

Brief Analysis of Tboung Khmum Province based on New Provincial Boundaries

- 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 following brief analysis is for new Tboung Khmum Province where was established on 31 December 2013 by dividing old Kampong Cham Province into two provinces.

1. Total number of establishments is nearly 25,000 in Tboung Khmum.

There were 24,518 establishments in Tboung Khmum as of 1 March 2011 as the final results of the EC2011. The number of persons engaged in these establishments was 64,552 being composed of 31,613 males accounting for 49.0% and 32,939 females (51.0%). Females a little outnumbered males. (Refer to Table 1-1 and Table 11-1-1.)

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 more than 80%.

The number of establishments with one person engaged was 10,451 accounting for 42.6%, and that with two persons engaged was 9,426 (38.4%). Thus, one or two-person size establishments accounted for more than 80% of the total. (Refer to Table 1-1.)

The number of establishments with five or more persons engaged was 1,387 accounting for 5.7%; with ten or more persons engaged was 407 (1.7%); with one hundred or more persons engaged was 18 (0.1%); and with one thousand or more persons engaged was only 2. That is to say, large-scale establishments accounted for a very low portion in Tboung Khmum. (Refer to Table 1-1.)

On the other hand, the number of persons engaged in establishments with five or more persons engaged was 24,579 accounting for 38.1%; with ten or more persons engaged was 18,529 (28.7%); with one hundred or more persons engaged was 10,800 (16.7%); and with one thousand or more persons engaged was 5,690 (8.8%). Although there were only a few large-scale establishments in Tboung Khmum, persons engaged working there accounted for a relatively higher portion. (Refer to Table 11-1-1.)

3. New establishments are nearly 10,000 accounting for nearly 40%.

There were 9,359 new establishments which started business between 1 January 2009 and 1 March 2011. New establishments accounted for a very high ratio: 38.2% of the total establishments. That is, a large number of new establishments appeared in January 2009 or later. It means that Tboung Khmum 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:

85.5%, more than 80% 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 a female representative accounted for a very high ratio: 60.9%, more than 60% 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 more than 1,500.

There were 1,545 street businesses in Tboung Khmum. 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 6.3% of the total number of establishments. Establishments with female representatives accounted for 74.6%, nearly three fourths, of the total number of street businesses. Street businesses with one or two persons engaged accounted for 95.1% 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 nearly 95%.

There were 23,274 individual proprietors with no registration. It means 94.9% 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 82.7% of the total number of individual proprietors. (Refer to Table 1-4-1.)

6. "Owned" accounts for more than 75% on "Tenure of Business Place".

Looking at the tenure of business place, 76.5% of the total number of establishments own their business places. It means that the rate of possession is fairly high in Tboung Khmum as compared with 68.7%, the average of Cambodia. This situation is more advantageous for Tboung Khmum to sustain its economic growth since more than three fourths of establishments can continue to operate their businesses with low cost. (Refer to Table 1-6.)

7. "Less than 10m²" accounts for more than 40% on "Area of Business Place".

Looking at the area of business place, establishments whose areas are less than 10m² account for 44.5% of the total number of establishments. It means that more than 40% 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 8.0%. (Refer to Table 1-8.)

8. “Wholesale and retail trade and repair of motor vehicles and motorcycles” accounts for more than 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 14,866 accounting for 60.6%. Subsequently, “Manufacturing” (Section C) 3,202 (13.1%); “Accommodation and food service activities” (Section I) 3,100 (12.6%); “Other service activities” (Section S) 1,478 (6.0%); and so on. (Refer to Table 2-1-1.)

In “Manufacturing”, especially “Grain mill products (1061)”, “Wearing apparel, except fur apparel (1410)”, “Distilling, rectifying and bending of spirits (1101)”, and “Manufacture of structural metal products (2511)” 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 27,711 accounting for 42.9%. Subsequently, “Manufacturing” (Section C) 17,904 (27.7%); “Accommodation and food service activities” (Section I) 7,033 (10.9%); “Education” (Section P) 4,418 (6.8%); “Other service activities” (Section S) 2,214 (3.4%); and so on. (Refer to Table 12-1-1.)

In “Manufacturing”, especially “Manufacture of plastics and synthetic rubber in primary forms (2013)”, “Grain mill products (1061)”, “Wearing apparel, except fur apparel (1410)”, and “Manufacture of 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 more than 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 5,750 accounting for 61.4%. Subsequently, “Accommodation and food service activities” (Section I) 1,432 (15.3%); “Manufacturing” (Section C) 1,104 (11.8%); and so on. In “Manufacturing”, especially “Grain mill products (1061)” and “Wearing apparel, except fur apparel (1410)” 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 9,965 accounting for 43.0%. Subsequently, “Manufacturing” (Section C) 7,488 (32.3%); “Accommodation and food service activities” (Section I) 2,927 (12.6%); 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 52.1%. This is along with the popularization of mobile phones and use of the Internet in addition to the increase in computer service activities. Subsequently, “Arts, entertainment and recreation” (Section R) was 46.4%. This is because of casinos which were newly built in Trapeang Phlong near the national border with Viet Nam. (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 910 accounting for 58.9%. Subsequently, “Accommodation and food service activities” (Section I) 475 (30.7%); “Other service activities” (Section S) 114 (7.4%); and so on. (Refer to Table 2-7-1.)

12. Tboung Khmum District accounts for about 25% in Tboung Khmum Province in terms of establishments, and nearly 30% in terms of persons engaged.

Looking at the number of establishments by district, Tboung Khmum District was the largest with 6,136 accounting for 25.0%. Subsequently, Memot 5,010 (20.4%); Ponhea Kreak 4,472 (18.2%); Ou Reang Ov 2,850 (11.6%); Suong 2,446 (10.0%); and so on. Tboung Khmum District had relatively more establishments. This is partly due to Kizuna Bridge over Mekong River on the national road No.7. (Refer to Table 3-1.)

In terms of the number of persons engaged by district, Tboung Khmum District was also the largest with 18,328 accounting for 28.4%. Subsequently, Ponhea Kreak 12,087 (18.7%); Memot 11,924 (18.5%); and so on. (Refer to Table 13-1-1.)

13. More new establishments are distributed along the national road No. 7 in Tboung Khmum Province.

Looking at the number of new establishments by district, Tboung Khmum District was the largest with 2,290 accounting for 24.5%. Subsequently, Memot 2,110 (22.5%); Ponhea Kreak 1,752 (18.7%); and so on. (Refer to Table 3-9-1.)

In terms of the number of persons engaged in new establishments by district, Tboung Khmum District was also the largest with 8,825 accounting for 38.0%. Subsequently, Ponhea Kreak 3,885 (16.7%); Memot 3,737 (16.1%); and so on. (Refer to Table 13-9-1.)

14. Annual sales in Tboung Khmum are 369 million US dollars.

The total amount of annual sales of entities in Tboung Khmum was 369 millions. Entities with two persons engaged gained the highest with USD 114 millions accounting for 30.9%. Subsequently, one person engaged USD 87 millions (23.5%); three persons engaged USD 32 millions (8.8%); 20 to 49 persons engaged USD 26 millions (7.0%); 10 to 19 persons engaged USD 24 millions (6.6%); and so on. Thus, the annual sales of entities with one or two persons engaged accounted for more than 50% of the total. (Refer to Table 21-1.)

15. Annual sales per entity in Tboung Khmum were about USD 15,000.

Annual sales per entity in Tboung Khmum were USD 15,224. Looking at this by sex of representative, entities with male representatives gained USD 19,853 on average and those with female representatives gained USD 11,890 on average. Male representatives gain more than 1.6 times as much as females. (Refer to Table 21-2.)

16. 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 6,662,253. Subsequently, 500 to 999 persons engaged USD 2,423,100; 100 to 499 persons engaged USD 1,821,791; 20 to 49 persons engaged USD 251,377; and so on. Basically, larger-scale entities tended to gain a higher amount than smaller ones. (Refer to Table 21-2.)

17. Annual sales of “Wholesale and retail trade and repair of motor vehicles and

motorcycles” account for nearly 60%.

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 220 millions accounting for 59.5%. Subsequently, “Manufacturing” (Section C) USD 74 millions (20.0%); “Accommodation and food service activities” (Section I) USD 29 millions (7.9%); and so on. (Refer to Table 22-1.)

In “Manufacturing”, especially “Manufacture of prepared animal feeds (1080)”, “Manufacture of plastics and synthetic rubber in primary forms (2013)”, and “Manufacture of starches and starch products (1062)” are outstanding.

In terms of new entities, especially “Manufacture of grain mill products (1061)”, “Manufacture of wearing apparel, except fur apparel (1410)”, and “Manufacture of soft drinks; production of mineral waters and other bottled waters (1104)” are outstanding.

18. Annual sales of Memot District account for nearly 25% in Tboung Khmum Province.

Looking at the annual sales by district, Memot District was the highest with USD 87 millions accounting for 23.7%. Subsequently, Tboung Khmum District USD 85 millions (23.1%); Ponhea Kreak USD 85 millions (23.0%); Suong 48 millions (13.0%); and so on. (Refer to Table 23-1.)

19. Economy of Tboung Khmum has a high-cost structure in the secondary and tertiary industries.

Looking at the business condition in Tboung Khmum, the annual sales is USD 369 millions; the annual expenses is USD 318 millions; and the annual profit and loss is USD 50.6 millions. That is, the annual expenses accounts for no less than 86% of the annual sales, while the profit and loss only 14%. It means that the economy of Tboung Khmum has a high-cost structure in the secondary and tertiary industries. This is attributable to the fact that Tboung Khmum imports most of materials and goods, and that domestic production is relatively low. To enhance internal production and break away from this high-cost economy is an important issue in the future for the further socio-economic development of Tboung Khmum. (Refer to Table 21-1, 24-1, and 27-1.)