



CAMBODIA GEMS & JEWELRY FAIR

2nd Edition

www.cambodiatradefair.org



3-6/6/2010

Phnom Penh NagaWorld Hotel & Casino

Organizer:



Trade Promotion Department,
Ministry of Commerce,
Kingdom of Cambodia

Forwarder &
Customs Broker:



Brink's Hong Kong

International
Agent:



World Trade Fair Ltd. Hong Kong

Event Profile

Gems & Jewelry trade had once been a flourishing exchange in Cambodia. Being one of the World's well known natural Gemstones destinations, the Ministry of Commerce of the Kingdom of Cambodia and professional fair organizer, World Trade Fair Ltd, are poised to promote and develop this "Cambodia Gems & Jewelry Fair" as one of its flagship trade events of the Country.

Introduction of Market

Cambodia maintains the monarchy. Phnom Penh is the kingdom's capital and largest city and is the center for industry, political headquarters, tourism services, commercial, economic power and culture for the whole country.

Cambodia has a relatively open economy, a regulatory framework and a government that is committed to attracting foreign investment. The political regime has been stable since the enactment of the current constitution and subsequent elections in 1993, and the government has undertaken a number of initiatives in order to create a more positive investment environment. These include regulatory and legal reforms, close public-private sector dialogue, promotion of special economic zones and the preparation for the launch of a stock market targeted for late 2009.

The economy of Cambodia has seen rapid progress in the last decade. Agriculture has long been the most important sector of the Cambodian economy, with around 59% of the population relying on agriculture for their livelihood. Garments, tourism and construction are also important. In 2008 more than 2 Million tourists came to Cambodia. In 2005, oil and natural gas deposits were found beneath Cambodia's territorial waters, and once commercial extraction begins in 2011, the oil revenues could profoundly affect Cambodia's economy.

The domestic travel industry is growing even faster and is reportedly hiking more than 40% per annum since 2003. Another major tourism draw is Cambodia's gaming and casino industry. Market leader NagaCorp and others are set to reap the dual benefits of steadily expanding tourist volumes and increasing revenue from high-spending citizen.



Basic Facts

Kingdom of Cambodia

Government:

Constitutional monarchy, Parliamentary representative democracy

Area: 181,035 km² (which is approximately half the size of Germany.)

Population: Est 14.5 million

Labour Force: 8.6 million (2008 est.)

Capital: Phnom Penh

Language: Khmer (official), French, English

Currency: Riel (KHR)

GDP: 10.8 billion USD (2008)

GDP per Citizen: 806 USD per year (2008)

Memberships: UNO, WTO, Asian Development Bank, International Monetary Fund, World Bank, ASEAN

Main Export Partners: US 48.6%, Hong Kong 24.4%, Germany 5.6%, Canada 4.6% (2005)

Main Import Partners: Hong Kong 16.1%, China 13.6%, France 12.1%, Thailand 11.2%, Taiwan 10.2%, South Korea 7.5%, Vietnam 7.1%, Singapore 4.9%, Japan 4.1% (2005)

Import Goods : Gold, Petroleum Products, Cigarettes, Construction Materials, Machinery, Motor Vehicles, Pharmaceutical Products

Export Goods: Clothing, Timber, Rubber, Rice, Fish, Tobacco, Footwear

Main Industries: Tourism, Garments, Rice Milling, Fishing, Wood and Wood Products, Rubber, Cement, Gem Mining, Textiles

LIST OF IMPORT DUTY AND IMPORT VAT RATES
(SUBJECT TO CHANGE IN CUSTOMS REGULATIONS)

CODE	DESCRIPTION	VAT	PREFERENTIAL DUTY (%)			
			MFN	CEPT	ACFTA	AKFTA
7101	Natural Loose Pearls and Natural Temorarily Strung	10%	3	0	3	3
7102.39	Loose Polished Diamonds		0	0	1	1
7103	Loose Precious Stones		0	0	1	1
7113.11	Silver jewelry		30	5	20	25
7113.19	Gold jewelry		25	5	20	25
7116	Articles of natural or cultured pearls, precious or semi-precious stones		30	5	20	25
91	Finished watches and clocks		30	5	20	25

CEPT: ASEAN countries

ACFTA: ASEAN-China

AKFTA: ASEAN-Korea

MFN: Most Favoured Nation

In today's Cambodian market, gold and diamond jewelry are the most favoured & desired piece of jewelry for occasions...

Source: Ministry of Commerce, Kingdom of Cambodia

"Young" = Vigor

Cambodia's population is estimated to be 14.4 million, growing at a rate of around 1.9% per annum. Growth of bridal jewelry demand will be dramatic over the next decade, since more than 60% of its population is under the age of 25.



The manufacturing sector is growing at a rapid pace over the past few years and reached 12% in 2007. The nation's GDP averaged 11% from 2004 - 7 lead by foreign investments and increasing local consumption. In spite of the slowing global economy, Cambodia's growth registered 7.5% in 2008

From a currently low base, consumer spending is soaring in a wide range of segments due to pentup demand and as increasingly wealthy Cambodians enjoy the benefits of a booming property market and a vibrant economy. Many luxury goods suggests further strong growth over the long term. Expenditure data from the past six years show that many consumer segments have grown at average rates of 15-40% per year . . . and this is in real terms, not nominal figures! Spending on discretionary items, such as recreation and restaurants, has surged in the past few years, implying that the basis of consumption is transitioning from basic expenditures to more luxury goods and services.

CAMBODIA TRADE WITH MAIN PARTNERS 2008



Rk	Partners	Mio euro	%
	World	8.031,8	100,0%
1	United States	1.688,7	21,0%
2	Thailand	1.565,7	19,5%
3	Vietnam	988,7	12,3%
4	China	916,6	11,4%
5	EU27	823,3	10,3%
6	Hong Kong	460,9	5,7%
7	Singapore	459,9	5,7%
8	South Korea	246,6	3,1%
9	Japan	213,3	2,7%
10	Canada	173,8	2,2%
11	Indonesia	131,4	1,6%
12	Malaysia	129,8	1,6%
13	Australia	36,5	0,5%
14	India	27,1	0,3%
15	Russia	20,8	0,3%
16	Switzerland	20,2	0,3%
17	Mexico	18,3	0,2%
18	Turkey	17,3	0,2%
19	Pakistan	12,7	0,2%
20	Norway	10,3	0,1%
21	Philippines	7,6	0,1%
22	Brazil	5,5	0,1%
23	South Africa	5,3	0,1%
24	Argentina	4,3	0,1%
25	North Korea	4,1	0,1%

Rk	Partners	Mio euro	%
26	United Arab Emirates	3,9	0,0%
27	Macao	3,2	0,0%
28	Chile	3,1	0,0%
29	New Zealand	2,8	0,0%
30	Jordan	2,2	0,0%
31	Croatia	2,0	0,0%
32	Saudi Arabia	2,0	0,0%
33	Sri Lanka	2,0	0,0%
34	Ukraine	1,8	0,0%
35	Iran	1,6	0,0%
36	Laos	1,2	0,0%
37	Uruguay	1,2	0,0%
38	El Salvador	0,7	0,0%
39	Iceland	0,6	0,0%
40	Israel	0,6	0,0%
41	Bangladesh	0,5	0,0%
42	Morocco	0,4	0,0%
43	Swaziland	0,4	0,0%
44	Colombia	0,3	0,0%
45	Belarus	0,2	0,0%
46	Kyrgyz Republic	0,2	0,0%
47	Peru	0,2	0,0%
48	Trinidad and Tobag	0,2	0,0%
49	Mongolia	0,2	0,0%
50	Falkland Island	0,2	0,0%

ASEAN Tiger - Cambodia's Ascent

Now a stable and investor-friendly country, it is in the early stages of an immense economic expansion: GDP growth has averaged 10.5% since 2002. Income, lending and consumption are comparable to those of developing ASEAN nations 20-30 years ago.

The economic growth is projected to register positive growth in 2009 - 2010 and will reach 7% in 2011. Manufacturing FDI amounted to 43 percent of total FDI in Cambodia.

"In 2010, we expect a two-speed global economy. We expect emerging economies to move ahead and grow **three** times faster than developed regions." HSBC group chief executive Michael Geoghegan.

Investor-friendly Environment

Foreigners investing in Cambodia benefit from a truly rare opportunity, a level-playing field in which they are treated no differently than locals. The country's transparency and openness to foreign investors is unparalleled among developing Southeast Asian economies. Foreigners can hold a 100% stake in nearly all businesses (except land investment), including lucrative industries that are restricted in other Asean countries, such as banking, insurance, energy, utilities and hospitals, to name but a few. Compared to China, one very obvious difference is the foreign currency control. In Cambodia there is not this kind of control, whatever money you make you can send out to another country. Most industries are open to investors, you can do as you want. It can be a very easy place to start."

In recent decades, many younger Cambodians and those in the business-class have favoured learning English. In the major cities and tourist centers, English is widely spoken and taught at a large number of schools because of the overwhelming number of tourists from English-speaking countries. Even in the most rural outposts, most young people speak at least some English, as it is often taught by monks at the local pagodas where many children are educated.



10 Reasons Why Should You Exhibit?

1. Provides exhibitors new market opportunities to attract customers searching for the newest and latest products and services.
2. International exhibitors are allowed to sell and deliver their exhibits at the exhibition (usually cash transactions in U.S. dollars).
3. Growth of bridal jewelry demand will be dramatic over the next decade, because 60% of the populations are under age 25.
4. The organizer, Ministry of Commerce, will conduct a nationwide promotion giving all their retailers and consumers an unparalleled opportunities to view and buy on-the-spot.
5. Import and re-export procedures of exhibit are easy and simple.
6. Cambodia mainly relies on imports since they do not have jewelry and timepiece industries.
7. No customs duties, taxes or VAT are applied upon entry to Cambodia. Customs duties, taxes and VAT are only applied on sold items, and all duties and taxes will be paid through the international broker designated by the organisers on the last day of the exhibition.
8. Customs duties, taxes/VAT based on declared invoice CIF value only.
9. Products from Mainland China (Certificates of Origin - Form E required) could enjoy preferential import duty at 1% - 20% in 2009.
10. Products from ASEAN could enjoy preferential import duty at 0% - 5%.

Promotional Programs:

- ☉ Mass Media advertising at Cambodia's major newspapers and magazines, television, radio and websites
- ☉ City Outdoor Advertising
- ☉ VIP invitation widely distributed to ASEAN jewelry traders
- ☉ Fashion performances with enchanting models showcasing will be staged throughout the event duration
- ☉ To invite local celebrities and government officials officiating the opening ceremony

Post Show Result

The post show trade results were very positive and encouraging, with 80% of the 2009 exhibitors registered their keen interests to take part again in the 2nd edition of 'Cambodia Gems & Jewelry Fair' in 2010, which will be held in the capital city of Phnom Penh, Kingdom of Cambodia.

It's time to position your organization to capitalize on this growth and capture your market share at Cambodia Gems & Jewelry Fair by International Pavilion. It is the ONLY international platform to showcase the complete range of your jewelry products to Cambodia. We look forward to welcoming you in this show soon! Applications close on March 29, 2010. You will need to log onto www.cambodiatradingfair.org/1680/html to download the application form.

A large investment is made in Cambodia



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