

Brief Analysis of Kampong Cham 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 Kampong Cham Province where was established on 31 December 2013 by dividing old Kampong Cham Province into two provinces.

1. Total number of establishments is about 32,000 in Kampong Cham.

There were 31,745 establishments in Kampong Cham as of 1 March 2011 as the final results of the EC2011. The number of persons engaged in these establishments was 78,492 being composed of 32,519 males accounting for 41.4% and 45,973 females (58.6%). Females fairly 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 14,428 accounting for 45.4%, and that with two persons engaged was 11,799 (37.2%). 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 1,822 accounting for 5.7%; with ten or more persons engaged was 629 (2.0%); with one hundred or more persons engaged was 16 (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 Kampong Cham. (Refer to Table 1-1.)

On the other hand, the number of persons engaged in establishments with five or more persons engaged was 28,352 accounting for 36.1%; with ten or more persons engaged was 20,893 (26.6%); with one hundred or more persons engaged was 8,353 (10.6%); and with one thousand or more persons engaged was 4,969 (6.3%). Although there were only a few large-scale establishments in Kampong Cham, persons engaged working there accounted for a relatively higher portion. (Refer to Table 11-1-1.)

3. New establishments are about 10,000 accounting for nearly one third.

There were 10,439 new establishments which started business between 1 January 2009 and 1 March 2011. New establishments accounted for a very high ratio: 32.9% of the total establishments. That is, a large number of new establishments appeared in January 2009 or later. It means that Kampong Cham 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: 87.5%, nearly 90% 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: 69.1%, more than two thirds 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 2,500.

There were 2,484 street businesses in Kampong Cham. 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 7.8% of the total number of establishments. Establishments with female representatives accounted for 78.7%, more than three fourths, of the total number of street businesses. Street businesses with one or two persons engaged accounted for 94.7% 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 95%.

There were 30,315 individual proprietors with no registration. It means 95.5% 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 84.4% 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, 75.6% of the total number of establishments own their business places. It means that the rate of possession is fairly high in Kampong Cham as compared with 68.7%, the average of Cambodia. This situation is more advantageous for Kampong Cham 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 nearly 50% on "Area of Business Place".

Looking at the area of business place, establishments whose areas are less than 10m² account for 49.3% of the total number of establishments. It means that nearly 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 7.5%. (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 18,640 accounting for 58.7%. Subsequently, “Accommodation and food service activities” (Section I) 4,538 (14.3%); “Manufacturing” (Section C) 4,201 (13.2%); “Other service activities” (Section S) 2,090 (6.6%); and so on. (Refer to Table 2-1-1.)

In “Manufacturing”, especially “Grain mill products (1061)”, “Wearing apparel, except fur apparel (1410)”, and “Weaving of textiles (1312)” 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 32,482 accounting for 41.4%. Subsequently, “Manufacturing” (Section C) 17,702 (22.6%); “Accommodation and food service activities” (Section I) 9,772 (12.4%); “Education” (Section P) 8,180 (10.4%); “Other service activities” (Section S) 3,551 (4.5%); and so on. (Refer to Table 12-1-1.)

In “Manufacturing”, especially “Finishing of textiles” (1313), “Grain mill products (1061)”, “Weaving of textiles (1312)”, “Manufacture of tobacco products (1200)”, and “Wearing apparel, except fur apparel (1410)” 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 6,131 accounting for 58.7%. Subsequently, “Accommodation and food service activities” (Section I) 1,913 (18.3%); “Manufacturing” (Section C) 1,068 (10.2%); and so on. In “Manufacturing”, especially “Grain mill products (1061)”, “Wearing apparel, except fur apparel (1410)”, and “Weaving of textiles (1312)” 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 10,001 accounting for 49.4%. Subsequently, “Accommodation and food service activities” (Section I) 3,563 (17.6%); “Manufacturing” (Section C) 3,544 (17.5%); “Other service activities” (Section S) 1,154 (5.7%); and so on. (Refer to Table 12-9-1.)

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

Looking at the ratio of new establishments by Section of ISIC, “Information and communication” (Section J) was the highest Section accounting for 45.4%. This is along with the popularization of mobile phones and use of the Internet in addition to the increase in computer service activities. Subsequently, “Transportation and storage” (Section H) 42.9%; “Accommodation and food service activities” (Section I) 42.2%; 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 more than 50%.

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 1,308 accounting for 52.7%. Subsequently, “Accommodation and food service activities” (Section I) 919 (37.0%); “Other service activities” (Section S) 207 (8.3%); and so on. (Refer to Table 2-7-1.)

12. Kampong Cham City (Krong) accounts for about 15% in Kampong Cham Province in terms of establishments, and about 20% in terms of persons engaged.

Looking at the number of establishments by district, Kampong Cham City was the largest with 4,880 accounting for 15.4%. Subsequently, Prey Chhor 4,016 (12.7%); Chamkar Leu 3,535 (11.1%); Srei Santhor 3,304 (10.4%); and so on. Kampong Cham City had relatively more establishments. This is partly due to Kizuna Bridge over Mekong River on the national road No.7 and a provincial capital. (Refer to Table 3-1.)

In terms of the number of persons engaged by district, Kampong Cham City was also the largest with 15,007 accounting for 19.1%. Subsequently, Kampong Siem 10,786

(13.7%); Prey Chhor 9,319 (11.9%); and so on. (Refer to Table 13-1-1.)

13. New establishments are almost equally scattered throughout Kampong Cham Province.

Looking at the number of new establishments by district, Kampong Cham City was the largest with 1,373 accounting for 13.2%. Subsequently, Prey Chhor 1,267 (12.1%); Chamkar Leu 1,233 (11.8%); and so on. (Refer to Table 3-9-1.)

In terms of the number of persons engaged in new establishments by district, Kampong Cham City was also the largest with 3,129 accounting for 15.4%. Subsequently, Cheung Prey 2,621 (12.9%); Prey Chhor 2,440 (12.0%); and so on. (Refer to Table 13-9-1.)

14. Annual sales in Kampong Cham are 347 million US dollars.

The total amount of annual sales of entities in Kampong Cham was 347 millions. Entities with two persons engaged gained the highest with USD 116 millions accounting for 33.5%. Subsequently, one person engaged USD 108 millions (31.1%); three persons engaged USD 31 millions (9.1%); 10 to 19 persons engaged USD 18 millions (5.3%); four persons engaged USD 17 millions (5.0%); and so on. Thus, the annual sales of entities with one or two persons engaged accounted for more than 60% of the total. (Refer to Table 21-1.)

15. Annual sales per entity in Kampong Cham were about USD 11,000.

Annual sales per entity in Kampong Cham were USD 11,072. Looking at this by sex of representative, entities with male representatives gained USD 14,265 on average and those with female representatives gained USD 9,393 on average. Male representatives gain more than 1.5 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 100 and over persons engaged gained the highest amount: USD 625,983. Subsequently, 20 to 49 persons engaged USD 105,729; 50 to 99 persons engaged USD 95,899; 10 to 19 persons engaged USD 51,160; 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 65%.

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 226 millions accounting for 65.0%. Subsequently, “Manufacturing” (Section C) USD 39 millions (11.3%); “Accommodation and food service activities” (Section I) USD 35 millions (10.1%); and so on. (Refer to Table 22-1.)

In “Manufacturing”, especially “Manufacture of grain mill products (1061)”, “Manufacture of clay building materials (2392)”, “Manufacture of structural metal products (2511)”, “Processing and preserving of meat (1010)”, and “Manufacture of soft drinks; production of mineral waters and other bottled waters (1104)” are outstanding.

In terms of new entities also, in “Manufacturing”, the same industries as the above are outstanding.

18. Annual sales of Kampong Cham City (Krong) account for more than 25% in Kampong Cham Province.

Looking at the annual sales by district, Kampong Cham City was the highest with USD 90 millions accounting for 25.9%. Subsequently, Chamkar Leu USD 41 millions (11.7%); Prey Chhor USD 41 millions (11.7%); Cheung Prey 36 millions (10.5%); and so on. (Refer to Table 23-1.)

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

Looking at the business condition in Kampong Cham, the annual sales is USD 347 millions; the annual expenses is USD 284 millions; and the annual profit and loss is USD 62.8 millions. That is, the annual expenses accounts for no less than 82% of the annual sales, while the profit and loss only 18%. It means that the economy of Kampong Cham has a high-cost structure in the secondary and tertiary industries. This is attributable to the fact that Kampong Cham 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 Kampong Cham. (Refer to Table 21-1, 24-1, and 27-1.)