

Vol. 14



DISCOVERING THE POTENTIAL OF

Cambodia



Cambodia: A Strategic Base for Manufacturing, Trade, and Regional Expansion



Welcome to Cambodia, one of Southeast Asia's rising investment destinations. Supported by steady economic growth, competitive labour costs, and improving infrastructure, Cambodia offers a business-friendly environment for manufacturing, trade, and emerging service sectors.

Strategically located between Thailand and Vietnam, the country plays an important role in regional supply chains. Special economic zones, upgraded transport networks, and pro-investment reforms continue to attract foreign investors seeking operational efficiency and market access across the Mekong region.

This Cambodia Country Guide highlights key business requirements, workforce considerations, and high-potential industries to help companies understand the market and operate with confidence.

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About Cambodia



Geography & Climate

Location

Situated in mainland Southeast Asia, Cambodia lies within the Mekong subregion and shares borders with Thailand to the west and northwest, Laos to the north, and Vietnam to the east. Its southern coastline along the Gulf of Thailand provides maritime access to regional trade routes, supporting cross-border commerce, logistics, and tourism.

- **Central Plains:** The economic and population core, including Phnom Penh, with strong activity in services, manufacturing, and administration.
- **Coastal Region:** Anchored by Sihanoukville, serving as Cambodia's main deep-sea port and a growing hub for logistics, manufacturing, and tourism.
- **Northwestern Region:** Bordering Thailand, with expanding trade, agriculture, and light manufacturing activities.
- **Eastern Region:** Less urbanised, with strengths in agriculture, forestry, and cross-border trade with Vietnam.

Terrain and Climate

Cambodia's landscape is dominated by low-lying plains and the Mekong River system, supporting agriculture and inland connectivity. Mountain ranges are limited and mainly located in the southwest and northern border areas.

The country has a tropical monsoon climate characterised by warm temperatures and distinct wet and dry seasons.

- **Temperature:** Generally ranges from **20°C to 35°C** throughout the year.
- **Rainfall:** The wet season runs from May to October, bringing heavier rainfall, while the dry season spans November to April.
- **Seasonal considerations:** Monsoon rains may affect rural transport and agricultural supply chains, while the dry season supports construction, logistics, and tourism activities.

Currency

Cambodian Riel (៛ / KHR)

The Cambodian riel (KHR) is Cambodia's official currency and is regulated by the National Bank of Cambodia. In practice, Cambodia operates a dual-currency system, with the US dollar widely used alongside the riel for business, payroll, and commercial transactions.

Denominations

- **Banknotes:** ៛50, ៛100, ៛500, ៛1,000, ៛2,000, ៛5,000, ៛10,000, ៛20,000, ៛50,000, ៛100,000
- **Coins:** Rarely used in daily transactions

Key Features for Businesses

- **Dollarisation:** The widespread use of the US dollar reduces foreign exchange risk and simplifies pricing, contracts, and cross-border trade for international businesses.
- **Currency Use in Practice:** High-value transactions, salaries, and rents are commonly denominated in USD, while the riel is more frequently used for small-value and local transactions.
- **Convertibility:** The riel is not freely traded internationally and is exchanged primarily through local banks and authorised money changers.
- **Digital Payments:** Digital payment adoption is growing, supported by mobile wallets and the Bakong payment system, particularly in urban centres and among younger consumers.
- **Currency Stability:** Monetary policy focuses on financial stability and liquidity management rather than active exchange rate targeting, providing a relatively predictable operating environment.



Population

Size and Demographics

- **Total Population (2025–2026):** Approximately **18.0 million**
- **Population Trend:** Steady growth, supported by relatively high birth rates and improving healthcare outcomes
- **Median Age:** Approximately **26–27 years**, reflecting a young but gradually maturing population
- **Elderly (65+):** Around **6%** of the population
- **Ethnic Composition:**
 - Khmer: ~95%
 - Vietnamese, Chinese, Cham, and other minorities: ~5%

Business Insight: Cambodia's youthful demographics support labour-intensive industries and long-term workforce availability, particularly in manufacturing, services, and consumer-focused sectors.

Urbanisation

- **Urban Population:** Approximately **26%** of the population lives in urban areas, with urbanisation rising gradually
- **Key Urban Centres:**
 - **Phnom Penh:** Political, financial, and commercial centre, hosting most multinational companies and government institutions
 - **Sihanoukville:** Port city supporting logistics, manufacturing, and coastal tourism
 - **Siem Reap:** Tourism-driven economy with expanding services and hospitality sectors
 - **Battambang:** Regional trade and agricultural processing hub

Business Insight: Although Cambodia remains predominantly rural, expanding urban centres offer growing consumer markets and improving infrastructure, especially in Phnom Penh and key provincial cities.

Population

Workforce

- **Labour Force Size (2024–2026):** Approximately **10 million**
- **Participation Rate:** Around **75–80%**, reflecting strong engagement among working-age adults
- **Workforce Profile:** Predominantly young and cost-competitive, with strengths in manufacturing, construction, agriculture, tourism, and services

Business Insight: Cambodia’s workforce is well suited for manufacturing, assembly, hospitality, and operational roles. Employers may need to invest in training and upskilling for specialised, technical, or managerial positions.

Foreign Workforce and Migration

- **Foreign Workforce Profile:** Concentrated in construction, manufacturing management, education, hospitality, and selected professional and technical services
- **Work Permit Framework:** Foreign nationals require employer sponsorship, appropriate visas, and annual work permits, with documentation linked to role and sector
- **Talent Attraction Measures:** The government encourages foreign expertise that supports skills transfer, investment, and development in priority sectors

Business Insight: Companies should plan work permits and visa processes early and adopt localisation strategies that build local capability while retaining essential foreign expertise.



Infrastructure

Transportation

Airports

Cambodia's main international gateways are Techo International Airport in Kandal Province and Siem Reap–Angkor International Airport. Techo International Airport opened in September 2025, replacing Phnom Penh International Airport and providing an initial capacity of 13 million passengers. Siem Reap–Angkor International Airport has been operational since October 2023 and supports up to 7 million passengers annually.

Ports

Sihanoukville Autonomous Port handles around 70 percent of Cambodia's container traffic and remains the country's primary deep-sea port. Phnom Penh Autonomous Port supports inland waterway logistics along the Mekong, strengthening trade with Vietnam.

Roads and Rail

The Phnom Penh–Sihanoukville Expressway and upgraded national highways have improved travel between industrial hubs. Rail lines linking Phnom Penh with Poipet (Thailand) and Sihanoukville primarily support freight transport and continue to undergo phased rehabilitation.

Digital Infrastructure

Connectivity

Mobile penetration exceeds 120 percent due to multiple SIM usage. Internet penetration reached 60 to 67 percent by late 2025, driven by expanding mobile broadband and increasing smartphone adoption in urban areas.

Digital Payments and Fintech

The Bakong system enables interoperable mobile payments nationwide, supporting rapid growth in cashless transactions across retail, services, and e-commerce.

5G Development

5G services launched commercially in January 2026, with initial coverage across Phnom Penh and 15 key provinces including Siem Reap and Sihanoukville. Network expansion is ongoing as operators deploy additional sites.

Infrastructure

Energy

Energy Mix

Cambodia's energy mix includes hydropower, coal, solar power, and electricity imports. Supply reliability has improved in major urban and industrial zones.

Renewable Energy

Solar capacity continues to expand, supported by utility-scale projects and government targets to increase renewable energy adoption.

Industrial Zones

Special Economic Zones (SEZs)

Phnom Penh SEZ, Sihanoukville SEZ, and border-area SEZs offer tax incentives, streamlined customs processes, and ready-built industrial facilities. SEZs support export-oriented manufacturing and attract investment in electronics, textiles, and logistics.



Regional Opportunities

Phnom Penh and Surrounding Areas

Finance, Services, Manufacturing, Corporate Operations

Phnom Penh is Cambodia's political, commercial, and financial centre. It hosts most corporate headquarters, banks, professional service firms, and emerging tech and startup activity. Industrial zones around the capital support manufacturing, logistics, and distribution for domestic and export markets.

Key Opportunities: Corporate services, financial and professional services, light manufacturing, real estate development, digital services, and consumer-focused industries.

Sihanoukville and Coastal Provinces

Logistics, Manufacturing, Port-Linked Industries

Sihanoukville is Cambodia's main port city, anchored by the Sihanoukville Autonomous Port and surrounding SEZs. Ongoing infrastructure upgrades and foreign investment support manufacturing, processing, and logistics operations. Coastal provinces also benefit from tourism, hospitality, and marine-related industries.

Key Opportunities: Export manufacturing, logistics, food processing, coastal tourism, and port-linked industrial activity.

Siem Reap and Northwestern Cambodia

Tourism, Hospitality, Agriculture

Siem Reap is a major tourism hub driven by Angkor Archaeological Park and rising boutique and eco-tourism demand. Northwestern provinces such as Battambang support agricultural production and processing, with growing SME activity.

Key Opportunities: Tourism and hospitality, agribusiness, food processing, creative industries, and retail services.

Regional Opportunities

Eastern Cambodia (Kratie, Mondulkiri, Ratanakiri) Agriculture, Natural Resources, Eco-Tourism

Eastern provinces are less urbanised but rich in natural resources, biodiversity, and agricultural land. These regions are increasingly attracting investment in plantation agriculture, niche crops, and eco-tourism ventures.

Key Opportunities: Specialty agriculture, forestry products, eco-tourism, and sustainable development projects.

Border Regions (Poipet, Bavet, Koh Kong) Cross-Border Trade, Manufacturing, SEZ Activity

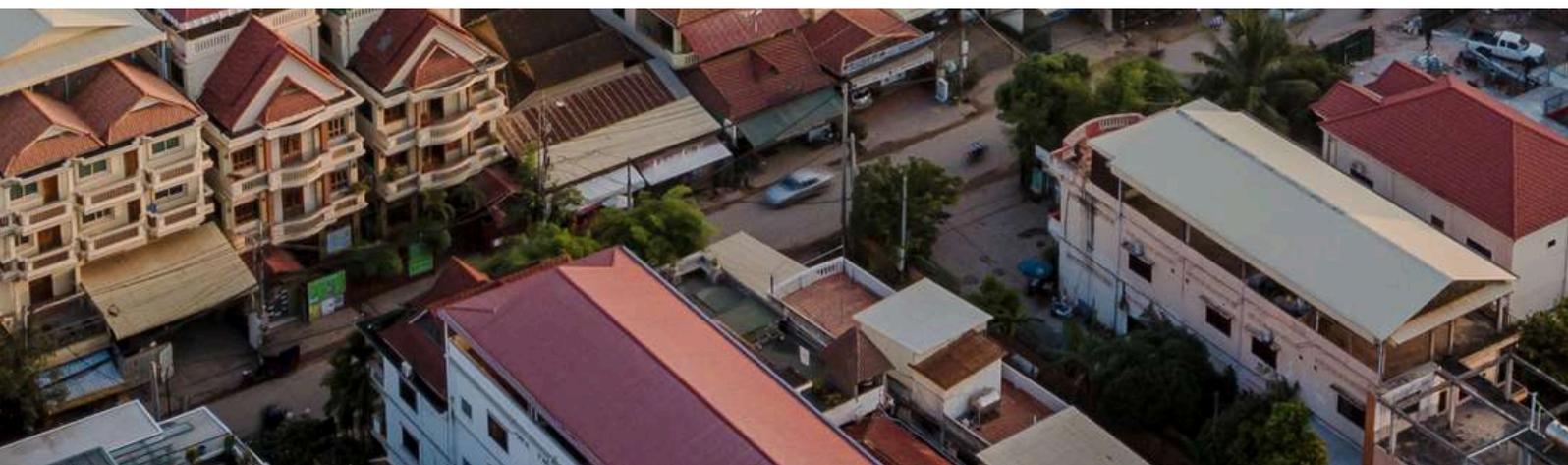
Border towns with Thailand and Vietnam play an expanding role in trade, distribution, and SEZ-supported manufacturing. Improved transport links and proximity to regional markets enhance competitiveness for export-oriented industries.

Key Opportunities: Cross-border logistics, export manufacturing, warehousing, trade services, and labour-intensive industries.





Why Cambodia?



Economic Indicators & Outlook

GDP Growth

Cambodia's economy is projected to grow by 4.0–5.0% in 2026, reflecting more moderate expansion due to export headwinds, U.S. tariff uncertainties, and regional trade pressures.

Business Insight: While growth has softened, manufacturing, construction, and SEZ-linked activity continue to support medium-term expansion.

Inflation

Inflation is expected to remain low at 2.0–2.8% in 2026, supported by stable commodity prices and steady domestic food costs.

Business Insight: Low inflation helps businesses plan wages, pricing, and operating costs with greater predictability.

Unemployment

Unemployment remains extremely low at around 0.2–0.4%, reflecting Cambodia's young and active labour force. Skill shortages persist in technical and managerial roles.

Business Insight: Companies benefit from ample labour supply but should invest in training to meet specialised skills needs.

Trade Performance

Cambodia continues to record a trade deficit, driven by high imports of machinery, construction materials, and consumer goods. Exports remain resilient, led by garments, footwear, electronics assembly, bicycles, and agricultural products.

Business Insight: Export diversification and SEZ-driven manufacturing continue to strengthen Cambodia's role in regional supply chains.

Economic Indicators & Outlook

Foreign Direct Investment (FDI)

FDI inflows remain strong, driven by investment in manufacturing, construction, real estate, agriculture, and SEZ projects. China is the largest investor, alongside growing interest from Japan, South Korea, Singapore, and ASEAN markets.

Business Insight: Competitive labour costs, favourable incentives, and expanding industrial infrastructure continue to attract regional investors.

Economic Outlook Summary

Cambodia enters 2026 with moderate growth of 4.0–5.0% and stable inflation of 2.0–2.8%. Despite external uncertainties, strong FDI inflows, expanding SEZ capacity, and a youthful workforce support the country's appeal as a base for manufacturing, services, and regional trade.



Strategic Advantages

Economic Stability and Growth Potential

Cambodia offers a stable macroeconomic environment supported by consistent growth, low inflation, and strong investment activity.

- **Steady Growth Base:** Despite global headwinds, Cambodia maintains projected GDP growth of 4.0–5.0%, driven by manufacturing, construction, and tourism.
- **Prudent Fiscal Management:** Low public debt levels and measured fiscal policies help preserve economic resilience.
- **Favourable Cost Environment:** Competitive wages, low operating costs, and predictable inflation (2.0–2.8%) support long-term planning.
- **Investor Confidence:** High FDI approvals and continued investment from China, South Korea, Japan, and ASEAN markets strengthen economic stability.

Strategic Location and Market Connectivity

Cambodia's central position within mainland Southeast Asia offers direct access to regional supply chains and major consumer markets.

- **ASEAN Gateway:** Proximity to Thailand, Vietnam, and Laos enables efficient cross-border trade and regional logistics.
- **Port and Inland Access:** Sihanoukville Port and Phnom Penh river port link Cambodia to key shipping routes and Mekong trade corridors.
- **Regional Integration:** Participation in ASEAN and RCEP expands tariff-free access to major markets.
- **Emerging Transport Network:** New airports and expressways enhance internal and regional connectivity.

Sectoral Strengths and Competitive Industries

Cambodia's economy is anchored by fast-growing, labour-intensive sectors with expanding diversification.

- **Manufacturing Base:** Strong capabilities in garments, footwear, electronics assembly, bicycles, and light manufacturing.
- **Tourism and Hospitality:** World-renowned heritage sites and expanding high-end tourism infrastructure.
- **Agriculture and Agribusiness:** Robust production of rice, cassava, rubber, cashew nuts, and horticultural exports.
- **Real Estate and Construction:** Urban expansion and infrastructure development drive long-term demand.

Strategic Advantages

Trade and Investment Climate

Cambodia offers an open, investor-friendly environment with supportive policies for foreign businesses.

- **Liberal Investment Framework:** 100% foreign ownership allowed in most sectors, supported by streamlined procedures under the Law on Investment.
- **SEZ Incentives:** Attractive tax holidays, duty exemptions, and simplified customs processes in Special Economic Zones.
- **Regulatory Openness:** Predictable legal frameworks enhance ease of doing business, especially for manufacturing and export industries.
- **Growing Bilateral Partnerships:** Strong economic cooperation with China, Japan, South Korea, and ASEAN partners supports long-term investment.

Innovation, Digital Development, and Emerging Capabilities

Digital adoption is expanding, supported by fintech growth, improving connectivity, and government-led digitalisation.

- **Fintech Leadership:** The Bakong system drives financial inclusion and seamless mobile payments.
- **Digital Government Services:** Online business registration, e-tax services, and administrative digitalisation continue to improve.
- **Growing Tech Adoption:** Businesses increasingly adopt digital tools in e-commerce, logistics, and SME operations.
- **Early-Stage Innovation Ecosystem:** Phnom Penh's startup landscape is expanding through co-working spaces, incubators, and foreign-backed accelerators.

Supply Chain and Manufacturing Competitiveness

Cambodia is an attractive location for regional supply chain diversification, especially for cost-sensitive and labour-intensive industries.

- **Competitive Labour Costs:** Among the most cost-effective labour markets in ASEAN.
- **SEZ-Enabled Efficiency:** Integrated facilities support manufacturing, warehousing, and export processing.
- **China+1 Alignment:** Cambodia benefits from manufacturers shifting part of their operations outside China to diversify risk.
- **Improving Logistics Infrastructure:** Expressways, upgraded ports, and new airport capacity support more efficient trade flow.

Strategic Advantages

Manufacturing

- **Contribution to GDP:** Manufacturing contributes approximately 32–33% of GDP, making it Cambodia’s single largest economic driver.
- **Key Segments:** Garments, footwear, travel goods, bicycles, electronics assembly, wiring harnesses, and automotive components.
- **Recent Performance:** Manufacturing grew strongly in 2025, supported by export demand and supply chain diversification into Cambodia under China+1 strategies.
- **Strategic Initiatives:** Expansion of Special Economic Zones (SEZs), trade access under RCEP, and continued foreign investment strengthen Cambodia’s role in regional manufacturing supply chains.

Agriculture and Agribusiness

- **Sector Role:** Agriculture contributes approximately 22–25% of GDP and remains a key employer and export contributor.
- **Key Strengths:** Rice, cassava, rubber, cashew nuts, bananas, mangoes, pepper, and fisheries.
- **Recent Trends:** Export volumes remain steady, with increased focus on processing, quality standards, and higher-value crops.
- **Strategic Direction:** Government efforts prioritise value-chain upgrading, irrigation investment, and improved export certification to support long-term productivity.



Major Industries Driving Growth

Tourism and Hospitality

- **Sector Overview:** Tourism contributed approximately 9.4% of GDP in 2024–2025, recovering toward its pre-pandemic level of around 12%.
- **Key Segments:** Cultural tourism (Angkor Wat), eco-tourism, coastal destinations, and emerging upscale hospitality.
- **Recent Trends:** International arrivals continued to rise through 2025, supported by new airport capacity in Siem Reap and Phnom Penh.
- **Growth Potential:** Infrastructure upgrades and targeted tourism development are expected to support gradual sector recovery through 2026 and beyond.

Construction and Real Estate

- **Economic Impact:** Construction contributes around 10% of GDP, but the sector has remained subdued since 2022.
- **Current Conditions:** Investment declined sharply in 2024–2025, with high vacancy rates, unsold residential inventory, and weak domestic demand weighing on activity.
- **Outlook:** A gradual recovery is expected over the medium term, supported by public infrastructure projects and selective foreign investment, though near-term conditions remain challenging.

Retail, Wholesale, and Consumer Services

- **Economic Role:** Rising urbanisation and a young population continue to support growth in retail, food services, and consumer goods.
- **Key Segments:** Modern trade, FMCG distribution, e-commerce platforms, and food and beverage services.
- **Growth Drivers:** Expanding digital payments, improving logistics, and increasing urban consumption.
- **Strategic Focus:** Strengthening consumer protection and digital commerce frameworks to support sustainable growth.

Major Industries Driving Growth

Energy and Utilities

- **Sector Contribution:** Installed power capacity reached approximately 6,000–6,500 MW by early 2026, supporting industrial and urban demand.
- **Key Focus Areas:** Hydropower, coal, solar energy, electricity imports, and emerging LNG and wind projects.
- **Recent Developments:** Additional generation capacity is coming online through LNG and renewable projects, with Cambodia’s first wind power facilities expected to begin operations from 2026.
- **Strategic Initiatives:** Energy diversification and grid upgrades remain priorities to support long-term industrial growth and sustainability goals.

Logistics and Trade-Related Services

- **Strategic Positioning:** Logistics underpins Cambodia’s export-oriented economy and regional trade integration.
- **Key Assets:** Sihanoukville Autonomous Port, Phnom Penh Autonomous Port, Mekong River routes, and the Phnom Penh–Sihanoukville Expressway.
- **Recent Trends:** Cargo volumes and trade flows continue to grow alongside manufacturing expansion.
- **Strategic Direction:** Port upgrades, trade facilitation reforms, and SEZ-linked logistics services aim to improve efficiency and competitiveness.



Quick insights: One of the world’s fastest-growing agricultural exporters, shipping more than 11 million tonnes of rice, cashews, cassava, and mangoes annually.



Legal Essentials



Business Registration Process and Requirements

Setting up a business in Cambodia is straightforward, with an open investment framework and full foreign ownership in most sectors. Investors should understand entity options and key registration steps.

Common Business Structures

- **Private Limited Company (Co., Ltd.):** The most common structure, allowing 100% foreign ownership. Requires at least one shareholder and one director, with limited liability.
- **Single-Member Private Limited Company:** A single-shareholder structure offering full foreign ownership and limited liability.
- **Branch Office:** An extension of a foreign parent company with no separate legal status; the parent assumes full liability. Suitable for approved revenue-generating activities.
- **Representative Office (RO):** Limited to non-revenue activities such as market research and liaison. Cannot trade or invoice. Ideal for initial market entry.
- **Partnerships / Sole Proprietorships:** Primarily used by locals due to unlimited liability and limited operational flexibility.

Key Steps to Register

1. Reserve the company name on the CamDX platform.
2. Prepare incorporation documents, including articles of association, shareholder details, and office address.
3. Submit incorporation via CamDX and obtain the Certificate of Incorporation (2–3 weeks total).
4. Register for a Tax Identification Number and VAT (if applicable).
5. Open a corporate bank account and meet any sector-specific capital requirements.
6. Register employees with the Ministry of Labour.
7. Apply for sector-specific licences if required.
8. Secure local authority approvals, such as fire safety, signage, or environmental permits.

Note: Timelines and requirements may vary based on business type and industry. Working with local experts or **EOS Global Expansion** ensures full compliance and a seamless setup process.

Taxation Overview

Cambodia operates a source-based tax system covering corporate income tax, minimum tax, VAT, withholding tax, and personal income tax. All businesses must register with the General Department of Taxation (GDT) and comply with monthly and annual filings.

Corporate Income Tax (CIT)

- **Standard rate:** 20% for most businesses.
- **Sector rate:** 30% for oil, gas, and natural resource activities.
- **Minimum tax:** 1% of annual turnover applies to companies without proper records or an annual audit.
- **Dividend taxation:** Dividends are subject to withholding tax, with reductions available under incentive schemes and tax treaties.

Value-Added Tax (VAT)

- **Standard rate:** 10% on goods, services, and imports.
- **Zero-rated:** Exports and certain international services.
- **Exempt sectors:** Financial services, healthcare, education, public transport, leasing of unfurnished property.
- **Registration:** Mandatory for most incorporated businesses.

Personal Income Tax (PIT)

- **Residents:** Taxed at 0%–20% on employment income.
- **Non-residents:** Flat 20% on Cambodia-sourced income.
- **Tax residency:** More than 182 days in a calendar year.
- **Fringe benefits:** Taxed at 20% of the benefit value.

Taxation Overview

Withholding Tax (WHT)

- **Non-residents:** 14% flat rate on interest, royalties, service fees, dividends, and other Cambodia-sourced payments.
- **Residents:**
 - 15% on service fees, royalties, and non-bank interest
 - 10% on rental income
 - 4–6% on bank deposit interest
- **Reductions:** Available under QIP incentives or tax treaties.

Tax Incentives

- **Qualified Investment Projects (QIPs):**
 - Tax holidays of 3–9 years
 - Import duty exemptions
 - Special depreciation and enhanced deductions
 - Exemption from prepayment tax and minimum tax (subject to audit)
- **Special Economic Zones (SEZs):**
 - Streamlined customs procedures
 - Tax holidays and import exemptions
 - Designed for export-oriented manufacturing
- **Priority sectors:** Manufacturing, agribusiness, tourism, electronics, renewable energy, logistics, and digital services.

Global Tax Developments

Cambodia continues modernising its system through e-filing, digital payment platforms, and stricter compliance monitoring. Multinationals should track emerging ASEAN global minimum tax developments.

Labour Laws

Cambodia's labour framework is governed by the Labour Law and MLVT regulations, which set minimum standards for working conditions, contracts, and employee protections.

Working Hours and Overtime

Standard Working Hours: Up to 8 hours per day and 48 hours per week.

Overtime: Allowed with employee consent and approval where required.

Overtime Pay Rates:

- Normal overtime: 150%
- Night overtime (10pm–5am): 200%
- Weekly rest day: 200%
- Public holidays: 300%

Overtime Cap: Generally limited to 2 hours per day.

Minimum Wage

Statutory Minimum Wage (2026):

- US\$210 per month for regular workers
- US\$208 per month for probationary workers (Applies to the garment, textile, footwear, travel goods, and bag manufacturing sectors, and commonly used as a reference wage across other industries.)



Labour Laws

Employment Contracts

Cambodia recognises both Fixed Duration Contracts (FDC) and Unfixed Duration Contracts (UDC).

- **FDCs:** Must be written and may last up to 2 years; renewals beyond legal limits convert the contract to a UDC.
- **UDCs:** Standard long-term contract type with stronger protections. (Employers must issue written contracts, itemised payslips, and maintain employment records.)

Termination and Severance Pay

Notice Periods (UDC):

- Less than 6 months: 7 days
- 6 months to 2 years: 15 days
- 2 to 5 years: 1 month
- 5 to 10 years: 2 months
- Over 10 years: 3 months

Severance / Seniority Payments:

- UDC: 15 days' wages per year, paid in June and December
- FDC: 5% of total wages at contract completion

Immediate termination is allowed only for clearly defined serious misconduct.

Leave Entitlements

- **Annual Leave:** 18 days per year, increasing by 1 day every 3 years of service.
- **Sick Leave:** Eligible with medical certification.
- **Maternity Leave:** 90 days at 50% pay (after one year of service).
- **Paternity Leave:** A few days' paid leave (commonly provided).
- **Public Holidays:** Typically 21–22 days per year.

Labour Laws

Social Security and Benefits

Administered by the National Social Security Fund (NSSF).

Employer Contributions:

- 0.8% for work injury insurance
- 1.3% for health insurance
- 2% for pension (2022–2027 phase-in)

Employee Contributions:

- 1.3% for health insurance
- 2% for pension

Total health insurance contribution: 2.6% split equally between employer and employee.

Coverage includes healthcare, work injury, maternity benefits, and the national pension scheme.



Visas for Foreign Nationals

Cambodia provides several visa and work authorisation pathways for foreign nationals, depending on the nature of employment, industry requirements, and length of stay. Most foreign workers must obtain both a valid visa and a work permit before employment begins.

Key Work Permit and Visa Types

EB Business Visa (Work Visa)

The most common visa for foreign employees working in Cambodia.

- Requires an initial E-class visa on arrival or pre-arrival, then extension to EB.
- Extensions available for 1, 3, 6, or 12 months (single or multiple entry).
- Requires employer sponsorship and supporting documents such as invitation letter, employment contract, and company registration proofs.
- Does not replace the requirement for a separate work permit.

Work Permit & Employment Card (MLVT)

Mandatory for all foreign workers employed in Cambodia.

- Issued by the Ministry of Labour and Vocational Training (MLVT).
- Requires employer registration with the labour system and annual renewal.
- Renewal must be completed between 1 January and 31 March each year; late renewals may incur penalties.
- Applicants must submit medical certificate, passport copy, employment contract, and employer documentation.
- Typically valid for 1 year and renewable.

EG Visa (Job-Seeking Visa)

For individuals entering Cambodia to look for employment.

- Allows job-search activities but not employment.
- Extensions issued for 1, 3, or 6 months depending on eligibility.

ER Visa (Retirement Visa)

For foreign nationals aged 55 or older seeking long-term residence in Cambodia.

- No strict financial proof or retirement documentation required.
- Grants long-stay residency but prohibits work or business activity.
- Renewable annually.

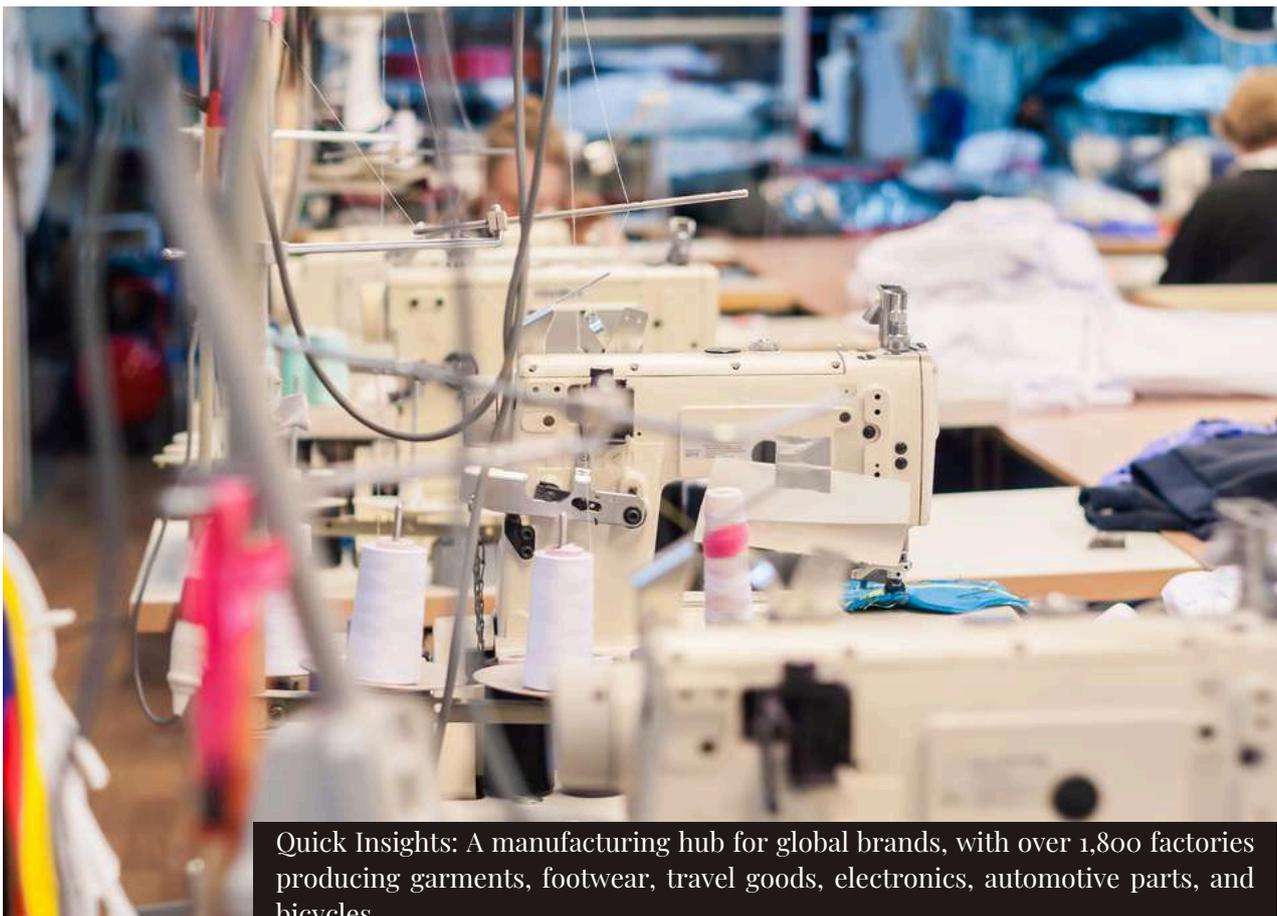
Visas for Foreign Nationals

Entrepreneur / Business Owners (EB Visa + Work Permit)

- Entrepreneurs operating or establishing a business must hold an EB business visa and a work permit, even if self-employed.
- Business registration and tax documentation may be required to support applications.

Recent Developments

Cambodia continues to digitise visa and work permit processes through the MLVT labour portal. Authorities have increased compliance checks, employer audits, and enforcement of annual work permit renewals and foreign employee quotas. Visa categories and extension conditions are periodically updated to align with labour and migration policies.



Quick Insights: A manufacturing hub for global brands, with over 1,800 factories producing garments, footwear, travel goods, electronics, automotive parts, and bicycles.



Cultural Tips



Professional Culture Insights

Understanding Cambodia's workplace culture helps build trust, strengthen partnerships, and support effective collaboration.

Workplace Norms and Practices

- **Respect for Hierarchy:** Cambodian organisations are generally hierarchical. Decisions are commonly guided by senior leaders, and respect for authority, age, and experience is expected.
- **Politeness and Patience:** A calm, respectful approach is valued. Employees avoid confrontation and prefer maintaining harmony in the workplace.
- **Collective Decision-Making:** While leaders hold authority, teams often seek internal alignment before moving forward, especially in local or family-owned companies.

Communication Preferences

- **Indirect Communication:** Cambodians communicate in a polite and indirect manner. Direct criticism or blunt comments may be considered discourteous.
- **Saving Face:** Preserving dignity and avoiding embarrassment for oneself and for others is important. Feedback is best delivered privately and with care.
- **Language Considerations:** Khmer is the primary business language. English is widely used in multinational companies, NGOs, and major urban business settings, though local-language support helps when working with government agencies.

Networking and Relationship-Building

- **Relationships First:** Trust-building is essential and often precedes formal business discussions. Partnerships develop through consistent engagement and reliability.
- **Hospitality and Social Interaction:** Shared meals, coffee meetings, and informal conversations play a key role in building rapport with Cambodian partners.

Professional Culture Insights

Meetings and Negotiations

- **Preparation and Respect:** Meetings are expected to be organised and respectful, with clear agendas and supporting information.
- **Gradual Negotiations:** Decision-making may be slow, particularly in government-related matters. Patience and diplomacy are important.
- **Decision Authority:** Final decisions typically rest with senior leadership, even if operational discussions involve junior staff.

Work-Life Norms and Holiday Practices

- **Work Culture:** Work environments vary, but traditional companies may maintain longer working hours. Younger professionals and international firms increasingly value work-life balance.
- **Public Holidays:** Cambodia has one of the highest numbers of public holidays in the region. Business activity may slow during major holidays such as Khmer New Year, Pchum Ben, and Water Festival.

Business Attire

Business attire is generally modest and professional. Men typically wear collared shirts and trousers, while women prefer conservative office wear. Light fabrics are common due to Cambodia's tropical climate. Formal attire is expected for government meetings or official visits.



Social and Cultural Norms

Cambodian society values respect, harmony, and courteous conduct. Awareness of local customs supports smooth business and social interactions.

Greetings and Respect

- A light handshake with a polite nod is common in business settings.
- Use formal titles such as Mr, Ms, Lok, or Lok Srey followed by the given name or full name.
- Respect for hierarchy, age, and seniority is important.

Gift-Giving

- Gifts are not expected at first meetings but appreciated during holidays or as thanks.
- Suitable options include sweets, fruit, tea, or small souvenirs.
- Present gifts with both hands and avoid overly expensive items.

Dining Etiquette

- Business meals help build rapport.
- Wait for the host to lead seating and ordering.
- Sharing dishes is typical; using serving utensils is preferred.
- Tipping is appreciated but not mandatory. In restaurants, 5–10% is common; at local eateries, rounding up is enough.

Public Behaviour

- Polite, calm behaviour is valued; public confrontation is avoided.
- Punctuality is expected in business settings, especially with senior officials, though some scheduling flexibility is normal.
- Remove shoes when entering private homes or traditional spaces.

Religious and Cultural Sensitivities

- Buddhism is dominant, with Hindu influences and minority Muslim and Christian communities.
- Dress modestly at temples and religious sites.
- Avoid sensitive political or historical topics.

Social and Cultural Norms

Practical Tips

- Ride-hailing services and tuk-tuks are widely available.
- Cash is common, though digital payments are increasing in cities.
- Offer seats to the elderly, monks, pregnant women, or those in need.

Festivals and Traditions

- Khmer New Year: Major holiday; many businesses close or operate on reduced hours.
- Pchum Ben: Significant religious festival with reduced business activity.
- Water Festival: Celebrated with boat races and public events.
- Cambodia has many public holidays, so business activity may slow; plan ahead.



Quick Insights: Tourism remains a long-term pillar, anchored by Angkor Wat — the world's largest religious monument.



Opportunities



High-Growth Industries and Sectors

Manufacturing and Export Industries

Cambodia is expanding its manufacturing base beyond garments into electronics, automotive components, and bicycle production. Competitive labour costs, SEZ incentives, and rising FDI continue to strengthen its role in regional supply chains.

Opportunities:

- Electronics assembly, components, and testing
- Automotive parts, wiring harnesses, and bicycle manufacturing
- Contract manufacturing driven by China-Plus-One diversification

Agriculture and Agribusiness

Agriculture remains a major contributor to GDP, with strong growth in rice, cashews, cassava, and mangoes. Investment is increasing in modern farming, processing, and export-oriented production to meet regional and global demand.

Opportunities:

- Food processing and value-added agribusiness
- Modern farming technologies, irrigation, and crop management
- Export logistics, cold-chain solutions, and supply-chain partnerships

Tourism, Hospitality, and Travel Services

Tourism is recovering following mid-2025 border disruptions, supported by new airport capacity, long-term infrastructure investment, and efforts to expand cultural, coastal, and eco-tourism offerings.

Opportunities:

- Boutique hotels, eco-lodges, and resort developments
- Travel services, hospitality management, and destination marketing
- Tourism platforms, booking solutions, and digital visitor services

High-Growth Industries and Sectors

Construction and Real Estate

Although the sector has cooled in recent years, long-term opportunities remain strong due to urbanisation, housing demand, and large-scale infrastructure investments across Phnom Penh, Siem Reap, and Sihanoukville.

Opportunities:

- Mixed-use developments, commercial projects, and industrial parks
- Affordable housing, residential projects, and township planning
- Engineering services, construction management, and building materials

Financial Services and Fintech

Digital adoption is accelerating, supported by the Bakong payment system, cross-border QR payments, and growing consumer use of mobile banking. Financial services remain underpenetrated, creating strong growth potential.

Opportunities:

- Digital payments, e-wallets, and financial apps
- SME financing, insurance, and financial advisory services
- Cybersecurity, RegTech, and digital banking software

Renewable Energy and Sustainability

Cambodia is investing in solar, hydropower, and grid modernisation to meet rising electricity demand. Government policy continues to support clean energy expansion and regional energy integration.

Opportunities:

- Utility-scale solar and hybrid renewable projects
- Energy storage, grid upgrades, and microgrid solutions
- Sustainability consulting and clean-tech services

High-Growth Industries and Sectors

Logistics and Cross-Border Trade

Cambodia's strategic location and new expressways, ports, and special economic zones are strengthening its role as a logistics hub between Thailand and Vietnam.

Opportunities:

- Warehousing, cold-chain logistics, and distribution centres
- Cross-border transport, freight forwarding, and last-mile delivery
- Supply-chain optimisation and customs facilitation services



Government Initiatives and Incentives

Cambodia supports business growth through a range of investment incentives, infrastructure programmes, and policy reforms aimed at strengthening manufacturing, exports, and economic diversification.

Investment Promotion and Business Support

- Key government bodies provide coordinated support to investors.
- The Council for the Development of Cambodia (CDC) oversees investment approvals, incentives, and investor services.
- The Ministry of Economy and Finance (MEF) administers tax policies and supports investment-related reforms.
- One-stop service mechanisms streamline company registration, licensing, and approvals, especially for Qualified Investment Projects (QIPs).
- Incentives support companies establishing manufacturing, agribusiness, infrastructure, logistics, and export-oriented operations.

Tax Incentives and Sector Schemes

Cambodia's incentive framework encourages long-term and high-value investment.

- QIPs are eligible for tax holidays of 3 to 9 years, followed by phased tax rates.
- Import duty and VAT exemptions apply to qualifying machinery, equipment, and raw materials.
- Priority sectors include manufacturing, renewable energy, food processing, logistics, and selected services.
- Additional incentives support productivity upgrades, technology adoption, and training initiatives.

Special Economic Zones (SEZs)

SEZs play an important role in supporting industrial growth.

- SEZs offer ready-built infrastructure, streamlined customs clearance, and simplified regulatory procedures.
- Key zones are concentrated around Phnom Penh, Sihanoukville, and major border crossings with Thailand and Vietnam.
- SEZs are well suited for export manufacturing, logistics operations, and regional supply chain integration.

Government Initiatives and Incentives

Infrastructure and Industrial Development

Government-led infrastructure investment continues to support economic expansion.

- Major projects include expressways, ports, airports, and logistics corridors connecting key economic hubs.
- Public-private partnerships are encouraged for energy, transport, and urban development.
- Ongoing infrastructure upgrades support industrial clustering and improved trade connectivity.

Green Economy and Sustainability Incentives

Cambodia is promoting sustainable development alongside industrial growth.

- Policy incentives support solar power, hydropower, energy efficiency, and grid modernisation.
- Renewable energy projects benefit from favourable regulations and long-term national energy targets.
- Sustainable manufacturing practices and environmental compliance are increasingly prioritised for export industries.

SME, Skills, and Digitalisation Support

- The government continues to strengthen the domestic business environment.
- SME programmes focus on financing, productivity, and market access.
- Skills development initiatives improve workforce capability across manufacturing, construction, and services.
- Digitalisation efforts promote e-government services, cashless payments, and improved administrative processes.

Emerging Trends and Business-Friendly Regions

Cambodia continues to strengthen its position as a competitive investment destination in Southeast Asia, supported by industrial expansion, infrastructure upgrades, economic diversification, and rising regional integration.

Emerging Business Trends

Manufacturing Diversification and Supply Chain Shifts

- Continued expansion beyond garments into electronics, automotive parts, bicycles, and light engineering.
- Growing interest from multinational firms seeking China Plus One and ASEAN-based manufacturing alternatives.
- Increased adoption of automation, quality standards, and modern production methods in export-oriented factories.

Green Energy and Sustainability

- Accelerating investment in solar power, hydropower, and the country's first wind projects.
- Rising demand for energy efficiency, sustainable construction, and environmental compliance in industrial operations.
- Policy support for renewable energy development and grid modernisation.

Agribusiness and Food Processing

- Strong global demand for rice, cashews, mangoes, cassava, and other high-value crops.
- Growth in food processing, packaging, and export-focused agribusiness operations.
- Increasing adoption of modern farming techniques, irrigation systems, and supply chain upgrades.

Emerging Trends and Business-Friendly Regions

Digitalisation and Fintech Growth

- Rapid rise of mobile payments, e-wallet adoption, and digital banking via the Bakong system.
- Expansion of e-commerce, online services, and logistics platforms serving both urban and rural markets.
- Growing opportunities in cybersecurity, RegTech, and SME-focused financial solutions.

Tourism Recovery and Experience-Based Travel

- Gradual recovery supported by new international airports, upgraded transport, and diversified attractions.
- Increasing demand for eco-tourism, boutique accommodations, cultural experiences, and hospitality services.
- Digital transformation across travel services, booking platforms, and destination marketing.

Business-Friendly Districts and Regions

Phnom Penh

Cambodia's capital and commercial centre, home to major banks, logistics companies, corporate headquarters, and diversified industries.

- Strong demand for commercial real estate, retail, finance, and professional services.
- Key hub for technology firms, SMEs, and investment services.

Sihanoukville and Sihanoukville SEZ

A major coastal city undergoing long-term redevelopment and industrial expansion.

- Hosts one of the country's most prominent SEZs with manufacturing, logistics, and export facilities.
- Supported by deep-sea port upgrades and improved transport connectivity.

Emerging Trends and Business-Friendly Regions

Phnom Penh Special Economic Zone (PPSEZ)

A leading hub for export manufacturing and assembly operations.

- Attracts electronics, automotive parts, consumer goods, and industrial suppliers.
- Offers ready-built facilities, streamlined customs, and strong investor services.

Bavet and Border Economic Zones (Svay Rieng)

Strategic manufacturing and logistics area along the Vietnam border.

- Well suited for cross-border trade, electronics, and light manufacturing.
- Benefits from access to Vietnam's supply chains and regional distribution networks.

Siem Reap

Tourism and cultural centre driven by Angkor Wat and expanding hospitality offerings.

- Opportunities in tourism services, boutique hotels, F&B, and experience-based travel.
- Increasing investment linked to infrastructure upgrades and airport development.



Quick Insights: Renewable energy is expanding quickly, with solar and hydropower already supplying more than 60% of national electricity.



Resources

Official Government Websites and Investment Agencies

Cambodia provides official platforms covering investment promotion, company registration, taxation, labour, and immigration to support foreign and domestic businesses.

Council for the Development of Cambodia (CDC)

<https://www.cdc-crdb.gov.kh>

Cambodia's primary investment authority responsible for approving Qualified Investment Projects (QIPs), administering investment incentives, and supporting large-scale domestic and foreign investments.

Ministry of Commerce (MOC)

<https://www.moc.gov.kh>

Oversees business and company registration, commercial regulations, trade policies, and intellectual property matters. Manages company incorporation through the CamDX platform.

CamDX (Cambodia Development Exchange Platform)

<https://www.camdx.gov.kh>

Integrated online platform for company registration, tax registration, and labour registration, administered by the Ministry of Economy and Finance in coordination with relevant authorities.

General Department of Taxation (GDT)

<https://www.tax.gov.kh>

Responsible for tax administration, including corporate income tax, VAT, withholding tax, and tax compliance for businesses operating in Cambodia.

Ministry of Labour and Vocational Training (MLVT)

<https://www.mlvt.gov.kh>

Governs labour laws, minimum wage policies, work permits, employment cards, and workforce compliance requirements for local and foreign employees.

Industry Associations and Chambers of Commerce

Cambodia Chamber of Commerce (CCC)

The main national chamber representing businesses across all sectors. Provides advocacy, business networking, and support for foreign and domestic investors.

Website: <https://www.ccc.org.kh>

American Chamber of Commerce in Cambodia (AmCham Cambodia)

Represents US and multinational companies operating in Cambodia. Offers policy advocacy, networking, and market insights.

Website: <https://www.amchamcambodia.net>

European Chamber of Commerce in Cambodia (EuroCham Cambodia)

Supports European businesses through advocacy, research, and sector-specific committees. Engages closely with the government on regulatory matters.

Website: <https://www.eurocham-cambodia.org>

Garment Manufacturers Association in Cambodia (GMAC)

Key association for the garment, textile, and footwear sectors. Provides industry coordination, labour guidance, and trade support.

Website: <https://www.gmac-cambodia.org>

Young Entrepreneurs Association of Cambodia (YEAC)

A leading platform for young business owners, offering mentorship, training, and collaboration opportunities.

Website: <https://www.yeacambodia.org>

Eos's Service Offerings in Cambodia

Eos Global Expansion supports businesses entering and operating in Cambodia by providing compliant and flexible workforce solutions. Whether hiring local employees, engaging contractors, or planning market entry, Eos helps businesses navigate Cambodia's regulatory, tax, and employment requirements with confidence.

Our Services Include:

- **Local Payroll and HR Administration:** Compliant payroll management in Cambodian Riel (KHR) or USD, including tax withholdings, NSSF contributions, seniority payments, and statutory filings for local employees.
- **Contractor Engagement and Payments:** Support for onboarding and managing independent contractors, including compliant contracts, timely local payments, and guidance on tax and classification obligations.
- **Entity Setup and Employment Advisory:** Advisory support for company incorporation through CamDX, including registration requirements, post-setup compliance, and employer obligations.
- **Work Permit and Immigration Guidance:** Assistance with visa and work permit pathways, including EB business visas, foreign worker quotas, and MLVT compliance requirements.
- **Regional Workforce Coordination:** Centralised coordination of payroll and employment compliance across Cambodia and the wider Southeast Asia region.
- **Ad Hoc Consulting:** Advice on labour law updates, workforce planning, hiring strategies, and operational compliance aligned with Cambodia's regulatory framework.

Partner with EOS for Success in Cambodia

Cambodia offers growing opportunities across manufacturing, agribusiness, and digital services, but local compliance requirements can be complex. [Eos Global Expansion](#) helps businesses operate with clarity from day one. Whether engaging contractors, hiring employees, or preparing for entity setup, we ensure compliant, efficient, and scalable operations in Cambodia.



Expert Tips



Overcoming Common Challenges

Cambodia is an attractive market, but foreign companies may encounter challenges around compliance, labour processes, and regulatory requirements. These tips help support smooth market entry.

Understand Licensing and Ownership Rules

Most sectors allow full foreign ownership, but some (e.g., security services, media, activities involving land) require additional approvals or restrictions. Confirm required licences and permits early to prevent delays.

Plan Visa and Work Permit Compliance Early

Foreign employees need the correct E-class visa extension and an MLVT-issued work permit. Work permits must be renewed annually between January and March to avoid penalties for employers and employees.

Ensure Labour and Payroll Compliance

Written contracts, correct seniority payments, sector-specific minimum wages, overtime rules, and NSSF contributions must be strictly followed. Inaccurate payroll calculations are a common compliance risk for new entrants.

Manage Tax Filing and Documentation

Cambodia's tax regime requires timely monthly and annual filings, accurate withholding tax, VAT registration, and proper invoicing. Many issues arise from incorrect WHT rates or incomplete documentation.



Avoiding Potential Cultural Misunderstandings

Indirect and Respectful Communication

Cambodians communicate politely and indirectly. Avoid blunt criticism or confrontation; give feedback privately and respectfully.

Respect for Seniority

Hierarchy is important. Use titles such as Lok (Mr) or Lok Srey (Ms) followed by the given name, and allow senior figures to lead discussions.

Saving Face

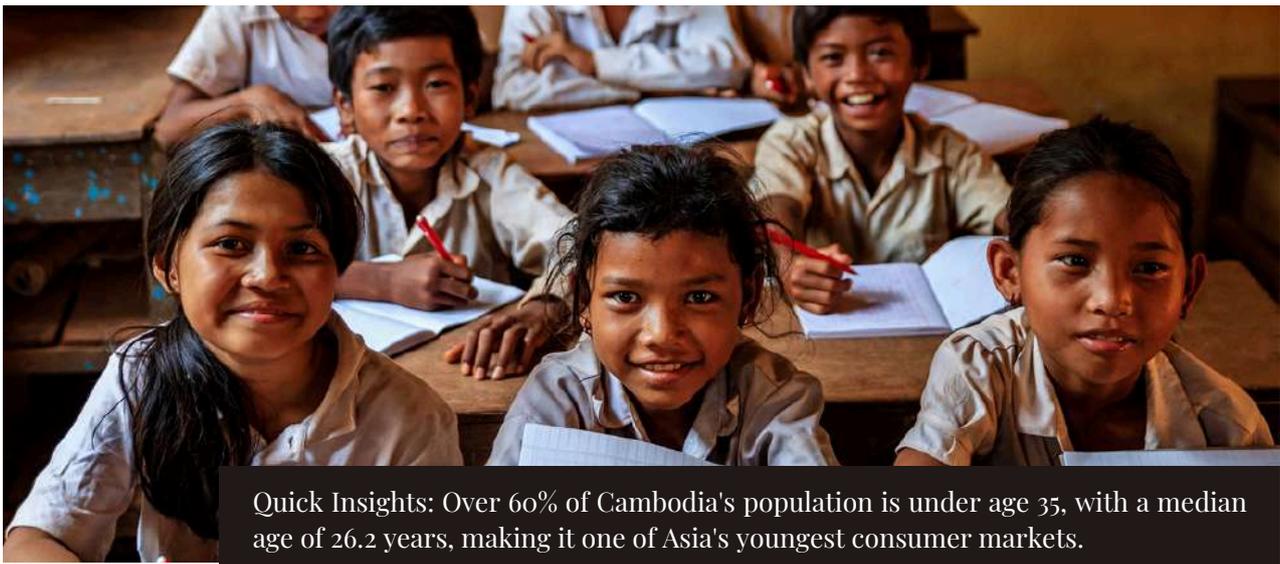
Preserving harmony matters. Public disagreement, raised voices, or visible impatience may cause embarrassment.

Sensitive Topics

Avoid discussions on politics, historical conflicts, or religion unless initiated by local counterparts.

Social Etiquette

Polite, calm behaviour is expected. Punctuality is valued in business, though schedules may be flexible. Remove shoes when entering private homes or traditional spaces.



Quick Insights: Over 60% of Cambodia's population is under age 35, with a median age of 26.2 years, making it one of Asia's youngest consumer markets.

Additional Tips

Update Company Records Promptly

Report changes to company address, directors, business activities, or shareholding to the Ministry of Commerce to maintain compliance.

Check Licensing Requirements Early

Sectors such as finance, hospitality, healthcare, trading, telecoms, and education often require additional permits or sector-specific approvals.

Register Employees for Statutory Coverage

Employers must enrol staff in the National Social Security Fund (NSSF) and ensure timely contributions for occupational risks, health insurance, and pension schemes.

Use Written Agreements for All Hires

Provide clear written contracts for both employees and contractors, outlining job scope, pay terms, duration, and termination conditions.



Thank You for Exploring Cambodia!

We hope this guide helps you uncover Cambodia's business potential and rich cultural landscape. Whatever your next step, we're here to support you.



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Ready to expand into Cambodia?
Scan the QR code to connect with our
experts and unlock tailored guidance for
your Cambodia expansion.

