

Preparing to export

Consultation and bespoke research

Visit: <https://www.great.gov.uk/> for guidance on how to research overseas markets as well as a range of other important issues for exporters.

Researching the Cambodian market

Good local research is needed and you should consider regional plans and market-entry requirements using both desk research and market visits.

You will need to determine whether:

- there is a market for your product or service
- your pricing is competitive
- to adapt your business model

The questions listed below should help you to focus your thoughts. Your answers to them will highlight areas for further research and also suggest a way forward that is right for your company. You may then want to use this as a basis for developing a formal Cambodia strategy, although this may not be necessary or appropriate for all companies:

Your aims:

- Do you wish to buy from Cambodia, sell to Cambodia or both?
- Do you wish to establish your own company presence in Cambodia (for example through a corporate or non-corporate entity, direct sales, appointing a local agent, online selling, licensing or franchising)?
- Do you need to be involved in Cambodia at all?
- Do you see Cambodia as part of a wider plan including e.g. other Southeast Asian markets now or in the future?

Your company:

- Can you carry out a detailed SWOT analysis of your company?
- What are the unique selling points for your product or service?

- Do you know if there is a market for your product or service in Cambodia?
- Do you know if you can be competitive in Cambodia?
- Are your competitors already in Cambodia? If so, what are they doing?
- Do you have the time and resources to handle e.g. the demands of communication, travel, product delivery and after-sales service?

Your knowledge:

- Do you know how to secure payment for your products or service?
- Do you know where in Cambodia you should start?
- Do you know how to locate and screen potential partners, agents or distributors?
- Have you carried out any Cambodia-specific customer segmentation, and do you know how to best reach potential customers in-market?

It is unlikely that you will have the answers to all these questions at the outset and these 'knowledge gaps' could form the basis for further research and investigation. Some of these questions will require quantitative research in your sector, while others involve more contextual and cultural considerations.

Talking to other people in your industry and regularly visiting Cambodia will give you access to the most current advice, and such experience can often lead to new insights and form the basis for further research.

There is also some useful guidance on developing a marketing strategy, customer segmentation, competitor and SWOT analysis etc. on the <https://www.great.gov.uk/> site – and the IOE&IT and British Chamber can help too.

There may be trade shows held in Cambodia each year, which could be useful to test product viability in the market. The Department for International Trade (DIT) Tradeshow Access Programme at: <https://www.gov.uk/guidance/tradeshow-access-programme> provides funding in the form of grants for eligible businesses to attend overseas trade shows.

The funding helps your business gain:

- market knowledge
- experience in attending and getting the most from overseas trade shows
- advice and support from trade experts

Visit the DIT events portal at: <https://events.trade.gov.uk/> to find upcoming events and missions.

Find out more about marketing your goods and services for Cambodia at: <https://www.great.gov.uk/>.

Contact the DIT team in Cambodia at: <https://www.gov.uk/world/organisations/department-for-international-trade-cambodia#contact-us> for events and company launches at British Embassy locations.

Start-up considerations

Visit: www.great.gov.uk for guidance on how to research overseas markets as well as a range of other important issues for exporters.

Consult a local lawyer to avoid costly mistakes and ensure you start out in the way that is best suited to your sector of activity. The following list of lawyers has been prepared by the British Embassy Phnom Penh for the convenience of British Nationals who may require legal advice and assistance in Cambodia: <https://www.gov.uk/government/publications/cambodia-list-of-lawyers--2>.

Getting started in the Cambodian market

There are various ways to operate a business in Cambodia, but working with a local partner, such as an agent or distributor, is the most effective way to reach Cambodian consumers.

Appointing an agent, distributor or importer

A foreign company will usually appoint one or more agents or distributors. They can keep track of market regulations, which can change at short notice.

You should spend time taking local advice and assessing a range of potential agents before making a choice. Beware of agents promoting similar or identical products. The DIT team at the British Embassy Phnom Penh can help you identify and meet potential agents and distributors. See: <https://www.gov.uk/world/organisations/department-for-international-trade-cambodia#contact-us>.

You should conduct due diligence checks once you have chosen your method of entry into the market. However, if you want to establish a business relationship that goes beyond exporting, you will need to carry out further research.

Taxation and legal obligations differ depending on the business structure you choose. You should therefore consult legal professionals to avoid costly mistakes and ensure you start out in the way that is best suited to your sector of activity.

Setting up a business in Cambodia

The following is a summary of the procedure for starting a business in Cambodia, outlined in the World Bank Group's Flagship Report: 'Doing Business 2018 – Reforming to create jobs'.

The full report can be accessed via UK-ASEAN at: <http://www.doingbusiness.org/~media/wbg/doingbusiness/documents/profiles/country/khm.pdf>.

- Conduct an initial check for uniqueness of the company name and obtain company name approval at the Business Registration Department, Ministry of Commerce: <http://www.businessregistration.moc.gov.kh>.
- Incorporate the company with the Business Registration Department, Ministry of Commerce: <http://www.businessregistration.moc.gov.kh>.
- Make a company seal at Sealmaker, Ministry of Commerce: <http://www.businessregistration.moc.gov.kh/>.
- Open a bank account, deposit the legally-required initial capital and obtain deposit evidence.
- Have registration documents stamped and approved, register for TIN, Patent Tax and VAT at General Tax Department, Cambodian Ministry of Economy and Finance, General Department of Taxation: <http://tax.gov.kh/en/>.
- Notify the Cambodian Ministry of Labor of the start of operations and hiring of employees: <https://www.mlvt.gov.kh/index.php?lang=en>.
- Submit company original statutes and capital deposit evidence at the Business Registry, Business Registration Department, Ministry of Commerce: <http://www.businessregistration.moc.gov.kh>.
- Receive inspection from Labour Inspector at the Ministry of Labor and Vocational Training: <https://www.mlvt.gov.kh/index.php?lang=en>.
- Register at the Cambodia National Social Security Fund (NSSF): <http://www.nssf.gov.kh/default/language/en/>.

[Source – World Bank/UKABC]

Direct exports and sales in Cambodia

Direct exports means you supply your products direct to the customer. You handle all the logistics of marketing, selling, sending overseas and getting paid.

You may wish to use local representation. Options include using an agent, distributor or wholesaler.

The DIT's trade specialists at: <https://www.gov.uk/overseas-customers-export-opportunities> can help you identify local representatives for your products in Cambodia.

Online selling to Cambodia

Find out about DIT's E-Exporting programme at: <https://www.gov.uk/guidance/e-exporting>, which can help you export your products to Cambodia.

Check out online marketplaces in Cambodia at: <https://selling-online-overseas.export.great.gov.uk/>, where DIT has negotiated listings at better-than-commercial rates.

Licensing or franchising in Cambodia

There are attractive franchise opportunities in Cambodia, particularly given the increased disposable income of the young generation of Cambodian consumers.

Cambodia's Commercial Enterprise Law has a provision that sets forth regulations covering franchises. See: <http://www.wipo.int/edocs/lexdocs/laws/en/kh/kh011en.pdf>.

Visit the international section of the British Franchise Association at: <http://www.thebfa.org/international> for more information on franchising.

[Source – DIT/ gov.uk]

Getting finance to fulfil an export contract to Cambodia

Globally, Cambodia ranks 20th out of 190 economies in the World Bank's "Doing Business – Ease of Getting Credit" report 2018. See: <http://www.doingbusiness.org/rankings>.

To make it easier to fulfil an export contract and grow your business, schemes may be available to UK companies selling products and services to Cambodia. Contact your bank or specialist financial organisation for assistance.

UK Export Finance (UKEF) has significant risk capacity to support exports to Cambodia. See:

<https://www.gov.uk/guidance/country-cover-policy-and-indicators#cambodia>. You can contact one of UKEF's export finance advisers at: <https://www.gov.uk/government/publications/find-an-export-finance-manager> for free and impartial advice on your finance options.

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