

With substantial aid money being provided in the short-term by bilateral and multilateral sources, there remain a number of opportunities in a range of equipment supply and service industries such as: agricultural machinery (tractors, power tillers, harvesters, and threshers), agricultural implements (sowers, weeders, metallic ploughs, and hand tools), irrigation equipment, food processing technology, wood processing machinery, aquaculture, road engineering (construction technology), and port equipment (cargo handling equipment and container services). Economic development opportunities will focus on agriculture, food processing, labour-intensive manufacturing, and rebuilding infrastructure (road, rail, port, airways, and telecommunications).

The development of the tourism industry in Cambodia has some of the best long-term prospects of any industry. Phnom Penh, like Hanoi, has had little investment to work with during the last 15 years so many of the buildings are dilapidated and require renovation; however, the city has the potential to be very charming. Most visitors to Cambodia come to visit Angkor Wat, one of the "Wonders of the World." The potential for resort and hotel development on the Gulf of Siam is also great.

## **LEGAL FORMS OF BUSINESS ORGANIZATIONS**

Under the FIL, there are three principal types of business organizations that can be established by foreigners in any sector of the economy, with or without a specified Cambodian partner (see also section 21.4):

- Joint venture with a minimum of 30 percent foreign capital.
- Wholly-owned company.
- Contractual business cooperation.

### **22.5 Joint Venture Company**

A joint venture is a legal Cambodian entity established as a limited liability company. The FIL refers to a joint venture as an enterprise jointly set up in Cambodia by foreign and Cambodian partners, based on a joint venture contract or an agreement reached by the SOC and a foreign government.

The Cambodian joint venture partner may be a private legal entity or a state entity. Once a Cambodian partner is identified, both parties are required to submit their investment project to the NCFI (see section 22.9) which will review and submit to the Council of Ministers.

The capital contribution from the foreign investor cannot be less than 30 percent of the total capital of the enterprise. The contribution by the Cambodian partner can be made in riel (Cambodian currency) or by way of natural resources, materials, rights of usage to land, water or sea surfaces, factories, buildings, services for the