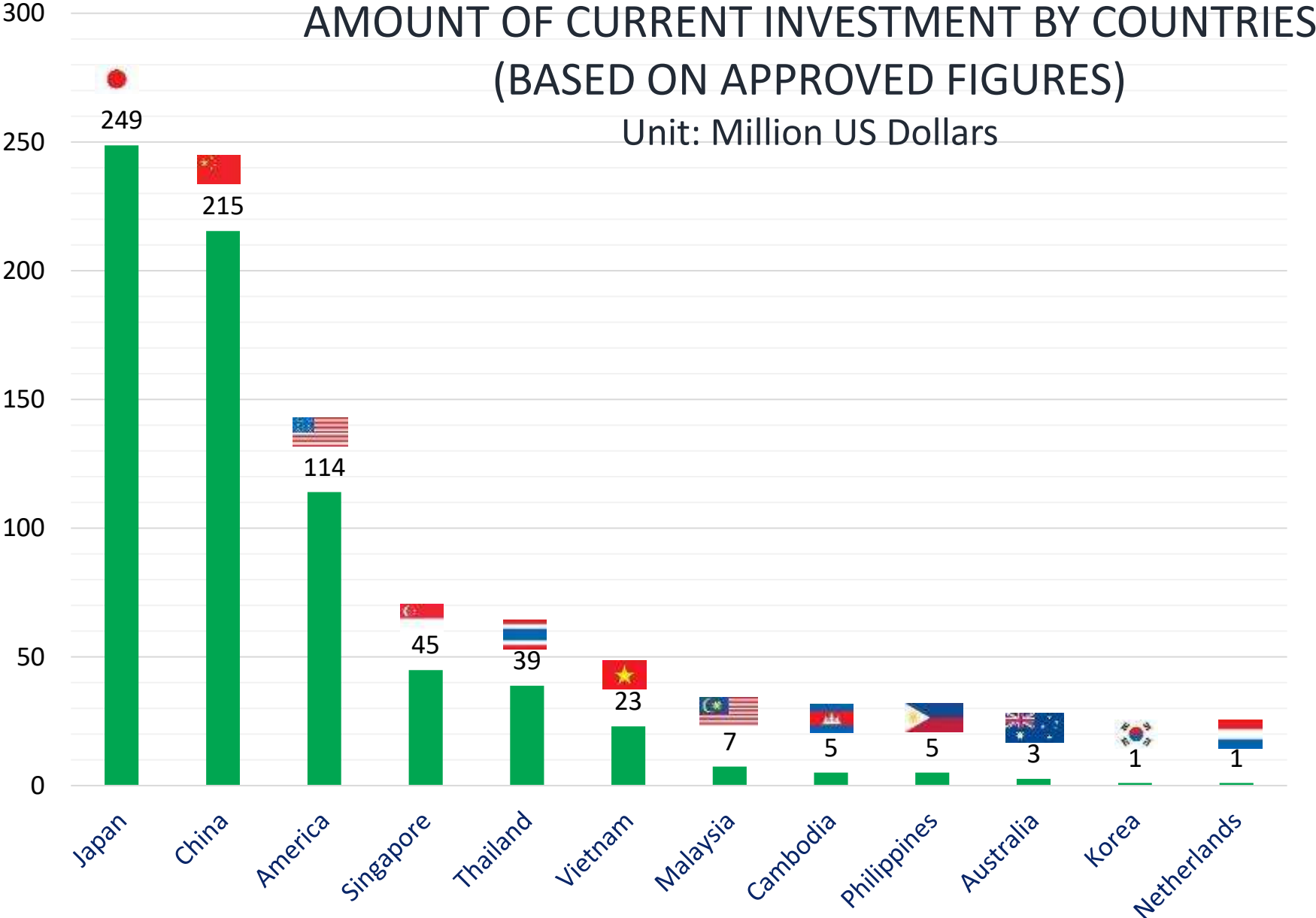


Expansion of additional 120ha in progress

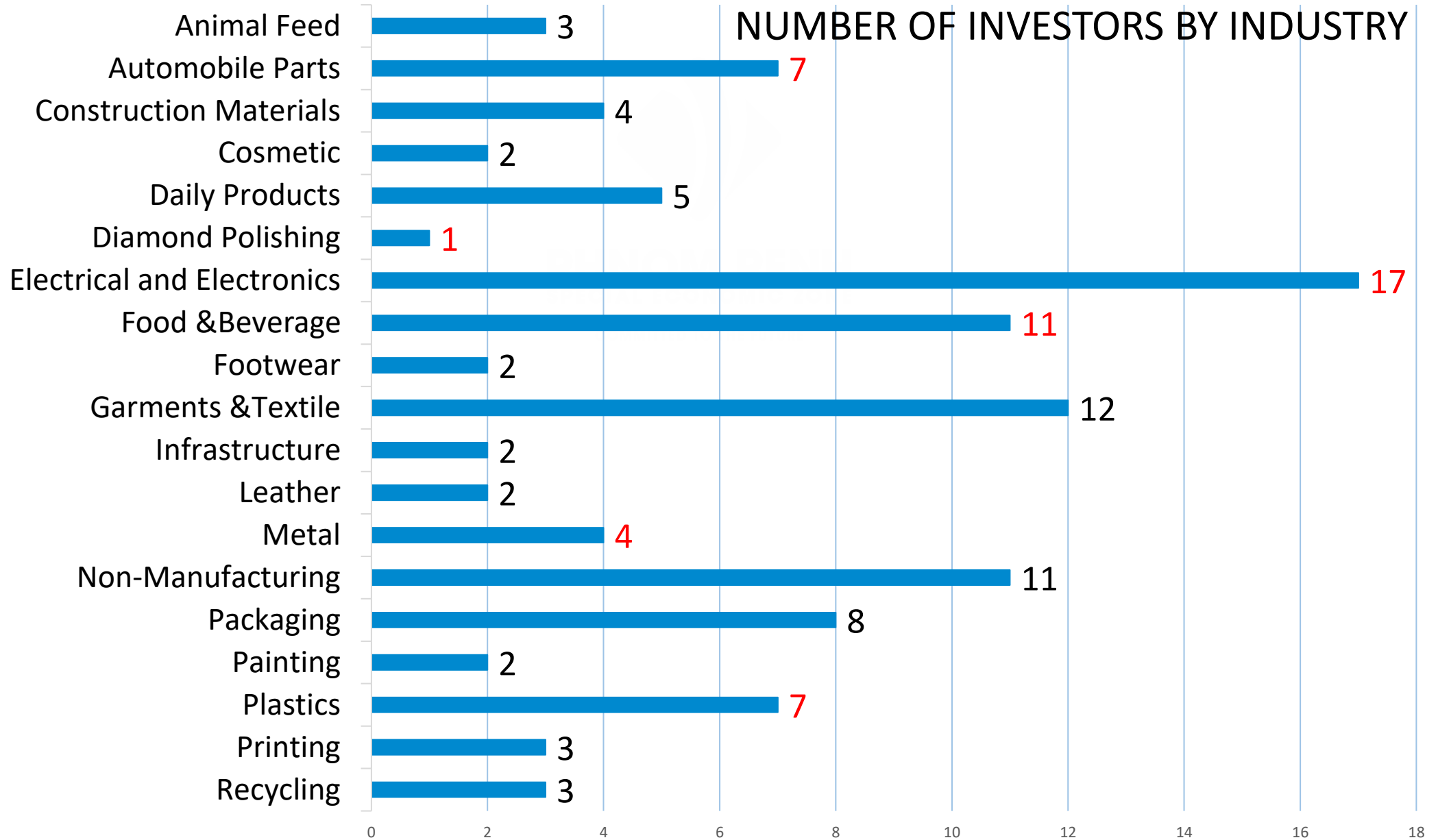
Investors in Phnom Penh SEZ



Investors in Phnom Penh SEZ



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Major Investors (Manufacturers)



MSG manufacturer from Japan



Dairy Products manufacturer from Vietnam



Animal Feed manufacturer from Taiwan



Candy manufacturer from USA



Animal Feed manufacturer from Thailand



Beverages manufacturer from USA



Car Components manufacturer from Japan



LAURELTON DIAMONDS

Subsidiary company of Tiffany & Co.



Automobile Interior manufacturer from Japan



Electronics manufacturer from Japan



Cosmeceuticals manufacturer from Japan



Wire Harness manufacturer from Japan



Electronics manufacturer from Thailand



Paint manufacturer from Thailand



Diapers manufacturer from Taiwan

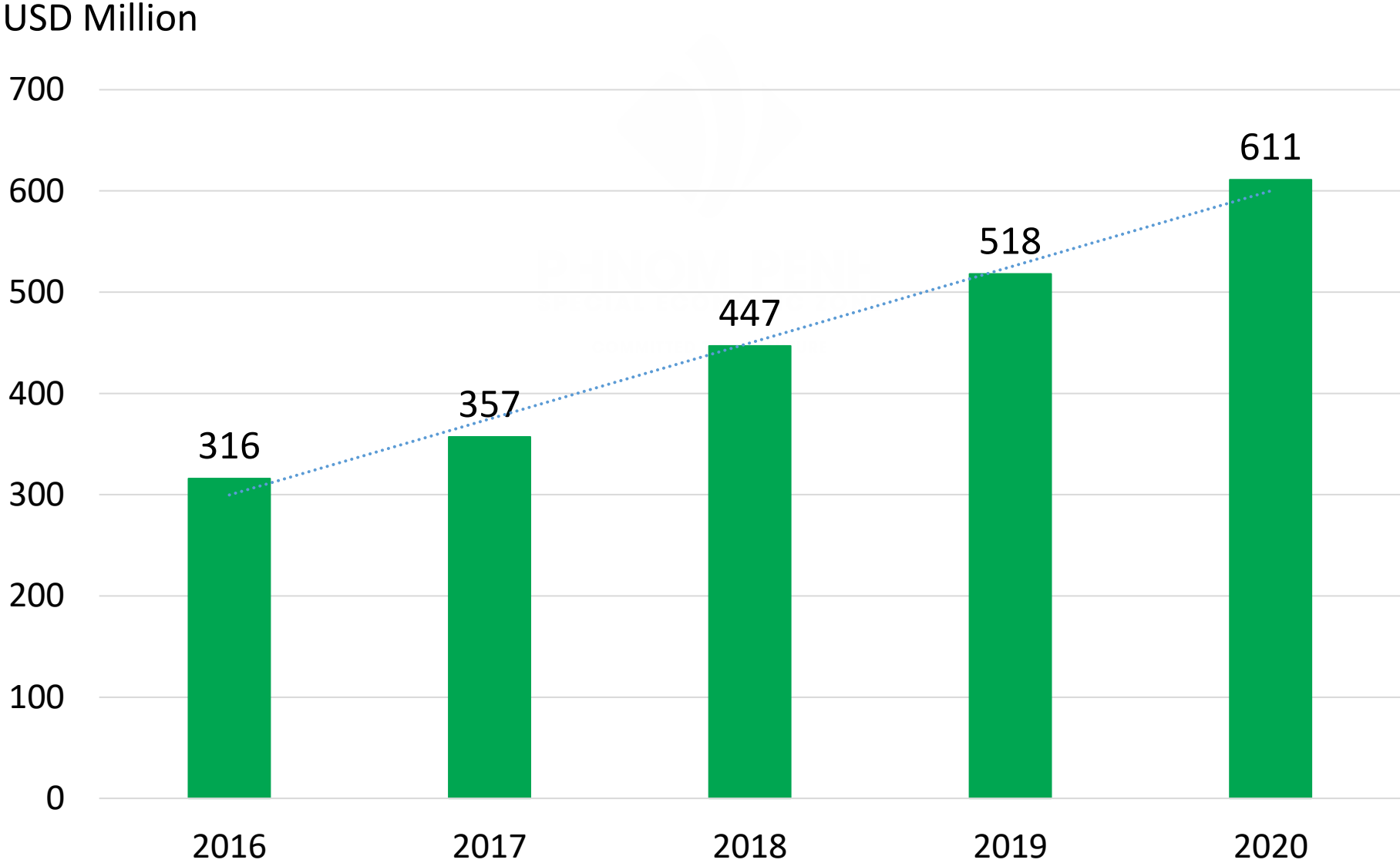


Beverages manufacturer from Singapore

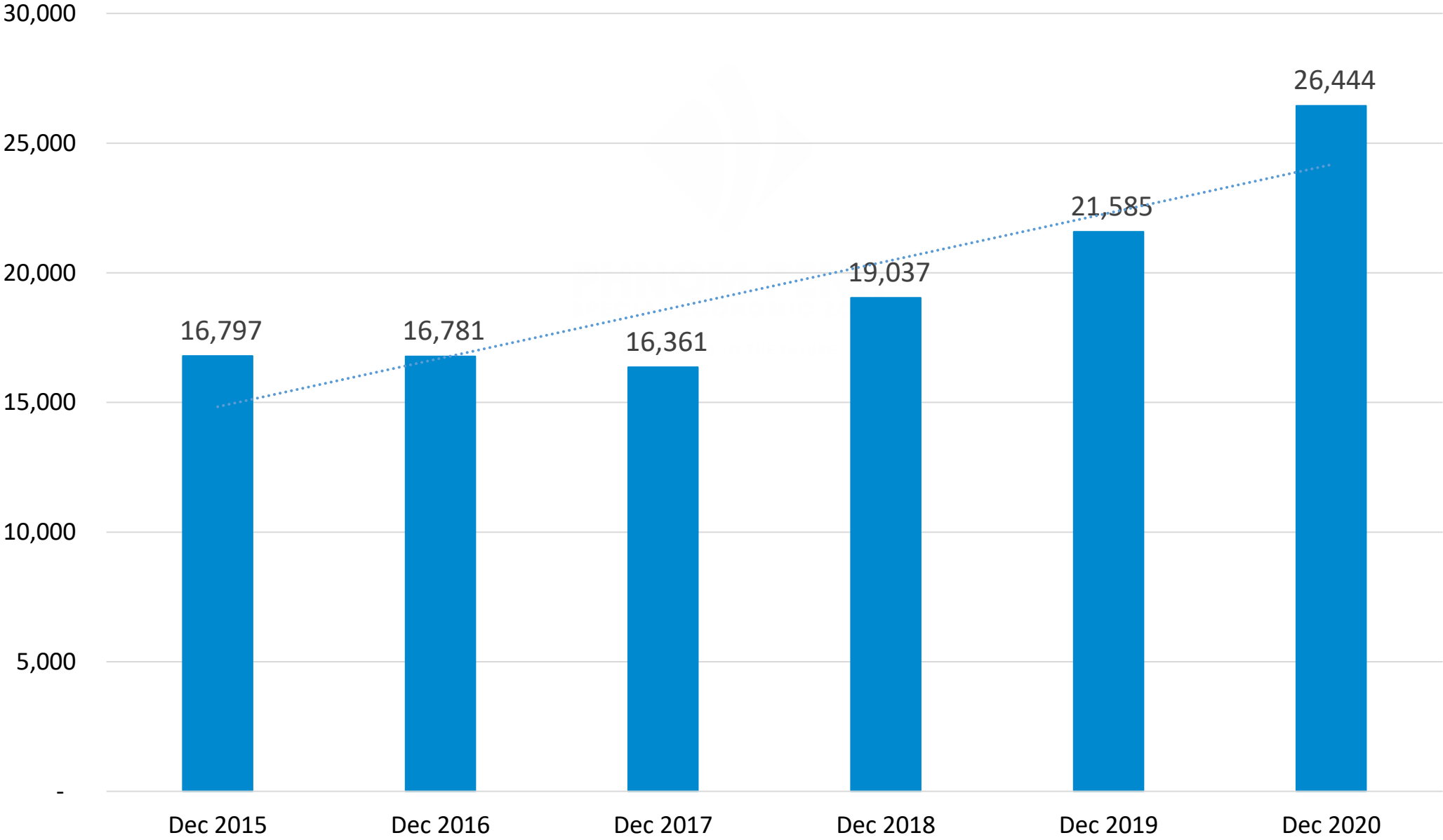
Major Investors (Non-Manufacturers)



Export Value



Number of Employees



MINEBEA

PRODUCT: Miniature Motors and Electronic Parts
EMPLOYEES: 5,700



SUMI WIRING SYSTEMS

PRODUCT: Wiring Harness for Automobiles

EMPLOYEES: 3,850



LAURELTON DIAMOND

PRODUCT: Diamond Polishing

EMPLOYEE: 1,420



DENSO

PRODUCT: Automobile Parts

EMPLOYEE: 370



MARVEL GARMENT

PRODUCT: Sports & Casual wear

EMPLOYEE: 4,260



CAMBODIA BEVERAGE

PRODUCT: Beverages

EMPLOYEE: 280



TOKYO HOTEL

APARTMENTS & SPA



Phnom Penh SEZ Facts and Figures

\$59M

CAPITAL

357Ha + 120Ha

TOTAL SITE AREA

103

STAFF

104

TENANT

\$706M

FDI INVESTMENT

43%

JAPANESE COMPANY

26,890

WORKERS PER DAY

74%

FEMALE WORKER

12

INVESTOR NATIONS

Land Price & Utility Cost

- Industrial land sale/50 years lease standard price: **USD 80 - 90/m²**
- Commercial land lease standard price: **USD 150/m²**
- Water: **USD 0.30/m³**
- Sewage Treatment: **USD 0.26/m³**
(based on 80% of purchase water volume)
- Electricity: Option1 (without backup) **USD 0.1370/kwh**
Option2 (with backup) **USD 0.1565/kwh**
- Infrastructure maintenance: **USD 0.06/m²/month** (+10% VAT)

*Please be noted that the above prices may be changed.
Please confirm with us for updated information.*



Transparency of Process

MOU AGAINST CORRUPTION

In February 2015, Phnom Penh SEZ Plc. and its tenants signed MoU with Anti-Corruption Unit, a Cambodian government agency to re-enforce transparency of business processes with a zero tolerance policy against corruption.



- **Aparati Foods**
- **Cambodia Beverage Company**
- **Denso**
- **GS Electech**
- **Laurelton Diamonds**
- **Maru-T Otsuka**
- **Nikko Kinzoku**
- **Printe**
- **Soon-West**
- **Sumi Wiring Systems**
- **Taica**
- **Midori Techno Park (Aug 2017)**
- **Okato (Aug 2017)**
- **Rokko Phoenix (Aug 2017)**
- **Kuipo (Sep 2017)**

Labor Management Support

COOPERATION IN LABOR MANAGEMENT, AND RECRUITMENT OF WORKERS AND FACTORY STAFFS

We provide support to investors to effectively mobilize labor forces.

We build close relationship with local authorities to establish employment promotion network and attract labor forces from remote areas.

We also provide qualified Pre-Job Training with the cooperation from Technology Promotion Association (Thailand – Japan) (TPA), to help workers adapt to production activities smoothly.



Collaboration with UN Agency

PARTNERSHIP WITH UNDP

In June 2017, PPSEZ signed an MOU with United Nations Development Program (UNDP), to aim at implementing “Sustainable Development Goals (SDGs)”.

- To solve solid waste management issues
- To build affordable housing for workers



Location of Poipet



1. From Poipet to Bangkok 257km
2. From Poipet to Laem Chabang port 240 km
3. From Poipet to Siam Reap 151 km
4. From Poipet to Phnom Penh 410 km

Location of Poipet PPSEZ

Current Border Gate
(Cambodia – Thailand)

Poipet
Town Center

Road 58

8km

Boarder

Cambodia

3.5km

Thailand



New Boarder Gate
under Construction

Why POIPET?

1. Complementing Thai manufacturing industry, connecting cities on the Southern Economic Corridor

Complementing Thai manufacturing industry

- Optimal and strategic base for Thai plus one
- Responding to Thailand's aging labor force

Connecting cities on the Southern Economic Corridor to further growth in the region

- Bangkok – Poipet – Phnom Penh – Ho Chi Min City

2. Utilization of the merits of Cambodia and Poipet

Investment incentives: for all manufacturing industries, **second-hand machineries can be imported with duty exemption**

Sufficient and trainable population:

Availability: Widely available-around 2 million labor population surrounding Poipet

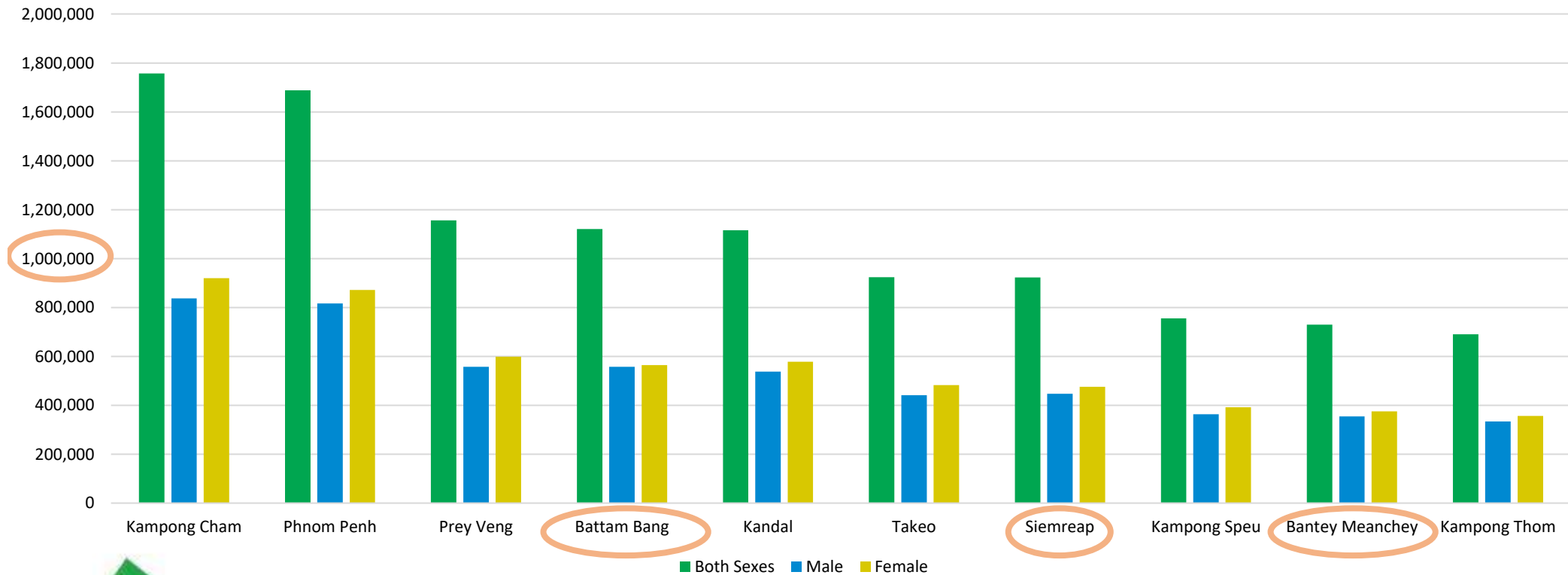
Trainability: Existing Japanese factories operating in Poipet highly evaluate the workforce quality

POPULATION

(CAMBODIAN INTER - CENSAL POPULATION SURVEY 2013)

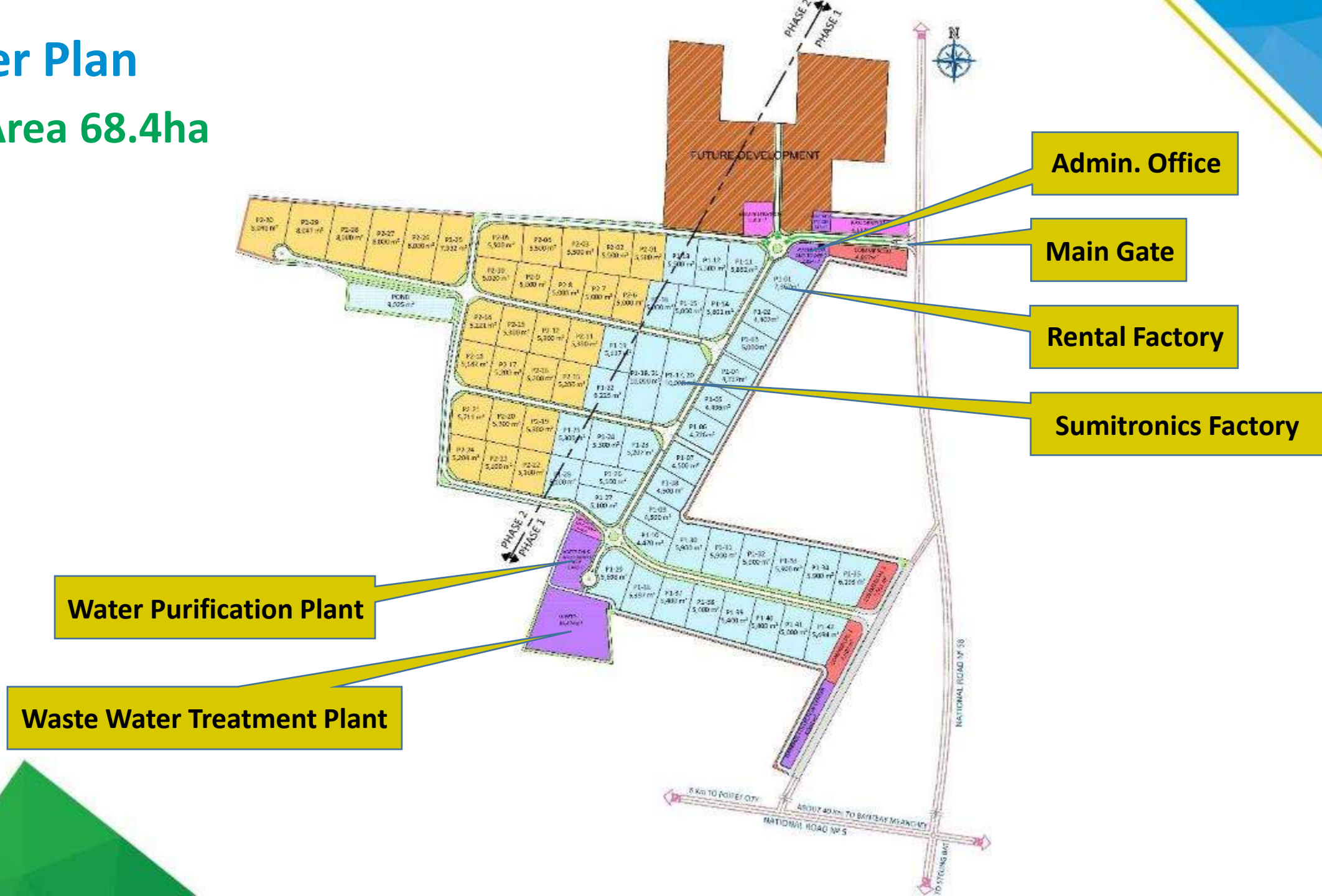
Poipet is located in Bantey Meanchey province, and close to Battambang Province and Siem Reap province

Cambodia Population in 2013



Master Plan

Total Area 68.4ha



Admin. Office

Main Gate

Rental Factory

Sumitronics Factory

Water Purification Plant

Waste Water Treatment Plant

Basic Infrastructure

Electricity

- Dedicated transmission line from national grid
- Joint venture company with B. Grimm Power from Thailand provides high quality power distribution service.
- 1,000kVA stand-by backup generator.

Water supply

- Underground water capacity 980 m³/day
- Water treatment capacity 2,000 m³/day

Waste water treatment plant

- Treatment Capacity 1,610 m³/day

Flood mitigation

- Zone is surrounded by dike





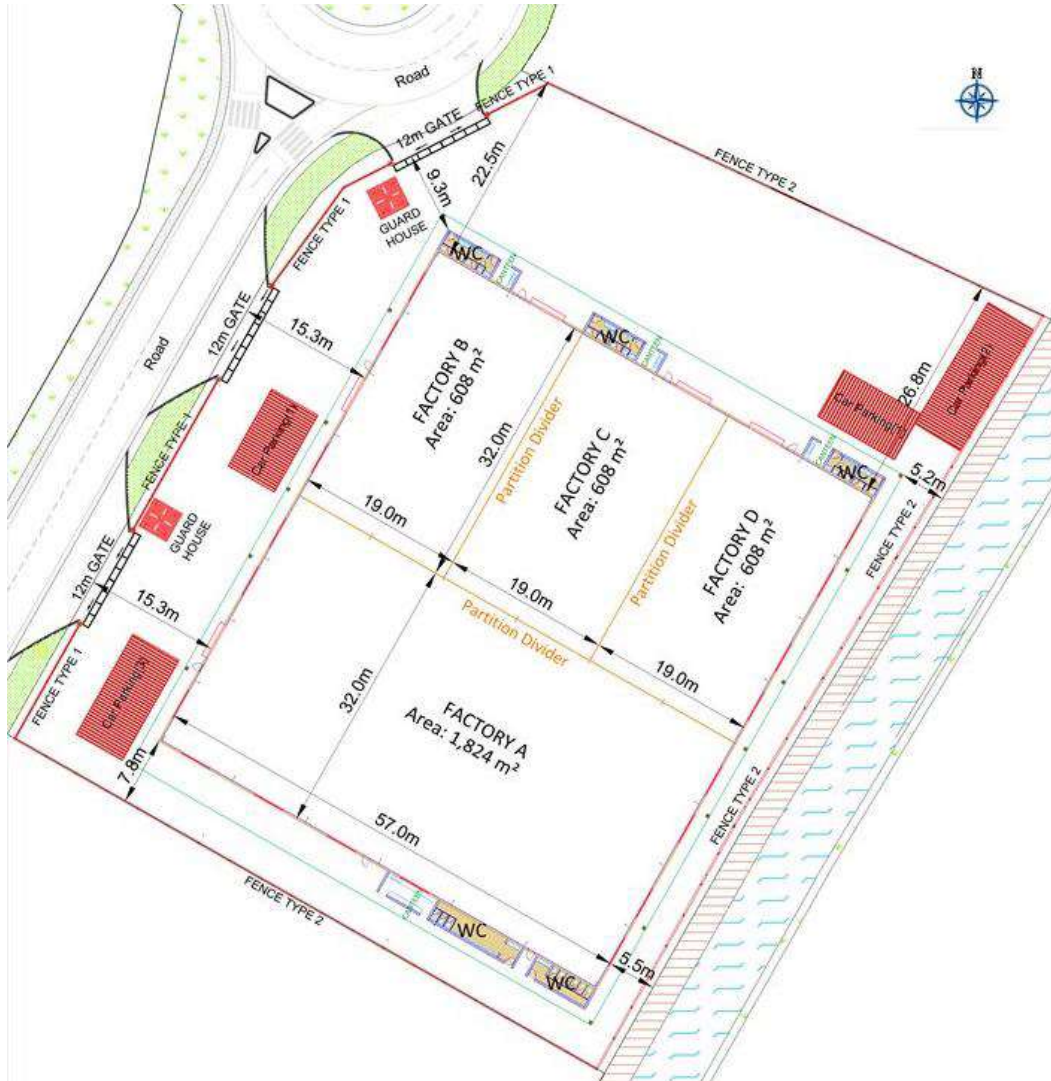
Sumitronics

Sumitronics (electronics components manufacturer) has started operation since May 2019 as the first investor



Rental Factory

Standard rental factory is ready to accept tenants



LAND PRICE & UTILITY COST

- Industrial land with 50 years lease: **USD 50/m²**
- Water: **KHR 2,000/m³ (about USD 0.5)**
- Sewage treatment: **USD 0.46/m³**
(based on 80% of purchase water volume)
- Electricity: **USD 0.137/Kwh**
- Infrastructure maintenance: **USD 0.06/m²/month (+10% VAT)**
- Standard rental factory: **USD 3.5/m²/month (+10% VAT)**
We also provide customized rental factory





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Thank you very much for your attention

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