

Brief Analysis of the Final Results of the 2011 Economic Census of Cambodia

The 2011 Economic Census of Cambodia (the EC2011) was conducted with 1 March 2011 as the reference date. The EC2011 covered all of fixed and movable establishments in the whole territory of Cambodia. The final results of the EC2011 were released on 13 March 2012 after eleven months of data processing and analysis, and are outlined as follows:

1. Total number of establishments is about 500,000 in Cambodia.

There were 505,134 establishments in Cambodia as of 1 March 2011 as the final results of the EC2011. The number of persons engaged in these establishments was 1,673,390 being composed of 649,358 males accounting for 38.8% and 1,024,032 females (61.2%). Females fairly outnumbered males. (Refer to Table 1-1 and Table 11-1-1.)

On the other hand, the number of establishments except street business, which was the definition of the 2009 Nation-wide Establishment Listing (the EL2009) conducted with 9 February 2009 as the reference date, was 463,363, and the number of persons engaged in these establishments was 1,610,610. (Refer to Table 1-7-1 and Table 11-7-1.)

Compared with the final results of the EL2009, the number of persons engaged increased 9.59%, the estimated annual increase rate being 4.68%. Since the annual population increase rate is 1.54%, the increase rate of persons engaged is extremely high. Looking at the sectoral composition, it is observed that the persons engaged in the primary sector began to move to the secondary or tertiary sector. The primary sector means Agriculture, Forestry, and Fishery sectors, while the secondary and tertiary sectors mean other than the primary sector. The movement of persons engaged from the primary sector to the secondary or tertiary sector is one of the features commonly seen in the process of the development of a country.

Definition of establishment

The establishment as an enumeration unit for the Census is defined as follows, according to the International Standard Industrial Classification (ISIC) Rev.4 of the United Nations: The establishment can be defined as an economic unit that engages, under a single ownership or control - that is, under a single legal entity - in one, or

predominantly one, kind of economic activity at a single physical location – for example, a mine, factory or workshop.

Generally speaking, there are three kinds of establishments: fixed, movable, and mobile. “Fixed” means an establishment running some economic activity always in the fixed place and building; “movable” means an establishment running some economic activity always in the fixed place, but it is possible to move the place easily; and “mobile” means an establishment running some economic activity peddling in the street. Since the EC2011 covered “fixed” and “movable” establishments only, unfixed “mobile” establishments were not included in these final results.

Coverage

The EC2011 covered all establishments excluding “Agriculture, Forestry, and Fishery” (Section A), “Public administration and defence; compulsory social security” (Section O), “Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use” (Section T), and “Activities of extraterritorial organizations and bodies” (Section U) of ISIC.

However, establishments which process agriculture, forestry, and fishery products were included in these final results as “Manufacturing” (Section C) of ISIC.

2. Number of establishments with one or two persons engaged accounts for nearly 80%.

The number of establishments with one person engaged was 222 thousands accounting for 44.0%, and that with two persons engaged was 176 thousands (34.9%). Thus, one or two-person size establishments accounted for around 80% of the total. (Refer to Table 1-1.)

The number of establishments with five or more persons engaged was 40 thousands accounting for 7.8%; with ten or more persons engaged was 13 thousands (2.6%); with one hundred or more persons engaged was 786 (0.2%); and with one thousand or more persons engaged was only 119. That is to say, large-scale establishments accounted for a very low portion in Cambodia. (Refer to Table 1-1.)

On the other hand, the number of persons engaged in establishments with five or more persons engaged was 876 thousands accounting for 52.4%; with ten or more persons

engaged was 713 thousands (42.6%); with one hundred or more persons engaged was 452 thousands (27.0%); and with one thousand or more persons engaged was 255 thousands (15.2%). Although there were only a few large-scale establishments in Cambodia, persons engaged working there accounted for a relatively higher portion. (Refer to Table 11-1-1.)

3. New establishments are about 180,000 accounting for more than one third.

There were 182,439 new establishments which started business between 1 January 2009 and 1 March 2011. New establishments accounted for a very high ratio: 36.1% of the total establishments. That is, a large number of new establishments appeared in January 2009 or later. It means that Cambodian economy is rapidly growing, and that the recent economic policies implemented by the Royal Government of Cambodia (the RGC) such as promoting economic growth of the National Strategic Development Plan Update (2009-2013) are successful. (Refer to Table 1-9-1.)

New establishments with one or two persons engaged accounted for a very high ratio: 82.0%, more than four fifths of the total number of new establishments. It means that the economic policy by the RGC promoting and supporting micro establishments is successful. Especially, new establishments with one person engaged and a female representative accounted for a very high ratio: 35.8%, nearly 40% of the total number of new establishments. It means that also the economic policy by the RGC promoting and assisting women's business is successful. (Refer to Table 1-9-1.)

4. Street businesses are nearly 42,000.

There were 41,771 street businesses which were not counted in the EL2009. The street business means a business such as a stall, a booth, etc. that keeps running at a fixed location on the sidewalk or the roadside. Street businesses accounted for 8.3% of the total number of establishments. Establishments with female representatives accounted for 75.5%, more than three fourths, of the total number of street businesses. Street businesses with one or two persons engaged accounted for 91.6% of the total number of street businesses. That is, most of street businesses were with one or two persons engaged only. (Refer to Table 1-7-1.)

5. Individual proprietors account for more than 90%.

There were 473,197 individual proprietors with no registration. It means 93.7% of the total number of establishments are under private management and do not have a legal

status in Cambodia. Individual proprietors with one or two persons engaged accounted for 81.7% of the total number of individual proprietors. (Refer to Table 1-4-1.)

6. “Owned” accounts for nearly 70% on “Tenure of Business Place”.

Looking at the tenure of business place, 68.7% of the total number of establishments own their business places. It means that the rate of possession is fairly high in Cambodia. This situation is more advantageous for Cambodia to sustain its economic growth since about 70% of establishments can continue to operate their businesses with low cost. (Refer to Table 1-6.)

7. “Less than 10m²” accounts for more than 50% on “Area of Business Place”.

Looking at the area of business place, establishments whose areas are less than 10m² account for 52.5% of the total number of establishments. It means that more than 50% of establishments are running their businesses with a very narrow space. On the other hand, establishments whose area are 100m² or more account for only 7.2%. (Refer to Table 1-8.)

8. “Wholesale and retail trade and repair of motor vehicles and motorcycles” accounts for nearly 60%.

Looking at the number of establishments by Section of ISIC, “Wholesale and retail trade and repair of motor vehicles and motorcycles” (Section G) was the largest Section with 292 thousands accounting for 57.9%. Subsequently, “Manufacturing” (Section C) 71 thousands (14.1%); “Accommodation and food service activities” (Section I) 70 thousands (13.8%); “Other service activities” (Section S) 33 thousands (6.5%); and so on. (Refer to Table 2-1-1.)

In “Manufacturing”, especially “Grain mill products (1061)” and “Wearing apparel, except fur apparel (1410)” are outstanding. (Refer to Table 2-10.)

In terms of the number of persons engaged by Section of ISIC, “Wholesale and retail trade and repair of motor vehicles and motorcycles” (Section G) was also the largest Section with 553 thousands accounting for 33.1%. Subsequently, “Manufacturing” (Section C) 530 thousands (31.7%); “Accommodation and food service activities” (Section I) 195 thousands (11.7%); “Education” (Section P) 130 thousands (7.8%); “Other service activities” (Section S) 76 thousands (4.6%); and so on. (Refer to Table 12-1-1.)

In “Manufacturing”, especially “Wearing apparel, except fur apparel (1410)”, “Footwear (1520)”, “Grain mill products (1061)”, “Weaving of textiles (1312)”,

“Sugar (1072)”, “Knitted and crocheted apparel (1430)”, and “Clay building materials (2392)” are outstanding. (Refer to Table 12-10-1.)

9. In new establishments, “Wholesale and retail trade and repair of motor vehicles and motorcycles” accounts for nearly 60%.

Looking at the number of new establishments by Section of ISIC, “Wholesale and retail trade and repair of motor vehicles and motorcycles” (Section G) was the largest Section with 106 thousands accounting for 58.1%. Subsequently, “Accommodation and food service activities” (Section I) 30 thousands (16.6%); “Manufacturing” (Section C) 22 thousands (11.9%); “Other service activities” (Section S) 13 thousands (7.0%); and so on. In “Manufacturing”, especially “Wearing apparel, except fur apparel (1410)”, “Grain mill products (1061)”, “Sugar (1072)”, “Distilling, rectifying and blending of spirits (1101)”, and “Structural metal products (2511)” increased very much. (Refer to Table 2-9-1.)

In terms of the number of persons engaged in new establishments by Section of ISIC, “Wholesale and retail trade and repair of motor vehicles and motorcycles” (Section G) was also the largest Section with 191 thousands accounting for 40.1%. Subsequently, “Manufacturing” (Section C) 128 thousands (26.8%); “Accommodation and food service activities” (Section I) 77 thousands (16.1%); “Other service activities” (Section S) 27 thousands (5.6%); and so on. (Refer to Table 12-9-1.)

10. “Information and communication” shows a very high increase rate: more than 50%

Looking at the ratio of new establishments by Section of ISIC, “Information and communication” (Section J) was the highest Section accounting for 52.3%. This is along with the popularization of mobile phones and use of the Internet in addition to the increase in computer service activities. Subsequently, “Real estate activities” (Section L) 44.2%; “Accommodation and food service activities” (Section I) 43.6%; “Arts, entertainment and recreation” (Section R) 43.5%; “Other service activities” (Section S) 39.1%; and so on. (Refer to Table 2-9-2.)

11. In street businesses, “Wholesale and retail trade and repair of motor vehicles and motorcycles” accounts for nearly 60%.

Looking at the number of street businesses by Section of ISIC, “Wholesale and retail

trade and repair of motor vehicles and motorcycles” (Section G) was the largest Section of 24 thousands accounting for 57.9%. Subsequently, “Accommodation and food service activities” (Section I) 13 thousands (30.7%); “Other service activities” (Section S) 3 thousands (7.9%); and so on. (Refer to Table 2-4-1.)

12. Phnom Penh accounts for nearly 20% in Cambodia in terms of establishments, and about one third in terms of persons engaged.

Looking at the number of establishments by province, Phnom Penh was the largest with 96 thousands accounting for 19.0%. Subsequently, Kampong Cham 56 thousands (11.1%); Kandal 41 thousands (8.0%); Battambang 34 thousands (6.8%); Siem Reap 32 thousands (6.4%); Takeo 32 thousands (6.3%); and so on. Phnom Penh had a gigantic size of the number of establishments. This is partly due to its recent amalgamation with 20 communes in Kandal province. (Refer to Table 3-1.)

In terms of the number of persons engaged by province, Phnom Penh was also the largest with 557 thousands accounting for 33.3%. Subsequently, Kandal 151 thousands (9.0%); Kampong Cham 143 thousands (8.5%); Siem Reap 94 thousands (5.6%); Battambang 85 thousands (5.1%); and so on. (Refer to Table 13-1-1.)

13. Both Phnom Penh and Kampong Cham account for more than 30% of new establishments.

Looking at the number of new establishments by province, Phnom Penh was the largest with 38 thousands accounting for 21.0%. Subsequently, Kampong Cham 20 thousands (10.9%); Kandal 15 thousands (8.0%); Battambang 12 thousands (6.4%); Siem Reap 11 thousands (6.2%); Prey Veng 10 thousands (5.7%); and so on. (Refer to Table 3-9-1.)

In terms of the number of persons engaged in new establishments by province, Phnom Penh was also the largest with 160 thousands accounting for 33.5%. Subsequently, Kampong Cham 43 thousands (9.1%); Kandal 35 thousands (7.3%); Siem Reap 26 thousands (5.5%); Battambang 24 thousands (5.1%); and so on. (Refer to Table 13-9-1.)

14. High ratios of new establishments are seen in the north and east bordering provinces.

Looking at the ratio of new establishments by province, Ratanak Kiri was the highest (53.7%). Subsequently, Mondul Kiri 51.4%; Stung Treng 48.8%; Otdar Meanchey 48.3%; Pailin 48.1%; and so on. Thus, ratios of new establishments were seen high in the north and east bordering provinces. On the other hand, Takeo was the lowest with 27.6%. Subsequently, Kampong Chhnang 29.1%; Kampot 33.4%; Kampong Thom 33.7%; Banteay Meanchey 33.8%; and so on. (Refer to Table 3-9-2.)

15. Annual sales in Cambodia are about 13 billion US dollars.

The total amount of annual sales of entities in Cambodia was USD 12.7 billions. Entities with 100 and over persons engaged gained the highest with USD 5.3 billions accounting for 41.7%. Subsequently, one person engaged USD 2.0 billions (15.5%); two persons engaged USD 1.9 billions (14.9%); 20 to 49 persons engaged USD 770 millions (6.1%); 10 to 19 persons engaged USD 556 millions (4.4%); 50 to 99 persons engaged USD 367 millions (2.9%); and so on. Thus, the annual sales of entities with twenty or more persons engaged accounted for more than 50% of the total. (Refer to Table 21-1.)

16. Annual sales per entity in Cambodia were about USD 26 thousands.

Annual sales per entity in Cambodia were USD 25,548. Looking at this by sex of representative, entities with male representatives gained USD 44,688 on average and those with female representatives gained USD 15,616 on average. Male representatives gain nearly three times as much as females. (Refer to Table 21-2.)

17. Larger-scale entities gain higher annual sales.

Looking at the annual sales per entity by size of persons engaged, entities with 1,000 and over persons engaged gained the highest amount: USD 30.5 millions. Subsequently, 500 to 999 persons engaged USD 12.9 millions; 100 to 499 persons engaged USD 2.6 millions; 50 to 99 persons engaged USD 603 thousands; and so on. Basically, larger-scale entities tended to gain a higher amount than smaller ones. (Refer to Table 21-2.)

18. Annual sales of “Wholesale and retail trade and repair of motor vehicles and motorcycles” account for more than 40%.

Looking at the annual sales by Section of ISIC, “Wholesale and retail trade and repair

of motor vehicles and motorcycles” (Section G) gained the highest amount of USD 5.3 billions accounting for 41.7%. Subsequently, “Manufacturing” (Section C) USD 2.8 billions (22.2%); “Accommodation and food service activities” (Section I) USD 1.0 billions (7.5%); “Financial and insurance activities” (Section K) USD 0.8 billions (6.5%); and so on. (Refer to Table 22-1.)

In “Manufacturing”, especially “Wearing apparel, except fur apparel (1410)”, “Prepared animal feeds (1080)”, “Malt liquors and malt (1103)”, “Tobacco products (1200)”, and “Footwear (1520)” are outstanding.

In terms of new entities, in “Manufacturing”, especially “Wearing apparel, except fur apparel (1410)”, “Footwear (1520)”, “Pulp, paper and paperboard (1701)”, “Processing and preserving of fish, crustaceans and mollusks (1020)”, and “Corrugated paper and paperboard and of containers of paper and paperboard (1702)” are outstanding.

19. Annual sales of Phnom Penh account for more than 50% in Cambodia.

Looking at the annual sales by province, Phnom Penh was the highest with USD 7.0 billions accounting for 55.4%. Subsequently, Kandal USD 775 millions (6.1%); Kampong Cham USD 716 millions (5.6%); Battambang USD 576 millions (4.5%); Siem Reap USD 511 millions (4.0%); and so on. (Refer to Table 23-1.)

20. Economy of Cambodia has a high-cost structure in the secondary and tertiary industries.

Looking at the business condition in Cambodia, the annual sales is USD 12.7 billions; the annual expenses is USD 11.0 billions; and the annual profit and loss is USD 1.7 billions. That is, the annual expenses accounts for no less than 87% of the annual sales, while the profit and loss only 13%. It means that the economy of Cambodia has a high-cost structure in the secondary and tertiary industries. This is attributable to the fact that Cambodia imports most of materials and goods, and that domestic production is relatively low. To enhance domestic production and break away from this high-cost economy is an important issue in the future for the further socio-economic development of Cambodia. (Refer to Table 21-1, 24-1, and 27-1.)