



Ministry of Industry and Handicraft

General Department of SME & Handicraft

The Current Situation of SME in Cambodia- MSME Financing

**Presented by : Mr. Chhea Layhy, Director of SMEs Department, Ministry of
Industry and Handicraft, Cambodia**

Tel: (855) 77775666

email: chhealayhy@gmail.com

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I. Introduction

SME is Playing Important Role in Cambodia's Economy.

70% of employment,

99.8% companies, and

58% Contribute to GDP. (source : Annual report of MIH2018)

ISIC	Sector of Economic Activities	Relevant Ministries/Organization
11-13	Agriculture	MAFF
31-39	Manufacturing	MIH
63	Restaurant and Hotel	MOT
71	Transport and storage	MWAT
93	Social and Related Community Services	MLVT

Source: Technical report 2007, by SME Secretariat

The Role of Ministry of Industry and Handicraft (MIH)

- Ministry of Industry and Handicraft is the chair of SME Sub-Committee which it's followed by 18 ministries as the member.
- General Department of SME and Handicraft plays the role as coordination agency to engage with line ministries.
- Responsible for SME Manufacturing sector

SME Definition : To be determined by capital of investment but excluded land property

Micro

- Less than USD 50,000

Small

- USD50,000 – USD250,000

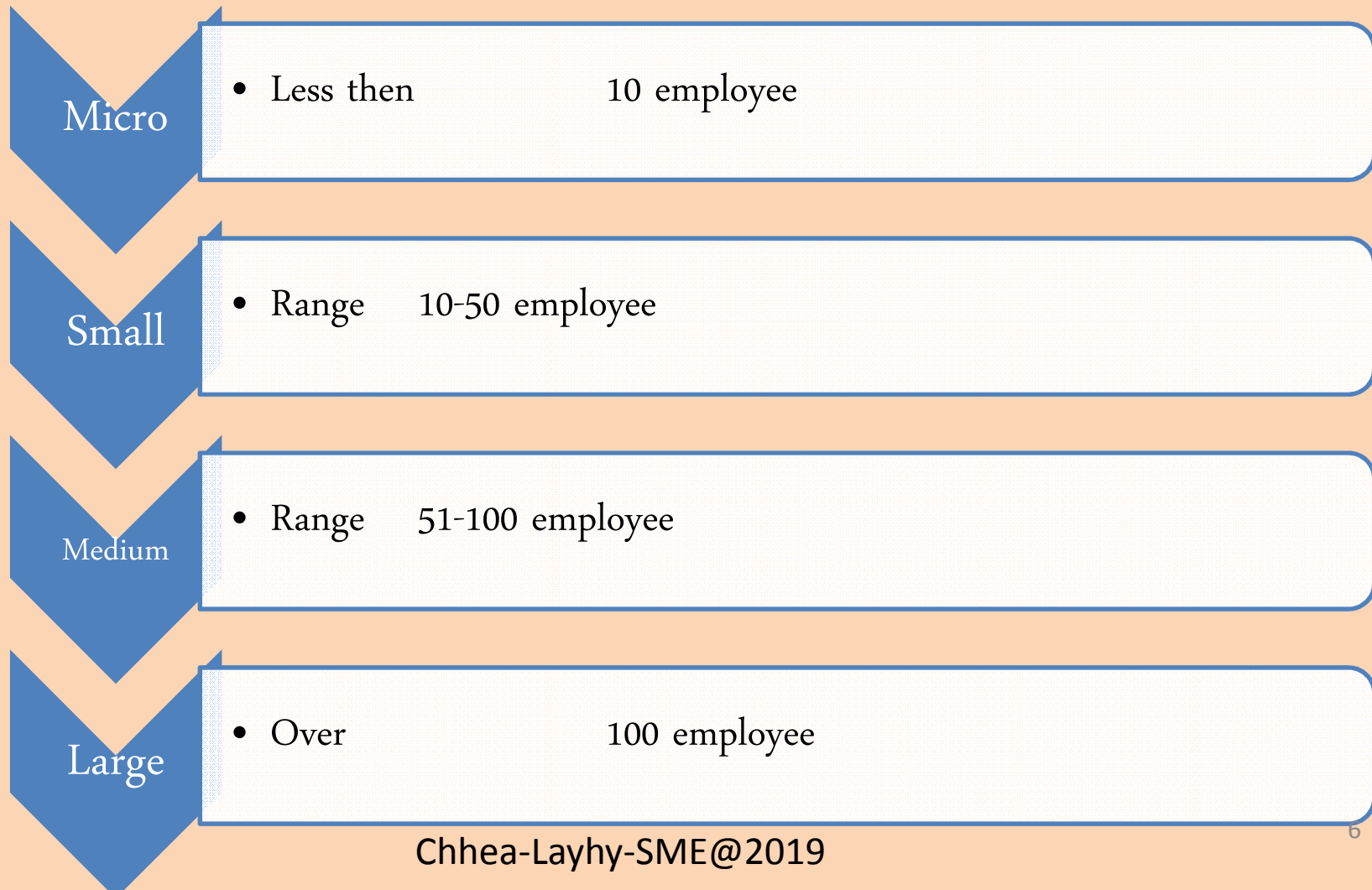
Medium

- USD250,000 – USD500,000

Large

- Over USD500,000

SME Definition : To be detemined by employee



MSME in Cambodia in total aprox: 500,000

Manufacturing Statistics

- **Large Industry**

- ❖ 1,522 factories registered

- ❖ Labor 982,203

Source: Annual report from MIH 2017

- **MSME**

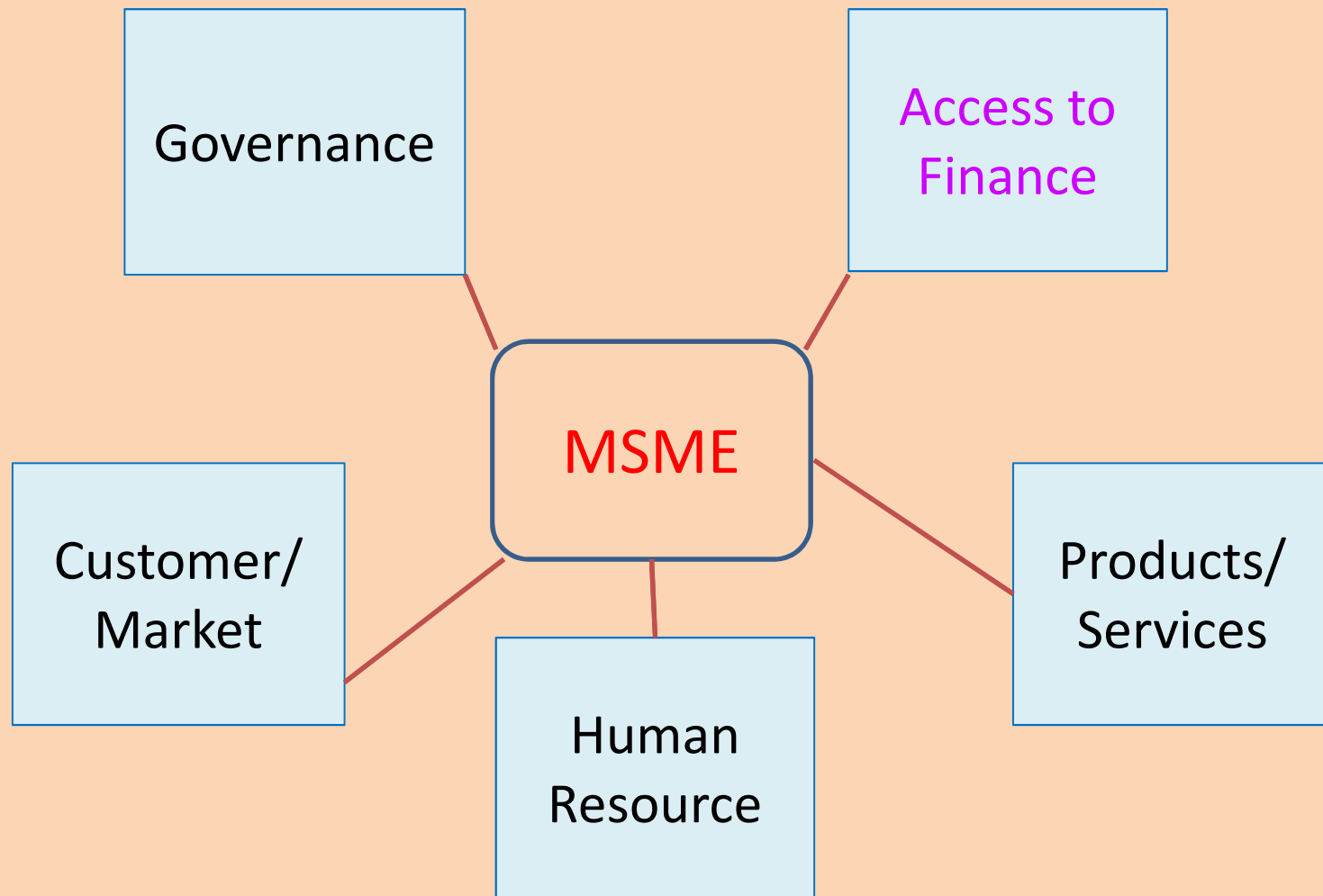
- ❖ 155,640 MSMEs

- ✓ SME = 15,707

- ✓ Micro= 139,933

- ❖ Labor 1,016,745

II. Actual Situation of SMEs in Cambodia



The Common Challenges of MSME Financing (Access to Finance)

- Hard to get loan from financial institution
- High interest rate
- Term of loan
- Complexity of document submitting
- MSME Financial statement
- Collateral matter
- Others....

III. Strategy and Policies on MSME

**Rectangular Strategy –
Phase IV (2018-2023)**
National Strategic
Development Plan (**NSDP**)

**Industrial Development Policy
2015-2025**

SME Development Framework
(2005)

Sub-Degree
MSME Tax Incentive

SME Bank
(not yet launching)

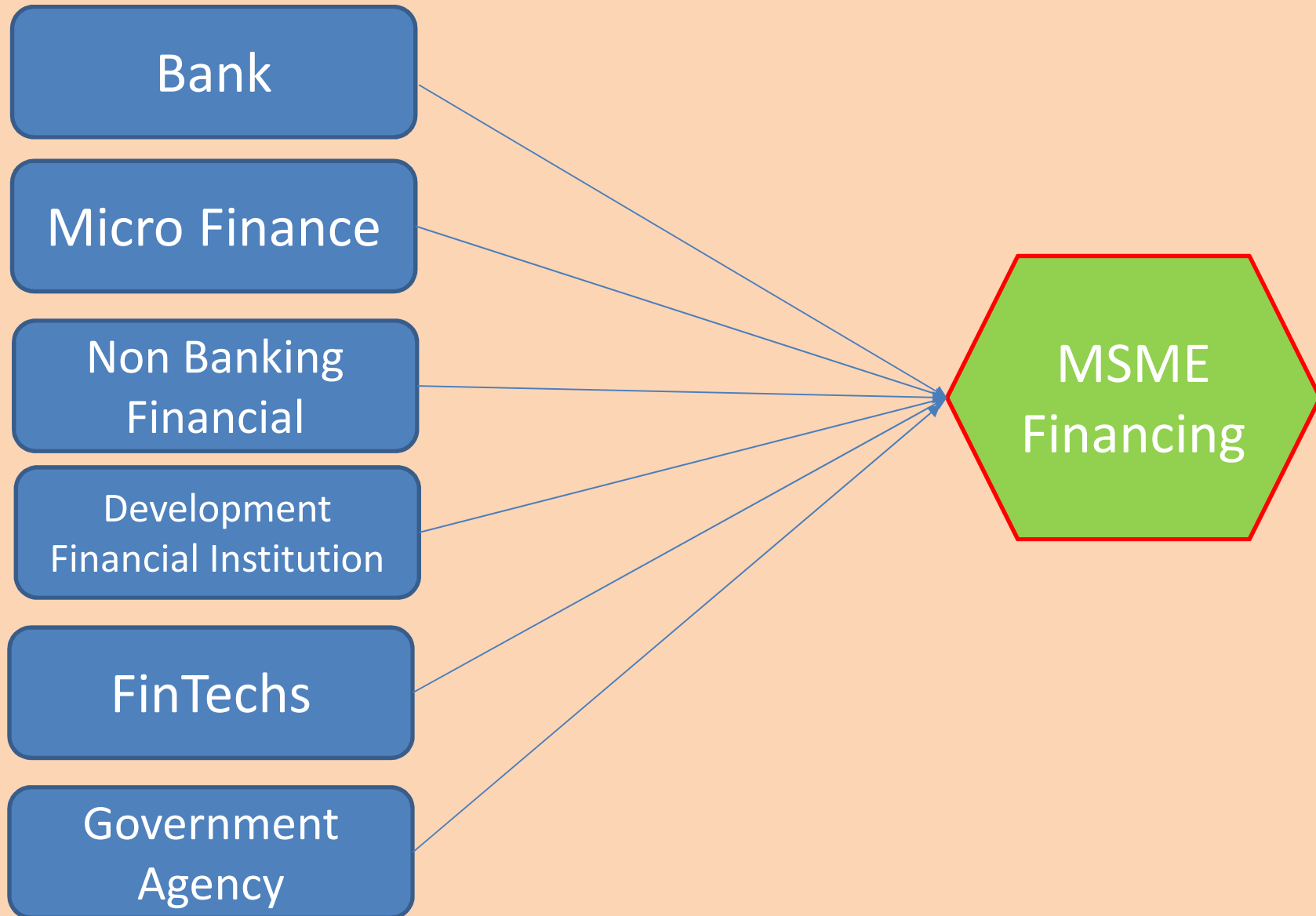
Entrepreneurship
Fund
(Not yet launching)

SME Development
Policy
(expect to launch it by
the end of 2019)

Line Ministries' Policies

MOC, MAFF, MOT, MEF, etc.

What next we should do for MSME Financing?





Thank you very much for your attention