



Speech

By

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HUN SEN, Prime Minister of the Kingdom of Cambodia

At the Releasing of Final Result of

"2011 Economic Census of Cambodia"

Peace Building, March 13, 2012



- *Excellency Chhay Than, Senior Minister, Minister of Planning*
- *Mr. Hiroshi KAWAMURA, Minister of the Embassy of Japan to the Kingdom of Cambodia,*
- *Excellencies, Members of Royal Government,*
- *Excellencies, Ladies, Gentlemen, Representatives of Friend Countries and Development Partners, Distinguished National and International Guests,*

1. Today, it is my great honor and pleasure for having privilege to represent Samdech Akka Moha Sena Padei Techo **HUN SEN**, Prime Minister of the Kingdom of Cambodia, to officiate at the releasing of final result of **2011 Economic Census of the Kingdom of Cambodia**, which is one of the historical events for the Kingdom of Cambodia, including Cambodian statistic system, successfully undertook in accordance with statistics law and regulation in place. On behalf of Samdech Techo Prime Minister, I would like to highly appreciate the National Committee of Establishment Census of the Kingdom of Cambodia, Technical Committee of Establishment Census, National Steering Committee for Census Information and Education Campaign of Establishment Census, Ministry of Planning, National Institute of Statistics, Census Officials and Entrepreneurs, who participated in this successful census. Taking this opportunity, I would like to express my sincere thanks to JICA, the Japanese government, Japanese statistic institute and other Japanese organizations, who provide both technical and financial supports to achieve the success of the 2011 establishment census, which will become historical event in Cambodia and is vital foundation for Cambodia's development. I also would like to thanks Chairman of the United Nation Statistics, who provides support to disseminate National development indicators and integrate Cambodian statistics into the regional and global

statistics contributing significantly to strengthen official statistics in Cambodia.

2. Overall, we are very pleased with final results of the census after the establishment census was conducted successfully from 01 to 31 March 2011 and temporary results were released on August 08, 2011. The establishment census in 2011 is the first-ever establishment census of the Kingdom of Cambodia because we had collected data from all business activities and enterprises in Cambodia in compliance with the 2005 statistics law and Sub-Degree on Establishment Census of the Kingdom of Cambodia in 2011 as well as statistical definition of the United Nations.

3. Generally, the establishment census not only provides information on current status of the establishments but also helps government formulate evidence-based economic policies and other programs to accelerate economic growth and attract foreign direct investment. The census was seriously conducted nationwide and will provide fundamental statistics on total number of the establishments at the national and sub-national level as well as fundamental statistic indicators on the establishments. Within this, we believe that the establishment census can be extracted statistic data from small towns at sub-national level to utilize it for the government decentralization policy. The Census also will provide a sample of optional framework and foundation of regular economic survey or enterprises as indicated in master plan of statistics. In addition, the census data will also provide comparatively fundamental development indicators with that of other countries in the sub-region, region and globe.

4. In this regard, the establishment census provides not only key statistic information for economic activities, identify business location for economic development and strengthen policies of the government to enhance good governance, but also identifies fundamental statistics to monitor and evaluate national strategic development and reduce poverty. Overall, the establishment census is a need of the government in socio-economic development and obtains the full support from development partners as well as local and foreign investment.

- ***Excellencies, Ladies, Gentlemen,***

5. Indeed, after achieving the success of real economic sector for 2004-2007, with average growth rate of 10% per annum, Cambodia was in the most high economic growth countries in the world. The global economic crisis in 2008 and decline of external economic environment in 2009 had adversely affected Cambodia economy by lowering economic growth to the lowest rate

ever met. However, many economic sectors have suddenly returned to its originally sustained economic growth due to the emerging of purchasing power in the rural area, increasing exports, in particular increasing public spending, pushing domestic demand, which accelerated economic growth to around 7% in 2011. Therefore, it is necessary to review and provide incentive for production enterprises to strongly support socio-economic development through government policies and programs as the productive enterprises are growth drivers in order to conduct census.

6. According to International Standard Industrial Classification (ISIC) definition, an establishment is an economic entity under sole management or ownership with specific location such as factory, workshop, corporation, enterprise, trading company and so on. Moreover, principle activity of those economic entities is production which creates economic value-added.

7. As Excellency **Chhay Than**, Senior Minister of Planning has mentioned a while ago, economic census will provide data reflecting enterprise-related real situation of the nation such as geographic dispersion by capital/province, national account compilation that used to be estimated so far. Therefore, at the present we can make appropriate review and formulate concrete development policy for each economic sub-sector. At the same time, private sector also benefits from this economic census, and the full enough census data shall attract big investors to make further investment in Cambodia. As we are aware, the data explains that recently a number of investors have directed their investment into food processing and textile industries. Hence these findings provide good opportunity to entrepreneurs including big companies, such as automobile manufacturers, spare-part manufacturers to look into data for project research at the present and in the future.

8. Generally, the result of 2011 Establishment census provides preliminary information on Cambodia's economic activities, as well as answers to demand of policy makers, international organizations, non-governmental organizations, private sector, researchers and development partners who need and make use of the data.

9. Looking at history of Cambodia statistics, between 1993 and 2003 National Institute of Cambodia could conduct only establishment survey and paused the small scale survey since the ADB project came to an end in 2003. After conclusion of ADB project, National Institute of Statistics received support from JICA for conducting establishment survey in number of

provinces and Nation-wide Establishment Listing of Cambodia 2009 and prepared for historical 2011 Economic/Establishment census in conformity to Statistics Master Plan (2008-2015) including pilot survey of economic census for 2011 Economic/Establishment Survey. Indeed, through these activities we can continue strengthening knowledge, skill and capacity of NIS officials and officials at capital/provinces to support future economic census in coming years.

10. Taking this opportunity, I would like to highlight a score of key findings from 2011 Economic/Establishment Census of Cambodia as follows;

- 2011 economic census has informed current situation of all establishments in Cambodia after economic recovery from global economic crisis that started in September 2008. Latest result of 2011 economic census indicates that the number of establishments in Cambodia as of 1st March 2011 is 505,134. Total employees working in these establishments are 1,676,263. Of which 650,179 are male (38.8%) and 1,026,084 are female (61.2%). Obviously, number of women notably outweighs men.
- The number of enterprises excluding businesses on the streets, based on the definition of enterprise registration, in 2009 was 461,481. The total employees in those enterprises were 1,609,456; and compared with the last result of enterprise registration in 2009 the number of employees has increased by 9.5% with the annual average of 4.47%. Because of the annual population growth is 1.54%, the total labor force growth is at the highest rate. This shows that workers in agriculture, forestry, and fisheries sectors have begun shifting to non-agriculture sectors. The movement of this change is generally observed in development process.
- The number of enterprises with one to two employees is 80%. The number of enterprises with one employee is 222 thousand or 44% and the number enterprises with two is employees 176 thousand or 34.9%.
- The number of enterprise with at least 5 employees has increased to 40 thousand or 7.8%, and the number of enterprises with at least 10 employees is 13 thousand or 2.6%. The number of enterprises with at least 100 employees has increased to 787 or 0.2% and the number of enterprises with at least 1,000 employees has increased to 119. All these

show that the percentage of large enterprises is low.

11. Through this, we can observe the successful implementation of the policy of the Royal Government of Cambodia in the promotion of small enterprises, and the level of dispersion of those enterprises into various locations is appropriate. But almost all large enterprises are located in Phnom Penh, and enterprises in most of the provinces are small. Right now, the Royal Government has promoted the investment climate for Small and Medium Enterprises with the focus on regulation framework and legal standard letter aimed to support the activities and the integration of Small and Medium Enterprises into the production chain.

12. In parallel, the number of employees in enterprises with at least 5 employees has increased to 879 thousand or 52.4%, and the number of employees in enterprises with at least 10 employees has increased to 716 thousand or 42.7%. The number of employees in enterprises with at least 100 employees has increased to 454 thousand or 27.1%, and the number of employees in enterprises with at least 1,000 employees has increased to 257 thousand or 15.3%. Hence, we have observed that though the number of large enterprises is small, the number of employees working in those enterprises is proportionally large. New enterprises starting their businesses between January 1st 2009 and March 1st March 2011 is 182,439 or 36.1% compared with total number of enterprises. So, it means that many enterprises were established after January 2009 or later.

13. These factors have affirmed that Cambodia's economy is favorable for rapid progresses, and new economic policies implemented by the Royal Government of Cambodia such as the promotion of economic growth in National Strategic Development Plan (2009-2013) which is achieving success and bearing fruit. Besides, new enterprises with one or two employees are about 82% or four fifths of total number of enterprises. This shows supporting and promoting policies of micro-enterprises has achieved great success, in particular enterprises with only one employee and woman as a representative is 35.8% equivalent to 40% of total number of new enterprises. All these also show that the Royal Government of Cambodia has been successful in the implementation of promoting and supporting policies for women as a representative.

14. If we look at the number of enterprises based on international standard for industrial classification we can see that number of enterprises for retail sales and wholesale, and car and motor repair garages is 289 thousand or 57.2%, and the number of manufacturing enterprises is 75 thousand or 14.9%, number of enterprises for residential and food activity services is 70 thousand or 13.8% and for other service activities is 33 thousand or 6.4%. For manufacturing, in particular enterprises for paddy rice milling, cereal processing production, and textiles are proportionally large.

15. Among cities and provinces, Phnom Penh capital has the most enterprises with a number of 96 thousand or 19% of total number enterprises in Cambodia. Then, Kampong Cham has 56 thousand enterprises or 11.1%, Kandal has 41 thousand enterprise or 8%, Battambang has a number of 34 thousand enterprises or 6.8%, Siem Reap has 32 thousand enterprises or 6.4%, Takeo has 32 thousand enterprises or 6.3%. Phnom Penh capital has the most enterprises because of the inclusion of 20 communes from Kandal province. And in terms of employees, Phnom Penh employs the most with about 559 thousand employees or 33.4%, then Kandal employs 151 thousand employees or 9%, Kampong employs 143 thousand employees or 8.4%, Siem Reap employs 94 thousand employees or 5.6% and Battambang employees 85 thousands or 5.1%.

16. Along with this, we have observed that percentage of new enterprises is high in provinces in the North, along the Northeast borders. Those include Rattanakiri with the highest percentage of new enterprises that is 53.7%, then Mondolkiri with 51.4%, Steung Treng with 48.8%, Oudor Meanchey with 48.3% and Pailin with 48.1%. In contract, provinces with the lowest percentage of new enterprises are Takeo, with 27.6%, then Kampong Chhnang with 29.1%, Kampot with 33.4%, Kompong Thom with 33.7% and Banteay Meanchey with 33.8%.

17. Textile sector in particular garment manufacturing experienced a double-digit growth in 2010, after a decline in 2009. Based on a forecast in the plan, this sector will grow within a range of 9% to 10% in 2013 because of a favorable condition from the agreement with the E.U for tariff exemptions on imports from Cambodia. In general, investment in industrial

sectors increased in 2010, after a decline in 2009. In 2011, as expected the investment in industries also increased.

18. For industry-related tasks that need to continue to be implemented until 2013 as stated in the industrial policy plan, they require implementations with greater emphases that are necessary conditions for increasing value-added and need to be carried out by those enterprises. At the same time, we also have seen a number of priority industries after conducting enterprise census, including food processing industries, agro-processing industries, and garment industries. Right now, Cambodia has raw materials as food and agricultural products that is sufficient for processing to create more value-added in these industries.

19. Taking this opportunity, on behalf of the Royal Government of Cambodia, I would like to make some contribution in strengthening the statistics preparation and management as follows:

First, Use these enterprise census data extensively, as these data are good, and reliable, in the preparation of policies, plans, and programs at both sub-national and national levels.

Second, Pay greater attention to and comprehensively analyze the enterprise census data to fulfill the need for all kinds of data usages, including research study and data needs from national and sub national levels. In particular, we should often do surveys on small enterprises such as the enterprise survey that will be conducted in 2013 to ensure the improvement, in order to monitor the important indicators of enterprises.

Third, Strengthen the implementation of Statistical Master Plan by conducting mid-term review, providing priority on agricultural census, administration data, sub-national data, demographic and health survey on Cambodians, Cambodia's socio-economic survey and labor force survey. In general, we have data of 2008 demographic survey, 2010 demographic and health survey, 2011 enterprise census, annual socio-economic survey, and 2011-2012 labor force survey, hence Cambodia will have better indicators of demography, economy and society stemming from the implementation of Statistical Master Plan.

Fourth, Strengthen national statistical systems through the use of good quality data for the monitoring the National Strategic Development Plan and Millennium Development Goals.

Fifth, The Ministry of Planning need to widely improve the dissemination of data to sub-national and international level with the use of new technology, and continue creating regulations aimed to facilitate data deliveries such as data on people and enterprises for the benefits of the national and international societies.

Sixth, Constantly pay greater attention on the human resource trainings because statistical tasks is complicated requiring skill trainings and working experience in conducting census and survey, which is on-job trainings. Enhance the knowledge on the proper use of statistics among the user of statistical data.

Seventh, Improve the management of data, strengthen facilitating mechanisms, including development partners involving in the census on financing activities. Tasks on statistics is universal, hence, we need to increase our attention on statistical standards with the efforts to encourage the use of definitions, statistical methodologies, and statistical classifications to be consistent with the statistical guidelines of United Nations and the use in the region, sub-region and ASEAN as such.

20. Once again, I would like to thank Excellencies, Ladies and Gentlemen who have attended this Dissemination Ceremony. Especially, I would like to thank His Excellency Ambassador of Japan, present of JICA in Cambodia, President of JICA expert council, who have helped support Cambodia's statistical systems, including the enterprise census in the Kingdom of Cambodia in 2011. Also, I would like to thank the president of the United Nation for Statistics for actively supporting the integration of Cambodia's national statistical systems into the world.

21. Finally, I would like to wish Excellencies, Ladies and Gentlemen good health, happiness and success in all your tasks. ***Thank you!***