

Cambodia – a brief overview

Cambodia became part of French Indochina in 1887. Following Japanese occupation in World War II, it gained full independence from France in 1953. Since then Cambodia has remained under strife due to various reasons. Elections in July 2003 were relatively peaceful, but it took one year of negotiations between contending political parties before a coalition government was formed. National elections in July 2008 were relatively peaceful, as were commune council elections in June 2012.

Economy of Cambodia

Since 2004, garments, construction, agriculture, and tourism have driven Cambodia's growth. GDP climbed more than 6% per year between 2010 and 2012. The garment industry currently employs more about 400,000 people and accounts for about 70% of Cambodia's total exports. In 2005, exploitable oil deposits were found beneath Cambodia's territorial waters, representing a potential revenue stream for the government, if commercial extraction becomes feasible. Mining also is attracting some investor interest and the government has touted opportunities for mining bauxite, gold, iron and gems. The tourism industry has continued to grow rapidly with foreign arrivals exceeding 2 million per year since 2007 and reaching over 3 million visitors in 2012. Cambodia, nevertheless, remains one of the poorest countries in Asia and long-term economic development remains a daunting challenge.

Key Industries of Cambodia

The largest industries of Cambodia are tourism, garments, construction, rice milling, fishing, wood and wood products, rubber, cement, gem mining and textiles. Agriculture products like rice, rubber, corn, vegetables, cashews, cassava (manioc), silk are also very important to Cambodia's economy.

Cambodia's major trading commodities and partners

The major trading commodities exported by Cambodia are clothing, timber, rubber, rice, fish, tobacco and footwear. The major export partners of Cambodia are US 32.7%, UK 8.4%, Germany 7.7%, Canada 7.7%, Singapore 6.6%, Vietnam 5.8% and Japan 4.7%. The commodities imported by Cambodia are petroleum products, cigarettes, gold, construction materials, machinery, motor vehicles and pharmaceutical products. The important import partners of Cambodia are Thailand 27.2%, Vietnam 20%, China 19.5%, Singapore 7.1%, Hong Kong 5.9%, South Korea 4.3%.

Relations between Pakistan and Cambodia

Pakistan has an embassy in Phnom Penh although Cambodia does not have an embassy in Pakistan. In April 2004, Pakistan and Cambodia agreed to promote and develop multi-lateral relations for stability, peace and security in South Asia, Southeast Asia and in the broader sense, to the whole of Asia Pacific region. An honorary consulate has nonetheless been established in late 2012 in Lahore. The two countries have signed a memorandum of understanding on protection of investment and cooperation in fighting terrorism.

Bilateral Trade Relations between Pakistan and Cambodia

Pakistan exported goods worth \$ 41Mn to Cambodia in 2012, while imports from Cambodia totaled \$ 0.33Mn in the period. The trade balance is thus heavily tilted in favor of Pakistan.

Trading Commodities between Pakistan and Cambodia

Exports to Cambodia include cotton and cotton fabric, leather, pharmaceutical products and other man-made staple fibers. Imports from Cambodia are apparel, footwear, machinery and electronic equipment.

Potential for enhancing bilateral trade relations between Cambodia and Pakistan

-Pakistan wants to build a stronger economic relationship with Cambodia because Cambodia has enjoyed strong growth over the last couple of years.

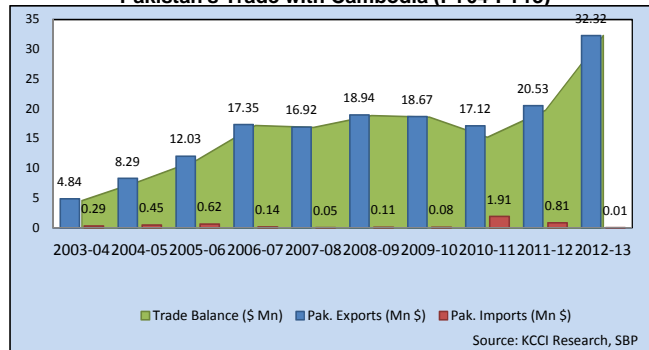
-Cambodia should take advantage of Pakistan's intent of having strong relationship with it because it has improved education and hospital sectors.

Economic Indicators

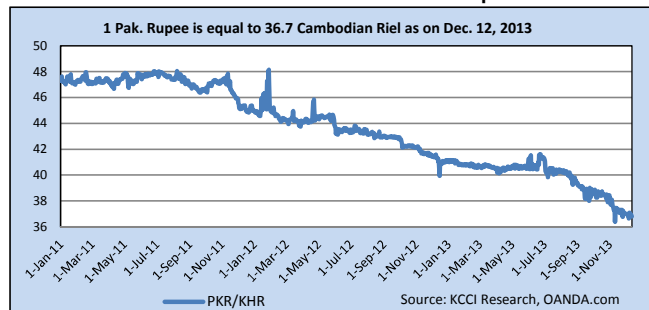
Indicators	Unit	2011	2012 est.	Change
GDP (PPP)	\$ Bn	34.99	37.25	6.46%
GDP per Capita	\$	2,300	2,400	4.35%
GDP growth	%	7.1	6.5	-0.60%
Forex Reserves	\$ Bn	4.07	4.94	21.36%
External Debt	\$ Bn	4.34	4.45	2.54%
Exports	\$ Bn	5.22	5.79	11.00%
Imports	\$ Bn	6.71	7.84	16.80%
Trade Balance	\$ Bn	-1.49	-2.04	-37.11%
Current Account	\$ Bn	-1.12	-1.51	-34.40%
CPI	%	5.5	2.9	-2.60%
Unemployment	%	0.0	N/A	N/A
Discount Rate	%	N/A	N/A	N/A

Sources: KCCI Research, CIA Factbook, TDAP, SBP

Pakistan's Trade with Cambodia (FY04-FY13)



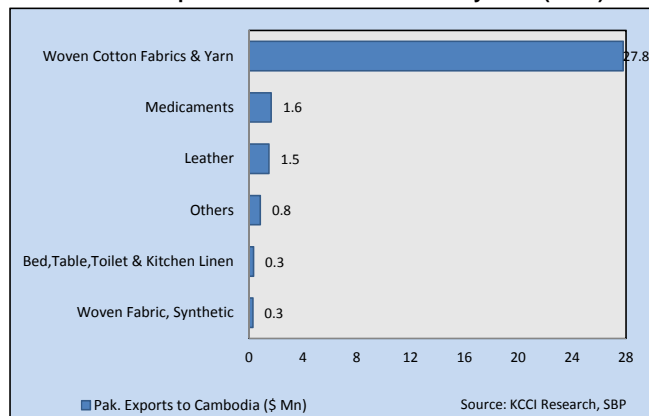
Cambodian Riel Vs. Pakistani Rupee



Key Memberships

Finland belongs to a number international organizations, including the United Nations, European Union, Euro-Atlantic Partnership Council, Organization for Security and Cooperation in Europe, Organization for Economic Cooperation and Development, International Monetary Fund, World Bank, Paris Club and World Trade Organization. Finland also is a participant in the North Atlantic Treaty Organization's (NATO) Partnership for Peace program.

Pakistan Exports to Cambodia - Commodity Wise (FY13)



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