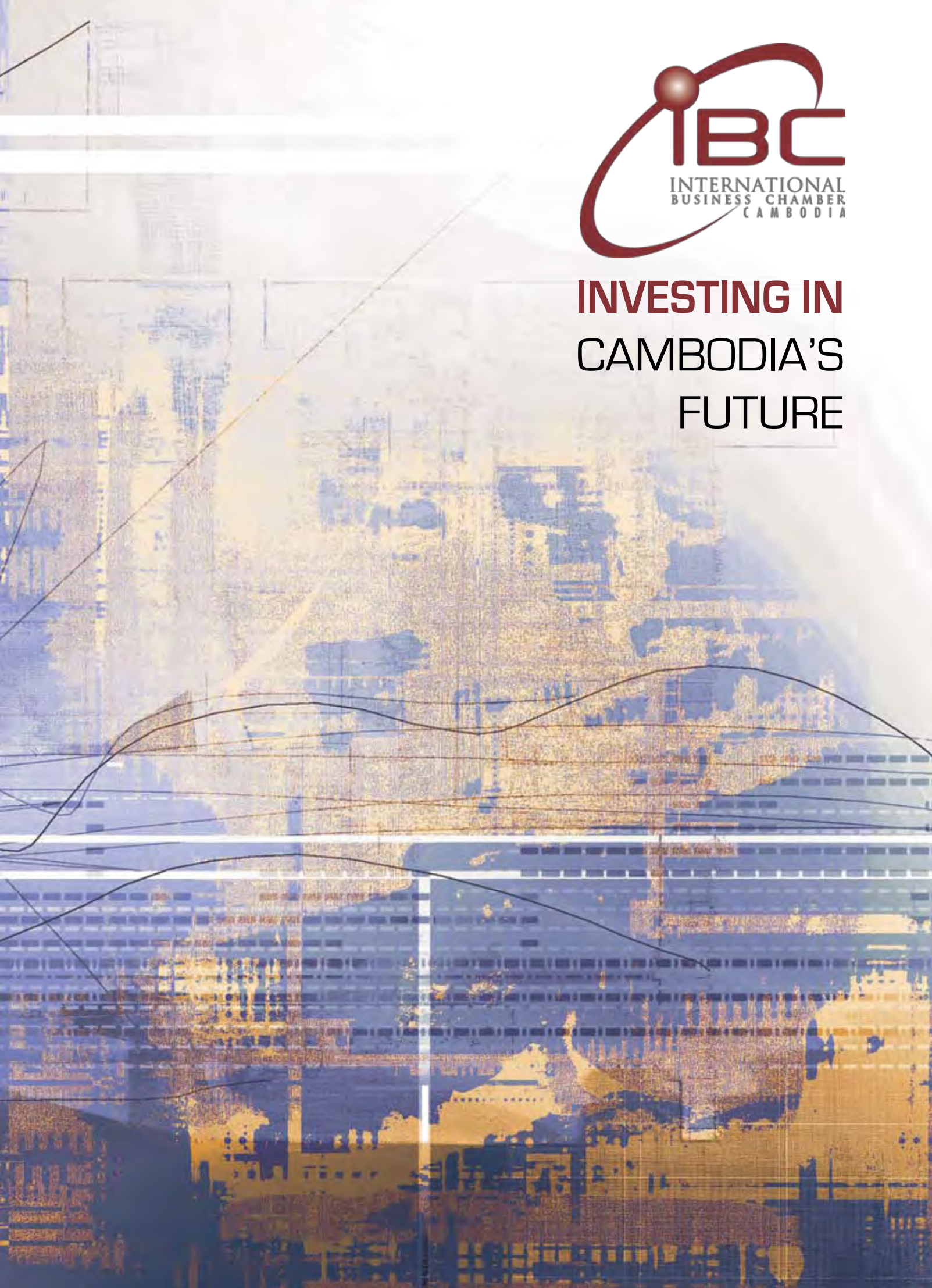




INVESTING IN CAMBODIA'S FUTURE



HISTORY

In March, 1993, a group of nine foreign business leaders gathered in the Hotel Cambodiana to launch 'The Corporate Club'. Its founding members included three banks, three beverage manufacturers, an oil company, a 5-star hotel group and a telecommunications company representing investors from Australia, France, Malaysia, Singapore/Netherlands and the U.K. The purpose was to provide an informal vehicle for members to meet every month to discuss issues that affected foreign investment in Cambodia and to exchange information and ideas on how to cope with what was then a very difficult business environment. From the beginning the Club took pains to cultivate good relations with the government both to keep abreast of the developing economic policies and to communicate to them the concerns of foreign investors.

The first ten years of the Corporate Club saw a steady increase in the membership as the country's improving economy attracted more outside investors. The business environment changed and the issues confronting international business operators became more complex. From a cosy monthly 'talking shop' over a good lunch the club evolved into a professional association with an expanding role as an advocate for the foreign business community. In recognition of these changing circumstances a complete review of its aims and objectives, as well as its structure and organisation, was undertaken which resulted, in 2002, in the Club being re-named 'The International Business Club' and obtaining, for the first time, legal registration as an Association. A new Constitution was drawn up and the Club became more inclusive allowing local companies who could '.....demonstrate to the Executive Committee's satisfaction a substantial interest in or connection with international trade and commerce' to become members.

A further milestone in our history occurred in November, 2009, when we received the approval of the Ministry of Commerce to change the name to 'The International Business Chamber of Cambodia' ('IBC') to more accurately reflect the activities of our group.

IBC's MISSION

'The Chamber's mission is i) to provide leadership in creating a forum for international and local businesses and business associations having an interest in Cambodia to work together in a spirit of friendship and co-operation for mutual benefit, ii) to foster constructive relations with the Royal Government to promote policies, laws and regulations conducive to the development of the business environment, iii) to promote corporate social responsibility and good governance to enhance the international reputation of Cambodia's business community, and iv) to engage in other initiatives that encourage and support foreign investment and business in Cambodia.'

THE IBC TODAY

Today, the IBC has 64 members (membership is vested in the company or organisation itself and not in any individual) comprising some of the leading international companies and business organisations from 19

different countries in N. America, Europe, Africa, the Middle East and the Asia-Pacific region. They cover almost every field of commercial activity including energy, finance, hospitality and tourism, manufacturing, media, professional services, shipping and transportation, telecommunications, and trade and distribution.

Activities and Initiatives

The IBC engages in a range of activities normal for any business association – networking, speakers' lunches, opportunities to exchange information about economic and governmental developments important to the business environment, social functions, etc. But there are two activities in particular that set the IBC apart from the rest.

First, the IBC engages the Royal Government of Cambodia in regular dialogue through the Government-Private Sector Forum and the Working Groups. The Government-Private Sector Forum is a biannual meeting between the Prime Minister and his Cabinet and the business community, and it is supported by monthly or bi-monthly meetings of the eight Working Groups, which are comprised of both sectorial topics (e.g., agriculture, tourism, banking & finance, etc.) and cross-cutting issues (e.g. law, tax, and good governance; and industrial relations). Since the beginning of this in 1999, the IBC has been engaged in both the Forum and the Working Groups. Members of IBC participate in those working groups with the greatest relevance to their business, and frequently attend both sectorial and cross-cutting working groups when the occasion arises.

Furthermore, the IBC has from the beginning provided leadership in the Working Group on Law, Tax and Good Governance (also known as Working Group D.) This cross-cutting working group has always had great relevance to foreign investors, and is of increasing importance for national businesses. Although it has always managed its internal affairs without assistance (e.g., organizing meetings, setting agendas, coordinating private sector responses to draft laws and sub-decrees, etc.), it has recently concluded an agreement with the International Finance Corporation (IFC), which has been acting as a coordinator for all working groups, for the IBC to provide additional administrative support to Working Group D.

Working Group D occupies a special place within the Government-Private Sector dialogue process for several reasons. Firstly, this Working Group is considered "the first amongst equals" because it is co-chaired by Deputy Prime Minister H.E. Mr Keat Chhon, Senior Minister of Economy and Finance. While serving under the Prime Minister, H.E. Mr Keat Chhon is the titular head of the whole Forum/Working Group process. Thus, although each Working Group has ministerial co-chairs, Working Group D is considered more significant because of his position. The Private Sector co-chair of Working Group D is Mr Bretton Sciaroni, who is also the Chairman of the IBC.

Secondly, Working Group D is considered "the court of last resort." For many other working groups, if they do not believe that they can get a fair hearing on matters relating to laws or regulations at their own sectorial



The Prime Minister at 'The Economist' Round Table conference



'The Economist' Round Table Conference - February, 2009



Investment Conference, 2007 - IBC Chairman (right) with U.S. Ambassador

CHAMBER OF CAMBODIA



Working Group meeting, the matter can be referred to Working Group D. As a consequence, over the years, a myriad of issues have been referred to this Working Group, including matters relating to transportation, property and real estate, telecommunications, criminal law, mining and extractive industry, customs, the stock market, and so on.

For all of these reasons, the Working Group D is regarded as having been the leader in the development of the Forum and Working Group process. When liaison with the Royal Government is required for other working groups, it is typically Working Group D that they look to for representation.

The other major initiative that distinguishes the IBC from other business associations is the role it plays in organizing trade and investment conferences both locally and abroad and hosting visiting business missions. Whilst other associations engage in the latter activity they tend to be reactive rather than proactive and to focus on their own national interest whereas the IBC takes a catholic and more inclusive approach. In particular, where there is no local business association that represents the national business interests of a particular country or international organisation in Cambodia, the IBC is always willing to step up to help. A good recent example of this is the half day seminar hosted by the IBC for the visit of Swiss Secretary of State, H.E. Mr. Jean-Daniel Gerber, State Secretariat for Economic Affairs (SECO), the Ambassador of Switzerland to Thailand, H.E. Dr. Rodolphe S. Imhoof and a Swiss business delegation.

Even more noteworthy are the trade and investment conferences in which the IBC is engaged. For over a decade, the IBC has been a major player in every trade and investment conference in Cambodia. Whether in terms of providing government relations, logistical support, speakers, sponsors, or participants, the IBC has been at the forefront in providing local support to conference organizers. Also, in terms of publicizing the event regionally, the IBC has used its array of contacts through the various national business associations which are active in Cambodia to advertise the event. In recent years, the IBC has capitalized on the increasing interest in Cambodia in some very successful conferences, including:

- Economist Conferences "Roundtable with the Government of Cambodia" (February 16, 2009) Although smaller than the previous conferences (150 participants), the Economist brought new investors to Cambodia. The Siem Reap Roundtable was followed by a half-day seminar in Phnom Penh sponsored exclusively by the IBC.
- "Cambodia Investment, Trade and Infrastructure 2007" (November 7-8, 2007). This conference hosted over 600 attendees.
- "Cambodia 2005: Investment, Trade and Infrastructure" (October 19-20, 2005) This conference had over 300 attendees.

A very important part of IBC's mission is the promotion of international investment in Cambodia as enlarging and diversifying the business community is to the benefit of all. This requires that we carefully monitor anything that could jeopardise the hard won progress the country has made in build-

ing its image as an attractive place to do business. Cambodia has taken considerable steps to develop its economic and business infrastructure and the IBC finds itself constantly and publically challenging the perceptions created by often ill-informed, out of date or otherwise misleading information disseminated through the international media. IBC's aim is to present a balanced picture.

As the IBC continues to engage with the wider global community, it has also become increasingly involved in the World Economic Forum (WEF), leveraging its participation as a platform for promotion and engagement with the international community. The Chairman of the IBC and the head of the Investment Sub-committee participated in the WEF regional summit in Malaysia in 2008, followed by Korea in 2009. IBC has since encouraged the participation of the royal government of Cambodia: this fall, IBC representatives accompanied H.E. Senior Minister Cham Prasidh, Minister of Commerce, as he addressed global leaders and businessmen at the World Economic Forum regional summit in Dalian, China. In 2010, IBC envisions further engagement with the World Economic Forum and will also continue to mobilize private sector and government delegations to represent Cambodia at the WEF regional economic summit in Vietnam.

THE FUTURE

As Cambodia's economy is forecast to return to the high growth rates experienced in the first two thirds of this decade, and as Asia is expected to outperform the rest of the world, the IBC will be called upon to take on increasing and wider responsibilities, both at the national and international levels. In particular the IBC will be called upon to take the lead in the Government-Private Sector dialogue on the numerous regulatory issues relating to international standards of best practice.

In order to fulfil this the IBC must strengthen its capacity by establishing a full-time Secretariat both to handle the increasing administrative burden and to provide the necessary policy research and analysis to support our initiatives and meet the members' aspirations. It is our intention to build a data-base over time as a resource both for members and our friends to keep up to date on developments of interest in the Cambodian scene.

One of IBC's main strengths is the wealth of experience and capability of its membership who are already living and working in the country and this will be harnessed for the benefit of the organisation as a whole.

The IBC will seek to enlarge its correspondent network with similar organisations around the world and encourage bilateral and multilateral initiatives to promote trade and investment in Cambodia. An international development agency recently counted Cambodia as being among the most respected nations in the world for its openness to dialogue with the private sector. The IBC will use this opportunity to its advantage by providing the Royal Government with a reliable source of information, advice and assistance to the benefit of all who wish to do business in this country.



andACLEDA Bank's President greeting guests



IBC File Trip - members with the staff ofACLEDA Bank in Svay Rieng



IBC Field Trip 'Muck into Methane' - The delegation at the biogas plant