

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

CAMBODIA

Asia East

Dialogue | Trust | Partnership

office@lordwaverley.com

www.lordwaverley.com

WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Phnom Penh (capital)	Political, financial and administrative capital; headquarters of the Council for the Development of Cambodia and the garment-export administration	Financial services, corporate headquarters, light manufacturing
Sihanoukville (SEZ and deep-water port)	Major Chinese-linked special economic zone and Cambodia's principal deep-water port	Electronics, EV assembly, light manufacturing, port logistics
Siem Reap / Angkor	Cambodia's premier tourism hub; foreign arrivals down 30% year-on-year through August 2026 amid the Thailand border closure	Tourism and hospitality (currently depressed)
Poipet (Thailand border)	Historic border-trade crossing, closed since the December 2025 Thailand-Cambodia conflict with no clear reopening timeline	Limited near-term investment; cross-border trade and logistics only once reopened
Stung Treng / Kratie / Monduliri / Ratanakiri (northern provinces)	New government incentive zone (tax, customs and low-interest-loan benefits); over 70 project proposals worth \$2.7 billion in H1 2026	Agribusiness, agro-industry, tourism
Funan Techo Canal corridor (Kandal-Kampt)	Flagship \$1.7 billion inland-waterway project reducing reliance on Vietnamese ports; Chinese financing commitments remain unconfirmed	Infrastructure, inland-waterway logistics
Koh Kong (coastal SEZ)	Coastal special economic zone also linked to past cyberscam-compound clearances and Chinese-backed casino/resort development	Light manufacturing, tourism, renewable energy

INVESTOR ENTRY ROUTES

- Garment, footwear and travel-goods export manufacturing, now benefiting from a competitive 19% US tariff rate secured in August 2025
- Special-economic-zone investment (Sihanoukville, Poipet, Koh Kong) in electronics, EV assembly, auto components and light manufacturing
- Renewable energy investment (wind, solar, biomass) as part of the government's diversification push
- Northern-province agribusiness and agro-industry investment (Stung Treng, Kratie, Monduliri, Ratanakiri) under new tax and customs incentives
- Tourism and hospitality investment around Angkor/Siem Reap, positioned for eventual recovery once the Thai border reopens
- Infrastructure investment tied to the Funan Techo Canal corridor, contingent on resolving Chinese financing uncertainty

MARKET-ENTRY OBSERVATION

Cambodia under Prime Minister Hun Manet continues to draw significant FDI despite a genuinely difficult year, approving \$4.7 billion across 276 projects in the first half of 2026 though that is down 26% in value and 19% in project count from the same period in 2025, a decline officials attribute to global headwinds (trade-policy uncertainty, higher energy prices tied to the Middle East conflict, slower

global growth) as much as to Cambodia-specific problems. Chinese investors remain dominant (35.75% of approved investment), followed by Singapore (15.38%), while Phnom Penh is actively courting higher-value technology, electronics, automotive-component and green-industry investment to move beyond labor-intensive manufacturing. The IMF has cut its own 2026 growth forecast to 3%, citing the same headwinds plus weak tourism and subdued domestic demand.

Two country-specific problems compound the picture. First, a border conflict with Thailand the worst fighting between the two countries in years, with a Trump-brokered July 2025 ceasefire collapsing into roughly 20 days of fighting in December 2025 (fighter jets, rockets, artillery; 101-plus killed, 500,000-plus displaced) before defense ministers signed a new truce on December 27 has left the border still closed through 2026, hammering cross-border trade and crushing tourism to Angkor (foreign arrivals down 30% year-on-year through August, to just 474,933). Second, Cambodia's international reputation has been damaged by a well-documented cyberscam-compound industry: the government says it has shut over 700 scam centers and detained nearly 30,000 suspects (including 15 senior officials) over the past year, with the Prince Group's and Huione Group's former chairmen both extradited to China following US and UK sanctions but officials acknowledge criminal networks are simply decentralizing into smaller, harder-to-find operations. Hun Manet has publicly acknowledged investors citing "war" and "scams" as reasons to avoid the country, and is responding with fresh incentive packages for less-affected northern provinces.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Thailand border closure	Still closed through 2026 after December 2025 fighting, with no clear reopening timeline, crushing cross-border trade and tourism	Monitor negotiations and reopening preconditions closely before committing to border-dependent investment
Cyberscam-industry reputational damage	Over 700 compounds shut and roughly 30,000 detained, but networks are decentralizing rather than disappearing, deterring investors outright by the government's own acknowledgment	Avoid any association with affected sectors or zones and verify counterparties carefully
Declining FDI approvals	H1 2026 approvals down 26% in value and 19% in project count year-on-year, though officials frame this as a global-headwinds story rather than Cambodia-specific	Benchmark against regional FDI trends rather than reading the decline in isolation
Funan Techo Canal financing uncertainty	Beijing has not made firm funding commitments for the flagship \$1.7 billion, roughly 4%-of-GDP canal project despite an October 2023 framework agreement with CRBC	Treat the canal as a monitoring item rather than a near-term co-investment opportunity
Heavy China concentration in FDI	35.75% of approved investment comes from China alone, exposing Cambodia to shifts in Chinese outbound investment and geopolitical alignment pressure	Diversify sector exposure rather than relying on China-linked capital flows continuing unchanged
IMF growth-forecast downgrade	Cut to 3% for 2026 on higher energy prices, trade-policy uncertainty, weak tourism and subdued domestic demand	Model growth assumptions off the downgraded forecast rather than prior-year momentum
Governance and labor-condition requirements tied to the US tariff deal	Continued US market access depends partly on progress on democracy, human-rights and labor conditions flagged by garment-sector unions	Monitor US-Cambodia trade-relationship developments as a standing compliance factor

INVESTOR RISK NOTE

Waverley views Cambodia as a resilient but genuinely strained investment destination: FDI remains substantial and the new 19% US tariff rate is a real competitive win, but the Thailand border closure, the cyberscam-industry's reputational drag, and unresolved Chinese financing for the flagship Funan Techo Canal are concrete, current problems rather than background risk. Entry should concentrate on special economic zones and sectors insulated from the Thai border and scam-industry narratives.

MARKET ACCESS

Cambodia secured a reduced 19% US tariff rate in August 2025 (down from a proposed 36-49%), among the most competitive in the region, in exchange for removing tariffs on over 11,000 US product lines; it also offers special-economic-zone incentives, ASEAN and RCEP trade-agreement access, and new northern-province tax and customs incentives, though its Thailand border a historically important trade and tourism channel remains closed following the December 2025 conflict.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Office of the Prime Minister (Hun Manet administration)	Sets the overall economic and diversification agenda, continuing the Hun family's dynastic leadership	Primary reference point for the administration's policy direction
Council for the Development of Cambodia (CDC)	Approves investment projects and licenses, the central point of contact for FDI applications	First point of contact for most inbound investment
Ministry of Commerce	Negotiated the US tariff deal and coordinates broader trade policy	Primary channel for trade-agreement and tariff-compliance matters
Ministry of Interior / National Police	Leads the cyberscam-compound crackdown and international extradition cooperation	Monitor for crackdown progress and reputational-risk developments
Ministry of National Defence	Manages the Thailand border ceasefire and current troop-deployment freeze	Monitor for developments on the border situation
China Road and Bridge Corporation (CRBC)	Lead contractor and intended financing counterpart for the Funan Techo Canal, with financing still unconfirmed	Reference point for canal-project financing developments
Provincial sub-committees (Stung Treng, Kratie, Mondulkiri, Ratanakiri)	Administer new northern-province investment incentives	Primary channel for northern-province agribusiness and agro-industry entry

CURRENT INTERNATIONAL BUSINESS CHANNELS

Most inbound capital flows through Council for the Development of Cambodia project licensing, Ministry of Commerce engagement on tariff and trade-agreement matters, special-economic-zone operators (Sihanoukville, Poipet, Koh Kong), and direct negotiation with CRBC or other state partners for infrastructure projects.

INVESTOR PROFILE BEST SUITED

Best suited to garment, footwear and light-manufacturing exporters benefiting from the new US tariff rate, special-economic-zone investors in electronics, EV assembly and renewable energy, and agribusiness investors in the incentivized northern provinces. Less suited to investors dependent on Thailand border trade or tourism, or those requiring a swiftly resolved cyberscam-industry reputational cleanup.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Confirm sector fit

Decide between garment/manufacturing, SEZ electronics/EV, renewable energy, agribusiness, or infrastructure investment.

STEP 2: Engage the Council for the Development of Cambodia

Open project-licensing discussions with the CDC or the relevant special-economic-zone operator.

STEP 3: Verify US tariff-compliance requirements

Confirm rules-of-origin and tariff-compliance requirements before any export-oriented investment.

STEP 4: Monitor the Thailand border and scam-crackdown situation

Track both as reputational and operational indicators before committing to exposed sectors.

STEP 5: Assess Funan Techo Canal financing developments

Treat the canal as a monitoring item rather than a near-term co-investment opportunity until financing clarifies.

WAVERLEY'S ROLE

- Track the Thailand border situation and its effect on cross-border trade and tourism
- Monitor the cyberscam-compound crackdown's progress and Cambodia's reputational trajectory
- Coordinate introductions to the Council for the Development of Cambodia and relevant ministries
- Screen manufacturing, SEZ, renewable-energy and agribusiness opportunities against current trade and reputational conditions

INVESTOR CALL TO ACTION

Waverley Gateway positions investors to capture Cambodia's genuinely competitive US tariff rate and resilient FDI inflows, while explicitly tracking the Thailand border closure, the cyberscam-industry's reputational drag, and unresolved Funan Techo Canal financing engage now through special economic zones and export-oriented manufacturing channels insulated from these specific risks.

Sector screening -> Trade and reputational due diligence -> CDC/institutional introductions -> Structured entry

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Near-term opportunities concentrate in garment, footwear and light-manufacturing exports under the new US tariff rate, special-economic-zone investment in electronics, EV assembly and renewable energy, and northern-province agribusiness investment in Stung Treng, Kratie, Mondulkiri and Ratanakiri under new tax and customs incentives.

POSITIONING

Cambodia combines a genuinely competitive new US tariff rate (19%, among the lowest in the region) and resilient FDI inflows with the Hun family's continued dynastic political stability under PM Hun Manet.

That resilience sits alongside concrete, current strain: a closed Thailand border following December 2025 fighting, a damaging cyberscam-industry crackdown that is reshaping rather than resolving the underlying problem, and unresolved Chinese financing for the flagship Funan Techo Canal. Waverley frames Cambodia as a genuine manufacturing and SEZ opportunity best entered through channels insulated from the border and reputational risks, while monitoring both for resolution.

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