Chapter 23
EXPORTING TO CAMBODIA

Factors to Consider

- Lack of foreign exchange
- Country in a period of instability
- Poor distribution of goods
- Limited purchasing power
- Undeveloped infrastructure
- Political uncertainties

23.1 Export Environment

Cambodia's export environment is poorly regulated and inexperienced in international trade, and offers Canadian companies limited opportunities. Due to the country's lack of foreign exchange, very few companies are capable of purchasing Canadian goods or services. Similar to Vietnam and Laos, investment is the government's top priority.

With a population estimated at 8.7 million and a per capita income level at US$190, Cambodia's purchasing power is almost non-existent; nevertheless, opportunities to provide goods and services will increase as the level of financial assistance multiplies in the coming years. The UN manages a fund of over $800 million for development. Additional support will be upcoming through the ADB, the World Bank, and the IMF.

23.2 Export and Import Controls

The control of exports and imports, and other laws related to international trade is the responsibility of the Foreign Department under the Ministry of Commerce. Export and import control is administered through the granting of licenses from this department in coordination with the Customs House based in the Ministry of Finance.

Prior to 1991, the department only dealt with socialist countries; however, after 1991, a system of trade was introduced which follows the capitalist model of trade with the distribution authority transferred to state and private companies. The current trade and commercial law is based on French law.

Timber and rubber are the only two commodities on which state-owned companies maintain a monopoly; therefore, they are the sole exporters. Nevertheless, foreign companies in the past have received leases on forested areas where they are given the right to export timber directly.