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**Report Highlights:**

The report serves as a practical guide for U.S. exporters wishing to enter Cambodia market and provides the latest update on market situations, local business customs, import regulations and procedures, and consumer preferences and trends. The COVID-19 pandemic negatively affected Cambodia's economy and GDP growth contracted by 3.1 percent in 2020. However, Cambodia remains a potential market for U.S. agricultural products thanks to its young population, a growing middle-income class, and rising demand for high-quality imported products.

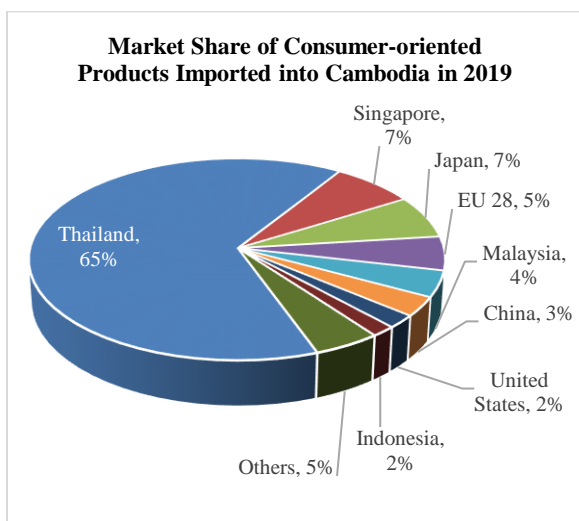
## Market Fact Sheet: Cambodia

### Executive Summary

Cambodia continues to be one of the fastest growing economies in Asia, with an average gross domestic product (GDP) of close to 8 percent annually over the last two decades. Although the country experienced negative GDP growth of 3.1 percent in 2020 due to the COVID-19 pandemic, the World Bank anticipates the economy's GDP will recover and grow by 4.1 percent in 2021.

### Imports of Consumer-Oriented Products

According to Trade Data Monitor (TDM), annual global exports of consumer-oriented products to Cambodia were up 21 percent year-on-year, from \$1.1 billion in 2018 to \$1.4 billion in 2019. U.S. exports of consumer-oriented products to Cambodia increased by 578 percent over the last ten years, from \$4.3 million in 2009 to \$29 million in 2019, making this the second fastest growing market in Asia after Myanmar.



### Food Service Industry

Cambodia's Hotel, Restaurant, and Institutional (HRI) food service sector has had rapid growth in all sub-sectors, including full-service restaurants; fast foods; bakeries; café and bars; and catering. The country continues to welcome new international food and beverage brands into the market.

### Food Retail Industry

Small, traditional retailers still dominate Cambodia's retail sector; however, consumers are steadily shifting to modern retail outlets and e-commerce for better hygiene, quality, and convenience.

### Quick Facts CY 2019

#### Imports of Consumer-Oriented Products

- Imports from the World: \$1.4 billion
- Imports from the United States: \$29 million

#### Top Growth Products in Cambodia

- Dairy products
- Fresh fruit
- Beef and beef products
- Wine and beer
- Processed vegetables
- Condiments and sauces
- Fruits and vegetables juices
- Coffee, roasted and extracts
- Food Preparation and miscellaneous beverages

#### Food Industry by Channel in 2019 (in U.S. millions)

- Total Agricultural imports: \$2,532
- Total Agricultural exports: \$1,118
- Food processing industry: \$832
- Food retail industry: \$7,163
- Food service industry: \$3,396

#### Top Food Importers and Retailers

DFI Lucky Private	Lee's Frozen
Thai Huot Trading	LSH Cambodia Pte
Makro	AusKhmer
Super Duper	Ostra Fine Foods
Aeon	Annam Group

#### GDP/Population 2019

- Population: 16.7 million
- GDP: \$27.1 billion
- GDP per capita: \$1,625

**Sources:** TDM; Global Agricultural Trade System; World Bank; Asian Development Bank; International Monetary Fund; Euromonitor.

### SWOT Analysis

<p><b>Strengths:</b> U.S. products are perceived as safe and premium quality.</p>	<p><b>Weaknesses:</b> U.S. products are still more expensive than those of competitors, partly due to higher tariffs and freight costs.</p>
<p><b>Opportunities:</b> Growing market demand and increased focus on high-quality and safe food.</p>	<p><b>Threats:</b> Free trade agreements (FTAs) reduce tariffs on competitors' products.</p>

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## SECTION I. MARKET SUMMARY

Exports of U.S. consumer-oriented products to Cambodia have expanded over the past five years from \$11.6 million in 2014 to \$29 million in 2019, an increase of 150 percent. After decades of civil conflict and economic stagnation, Cambodia is transitioning from an aid-based to a commercial economy. The country's economy has averaged 7.7 percent annual growth over the last two decades, leading to a significant reduction in poverty.

As of 2020, the country has a population of 16.7 million, of which, four million live in major cities. Cambodia's population is young, with half the country under the age of 26. Modern retail, restaurants, and fast-food outlets continue to open in key cities.

A serious downturn occurred in Cambodia's economy in 2020 due to COVID-19. Although Cambodia handled the pandemic effectively in 2020, some of the main economic sectors, including tourism, manufacturing exports, and construction, which contribute over 70 percent of the country's growth, were hit the hardest. As a result of the pandemic, Cambodia's GDP per capita dropped 3 percent to \$1,572 in 2020. However, the World Bank projects the country's GDP per capita to recover to \$1,752 in 2021, assuming economic activity normalizes.

Cambodia's energetic tourism industry and the growing foodservice, retail, and e-commerce sectors offer the best opportunities for U.S. exporters of high-value foods and beverages. Consumers of U.S. products are likely to be young and higher-income Cambodians, expatriates working for non-profit organizations (NGO), and tourists. In general, U.S. food and beverage products are highly regarded for their quality and safety. However, Cambodia's transport and logistics infrastructure, particularly cold chain systems, are still underdeveloped and can be a challenge to most imports and exports.

Table 1: Advantages and Challenges of U.S. agricultural exports to Cambodia

<b>Advantages</b>	<b>Challenges</b>
One of Asia's fastest-growing economies, Cambodia GDP rates averaging 7.7 percent growth from 1998 and 2019.	The market is small when compared to more developed Southeast Asian countries, such as the Philippines and Thailand. Importers are usually unable to buy products by the container load directly from the United States.
Continued growth of the tourism sector and western-style fast-food chains, and modern food retail chains, bakeries, restaurants, and hotels drive demand for high-quality food products.	There is a limited and underdeveloped cold chain infrastructure and distribution systems for perishable products and products that require chilled or frozen handling. Consequently, poor handling and storage might affect the quality and freshness of products.
Familiarity with U.S. products and established importers of U.S. goods.	Limited number of importers and distribution options.

U.S. food and beverage products have a strong reputation for quality and safety relative to many Asian competitors.	Cambodia is a member of the Association of Southeast Asian Nations (ASEAN), which has many FTAs with Australia, New Zealand, Japan, and other countries importing quality products. As a result, U.S. products often face a price disadvantage due to higher shipping costs and import duties.
NGO-employed expatriates and international tourists create a natural market for imported products. Also, as Cambodians have more disposable income, their eating habits tend to change. Thus, the demand for high-quality imported food products is increasing.	Only a small portion of Cambodian middle- and upper-class can afford imported food products.
Cambodian shoppers are becoming more conscious of food safety and healthy products. Imported products are common in modern trade channels. As shopper demographics shift and income per capita increases, there is a growing trend towards supermarkets, convenience stores, and online shopping.	Most local consumers continue to shop at traditional wet markets.
The United States has a wide variety of food products, including fresh and processed items.	Cambodian buyers are now sourcing U.S. products from Asian suppliers due to lower import costs.

## **SECTION II. EXPORTER BUSINESS TIPS**

### **Market Entry Strategy and Local Business Customs**

Obtaining general information from the Royal Government of Cambodia, both on and off-line, can be challenging and cumbersome. Corruption and lack of transparency also remain issues of concern. Post recommends potential exporters conduct a market assessment prior to entry. Although COVID-19 created opportunities for potential investors to enter the Cambodia market, it has also resulted in an unprecedented level of uncertainty. Opportunities for success in entering the Cambodia market depend on the ability to innovate and adapt to the current business environment. Working with an established local partner, such as a supermarket that imports or an importer, and consulting with a local firm on strategic and contingency plans are the most effective ways to access the market. A local partner can facilitate and expedite entry by using market knowledge and established networks.

Due to the relatively small size of the market, only a few supermarkets and a limited number of importers can import directly from the United States. Most retailers and importers choose to source U.S. and other

imported products from Thailand, Malaysia, Vietnam, and Singapore. By importing from these nearby markets, supermarkets and importers can bring in a wider range of products via smaller quantities than container loads and benefit from lower transportation cost and import duties. An alternative to direct shipments to Cambodia is to work with an exporter of U.S. products in these third-country markets.

Like many other countries in Asia, business relationships in Cambodia have their foundations in personal relationships. Cambodians are open, approachable, and friendly. It is recommended that you approach potential business contacts with a prior introduction or personal reference. Potential partners and customers in Cambodia are generally more receptive if you arrive with an introduction or letter from a known government official or business contact. Although not absolutely required, small gifts with a company logo are appreciated, as are luncheon or dinner invitations.

### **General Consumer Preferences and Trends**

The market for U.S. food products in Cambodia is still small and underdeveloped compared to neighboring countries due to a limited infrastructure and low consumer buying power. The primary purchasers of U.S. foods are expatriates and high-income Cambodians who value U.S. food products for their quality and safety. For most Cambodians, U.S. food products are too expensive and even middle- and upper-income Cambodians, will often opt for cheaper imported products from China or Thailand. In Phnom Penh, where government and industry are centered, prices are higher, and branded products are more popular.

Cambodians generally spend more than half of their income on food. Two staple foods in Cambodia are rice and fish. Processing for fruit and vegetables is not widespread as most Cambodians prefer fresh produce. There is almost no food canning and very limited frozen food production in the country. Bread and pastries are popular in urban areas.

Dairy consumption in Cambodia is still well below the 20 kilogram per person level that exists in neighboring Thailand and Vietnam, and almost all dairy products are imported or reconstituted in the country. As a result, there is opportunity for growth in this market, especially as mass consumption of dairy in Cambodia is only growing quickly. Dairy market segments include fresh milk, ultra-high-temperature (UHT) milk, condensed milk, yogurt, and premium products. Moo Moo Farms of Khmer Fresh Milk, Cambodia's first dairy farm, was founded in 2015 in the Kandal province.

#### *Market trends*

Despite existing market limitations, eating habits in urban areas are changing due to (1) increasing incomes, (2) growing awareness and concern about nutrition, quality, hygiene, and food safety, (3) popularity of western lifestyles, (4) and modern advertising and promotions.

For example, Cambodian consumers, especially in urban areas, are increasingly enjoying meat in their diet. Driven by demand for frozen red meat and poultry, imports of meat and meat products increased from \$29 million in 2015 to \$123 million in 2019. According to the Ministry of Agriculture, Forestry

and Fisheries (MAFF), the decline in family livestock operations and the growing demand for food, has forced the country to import substantially larger meat quantities to fill shortages.

The growth in coffee shops in Cambodia is another sign of the change of urban consumer preferences. The number of coffee shops has increased in Phnom Penh and other major cities and includes well-known U.S. gourmet coffee brands, such as Starbucks and The Coffee Bean and Tea Leaf. Local brands are also improving their reputation for higher quality and value. Despite the high saturation of coffee shops in Phnom Penh, the market continues to embrace new concepts from abroad that focus on serving coffee and food.

### **Trading and Distribution Rights**

U.S. goods and services are well-regarded in Cambodia. As such, Cambodian firms are increasingly interested in becoming agents of or distributors for U.S. companies. However, most U.S. products are currently imported from Singapore, Malaysia, Thailand, and other Southeast Asian countries, without distribution or representation agreements.

U.S. companies should conduct due diligence on potential local partners to ensure they have the necessary credentials and qualifications to conduct business. U.S. companies should also ensure that any partnership agreements comply with Cambodian law, thoroughly documenting the rights and obligations of each party and clearly stipulating dispute resolution procedures.

## **SECTION III. IMPORT FOOD STANDARDS AND REGULATIONS AND IMPORT PROCEDURES**

### **International Trade Agreements**

Cambodia's trade volume has increased significantly since the country's accession to the ASEAN in 1999 and to the World Trade Organization (WTO) in 2004. Since its WTO accession, Cambodia developed trade-related laws and regulations to comply with WTO obligations and has eliminated most non-tariff barriers to trade. In 2006, the United States and Cambodia signed a Bilateral Trade and Investment Framework (TIFA). Several rounds of TIFA discussions have been held to promote trade and investment between the two countries to help monitor and support Cambodia's efforts to implement its WTO commitments and to address bilateral issues.

As a member of the ASEAN free trade agreement, combined with the country's improving infrastructure and growing skilled workforce, Cambodia has tremendous economic potential. Currently, Cambodia has FTAs through ASEAN with Australia, New Zealand, China, India, Japan, and South Korea. At the time of this report, Cambodia is also negotiating FTAs with South Korea and the Eurasian Economic Union. The recently signed Cambodia-China FTA and the Regional Comprehensive Economic Partnership (RCEP) have offered potential access to the markets of China, India, Australia, and New

Zealand. Cambodia continues to follow its ASEAN commitments, as these FTAs are seen to facilitate exports.

## **Food Safety Regulations**

Cambodia has yet to develop many of its own food and agricultural regulations, instead basing food safety regulations on CODEX standards. In addition, Cambodia uses harmonized standards from the ASEAN region. With support from the United Nations Food and Agriculture Organization (FAO), Cambodia is in the progress of finalizing a draft of its first food safety law. The following are relevant Cambodian Government regulations regarding food safety:

- Prakas 868 provides the legal framework for food safety control and regulates the role and responsibilities of line ministries, including the Ministry of Agriculture, Ministry of Health, Ministry of Commerce, Ministry of Tourism, Ministry of Industry, and Ministry of Finance.
- The Ministry of Industry and Handicraft issued Prakas 169 and 170 (June 15, 2015) on the Contamination of Dirt and Toxicity in Food and Food Additives to ensure food quality and safety. Thus, exporters must follow Cambodian Standards (CS) 078:2012 and CS 193:2011, respectively.
- The Ministry of Health issued Prakas 165 (March 15, 2016) on the Issuance of Certificates to Permit Selling Food Products and Hygiene of Food Products, which applies to both imported and exported products.
- The Ministry of Health issued Prakas 649 (August 4, 2017) on Issuance of Free Sale Certificates and Hygiene Certificates of Food Products for products sold in the Cambodian markets.
- The Ministry of Industry and Handicraft issued Prakas 166 (September 10, 2018) on the Management and Safety Requirements for Prepared Food Products.
- The Ministry of Industry and Handicraft issued Prakas 220 (December 19, 2018), announcing a revision on Food Addictive regulations from CS 093:2012 to CS 093:2012, Rev.1:2018,
- The Ministry of Commerce issued Prakas 263 (September 12, 2019) on Inspection Procedures for Imported Food. An unofficial translation of the Prakas 263 can be found in Attachment 1.

Food registration is conducted on a voluntary basis. In another development, the Ministry of Health recently drafted a law to control the sale and consumption of alcohol within Cambodia that is currently under review by relevant ministries. Post will continue to monitor and report on these developments.

## **General Procedures for Imported Products**

There are three major ports for importing goods into Cambodia: Sihanoukville Autonomous Port (or Port Autonome de Sihanoukville), Phnom Penh Autonomous Port, and Phnom Penh International Airport. As procedures differ for each port, please refer to <http://www.customs.gov.kh> for more details on import requirements for these locations.

According to the Council for the Development of Cambodia, Cambodia has 54 special economic zones (SEZ), with heavy investment from Thailand, Vietnam, China, Japan, Belgium, Hong Kong, Malaysia,

Singapore, the United States, and the Philippines. Importing products through an SEZ offers many advantages, including tax incentives and trade facilitation by the government. As a result, companies who want to export directly to Cambodia may face competition from exporters of U.S. products in other ASEAN countries.

Although it is generally easy to import products to Cambodia, difficulties in strict documentation can occur. Therefore, importers should ensure to prepare required documents to avoid problems. Furthermore, exporters might experience difficulties due to a lack of transparency. Therefore, U.S. exporters should consult closely with their Cambodian importers prior to shipment to determine the latest developments in import regulations and procedures.

Cambodia adopted a new Customs Law in June 2007 to conform with the terms of the General Agreement on Tariffs and Trade and WTO Codes on Customs Valuation. The General Department of Customs and Excise of Cambodia (Customs) requires importers and exporters to file declarations. Documents required for importing goods into Cambodia include:

- Customs import declaration
- Commercial invoice
- Packing list
- Road transport document (if arriving by land)
- Lading bill (if arriving by sea)
- Airway bill (if arriving by air)
- Import permit
- Insurance certificate
- Tax certificate
- Certificate of origin
- Company registration
- Other documents as required

All food products imported into Cambodia require a pre-arrival assessment authorization by the Directorate General of Consumer Protection, Competition, and Fraud Repression. In addition, food products must receive a health certificate from the Ministry of Health's Food Safety Bureau of the Department of Food and Drugs prior to import.

According to Prakas No. 3525 on April 25, 2017 on the Requirements of Import of Live Animals, Animals, and Animal Products, MAFF approval is required for all animals (live or dead) and animal products imported into Cambodia.

All imports of plants and plants products, including fresh fruits and vegetables, frozen fruits and vegetables, and dried fruits and vegetables require a phytosanitary certificate from MAFF and the Ministry of Health. Please refer to [here for](#) more information on goods subject to a sanitary and phytosanitary check.



For information on health certificates for food imports to Cambodia, please refer [here](#).

Please refer to [here](#) for more information on official Cambodia government guidance on importing and exporting.

### **Phytosanitary and Maximum Residue Limit (MRL) Requirements**

MAFF conducts sanitary and phytosanitary inspection services (SPS) for imported products and on October 11, 2013, the ministry officially recognized imports of U.S. meat and poultry products. Under this protocol, imports of U.S. meat and poultry products are required to enter with the U.S. Department of Agriculture's Food Safety and Inspection Service (FSIS) form 9060-5. This official recognition by the Cambodian government provides transparency for traders and the potential for increased sales of U.S. meat and poultry products, as well as greater U.S. food promotion efforts in the Cambodia market. For imported meat products, inspections must occur at a location in the country of export and can be time-consuming.

Cambodia follows CODEX/ASEAN Standards for MRL requirements. For information on Cambodian Standards, please refer to the [Institute of Standards of Cambodia's website](#).

## **SECTION IV. MARKET SECTOR STRUCTURE AND TRENDS**

### **Retail**

Although traditional markets still dominate Cambodia's retail sector, rising disposable income, a large expatriate NGO workforce, and a strong tourism industry have contributed to the growth of modern retail outlets, including shopping malls, mini-marts, convenience stores, and supermarkets. Within the past few years, Cambodia's retail sector has undergone a major transformation, as Cambodians are slowly and steadily shifting from traditional markets to modern markets due to better hygiene, quality, and variety.

Correspondingly, the grocery market industry in Cambodia is predicted to reach \$9.3 billion by 2023, according to UK-based Institute of Grocery Distribution. From 2015 to 2019, total retail space in Cambodia had doubled, from approximately 174,000 to 370,000 square meters. This amount of available retail space was estimated to reach 478,000 square meters by the first quarter of 2020, a 29 percent increase from 2019, as forecasted by the Coldwell Banker Richard Ellis (CBRE) group.

A wide variety of U.S. products can be found in modern retail outlets and include a number of famous brands, such as Post cereals, Blue Diamond Growers' non-dairy milk, Kraft's products, General Mills' cereals, Bragg Organic Raw Apple Cider Vinegar, Heinz's products, Bob's Red Mill's products, Costco's Kirkland Signature's products, Hunt's tomatoes and sauces, Uncle Ben's rice, Norbest Turkey, Lamb Weston frozen French fries, Washington apples, Hormel luncheon meats, Ocean Spray fruit juice, Campbell canned soup, Hershey's chocolate, Kellogg's cereals, Betty Crocker cookies and cereals, Jim Beam bourbon, and certain California wines.

Phnom Penh, Siem Reap, and Sihanoukville have become hot spots for Cambodian retailers, with new supermarkets and shopping malls sprawling in these cities. Convenience store chains are also increasing in popularity and 7-Eleven is set to open its first store in Phnom Penh in 2021, offering international beverages and food products along with ready-to-eat meals designed for local tastes. Moreover, mega-malls such as the Phnom Penh Mega Mall and Chip Mong 271 Mega Mall are set to open in 2021 and 2022, respectively.

The Lucky Market Group, Cambodia's leading retail chain, currently operates 11 Lucky supermarkets, nine Lucky Burger fast-food operations, and six Guardian pharmacies, and has plans for further expansion. Lucky imports a number of products directly from the United States, such as frozen potatoes, in addition to other products through consolidated shipments from Singapore. DFI Lucky Private Limited is a joint venture between Dairy Farm International (DFI), Hong Kong (70 percent) and Lucky Market Group (30 percent).

The Japanese retailer AEON opened a large hypermarket mall in 2014, attracting 15 million visitors in its first year. AEON opened its second hypermarket (AEON 2) in 2018 and plans to open a third hypermarket (AEON 3) in 2023. Although AEON imports many of their products from Japan, Thailand, and Singapore, these hypermarkets also carry some U.S. brands.

Other food retailers that offer imported products include: Bayon Markets, Thai Huot Supermarkets, Makro, Veggy's, Super Duper, Grocerdel (online retailer), DeliShop (online retailer), and GroceryDelivery (online retailer). Super Duper and DeliShop currently source their U.S. products from one supplier. Although most modern retail outlets are in Phnom Penh, there is an increasing number in Siem Reap, including Angkor Market, Lucky Market, Thai Huot Market, Makro, and Asia Market.

Modern retailers in Phnom Penh often import from foreign suppliers, while smaller supermarkets in Siem Reap position themselves as distributors, sourcing products from importers based in Phnom Penh. Retailers, such as DFI Lucky and Thai Huot, also service the HRI trade through their retail stores and wholesale operations.

## **E-commerce**

Cambodia's e-commerce sector continues to expand. According to a forecast by Statista, there were approximately 4.8 million e-commerce users in Cambodia in 2020, a 20-percent increase from the previous year and this growth is projected to increase by 17 percent in 2021 to 5.6 million total users.

Three driving factors of online shopping behaviors include the value-added from online shopping, convenience, and access to a diverse range of goods. According to Statista, the five segments of Cambodia's e-commerce market are (1) electronics and media, (2) fashion, (3) food and personal care, (4) furniture and appliances, and (5) toys, hobbies, and "do-it-yourself." Although the food and personal category was the smallest of the above segments in 2019, it is projected to become the third largest between 2020 to 2024.

The top five online destinations for grocery shopping in Cambodia are Delishop, Cambo Market, Aeon Online, Grocery Delivery, and Grocerdel. Except for Delishop, which operates solely as a web-based platform, the four other online stores have both a web-based and a mobile application platform. Some of the existing “physical” retailers, such as AEON, are also starting to offer their services online. Local delivery apps (like Uber-Eats) include Nham24, Meal Temple, and Muuve. International ordering apps, such as FoodPanda and EGetS, are also increasingly popular among both locals and the expatriate community.

### **Food service**

Cambodia’s food and beverage industry has rapidly transformed in recent years, with new international brands entering the market aiming to become part of this thriving industry. According to Euromonitor, there were over 2,000 restaurants in Cambodia by 2019.

Cambodia’s growing urban middle class, supplemented by a large expatriate community, has led to strong demand for international food products along with an increased desire to try new food and beverage products. Local eateries emulating U.S.-style fast-food restaurants are increasingly popular. In 2005, Thailand’s “The Pizza Company” became the first international standard pizza operation in Cambodia and the company continues to perform well. Swensen’s and KFC opened their first outlets in 2008 and continue to expand throughout the country. Dairy Queen and Burger King entered the Cambodian market in 2013. The Hard Rock Café opened franchises in Siem Reap and in Phnom Penh in 2014 and 2017, respectively. Starbucks entered the Cambodian market in 2015. Under the TH F&B Co. Ltd., U.S. franchises, such as Carl’s Jr. and Cold Stone Creamery, also opened their first outlets in 2016. The above are just a few examples of incoming international brands, with many more chains expected to come.

Express Food Group Co., Ltd., a subsidiary of RMA Group, is one of Cambodia’s biggest restaurant chain operations and is the franchise owner for Swensen’s, The Pizza Company, Krispy Kreme, Texas (Church’s) Chicken, and Dairy Queen. The group manages more than 60 chain restaurants of different concepts in five provinces. Meas Development Holdings is also a prominent player in the food and beverage industry, operating 30 outlets in Cambodia, including The Hard Rock Café, Blue Pumpkin, and Yoshinoya. The Royal Group, one of the largest investment companies in Cambodia, signed a joint venture deal with the Malaysian QSR Brands and Rightlink Corporation for the KFC franchise in Cambodia in 2008. In addition to international outlets, new local restaurants and bakeries are also increasing.

Tourism is a major factor in the above growth of food outlets. Menus can be very broad and often include both Western and Asian dishes. Also, as the country modernizes, Cambodians are eager to discover new flavors, concepts, and products. In recent years, there has been an increase in the number of northeast Asian restaurants due to the influx of northeast Asian and ASEAN tourists and cultures. Coffee and bubble tea are also popular among younger generations; hence, brand engagement and innovation are crucial to stay competitive. Bars and pubs are growing, especially in major touristic areas.

Although fish remains the staple food of Cambodia, there has been an increase in meat consumption, mostly in urban areas.

Export opportunities to Cambodia's HRI sectors may not be readily apparent, as many hotels and restaurants still prefer to source local products due to their regular availability (such as abundant local fish for domestic Khmer cuisine), and the competitive prices of local food and beverage products. However, as there is limited local production for processed food products, HRI outlets must source other innovative food products to serve customers. Therefore, growing demand for new and high-quality products offers opportunities for U.S. exporters to enter this market.

Although a few hotels import consolidated containers of products themselves, most imported products for HRI are purchased from local importers. A small number of food importers service both HRI and the retail sector, including LSH Cambodia Pte Ltd., Thai Huot Trading Co, Ltd, DFI Lucky Private Ltd, AusKhmer, Ostra Fine Foods, Annam Group, Lee's Frozen, Veggy's, Hung Hiep, and Celliers d'Asie (wines and spirits).

### **Food Manufacturing**

Cambodia's food manufacturing industry is still in its infancy and relatively small. Although the number of multinational food manufacturers is low compared to those in neighboring countries, the food and agri-processing sectors are gradually expanding and MAFF reports greater volume of exports of processed food and agricultural products.

The food manufacturing industry faces several constraints and weaknesses, including a lack of capital, processing facilities, food processing technology and skills, market analysis and marketing information, and sanitation and hygiene knowledge. Additional challenges include poor infrastructure, unreliable supply of raw materials, a lack of competitiveness for locally-produced products due to high operating costs, and a relatively small domestic market.

## **SECTION V. AGRICULTURAL AND FOOD IMPORTS**

Based on trends in export trade data from 2015 to 2019, the best prospects for U.S. products include non-alcoholic beverages (367 percent increase from 2015), dairy products (266 percent increase from 2015), beef and beef products (253 percent increase from 2015), processed foods (202 percent increase from 2015), and fresh fruits (76 percent increase from 2015).

According to local sources, demand for processed pork, beef, and poultry is also increasing in Cambodia, forcing the country to import meat due to insufficient domestic production. Meat imports are expected to grow at an annual rate of 11 percent, from 15,000 tons in 2018 to 37,000 by 2030. Fruit and vegetable imports are also expected to increase at an annual rate of 5 percent, reaching 48,000 tons by 2030.

Although Cambodia has a domestic dairy industry, imports are expected to increase at an annual rate of 6 percent, reaching 2,000 tons by 2030.

As noted earlier, caution should be exercised when determining whether to export to Cambodia. High-quality U.S. agricultural products face stiff competition from Thai and Vietnamese products that are cheap and commonly available in the market, as well easier to source logistically. Post notes that, with recent market growth and increasing demand for high-quality products, there are a number of supermarkets that are looking to form relationships with U.S. West Coast grocery wholesalers and consolidators to import consolidated shipments of U.S. food and beverage products.

Table 2: Global and U.S. Exports of Consumer-Oriented Products to Cambodia

Exports value (thousands USD)	Global Exports			U.S. Exports			U.S. Market share		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
<b>All categories</b>	<b>894,826</b>	<b>1,128,843</b>	<b>1,370,915</b>	<b>19,572</b>	<b>23,767</b>	<b>29,029</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>
BICO-Non-Alcoholic Bev. (ex. juices, coffee, tea)	301,045	411,922	476,431	1,678	2,628	2,003	1%	1%	0%
BICO-Food Preps. & Misc. Bev	161,372	200,894	244,779	6,186	6,632	8,142	4%	3%	3%
BICO-Dairy Products	124,795	153,944	178,821	874	1,574	2,465	1%	1%	1%
BICO-Beef & Beef Products	45,950	64,352	99,141	3,464	5,188	7,370	8%	8%	7%
BICO-Wine & Beer	74,897	60,361	82,698	607	511	701	1%	1%	1%
BICO-Snack Foods NESOI	34,956	37,290	45,170	145	229	158	0%	1%	0%
BICO-Condiments & Sauces	34,308	38,301	44,992	538	477	708	2%	1%	2%
BICO-Meat Products NESOI	7,637	22,360	39,663	49	0	89	1%	0%	0%
BICO-Coffee, Roasted and Extracts	24,743	27,604	28,209	114	40	154	0%	0%	1%
BICO-Fruit & Vegetable Juices	23,121	27,179	23,928	151	31	79	1%	0%	0%
BICO-Poultry Meat & Prods. (ex. eggs)	15,709	18,029	20,285	960	122	119	6%	1%	1%
BICO-Processed Fruit	11,351	13,298	17,891	194	223	122	2%	2%	1%
BICO-Tea	4,353	8,632	15,598	142	823	407	3%	10%	3%
BICO-Fresh Fruit	7,728	10,069	14,977	2,658	2,687	4,107	34%	27%	27%
BICO-Processed Vegetables	6,191	11,173	11,587	1,447	1,495	1,582	23%	13%	14%
BICO-Chocolate & Cocoa Products	4,193	7,179	6,816	257	481	440	6%	7%	6%
BICO-Tree Nuts	5,317	3,933	4,857	99	313	302	2%	8%	6%
BICO-Dog & Cat Food	2,237	4,707	3,766	0	89	0	0%	2%	0%
BICO-Pork & Pork Products	1,416	1,627	3,196	0	195	70	0%	12%	2%
BICO-Nursery Products & Cut Flowers	1,360	1,764	3,014	0	20	0	0%	1%	0%
BICO-Fresh Vegetables	1,166	2,893	2,913	6	0	10	1%	0%	0%
BICO-Spices	684	911	1,622	3	9	0	0%	1%	0%
BICO-Eggs & Products	298	418	561	0	0	0	0%	0%	0%

## SECTION VI. KEY CONTACTS AND FURTHER INFORMATION

### U.S. Officials:

- U.S. Department of Agriculture/Foreign Agricultural Service (USDA/FAS) Ho Chi Minh City, Vietnam <http://fas.usda.gov>  
Address: 8th floor, Diamond Plaza, 34 Le Duan Boulevard, District 1, Ho Chi Minh City, Vietnam  
Tel: (84.28) 3520-4630  
Email: [atohochiminh@fas.usda.gov](mailto:atohochiminh@fas.usda.gov)
- USDA Cooperators (see Attachment 2)

### Relevant websites of the Government of Cambodia

- Consumer Protection, Competition and Fraud Repression Directorate General (former CamControl) <http://www.ccfdg.gov.kh>
- General Department of Customs and Excise <http://www.customs.gov.kh/>
- Directorate General of Consumer Protection, Competition and Fraud Repression <http://www.ccfdg.gov.kh>
- Institute of Standards of Cambodia (marking and labeling) <http://www.isc.gov.kh/>
- Phnom Penh Autonomous Port <https://www.ppap.com.kh/>
- Ministry of Agriculture, Forestry and Fisheries <http://www.maff.gov.kh>
- Ministry of Commerce <http://www.moc.gov.kh>
- Ministry of Health <http://moh.gov.kh/>
- Ministry of Industry, Science, Technology and Innovation (former Ministry of Industry and Handicraft) <http://www.mih.gov.kh/>
- Ministry of Tourism <http://www.tourismcambodia.org/>
- Ministry Economy and Finance <https://www.mef.gov.kh/>
- Council for Development of Cambodia <http://www.cambodiainvestment.gov.kh/>

### Attachments:

[Attachment 1 - Prakas on Procedure of Import Inspection MOC-2019 English.pdf](#)

[Attachment 2 - Representatives of USDA Cooperators in SE Asia.pdf](#)